

Statement on the main adverse impacts of investment decisions on sustainability factors

Publication pursuant to Del. Regulation (EU) 2022/1288 ("RTS") supplementing Regulation (EU) 2019/1288 ("Disclosure Regulation")

Financial market participants: LHI Kapitalverwaltungsgesellschaft mbH ("LHI KVG")

LEI: 529900LKR5VX6PLNYQ21

Summary

LHI Kapitalverwaltungsgesellschaft mbH (LEI: 529900LKR5VX6PLNYQ21) takes the main adverse impacts of investment decisions on sustainability factors into account. This statement concerns the consolidated statement on the main adverse impacts on the sustainability factors of the AIFs managed by LHI Kapitalverwaltungsgesellschaft mbH.

This statement on the main adverse impacts on the sustainability factors refers to the reference period from 1 January to 31 December 2025.

Summary of the main adverse impacts:

In the asset class **real estate** the mandatory indicators "fossil fuels" and "energy efficiency" are looked at. In addition, the criterion "waste" was selected from the further indicators. Adverse impacts on sustainability factors can only arise from the indicator energy efficiency. A share of 35% of investments during the reference period was in real estate with poor energy efficiency. In order to continuously reduce this share LHI KVG recommends corresponding measures for improving the energy efficiency to the investors of its existing real estate in an individual case. In the new business LHI KVG exclusively endeavours to achieve investments in energy efficient real estate.

In the asset class of **renewable energies** (hereinafter also referred to as "RE"), the AIFs managed by LHI KVG have invested in wind energy and photovoltaic plants. The RTS do not stipulate any indicators for this. Therefore, LHI KVG considers adverse sustainability impacts of wind energy and photovoltaic plants, which are usually to be prevented by means of conditions with their erection. Investments are only made in assets, which fulfil these conditions or for which a binding planning for the implementation exists already. Therefore, no adverse sustainability impacts arise from the investments in renewable energies.

The RTS do not stipulate any indicators for the asset class **aviation** either. LHI KVG has therefore selected the criteria "Sustainable Aviation Fuel (SAF)" and "ESG-Reporting" as indicators for adverse impacts on sustainability factors. All assets, in which the AIFs of LHI KVG invest, can be operated with SAF. The tenant of the assets publishes a regular sustainability reporting. Therefore, no adverse impacts on sustainability factors arise from the considered criteria.

Description of the main adverse impacts on sustainability factors

Indicators for investments in real estate (pursuant to RTS Annex I, Table 1)		Indicator	Impacts (year 2025)	Impacts (year 2024)	Explanation	Taken and planned measures and goals for the next reference period
Fossil fuels	17. Exposure to fossil fuels through the investment in real estate	Proportion of investments in real estate related to the extraction, storage, transport or production of fossil fuels.	The share of the investments is 0%. On the basis of this indicator no adverse impacts on sustainability factors were determined.	The share of the investments is 0%. On the basis of this indicator no adverse impacts on sustainability factors were determined.	There are no investments in real estate related to the extraction, storage, transportation or production of fossil fuels.	Compliance with the exclusion criterion is checked and regularly monitored. Additional measures are not necessary or planned.
Energy efficiency	18. Exposure to properties with poor energy efficiency	Proportion of investments in real estate with poor energy efficiency. Real estate are considered energy inefficient if they (a) were built before 31 December 2020 and have an energy performance certificate of C or worse or (b) were built after 1 January 2021 and do not meet the zero energy standard.	On average 35% of the value of the real estate, which are subject to the EPC and NZEB regulations, have a poor energy efficiency.	On average 36% of the value of the real estate, which are subject to the EPC and NZEB regulations, have a poor energy efficiency.	The value of 35% results from the fact that individual AIFs, which according to Article 6 or Article 8 are liable to disclosure, do not make sustainable investments according to Article 2 No.17 SFDR.	The share of real estate with poor energy efficiency is regularly monitored and continuously reduced through concrete measures. With existing real estate, the decision for this is placed in the hand of the investors. LHI KVG recommends sustainable investment decisions on an ad hoc basis, e.g. renewing heating systems with renewable energies, such as replacing a gas heating system and switching to heat pumps that run on green electricity, installing new window seals, measures to insulate the exterior. In the new business LHI KVG exclusively endeavours to make investments in energy-efficient real estate.
Further indicators for investments in real estate (pursuant to RTS Annex I, Table 2)		Indicator	Impacts (year 2025)	Impacts (year 2024)	Explanation	Taken and planned measures and goals for the next reference period
Waste	20. Waste generation in operations	Share of real estate that are not equipped with waste sorting facilities and for which no waste recovery or recycling contract has been concluded	The share of the investments is 0%. On the basis of this indicator no adverse impacts on sustainability factors were determined.	The share of the investments is 0%. On the basis of this indicator no adverse impacts on sustainability factors were determined.	No investments are made in real estate that are not equipped with waste sorting facilities and for which no waste recovery or recycling contract can be concluded.	The share of real estate without waste sorting or recovery/recycling contract is regularly monitored. Corresponding contracts are concluded for each real estate, insofar as not stipulated by the municipal authority.

