Statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant Quantum Immobilien Kapitalverwaltungsgesellschaft mbH - LEI: 529900NILSUJ7UJVZ033

Summary

The Quantum Immobilien Kapitalverwaltungsgesellschaft mbH (529900NILSUJ7UJVZ033) and its 100% subsidiary, Gentum Immobilien Kapitalverwaltungsgesellschaft mbH, (together "Quantum") take into account the principal adverse impacts of their investment decisions on sustainability factors.

This statement is the consolidated declaration on the principal adverse impacts on sustainability factors by Quantum. The purpose of this document is to provide mandatory information about the impact of principal adverse impacts of investment decisions on sustainability factors. Quantum considers the principal adverse impacts on sustainability factors when making investment decisions for directly held real estate as well as relevant adverse impacts of investment decisions on environmental factors. To this end, Quantum has established internal policies, risk management procedures, and digital solutions. According to the regulation on sustainable finance, sustainability factors are environmental, social, and employee concerns, respect for human rights, and the fight against corruption and bribery. These adverse impacts are measurable through sustainability indicators. The ability to consider the most significant adverse sustainability impacts largely depends on the availability of relevant information. In the context of real estate investments, examples of sustainability indicators include the energy efficiency or energy consumption of properties, as well as investments in fossil fuels supported by real estate. The principal adverse impacts of investment decisions on sustainability factors of the funds managed by Quantum, the strategies for their determination and weighting, and the relationship of these sustainability factors to international standards recognized by Quantum are listed below. Investment decisions related to the investment of the company's own funds by the KVG are not within the scope. Quantum manages real estate funds as a service KVG, and therefore the mandatory indicators "fossil fuels" and "energy efficiency" as well as an additional optional indicator "energy consumption" are considered in this statement.

The statement on the principal adverse impacts on sustainability factors covers the reference period from January 1, 2024, to December 31, 2024.

Description of the principal adverse impacts on sustainability factors

Indicators applicable to investments in real estate assets

Adverse sustainability indicator		Metric	Impact 2024	Impact 2023	Explanation	Actions taken, and actions planned and targets set for the next reference period
Fossil fuels	1. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or	0,2%	0,2%	Only one property includes a gas station and therefore falls into this category.	No measures planned

		manufacture of fossil fuels				
Energy efficiency	2. Exposure to energy-inefficient real estate assets	hare of investments in energyinefficient real estate assets	33,6%	37,4%	The proportion of properties with poor energy efficiency has decreased due to the acquisition of new construction projects with higher efficiency standards as well as the integration of development projects into the portfolio.	Measures tailored to individual properties are being reviewed as part of the management process.
Other indicators for principal adverse impacts on sustainability factors						
Indicators for investments in real estate						
Adverse sustainability indicator		Metric	Impact 2024	Impact 2023	Explanation	Actions taken, and actions planned and targets set for the next reference period
Energy consumption	18. Energy consumption intensity	Energy consumption in GWh of owned real estate assets per square meter	0,0001	0,0001	94.35% of Quantum's investments were applicable for the "energy consumption" indicator (suitability). When determining the energy consumption of properties in GWh per square meter, actual data were used if available. In addition to real data, estimated data were also considered based on the best-effort approach. Properties that were under construction during the reporting period and were	In the reporting year 2024, Quantum took further steps to systematically identify, assess, and mitigate negative impacts on sustainability factors. Building on the processes implemented in the previous year for evaluation during the acquisition and ownership phases, the integration of relevant ESG indicators into the risk assessment process was further advanced by the risk management department.

					not heated or cooled with energy (e.g., warehouses, above-ground and underground parking garages) were not considered in the determination of the indicator (non-applicable assets). It should be noted that due to the current state of data collection, a significant portion of the energy consumption data consists of estimates and benchmark information. Therefore, the informational value of these data for the properties is limited. To determine the indicator, the final energy consumption and final energy demand from existing energy certificates were used, provided these data were indicated in the energy certificates. Thus, the values given here do not represent the actual energy consumption of the properties in the reference year. Energy certificates without a signature were fully included in the calculation.	In addition, Quantum developed a comprehensive corporate-level sustainability strategy in 2024. Parallel to this, an ESG data platform is being utilized to achieve qualitative improvements and enable data-driven decision-making. Based on this platform, technical measures are developed in conjunction with property-specific analyses and are continuously aligned with the previously defined sustainability objectives. The resulting measures to improve energy efficiency are implemented by the asset management team in cooperation with specialized planners and executing contractors.

					Energy certificates that were no longer valid were considered if no new energy certificates were available. "Non-applicable assets" were not included in the numerator of the data coverage ratio.	

