Base Investments
2024 ESG Report

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Foreword

"We are committed to reducing our total carbon emissions by 100 million kilograms by 2030."

On behalf of the entire Base Investments team, it is our pleasure to introduce our first ESG report. Base Investments was founded in 2020 with a clear mission: to create a future-proof approach to asset management and improve properties in a way that balances financial returns with environmental and social benefits. The launch of this report represents another important milestone on that journey – providing an opportunity to reflect on what we have achieved so far and look ahead to the next steps.

Why have we produced an ESG report?

In the many years that we have been active in the commercial real estate sector, two things have become clear: that the industry needs to make significant progress on ESG issues, and that improving collaboration and transparency at all levels is essential to achieve this. The purpose of this report is, therefore, threefold: to clearly demonstrate our company's progress on sustainability, to hold ourselves accountable to the targets we have set and to contribute to the broader ESG conversation in the industry.

Our aim is to provide a clear and comprehensive overview of our company's environmental, social and governance performance – including a detailed description of our principles for sustainable asset management, our strategic objectives and the concrete steps we have taken towards them in 2024. In line with these ambitions, we believe that identifying areas for improvement is just as important as highlighting what we are already doing well. In short, we don't claim to have all the answers, but we are committed to consistently improving.

Taking ownership of our sustainability performance

One key improvement in 2024 was the decision – taken in 2023 – to bring our property management activities in-house. 2024 marked the first full year of insourced operations, allowing us to collaborate more efficiently with our value chain partners and take greater control of our ESG impacts. This proactive, entrepreneurial spirit will remain at the heart of our ESG strategy in the coming years as we work to achieve our ambitious targets.

However, this is a journey that we cannot undertake alone. As mentioned earlier, a core objective of this report is to stimulate dialogue on ESG topics across the industry. We believe that, the more stakeholders we can engage, the easier it will be to facilitate lasting change. We therefore hope that our 2024 ESG Report will inspire you to join us in our mission to firmly establish sustainability as a core value driver in commercial real estate.

Yours sincerely,

Martijn Vink,
Finance & Data Director

Jelle Bader,
Technical Director

Base Investments at a glance

Number of properties	Number of tenants	Total asset value
16	50+	€0.5 billion

Occupancy	Locations	Asset classes
91%	The Netherlands, Germany and Belgium	Life Sciences and Light Industrial

Electricity consumption	Gas (heat) consumption	Water consumption
19 million kWh	350,000 m^3 (19,000 GJ)	20,000 m^3

Percentage of properties with an EPC of A or higher	Percentage of electricity from renewable sources across our portfolio	Total number of solar panels (installed power capacity)
77%[1]	67%[2]	1927 (458 kWp)

[1] 100% of the properties in our portfolio have an EPC of C or higher.
[2] For properties where we are responsible for procurement, 100% of electricity comes from renewable sources.

About Base Investments

Base Investments is an independent commercial real estate company that manages 16 properties (life sciences and light industrial) across the Netherlands, Germany and Belgium. Through our two operating companies, UrbanLinx and Physicus Life Science Real Estate, we focus on strategically located sites with high value-added potential. Our agile and streamlined approach to asset and property management enables us to quickly create attractive buildings that are well adapted to tenants' needs – delivering both consistent returns and environmental benefits.

Our operating companies

Physicus Life Science Real Estate
Launched in 2021 as a joint venture with TPG Real Estate, Physicus has quickly become a key partner to the life sciences industry in major markets across Europe.

UrbanLinx
Specialising in light industrial properties, UrbanLinx was launched in 2023 in partnership with Patron Capital Partners to provide more sustainable spaces for fast-growing businesses.

Our mission and vision

Value, reappraised

In today's commercial real estate industry, ESG factors are playing an increasingly important role in determining property value. This means that both investors and tenants are placing more emphasis than ever on the ability of asset and property managers to future-proof their portfolios to deliver lasting value.

Mission:

Achieve net zero emissions across our portfolio by 2035.

Vision:

Demonstrate that reducing environmental impact and increasing returns can go hand in hand, leading the way towards a more sustainable future.

From brown to green

Facilitating sustainable change depends on securing the support of a wide range of stakeholders. We see it as our role to act as a catalyst in this process, highlighting the importance of a forward-looking approach to asset and property management.