Further indicators for investments in renewable energies (pursuant to RTS Art. 6, Para. 1 c)	Indicator	Impacts (year 2025)	Impacts (year 2024)	Explanation	Taken and planned measures and goals for the next reference period	
Wind turbines (WT)						
Biodiversity	1. condition to shut down/reduce WT due to bird flight	Proportion of investments in WTs for which there is a corresponding condition that has not been implemented or for which there is no binding plan for implementation.	The share of the investments is 0%. On the basis of this indicator no adverse impacts on sustainability factors were determined.	The share of the investments is 0%. On the basis of this indicator no adverse impacts on sustainability factors were determined.	All existing conditions were implemented.	The implementation of the conditions is checked and regularly monitored. Additional measures are not necessary or planned.
	2. condition to shut down/reduce the number of WT due to bats	Proportion of investments in WTs for which there is a corresponding condition that has not been implemented or for which there is no binding plan for implementation.	The share of the investments is 0%. On the basis of this indicator no adverse impacts on sustainability factors were determined.	The share of the investments is 0%. On the basis of this indicator no adverse impacts on sustainability factors were determined.	All existing conditions were implemented.	The implementation of the conditions is checked and regularly monitored. Additional measures are not necessary or planned.
Visual effects	1. condition to shut down/reduce WT due to light reflections (disco effect)	Proportion of investments in WTs for which there is a corresponding condition that has not been implemented or for which there is no binding plan for implementation.	The share of the investments is 0%. On the basis of this indicator no adverse impacts on sustainability factors were determined.	The share of the investments is 0%. On the basis of this indicator no adverse impacts on sustainability factors were determined.	All existing conditions were implemented.	The implementation of the conditions is checked and regularly monitored. Additional measures are not necessary or planned.
	2. condition to shut down/reduce the number of WT due to shadow flicker	Proportion of investments in WTs for which there is a corresponding condition that has not been implemented or for which there is no binding plan for implementation.	The share of the investments is 0%. On the basis of this indicator no adverse impacts on sustainability factors were determined.	The share of the investments is 0%. On the basis of this indicator no adverse impacts on sustainability factors were determined.	All existing conditions were implemented.	The implementation of the conditions is checked and regularly monitored. Additional measures are not necessary or planned.
Land consumption	1. Forest was cleared for the construction of the WTs and compensatory measures are necessary	Proportion of investments in WTs for which there is a corresponding condition that has not been implemented or for which there is no binding plan for implementation.	The share of the investments is 0%. On the basis of this indicator no adverse impacts on sustainability factors were determined.	The share of the investments is 0%. On the basis of this indicator no adverse impacts on sustainability factors were determined.	All existing conditions were implemented.	The implementation of the conditions is checked and regularly monitored. Additional measures are not necessary or planned.
Sound immissions	1. requirement to shut down/reduce WTs due to noise pollution	Proportion of investments in WTs for which there is a corresponding condition that has not been implemented or for which there is no binding plan for implementation.	The share of the investments is 0%. On the basis of this indicator no adverse impacts on sustainability factors were determined.	The share of the investments is 0%. On the basis of this indicator no adverse impacts on sustainability factors were determined.	All existing conditions were implemented.	The implementation of the conditions is checked and regularly monitored. Additional measures are not necessary or planned.

