

Sustainability Policy

of the Peach Group

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Peach Property Group AG | Neptunstrasse 96 | PO box | 8032 Zurich | Switzerland
www.peachproperty.com | contact@peachproperty.com | +41 44 485 50 00

Company number CHE-101.066.456 | CHE 116.347.160 VAT

Peach Property Management GmbH & Co. KG | Aachener Straße 186 | 50931 Cologne | Germany
www.peachproperty.com | mail@peachproperty.com | +49 221 299 23 00

Registered offices of the Company: Cologne, Registrar of Companies: Local Court of Cologne, HRB 62189
Managing Directors: Thorsten Arsan

Growing
with values.

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Note: This English text is a non-binding convenience translation of the German original. In case of differences between the German and the English versions, the German text prevails.

1. Principles of sustainable business behavior

For us, entrepreneurialism and social responsibility are inextricably linked.

Our business strategy and corporate governance are based on sustainable business conduct. As a significant company which is active in the residential sector, we bear responsibility for our environment, society, employees and not least for our tenants. In performing our duties, we act with integrity and loyalty and adhere to values such as fairness and honesty.

We are actively and consistently committed to the global goal of sustainable development, and thus will help to achieve a positive impact on society and the environment for generations to come. We support the United Nations' Sustainable Development Goals¹.

We include ESG topics in our analytic and decision-making processes and reflect critically on the impact of our actions. Our employees contribute to this within the scope of their respective functions, and we also involve our business partners.

2. Scope

This policy is based on the provisions that apply Group-wide, particularly the Code of Conduct, and applies to all persons at all levels who work for us or on our behalf. Accordingly, it is applicable to all members of the Board of Directors and the Executive Management, senior managers, members of the Management Board (*Vorstand*) and employees (whether permanent, fixed-term or temporary) of the Peach Group.

However, we also expect our business partners, including suppliers, intermediaries and joint venture partners, etc., to act responsibly and with integrity and to respect our values. In this context, we would also like to refer you to our Code of Conduct for Business Partners of the Peach Group, which you can find on our website.

¹ "The Sustainable Development Goals are the blueprint to achieve a better and more sustainable future for all. They address the global challenges we face, including poverty, inequality, climate change, environmental degradation, peace and justice."
(Source: www.un.org, via the following [link](#)).

3. Our commitment to protecting the environment

As a real estate company, we stand by our responsibility towards environmental protection and contribute to achieving national and international climate goals.

Currently, the building sector is responsible for around 40 percent of global CO₂ emissions. Therefore we must find and implement sustainable solutions to improve our real estate portfolio's CO₂ and energy efficiency. The Peach Group has specifically set the following priorities in this context:

- Regular communication of relevant key energy figures for its real estate portfolio.
- Setting measurable targets to improve its climate footprint and reduce greenhouse gas emissions (e.g. CO₂ intensity), monitoring and regularly checking the targets and regularly publishing the degree of target achievement.
- Establishing a program for energetic renovations with a focus on switching to a CO₂-neutral heating supply as well as improving the energy efficiency of the building envelope. Here, the Peach Group takes a data-driven approach based on energy efficiency certificates and consumption billing.
- Measures focus on buildings with low energy efficiency in order to achieve the greatest possible impact on our portfolio's carbon footprint with energetic renovations.
- Involving tenants in the efforts to reduce CO₂ through a consistent switch to consumption monitoring via smart metering. This provides tenants with transparency on their personal consumption behavior and the opportunity to reduce their own CO₂ emissions while lowering their utility costs.
- Responsible use of water resources by measuring water consumption in our properties and raising tenants' awareness of water-saving behavior. During renovation work, we consistently use only water-saving faucets and toilet flushes. In the event of excessive water consumption, we take technical measures where possible, such as limiting the amount of water used.
- Reinforcing consciousness of environmental issues among our business partners.
- Reducing resource intensity via sustainable use of resources in our existing properties and also in our offices and in our business activities.

In the procurement and replacement of business vehicles, the vehicles' energy efficiency plays a key role. Where expedient, based on the area of operation, we deliberately employ alternative drive systems, in particular electric vehicles.

We are increasingly switching to online meetings in order to reduce the number of business trips in our company and thus the distance traveled.