By adding value through efficient and high-quality sustainability improvements, we ensure that our investments can deliver long-term value from all perspectives – for shareholders, communities and the environment. In doing so, we can continue to demonstrate that reduced environmental impact can go hand in hand with increased returns – showing a clear path towards a more sustainable commercial real estate industry.

Certification for success

3.4 million kg

of CO_2e emissions saved in 2024

100%

of buildings equipped with smart meters

88%

of properties with a CRREM pathway
(updated monthly)

3

properties with BREEAM certification in progress

Three pillars of sustainable asset management

Pursuing a balanced investment approach

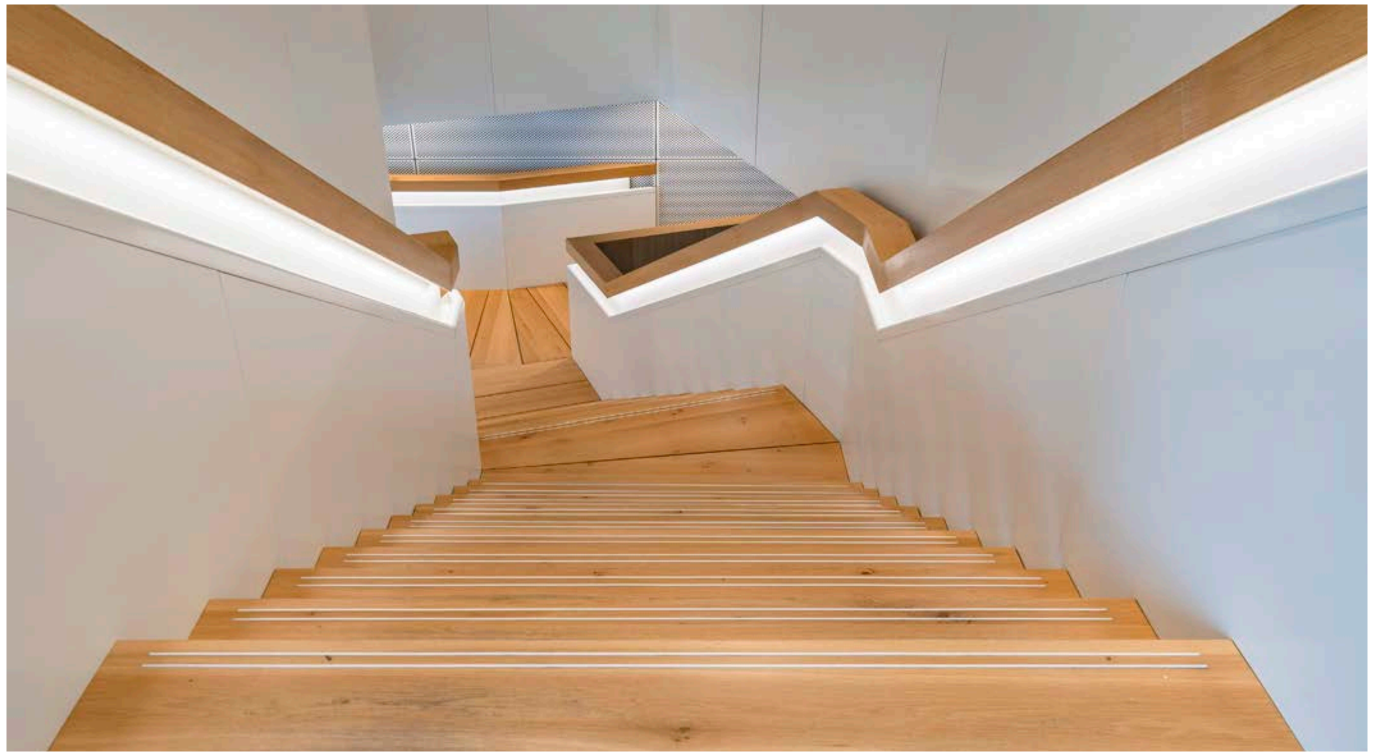
Making lasting progress on sustainability means balancing the needs of the environment with the appetite of the market. For example, when we conduct an energy scan of a building – during the acquisition phase or in preparation for a renovation – we calculate the potential financial cost per kilogram of CO_2 saved and the impact on the EPC label and CRREM pathway[1]. This highly pragmatic approach allows us to identify how we can make the biggest positive environmental impact while ensuring good value for our investors.