Photovoltaics (PV)						
Land consumption	1. The PV project was built on conversion land	Proportion of investments in PV that were built on land that is being withdrawn from agricultural use and has not been compensated for through compensatory measures.	The share of the investments is 0%. On the basis of this indicator no adverse impacts on sustainability factors were determined.	The share of the investments is 0%. On the basis of this indicator no adverse impacts on sustainability factors were determined.	No PV systems have been erected on conversion areas or requirements for compensation have been implemented.	The implementation of the conditions is checked and regularly monitored. Additional measures are not necessary or planned.
	2. Forest was cleared for the construction of the PV plants and compensatory measures are necessary.	Proportion of investments in PV for which there is a corresponding condition that has not been implemented or for which there is no binding plan for implementation.	The share of the investments is 0%. On the basis of this indicator no adverse impacts on sustainability factors were determined.	The share of the investments is 0%. On the basis of this indicator no adverse impacts on sustainability factors were determined.	No PV plants were erected on areas for which forest was cleared or compensation measures were implemented.	The implementation of the conditions is checked and regularly monitored. Additional measures are not necessary or planned.
	3. There are conditions to avoid soil erosion	Proportion of investments in PV for which there is a corresponding condition that has not been implemented or for which there is no binding plan for implementation.	The share of the investments is 0%. On the basis of this indicator no adverse impacts on sustainability factors were determined.	The share of the investments is 0%. On the basis of this indicator no adverse impacts on sustainability factors were determined.	All existing conditions were implemented.	The implementation of the conditions is checked and regularly monitored. Additional measures are not necessary or planned.
Visual effects	1. There are conditions to avoid glare	Proportion of investments in PV for which there is a corresponding condition that has not been implemented or for which there is no binding plan for implementation.	The share of the investments is 0%. On the basis of this indicator no adverse impacts on sustainability factors were determined.	The share of the investments is 0%. On the basis of this indicator no adverse impacts on sustainability factors were determined.	All existing conditions were implemented.	The implementation of the conditions is checked and regularly monitored. Additional measures are not necessary or planned.
	2. Conditions are in place to prevent the landscape from being impaired	Proportion of investments in PV for which there is a corresponding condition that has not been implemented or for which there is no binding plan for implementation.	The share of the investments is 0%. On the basis of this indicator no adverse impacts on sustainability factors were determined.	The share of the investments is 0%. On the basis of this indicator no adverse impacts on sustainability factors were determined.	All existing conditions were implemented.	The implementation of the conditions is checked and regularly monitored. Additional measures are not necessary or planned.

Further indicators for investments in aviation (pursuant to RTS Art. 6 Para. 1c)		Indicator	Impacts (year 2025)	Impacts (year 2024)	Explanation	Taken and planned measures and goals for the next reference period
SAF	Engagement in assets (aircraft or engine type) that cannot be operated with Sustainable Aviation Fuel (SAF)	Proportion of investments in assets that cannot be operated with Sustainable Aviation Fuel (SAF)	The share of the investments is 0%. On the basis of this indicator no adverse impacts on sustainability factors were determined.	The share of the investments is 0%. On the basis of this indicator no adverse impacts on sustainability factors were determined.	No investments are made in assets that cannot be operated with SAF.	The proportion of investments is audited and regularly monitored. Additional measures are not necessary or planned.
ESG reporting	Tenants without regular ESG reporting	Proportion of investments in assets whose tenants do not publish a regular sustainability report.	The share of the investments is 0%. On the basis of this indicator no adverse impacts on sustainability factors were determined.	The share of the investments is 0%. On the basis of this indicator no adverse impacts on sustainability factors were determined.	All tenants publish a regular sustainability report.	The publication of publicly available sustainability reporting by the tenants is audited and regularly monitored. Additional measures are not necessary or planned.

Description of the strategies to identify and weight the main adverse impacts on sustainability factors.