The company's Executive Management continuously monitors the focal points and measures determined in order to improve CO₂ and energy efficiency and adjusts them as necessary.

4. Sustainability of procurement

We require our business partners, suppliers and their subcontractors, along with their respective employees, to comply with the applicable laws and provisions and to engage in fair competitive conduct on the market. We are committed to working together with business partners that share our values.

Our service agreements require our contractual partners to employ personnel who are registered with the social insurance agencies and act in compliance with labor law regulations. Likewise, the statutory provisions and protective regulations must be observed and the statutory minimum wage regulations must be complied with. Our contractual partners must ensure that illegal or unethical working conditions such as forced, compulsory or child labor are avoided, along with any form of discrimination based on age, disability, background, nationality, gender, race, skin color, religion, marital status, sexual orientation or any other perceptible difference.

When procuring services and materials for construction and modernization measures, the Peach Group takes into account not only economic aspects but also resource conservation and social compatibility aspects. In our evaluation, we include the sustainability of services and materials over the entire expected life cycle. By introducing a uniform and sustainable renovation standard, we ensure the consistent appearance of our apartments and, in particular, ensure that our partners use materials sustainably.

5. Respecting human rights

The Peach Group is committed to human rights and respects them as a key element of responsible business management. We all respect and promote human rights within our sphere of influence, and demand that our business partners do the same.

6. Prohibition of forced, compulsory or child labor

We comply with the specifications and provisions under labor law and reject any illegal employment practices. We do not tolerate any form of forced, compulsory or child labor. Any work must be performed voluntarily and employees may terminate employment at any time subject to the terms of their employment agreements. We comply with the laws and provisions regarding the minimum age for admission to employment and work.

We are also guided by the conventions and recommendations of the International Labor Organization, ILO, a specialized agency of the United Nations based in Geneva. Both Germany and Switzerland have ratified all core conventions as ILO member states.

7. Equal opportunities and diversity

We are convinced that equal opportunities and diversity are important pillars of an attractive and innovative work environment and promote a culture of belonging within a company.

We value and promote diversity and aim to be a family-friendly, equality-oriented and non-discriminatory company. In our job postings, we welcome all applications, regardless of nationality, ethnic and social origin, religion and belief, disability, age, sexual orientation and identity.

We have set ourselves the goals of

- maintaining and continuously improving our respectful corporate culture and raising awareness of it among all employees,
- being an attractive employer that offers exciting career and development opportunities in safe and healthy workplaces,

- promoting equal opportunities so that every person has a fair chance and opportunities to develop, have their say and participate,
- promoting opportunities for vocational education and further training,
- establishing a more balanced gender distribution, particularly at the management levels and in top management, and introducing and further developing coaching and mentoring programs to achieve this goal,
- embracing openness toward LGBTQ+ people and being an LGBTQ+-inclusive company where everyone can bring their whole personality to the table,
- optimizing the framework conditions for employees with family responsibilities, for example through our offer of part-time positions for both female and male employees, the option of working from home in some cases or the promotion of job sharing models, among other things,
- being a fair company and, among other things, offering remuneration in accordance with the principle of equal pay for equal work without any gender-specific differentiation,
- promoting the hiring of people with disabilities and integrating people with disabilities into the work organization.

To achieve our goals, we are developing appropriate diversity and equality programs at the various levels of management. In this context, we are guided by the principles of the conventions and recommendations of the International Labor Organization, ILO.

The Board of Directors and Executive Management of the Group parent company, Peach Property Group AG, are the company's highest governance structures. They must constantly promote equal opportunities and diversity and are responsible for the implementation, enforcement and monitoring of such programs as follows, in accordance with the assignment of powers and responsibilities in the Peach Property Group AG Organizational Regulations ([link](#)):

- the Chairman of the Board of Directors is responsible for programs at the level of the full Board of Directors;
- the Board of Directors is responsible for programs at the level of Executive Management;

- the CEO or Executive Chairman is responsible for programs at the employee level of the company.

The Board of Directors of the Peach Property Group AG is responsible for periodic reporting on the achievement of targets and the status of implementation of diversity and equality programs, for example in the annual sustainability report.