Description of Strategies for Identifying and Weighting the Principal Adverse Impacts on Sustainability Factors

The integration of ESG aspects into all business areas of Quantum Immobilien Kapitalverwaltungsgesellschaft mbH and its wholly-owned subsidiary, Gentum Immobilien Kapitalverwaltungsgesellschaft mbH (together "Quantum"), contributes to the long-term preservation of the value of the properties held, as well as to the adaptation to changing legal and societal requirements. Quantum, therefore, considers the principal adverse impacts of investment decisions on sustainability factors ("adverse sustainability impacts" or "PAI") at the corporate level.

The aim of considering adverse sustainability impacts is to measure, weight, and, if necessary, take measures to limit the identified negative sustainability impacts of investment decisions on sustainability factors. Sustainability factors are divided into environmental, social, and employee matters, respect for human rights, and the fight against corruption and bribery. Possible adverse sustainability impacts on sustainability factors are measured using sustainability indicators.

Quantum believes that the relevance of the individual optional indicators, and thus the adverse sustainability impacts, can vary depending on the specific use of the properties. Therefore, Quantum differentiates between the purposes of use: residential, office, light industrial, retail, and parking, when selecting the optional indicators. This differentiation ensures that different optional indicators are selected, measured, documented, and reported for different uses at the corporate level. According to Quantum, only through such differentiation can the most important optional indicator for each type of use be selected.

Methods for Selecting the Optional Indicator

To select the optional indicator, it is necessary to weight sustainability indicators based on certain parameters regarding the potential adverse sustainability impacts associated with the respective indicators. This is done primarily based on the parameters: probability of occurrence, severity of the principal adverse impacts, and degree of irreversibility. Additionally, Quantum considers the optimization potential and the impact on Quantum as a company.

Probability of Occurrence

By probability of occurrence of the principal adverse impacts regarding a sustainability indicator or the likelihood of occurrence, Quantum understands the relative assessment of the probability of the negative impacts occurring ("relevance"). Quantum has chosen a percentage rating, where 0% represents an impossible event and 100% a certain event.

Impact on Quantum

Additionally, the negative impacts of the PAI on Quantum as a company and the investment assets managed by Quantum are considered. This is done by the relative assessment of the degree of possible negative impacts on Quantum's business, especially the impact of the PAI as a purchase price-relevant factor. The assessment is point-based, where 0 represents no negative impact and 3 represents a high negative impact. However, this criterion should not have a decisive influence on the selection of the optional indicator. Therefore, the optional indicators are weighted both considering and without considering this parameter. If the two assessments result in different optional indicators having the highest score and thus being selected, the optional indicator with the highest score without considering the parameter "impact on Quantum" will be considered.

Severity of the Principal Adverse Impacts

By "severity of the principal adverse impacts," Quantum understands the degree of potential negative impacts on the environment and society. For the evaluation and selection of the optional indicator, the estimated degree of relative negative impact on the environment and society is considered, with 0 = non-existent and 3 = high degree of impact.

Degree of Irreversibility

The selection, evaluation, and prioritization of the optional indicators are also carried out based on the potentially irreversible nature of the adverse impacts ("degree of irreversibility"). Here, the relative assessment of the irreversibility of adverse impacts is considered using a point-based assessment, where 0 = low degree of irreversibility and 3 = high degree of irreversibility.

Optimization Potential

Finally, Quantum uses the criterion "optimization potential" to evaluate the optional indicators. By this, Quantum understands the relative assessment of the optimization potential in terms of improving the current values to the PAI through measures that Quantum can initiate (e.g., switching energy supply to renewable energy sources, structural measures such as insulation). The evaluation of the individual optional indicators is point-based, with a maximum of 3 points, where a value of 3 represents the highest optimization potential.

Determination and Evaluation of the Optional Indicators

Based on the aforementioned parameters, Quantum has evaluated and weighted the optional indicators. Differentiation was made between the different uses of the portfolios managed by Quantum to account for the fact that the relevance of sustainability indicators and the associated PAI varies depending on the use of a property. The parameters "severity of the principal adverse impacts" and "degree of irreversibility" are considered independently of the specific use, as the specific use is irrelevant for these parameters.

The portfolios managed by Quantum with the use of parking are currently not considered in the context of PAI consideration at the corporate level due to their specific characteristics. As of the effective date of this guideline, Quantum manages three portfolios with the focus on parking. Quantum will transparently state in the PAI statement whether and, if so, how many portfolios with the focus on parking are managed. For completeness, Quantum has still evaluated the aforementioned parameters for the use of parking.

Error Margins

The methods for selecting the optional indicators described above reflect Quantum's assessment at the time of creating this PAI guideline. It cannot be ruled out that Quantum may need to adjust this assessment in the future due to changing circumstances or a different assessment. This may also result in a different optional indicator being selected. Quantum will therefore regularly review whether the described selection is still accurate and make adjustments if necessary.