Taking ownership of our impact

We are committed to putting ourselves in the best position to drive industry-wide change so that we can maximise the positive impact of every investment. In-housing our property management function was the first step on this journey, allowing us to integrate sustainability and transparency criteria into our procurement processes while also having full control over the tendering process for capex projects.

Facilitating shared gains

The nature of the commercial real estate market is such that we cannot move forward without working in step with value chain partners. For example, a significant proportion of the energy used within our portfolio (33%) is not controlled by us but by our tenants. This means that proactive dialogue is essential to increase the total share of renewables used. By working closely with tenants – as well as suppliers and other value chain partners – we can increase transparency and accelerate our collective progress.



[1] CRREM (Carbon Risk Real Estate Monitor) is an internationally recognised methodology that helps real estate owners align their properties with global decarbonisation pathways, measuring and managing carbon performance to mitigate 'stranding risk'. For more information, please refer to www.crrem.eu

Our strategic objectives

"Setting out our targets for the next six years allows us to hold ourselves accountable for our progress."

From CRREM pathways and water intensity to climate change adaptation plans and transparency in reporting, our strategic objectives for ESG cover a targeted range of sustainability criteria.

These have been selected in collaboration with sustainability consultants, as well as many external stakeholders, including investors, valuers, tenants, suppliers, data collection agencies, certification bodies, other asset and property management firms and the Dutch Green Building Council (DGBC).

Setting out our targets for the next six years is key to holding ourselves accountable for our progress and ensuring that we continue to increase our positive impact – not our relative environmental footprint – as our business expands.

Measuring performance effectively

Standards of transparency are rising across the industry. When it comes to energy efficiency, for example, the focus has gradually shifted from theoretical performance to actual performance based on real-time energy consumption data.

We support this approach and reflect it in our own measurement practices, collecting and consolidating a wide range of data using advanced monitoring and analytics platforms. This enables us to report transparently and monitor progress on key targets, such as CRREM carbon reduction pathways for our properties.

Our Paris Proof Commitment

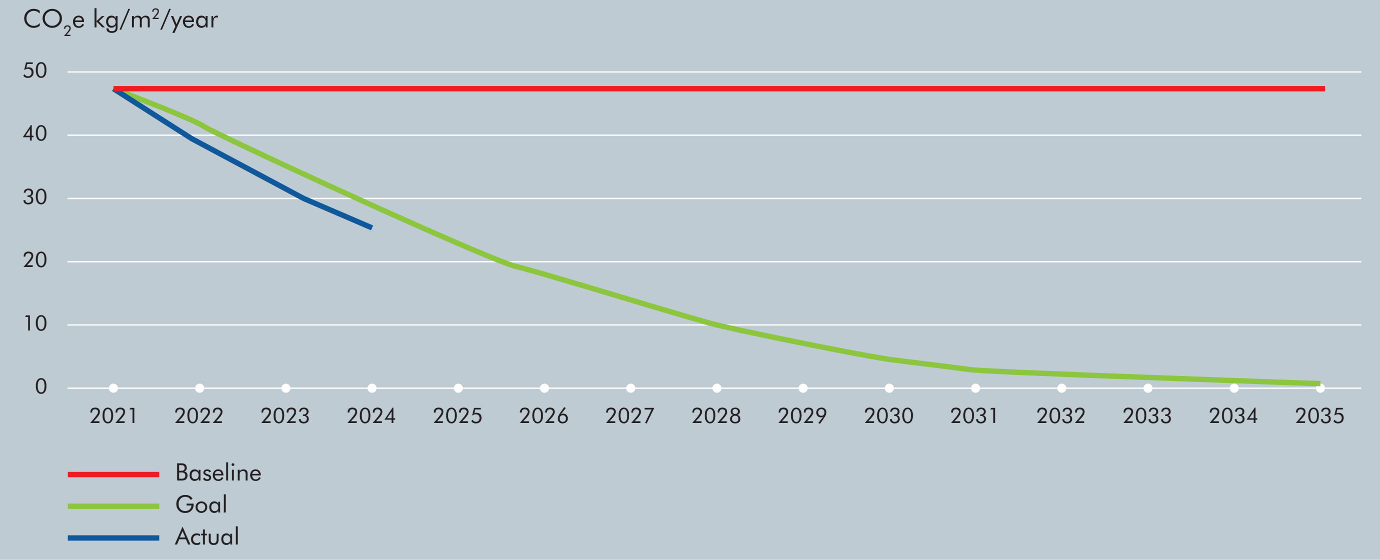
One of our main strategic goals is to achieve net zero emissions across our portfolio, in line with the Paris Proof Commitment developed by the Dutch Green Building Council (DGBC). This requires signatories to achieve net zero greenhouse gas (GHG) emissions by 2050. However, we decided to go further and commit to reaching net zero emissions by 2035. We have therefore set ourselves the target of reducing emissions by 100 million kilograms by 2030. Reaching this goal will require a new level of value chain cooperation – bringing together stakeholders to share knowledge, align expectations and develop solutions.