8. Protection against discrimination and harassment

We respect all of our employees' right to privacy. Our business conduct at all levels is free from attacks on the dignity and reputation of any employee. This also means that we do not tolerate sexual harassment, discrimination, workplace bullying or any disparagement of employees either directly or indirectly, in writing or verbally, and that we consistently punish any violations of this principle.

9. Freedom of association

We recognize our employees' right to freedom of association and collective bargaining.

Our employees can communicate openly and with respect and mutual trust within the company and with management regarding working conditions without fear of reprisal. All employees are entitled to freely form or join groups for the promotion and protection of their labor interests.

10. Compensation

A balanced compensation policy is part of our business model. We offer fair and competitive compensation, and the compensation and benefits must comply with the basic principles regarding minimum wages, overtime and legally required social security benefits. The working hours must comply with the applicable laws as a minimum.

11. Occupational health and safety

For us, the safety of our employees is an important component of successful corporate management. We also pay particular attention to the German Occupational Safety and Health Act (ArbSchG), which sets high standards with regard to the health and safety of employees.

As an employer, we attach great importance to ergonomics and safety at our workplaces. To this end, we are constantly upgrading workspaces, for example with height-adjustable tables, ergonomic chairs, large screens, etc. Good work can only be performed when employees can concentrate fully on their tasks and feel comfortable at work, safe in the knowledge that the company is doing everything to minimize risks in the workplace.

We employ staff trained in first aid and offer other employees who wish to take on such tasks within the company the opportunity to attend appropriate courses free of charge. In addition, we are supported by external safety officers to assure the continuous improvement of occupational safety.

12. Confidentiality and data protection

We comply with the data protection laws of the countries in which we operate.

We protect the confidential information and data of the Peach Group, our employees, our tenants and other customers, as well as business and contractual partners, against disclosure to and access by unauthorized persons inside and outside the company.

Employees with access to trade secrets or confidential information and data treat these as confidential both during their employment relationship and after it has ended.

13. Free and fair competition

We are committed to the principles of the social market economy and fair competition.

We observe the provisions of antitrust and competition law and refrain from collusive price, customer and territory agreements. We also comply with insider trading regulations and embargo provisions. We do not create advantages through illegal or unethical conduct, and demand that our business partners do the same.

14. Prohibition of corruption and money laundering

We do not tolerate any form of corruption. In particular, we do not grant undue advantages to business partners, private individuals or government agencies and institutions for the purpose of obtaining a business advantage (active bribery), nor do we accept such advantages in return for granting a favor or preferential treatment (passive bribery). Equally, we do not accept such undue advantages for ourselves or for the benefit of third parties.

We undertake to cooperate in the international fight against money laundering and financing terrorist acts.

We observe all applicable statutory regulations on anti-corruption and preventing money laundering and comply with the applicable economic and trade sanctions, and demand that our business partners do the same.

15. Whistleblower protection

The European Union has issued the EU whistleblower directive to prevent and detect violations of the law and to guarantee a Europe-wide standard for the protection of whistleblowers.

We are committed to whistleblower protection and provide an appropriate external reporting system for this purpose, which consists of a reporting portal ([link](#)) and a hotline. Violations of the law can be reported via this system. Reports can be made anonymously and confidentially. This report is transmitted to the externally appointed ombudsperson responsible for cases of whistleblowing.

16. Continuous improvement

We are aware that there is always room for improvement, and, as an innovative company, we are committed to continuously improving our environmental protection, energy efficiency, occupational health and safety and social responsibility.

17. Entry into effect and implementation of the Sustainability Policy

This Sustainability Policy was put into effect by the Board of Directors of the Peach Property Group AG as of August 1, 2022.

In the Peach Group, responsibility for corporate sustainability lies with the CFO. He chairs the Sustainability Committee, which is operationally managed by ESG Management and comprises senior representatives from the Asset & Property Management, Technical Management, Legal & Compliance, Human Resources, Investor Relations and Finance departments. The Sustainability Committee is responsible for the further development of corporate sustainability management and is the point of contact for sustainability issues both within and outside the company. It meets regularly, at least once per quarter.

The implementation of the Sustainability Policy is a key management task. Supervisors at all levels serve as important role models. Furthermore, by following this policy, all employees contribute to its success. Violations of this policy will not be tolerated and may result in consequences under labor and civil law for the offending employee.