



EMPIRA Group - Sustainability Strategy

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1. General ESG guidelines

We as EMPIRA have been integrating ESG considerations into our decision-making process since our establishment with the distinct goal to develop and manage economically, ecologically and socially sustainable properties. As a leading real estate investment manager, we recognize our responsibility to all our stakeholders by translating our ESG approach into action and by implementing effective measures across our portfolio.

We committed publicly to the UN Principles for Responsible Investment (PRI) in 2018 and support the UN Sustainable Development Goals (SDGs), in accordance with the 2030 Agenda. A particular focus is given to Climate Action (SDG 13), Good Health and Well-Being (SDG 3), Affordable and Clean Energy (SDG 7) and Creating Sustainable Cities and Communities (SDG 11).

References to the SDGs describe areas to which our activities may contribute and do not imply that every investment contributes to each of these goals.



Our sustainability approach is implemented at group, fund and asset level and is monitored based on quantifiable and transparent KPIs. We benchmark fund performance through participation in annual GRESB ratings and seek external assessment of developments through green building certifications and internal life cycle assessments of carbon footprints. In addition, we use BAFA¹ and KfW² loans and subsidies to support eligible investment measures. The eligibility criteria of these funding programmes also serve as an additional benchmark for our projects, as funded measures must meet the technical and energy-efficiency requirements of the respective programme.

We account for our financed greenhouse gas emissions using the PCAF methodology (Partnership for Carbon Accounting Financials)³. At EMPIRA we report our financed emissions to Partners Group in line with PCAF, which is also displayed in Partners Group's sustainability report.

Additionally, we assess our real estate assets against decarbonization pathways using the Carbon Risk Real Estate Monitor (CRREM) methodology as an important industry standard. This assessment supports the identification of transition risks and potential misalignment with the selected decarbonisation pathway.



¹ The German Federal Office for Economic Affairs and Export Control (BAFA) provides grants to companies for energy-efficient technologies, renewable process heat and process optimisation to reduce energy and resource consumption and greenhouse gas emissions in Germany (Source: [German Federal Funding Database](#) [22.09.2026]).

² KfW Development Bank cooperates closely with EU institutions on behalf of the German Federal Government to further increase the effectiveness of European development cooperation (DC). This includes not only collaboration with the EU Commission but also coordination with other European development organizations. KfW is creating prospects – worldwide, by building up functioning infrastructure, alleviating poverty and hunger, providing access to education and health care, protecting the oceans, finding alternatives to plastic, supporting the energy transition, exports and entrepreneurship with equal opportunity for all – so that we and our planet have a future (source: [Our commitment to European development cooperation](#) | KfW Development Bank; [Our tasks and goals](#) | KfW Development Bank [22.09.2026]).

³ PCAF is an international standard for measuring and disclosing financed greenhouse gas emissions attributable to a financial institution through its loans and investments.

Notable contributions *	
✓ More than 4,000 developed residential units	
Contributing to meeting the urgent need for housing in German cities	
✓ More than 450,000 m ² of residential space	
Supporting the modernization of the housing stock in Germany, which is severely outdated by European standards	
✓ More than 330 day-care spots	
Provision of day-care centers/ pre-schools/ home-based daycare for the tenants and neighborhoods to create livable cities for our stakeholders	
✓ 890 affordable or social housing units	
Units that are included in our development projects or standing assets that have capped rents and are reserved for low-income residents, hence limiting gentrification (SDG 3 and 11)	
✓ More than 2, 500 residential units subject to Green Capex modernizations	
Reduction of primary energy consumption by 30% through green CAPEX measures (SDG 7 and 13)	
✓ 100% renewable energy planned for own developments	
Integration of renewable energy systems, such as PV, and energy saving systems across all of our developments to reduce operational carbon emissions and reliance on fossil fuels (SDG 7 and 13)	

*Last updated September 2026

2. Specific goals and objectives

EMPIRA's climate approach is guided by the objectives of the Paris Agreement, including the ambition to limit the increase in global average temperature and is strongly committed to the United Nations Framework Convention on Climate Change (UNFCCC) - limiting global warming to well below 2.0°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels. EMPIRA has publicly committed to achieving net-zero emissions across its portfolio. To support this commitment, EMPIRA is setting asset aligning targets following the Net Zero Investment Framework (NZIF) guidance.

Our goal is to develop a net-zero carbon residential portfolio. We procure 100% renewable electricity for common areas and ensure that all our developments include on-site renewable energy and energy-saving technology, supporting SDG 7.

Our targets on fund and corporate level:

- At least 90% of our Article 8 fund investments are based on specific and measurable **ESG key performance indicators (KPIs)** and principal adverse indicators (**PAIs**) on sustainability
- At least 60% of our new investments in real estate developments should be **brownfield conversions** - greenfield investments should be made only in accordance with our biodiversity strategy
- In line with Partners Group's ambition, we are committed to achieving net zero by 2050. We are aligning our portfolio with the **Net Zero Investment Framework (NZIF)** and setting interim targets for 2030 and 2035 to guide our progress.