See overleaf for a detailed breakdown of our progress in 2024.

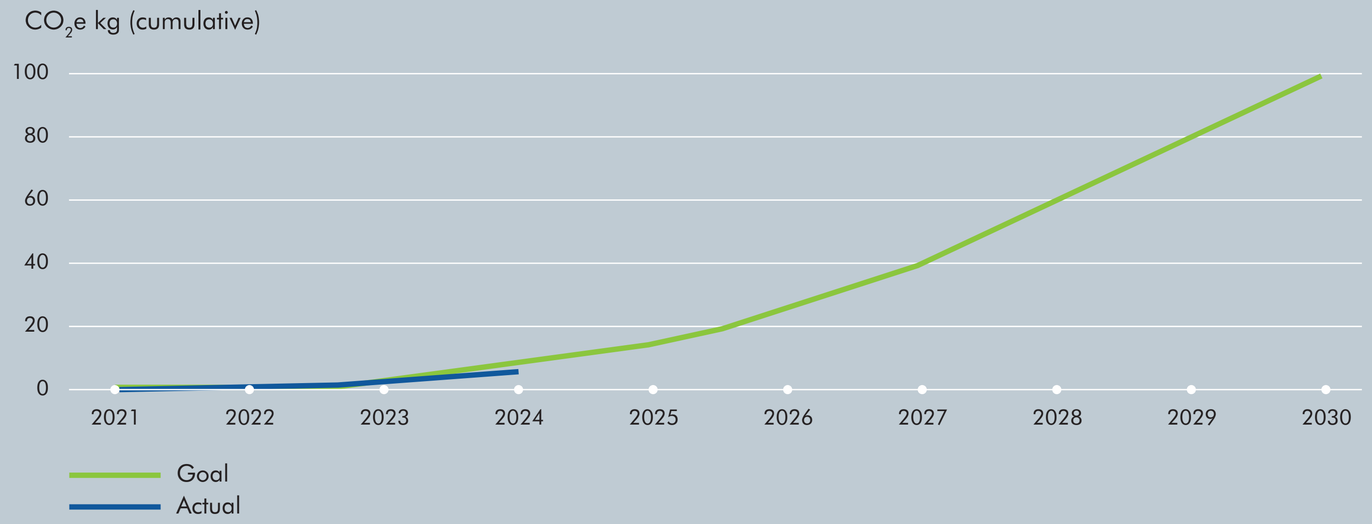
2024 in numbers and the road ahead

Below, we outline our 2024 achievements and our targets for the coming years.