LHI KVG does not carry out any own investments; therefore, adverse impacts on sustainability factors can only arise from the products it launches and manages. The AIFs do not invest in companies, states or supranational organisations, but exclusively in tangible assets within the real estate, renewable energy and aviation asset classes. For the real estate asset class, the RTS require the disclosure of two mandatory indicators and one (out of six) optional indicator. Tangible assets in the renewable energy and aviation asset classes do not fall into any of the asset classes explicitly designated in the RTS (investments in companies, sovereigns/supranational institutions, real estate), meaning that no specific indicators are explicitly prescribed in the RTS for these, which is why LHI KVG has developed its own indicators appropriate to these two asset classes.

In this statement, LHI KVG reports on 100% of the investments of its AIFs. Mandatory indicators (for real estate only) are disclosed according to the requirements set out in the SFDR RTS. For optional and self-developed indicators, LHI KVG selects those indicators for which the best and highest-quality data is available, which apply to all investments within the respective asset class, and which provide appropriate information on potential adverse sustainability impacts. This methodology also ensures a long-term overview and good comparability of adverse sustainability impacts. LHI KVG determines all the information used itself from its own database, without recourse to external sources, and assesses it in terms of the likelihood of occurrence and severity of the impacts; accordingly, any margin of error is negligible and requires no further explanation. LHI KVG regularly reviews and optimises the data. All selected indicators are of equal value within their asset class, which is why LHI KVG weights the three real estate criteria 1/3 each, the RE criteria 1/6 each for WT and 1/5 for PV and half each for the aviation asset class. The indicators are collected quarterly and the average value for a year is published here.

The management of LHI KVG first approved this approach in its basic form on 23 November 2022 (for real estate and renewable energy) and on 21 March 2023 (in an updated form for real estate and renewable energy, and newly for aviation). The strategy is reviewed on an ongoing basis and is therefore subject to continuous improvements, which are approved by the management. Implementation takes place according to the organisational structure of LHI KVG in asset and portfolio management by the staff responsible for the respective AIF.

Participation policy

The LHI KVG and the AIFs it manages do not invest in listed companies. The provisions on participation policy within the meaning of Article 4, Para. 2 c) of the SFDR are not applicable.

Reference to internationally recognised standards

The indicators, which are used pursuant to this statement to take into account the most significant adverse impacts on sustainability factors, are not intended to measure alignment with internationally recognised standards. The activities of LHI KVG are in line with the 17 sustainability goals of the UN Global Compact. LHI KVG is also a signatory to the UN Principles for Responsible Investment (UN PRI). The measurement of the degree of alignment with the UN PRI is carried out using the PRI's own reporting and assessment tool. LHI KVG uses a forward-looking climate scenario only in relation to the location-specific sustainability risks of the assets managed in the AIFs. Data from the "GIS-Immorisk Naturgefahren" website is processed for this purpose. This website is provided on behalf of the Federal Ministry for Economic Affairs and Energy (BMWi) and is scientifically supported by the Federal Institute for Research on Building, Urban Affairs and Spatial Development. For locations outside Germany, similar data and information sources are used where available (e.g. France: Dossier Department des Risques Majeurs; Netherlands: Klimateffectatlas).

Historical comparison

This statement on the main adverse impacts on sustainability factors was issued by LHI KVG for the first time for the reference period from 1 January to 31 December 2022. The share of properties with poor energy efficiency stood at 54% in 2022, falling to 51% in 2023, to 36% in 2024 and further to 35% in 2025. These figures result from the fact that individual AIFs, which are subject to disclosure requirements according to Article 6 or Article 8, do not make sustainable investments according to Article 2 No. 17 SFDR. The improvement in the indicator is essentially due to the acquisition of further energy-efficient properties in 2023, 2024 and 2025. All other indicators remain unchanged compared with previous years.

Version 1.0 of 30 June 2023: Publication for the reference period from 1 January to 31 December 2022

Version 1.1 of 20 March 2024: Correction of the share of properties with poor energy efficiency

Version 2.0 of 30 June 2024: Publication for the reference period from 1 January to 31 December 2023

Version 3.0 of 30 June 2025: Publication for the reference period from 1 January to 31 December 2024

Version 4.0 of 30 June 2026: Publication for the reference period from 1 January to 31 December 2025