Our targets on asset level:

CO2 reduction targets in retrofits (SDG 7 and 13)
100% procurement of green energy for general electricity
Inclusion of green lease clauses in 80% of all new commercial lease contracts
Alignment with CRREM Decarbonization Pathways until 2028, meaning no misaligned assets based on the 2°C scenario for the overall portfolio– progress monitored annually
Reduction of primary energy consumption by 30% through green CAPEX measures
CO2 reduction targets in new developments (SDG 7 and 13)
At least 10% of developments below the 2.0°C CRREM Pathway alignment
Life cycle assessment (LCA) and carbon accounting for 100% of new developments
Planning for the production and consumption of on-site renewable energy for 100% of new developments
Procurement of green energy for 100% of the general electricity contracts
Min. 50% of investments are at least 10% below the national Nearly Zero-Energy Building (NZEB) standard
Affordable housing targets (SDG 3 and 11)
Targeted investments in developments with rent-controlled apartments accounting for at least 5% of all units, evenly distributed throughout each property, with this share potentially reaching 40% in individual developments.
Targets concerning the improvement of the quality of life (SDG 3 and 11)
Min. 5% of residential units reserved for day-care places for the tenants and neighborhoods
Development of liveable neighbourhoods through an integrated approach that combines a diverse mix of residents and housing types with spaces for living and working.
Selection of investment locations based on sustainable mobility links, such as public transport, local connections, parks or other recreational opportunities. For 100% of the investments, these green infrastructures can be reached within a ten-minute walk
Life-Cycle Assessment (LCA) targets (SDG 7 and 13)
LCAs and LCCs are conducted during green building audits as part of the standard green labelling process, with no fixed numerical target or deadline, but in line with the requirements for achieving at least a DGNB Silver rating for new developments.
Tenant communication targets
Implementation of the tenant communication app “Casavi” across all equity investments to raise future tenants’ awareness of energy and water conservation.
Full digitalization of property operations, including multi-metering, efficiency assessments and asset management.

3. Our social impact

EMPIRA recognizes social responsibility as a corporate priority. We are fully committed to integrating environmental and social considerations at all levels of our project development and property operations. Our approach focuses on housing provision, affordable and rent-controlled accommodation, and childcare facilities for tenants and surrounding communities (SDG 3 and 11).

One of the most pressing social issues in Germany is the structural undersupply of housing. The German government has recently published that in 2025 only 206,600 new apartments were built, less than two thirds of Germany's demand for new living space of 320,000 apartments per annum⁴. By 2027, studies have concluded, the shortage of available lettable space is prognosed to more than 830,000 apartments⁵. As of today, EMPIRA has developed or is currently developing over 10,000 multi-family residential units to help address this issue.

Between 2006 and 2024, the number of rent-controlled apartments decreased from 2.1 to 1.05 million units⁶. As part of our social impact strategy, we actively seek to improve the highly problematic social and affordable housing situation in Germany.

At EMPIRA, 890 units in our residential portfolio are reserved for low-income and vulnerable groups, including the provision of rent-controlled apartments in Germany's top seven locations.

In addition to its adherence to global sustainability organizations, the firm assesses, designs, and operates its activities to comply with all relevant national legislation relating to the environment. It is dedicated to contributing to a long-term sustainable environment and reducing the potential negative impact its business might have.

⁴18.0 % weniger fertiggestellte Wohnungen im Jahr 2025 - Statistisches Bundesamt ; BBSR beziffert Neubaubedarf auf jährlich rund 320.000 Wohnungen [21.09.2026]

⁵ Neue ZIA-Zahlen: Fehlende Auswege aus der Krise lassen Wohnungsnot weiter wachsen. | ZIA [31.03.2025]

⁶ Sozialmietwohnungen | Die soziale Situation in Deutschland | bpb.de and Sozialwohnungen in Deutschland bis 2023 | Statista [21.09.2026]

We care deeply about positively impacting one of the most pressing social challenges for middle- and low-income families in Germany, the lack of available nursery school places, especially in metropolitan areas. A recent study has shown that Germany still lacks more than 300,000 nursery school places, with waiting lists of up to three years⁷. EMPIRA has currently developed or is developing over 330 daycare and nursery spaces making us one of the largest private developers of childcare facilities in Germany. For the existing developments of the fund, additional nursery school places are being developed and are targeting those most in need.

This demonstrates our commitment to ensuring frictionless access to educational facilities for our stakeholders, from providing daycare support for single-parent households to easy access to university campuses.

4. Governance aspects

EMPIRA is committed to engaging with local authorities and communities in line with relevant local regulations and legislation to ensure the social sustainability of its properties and any development projects it undertakes. We seek to avoid collaborating with companies that actively breach the principles of the UN Global Compact.

We assess, design and conduct our activities with the aim of complying with applicable national environmental legislation and reducing adverse environmental impacts. Environmental compliance supports our broader approach to responsible development and property management.

As our portfolio develops, we continually update and improve our approach to social matters by performing periodic, systematic internal audits and using the results as a basis for planning continual improvements of the firm's performance.

⁷ IW Report 40/2024. https://www.iwkoeln.de/fileadmin/user_upload/Studien/Report/PDF/2024/IW-Report_2024-Kital%C3%BCcke2024.pdf [28.03.2025]

EMPIRA has built its business and reputation through a consistent track record of acting with integrity, accountability, and responsibility towards all relevant stakeholders, including investors, employees, tenants, potential sellers, potential buyers, other business partners, government authorities and the community.

Our policies and operating procedures are designed to support consistent operations and mitigate the risk of misconduct by EMPIRA, its employees or its business partners that could undermine stakeholder trust. Our Governance policies draw on OECD Principles of Corporate Governance, INREV guidelines, and generally accepted best practices for good corporate management.