

Summary

of the statement on principal adverse impacts of investment decisions on sustainability factors

UBS Real Estate GmbH (LEI: 2549003FCPBAKYFCOD09) considers the principal adverse impacts (PAIs) on sustainability factors when making investment decisions.

This report represents a consolidated statement by UBS Real Estate GmbH on the principal adverse impacts of investment decisions on sustainability factors and relates to the reference period from 1 January to 31 December 2023.

The EU disclosure requirements under the Sustainable Finance Disclosure Regulation (SFDR) aim to create more transparency in the financial sector with regard to sustainability issues so that investors can make informed investment decisions. The SFDR requires specific information on how we consider PAIs. PAIs are defined as the principal adverse impacts on sustainability factors relating to environmental, social and employee matters, respect for human rights and the fight against corruption and bribery. We recognize the need for transparency in the consideration of PAIs and we therefore defined internal procedures for identifying and prioritizing negative effects.

The extent to which adverse impacts on sustainability factors are taken into account in the investment processes depends on the investment strategy of the respective product. We invest exclusively in real estate and in special purpose vehicles (SPVs) for real estate investments. For this reason, the company takes into account the indicators that apply to investments in real estate. PAIs are taken into account across all products, for both sustainable and non-sustainable investment strategies.

The principal adverse impacts of investment decisions on sustainability factors are considered at real estate level and weighed against other investment objectives.

The procedure for dealing with adverse impacts on sustainability is applied when internal thresholds are exceeded at the time of acquisition for new investments as part of the due diligence process and as part of ongoing monitoring for existing real estate. If thresholds are exceeded in the existing portfolio, we inform the company management at the annual meeting of the Risk Committee and decide on suitable further measures. PAI data is recorded at real estate level and aggregated annually at portfolio level for the individual funds.

We determine the PAIs to be taken into account on the basis of internal data and in collaboration with a sustainability consulting company. The degree of coverage of the available data may vary, in particular due to tenant changes, vacancies or refurbishment projects. In the case of individual data gaps, estimates can be made on the basis of suitable data from the previous period or corresponding benchmarks. We see the following principal adverse impacts for our real estate investments:

- Exposure to fossil fuels through investment in real estate (mandatory) – 0.1 percent
- Exposure to properties with poor energy efficiency (mandatory) – 56 percent EPC rating C or lower
- Energy consumption intensity in GWh of own real estate assets per square meter (voluntary) – 0.00007461 GWh/m²
- Greenhouse gas emissions (Scope 1, 2, 3 and total) generated by real estate (voluntary) – 13,983 metric tons

Data availability is currently still too low, meaning that no precise statement can be made on some indicators. The changes over the last two years are described below. We reported on PAIs for the first time in the 2022 reporting period. In the past reporting year, we reported four PAIs. The exposure to fossil fuels this year is unchanged compared to the previous year at 0.1 percent. In terms of energy efficiency, the proportion of energy-inefficient real estate amounted to 54 percent in the past reporting year. The proportion of energy-inefficient real estate rose to 56 percent this year. In both the previous and current reporting year, the number of kWh used to calculate energy consumption intensity is 0.00007591. Greenhouse gas emissions (Scope 1, 2, 3 and total) caused by real estate amounted to

13,245 metric tons in the past reporting year. Emissions increased slightly in the current reporting year to 13,983 metric tons. The reason for the increase in greenhouse gas emissions and the rise in the proportion of energy-inefficient real estate is due to a change of tenant at a logistics property and an associated change in the type of use.

Furthermore, the reduction in the CRREM target pathways is a key factor in the increase in the proportion of energy-inefficient real estate. The reasons for exceeding the target values are, on the one hand, the fact that the calculation method was changed and the target values for the decarbonization target pathway (Carbon Risk Real Estate Monitor) ("**CRREM**") V2.0 of 18 August 2023 were significantly reduced compared to the previous financial year. This is based on scientific findings and aims to support the real estate sector in dealing with transition risks and achieving the goals of the Paris Climate Agreement. The goals of the Paris Climate Agreement envisage limiting the global temperature rise to 1.5°C.

Summary of this disclosure in the following languages:

English: <http://www.ubs.com/immobilienfonds-deutschland>

German: <http://www.ubs.com/immobilienfonds-deutschland>