The evaluation and determination of the selected optional indicator are based on the data sources presented below. Currently unavailable data are supplemented by estimates or projections. This may lead to inaccuracies and deviations from actual values. The proportion of estimated or projected data depends heavily on individual circumstances and cannot be generalized. Quantum will also strive to obtain missing data to provide more precise values in the future.

Data Sources

Quantum collaborates with external service providers for data collection, who collect the data for Quantum quarterly and provide Quantum with the results of these data collections. The identification and weighting of the PAI depend significantly on the availability of corresponding data. Not all assets managed by Quantum as a capital management company have sufficient data and information to measure and determine adverse sustainability impacts. Quantum will endeavor to regularly review the data situation and try to optimize it. In exceptional cases, estimates may be used. If data for the annual PAI statement are estimated or projected, this will be indicated by corresponding notes in this PAI statement.

Data Source "Fossil Fuels"

To evaluate the mandatory indicator fossil fuels regarding PAI, Quantum determines the proportion of investments in properties involved in the extraction, storage, transport, or production of fossil fuels based on the property documents on an area basis.

Data Source "Energy Inefficiency"

To evaluate the adverse sustainability impacts of the energy inefficiency indicator, energy performance certificates, especially for residential properties, are used. This applies equally to existing properties and the acquisition of additional properties. Currently, however, up-to-date energy performance certificates are not fully available, especially for existing properties. Quantum strives to update and complete the data basis to provide reliable information on this indicator. For commercial properties, energy performance certificates are also considered. Unlike energy performance certificates for residential properties, those for commercial properties in Germany currently do not include a letter scale for classifying energy classes. Therefore, an adjustment of the energy performance certificates without a letter scale is necessary for evaluating the proportion of energy-inefficient commercial properties based on the aforementioned formula. Quantum has decided to apply the BVI method in its current version for evaluating properties with energy performance certificates without a letter scale. The same applies to updating and completing the data basis as mentioned for residential buildings.

Data Source "Energy Consumption"

Quantum records the energy consumption for heating (heating and hot water), general electricity, and tenant electricity for most real estate investments in new buildings and existing properties as part of an annual portfolio screening. In this process, the heat consumption is directly requested from the utility companies and differentiated by energy source (district heating, natural gas, etc.). The energy consumption for general electricity is taken from the available bills. Since data for tenant electricity are not available, this is estimated on a flat-rate basis. The Smart Meter project is currently being implemented. The goal is to read the consumption data directly on the property via smart meters to obtain more detailed data on consumption.

Responsibility

The management is responsible for this PAI guideline. The management approved this PAI guideline on June 26, 2023. The management remains responsible for the implementation of the strategies and procedures outlined in this PAI guideline. The legal department will regularly review whether the strategies and procedures outlined in this PAI guideline comply with current legal and regulatory requirements and actual implementation and will adjust this PAI guideline to changing requirements if necessary. The adverse impacts on the selected sustainability indicators are measured and documented quarterly on March 31, June 30, September 30, and December 31.

Engagement Policy

Due to the nature of its business, Quantum has not implemented engagement policies in accordance with Article 3g of Directive 2007/36/EC.

Reference to internationally recognized standards

Quantum signed the United Nations Principles for Responsible Investment (PRI) in 2020. As a member of the Institute for Corporate Governance in the German Real Estate Industry (ICG), the German Investment and Asset Management Association (BVI) and the European Association of Investors in Non-Listed Real Estate Vehicles (INREV), Quantum also works in accordance with the relevant codes of conduct and guidelines for sustainable real estate portfolio management. Quantum's corporate governance is also based on the principles of the UN Global Compact. Quantum regularly carries out sustainability reporting in accordance with the criteria of the German Sustainability Code (DNK) and the performance indicators of the Global Reporting Initiative (GRI), and also assesses selected investment properties in accordance with the Global Real

Estate Sustainability Benchmark (GRESB for short) in order to measure sustainability performance in comparison with other funds and continuously improve it in the coming years. Selected properties are also DGNB-certified. A climate scenario is currently not being used.
Historical comparison Compared to the previous reporting period, an improvement was achieved in the area of properties with poor energy efficiency. The proportion of properties with poor energy efficiency has decreased as a result of overall portfolio growth and an acquisition strategy that prioritizes sustainability—particularly energy efficiency—as a key component of successful investments. As a result, the majority of properties acquired in the past year were either newly constructed or exhibited a high level of energy efficiency. There has been no change for PAI 17, as Quantum is still only invested in one property that is involved in the extraction and storage of fossil fuels.