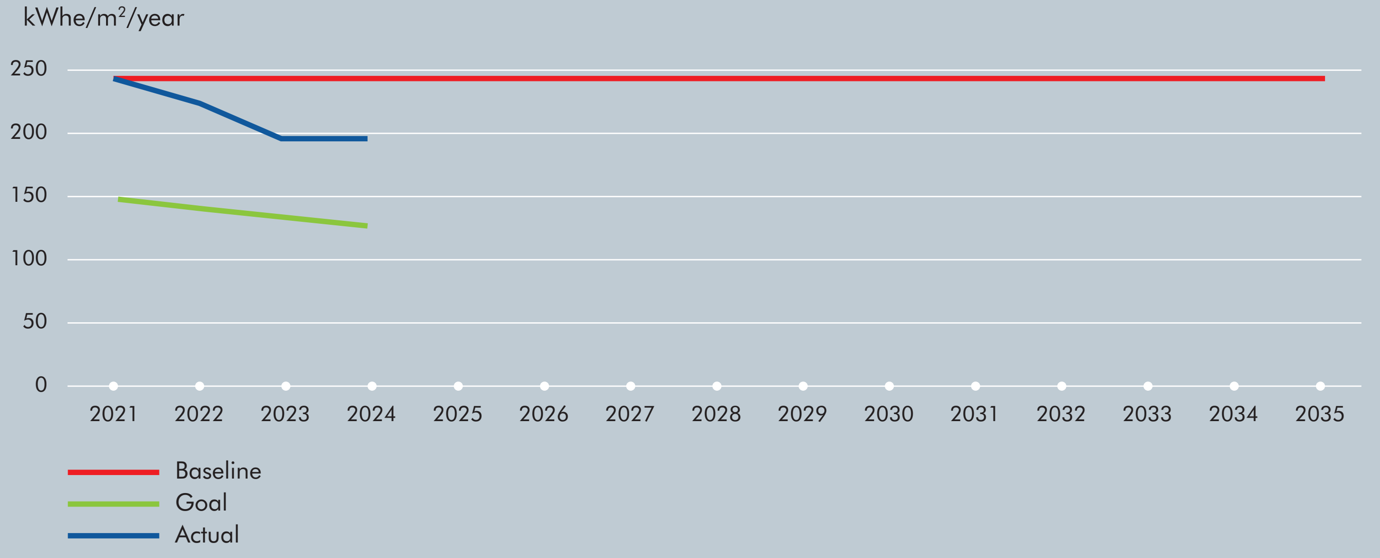
GHG emission intensity



GHG emission savings



Energy intensity



The baseline is calculated using the consumption and emission data for the 12 months prior to the acquisition of the property. If this is not available, the data for the 12 months following the acquisition is used.

Our progress in 2024

The focus in 2024 continued to be on improving energy and resource efficiency and reducing our carbon footprint, with 22 refurbishment projects ongoing and a further 30 planned. This resulted in a reduction of 7 kilograms of carbon dioxide equivalent (CO_2e) per square metre per year across the portfolio on an absolute basis. Compared to our baseline performance, this brings our total reduction to 46% – putting us on track to meet our target of net zero emissions by 2030.

Our total GHG emission savings since inception increased by 3.4 million kg to 6.1 million kg. While this is a significant increase, it still falls short of our 2024 target of 8.0 million kg. The shortfall is primarily due to the size of the portfolio we currently manage and the ESG performance of new additions to the portfolio.

Since inception, the energy intensity of our properties has decreased by 19%, or approximately 7% per year. However, this means that we have underperformed against the energy intensity pathway provided by CRREM. We believe this is primarily due to the fact that there is no specific energy intensity pathway (or GHG emission pathway) for the life sciences real estate sector. From our experience in managing these properties, we know that the energy footprint is heavily influenced by the way they are designed and operated. This is not comparable to the existing pathways provided by CRREM such as 'Office' or 'Healthcare'. Nevertheless, the overall goal of reducing our energy intensity is clear and we will continue to pursue this in 2025.

Our consistent progress has been facilitated in part by bringing our property management function in-house, which allows greater control over procurement and implementation. This oversight is particularly important as more than a third of our properties fall within the scope of an Article 8 fund. Classified as 'light green', this type of fund is subject to the Sustainable Finance Disclosure Regulation (SFDR) – meaning that factors such as energy efficiency and GHG emissions must be closely monitored.

Driving 'win-win-win' outcomes

Other developments during the year highlighted the benefits of creating shared value for multiple stakeholders. For example, we increased electric vehicle (EV) charging capacity across the portfolio. The benefits of this are threefold: we make it easier for tenants to charge their EVs at the office, potentially improving tenant satisfaction; we provide a financial return to the investor through the increased rental price enabled by the addition of EV parking spaces, alongside a relatively small margin on charging costs; and finally, we provide a sustainability return by facilitating the transition to lower-emission mobility (when combined with the procurement of renewable electricity). This 'win-win-win' approach will continue to be central as we expand our portfolio.

Sustainability in action

We believe that there are no ‘small’ sustainability gains. Indeed, sometimes the most impactful sustainability measures can be the simplest. For example, one of the most effective ways to reduce greenhouse gas emissions is to switch to electricity that is generated from renewable sources. This is why 100% of the buildings where we have control over the procurement are powered by domestically generated renewable electricity.

Of course, once such ‘low-hanging’ gains have been achieved, driving sustainability progress becomes more complex. This is where our unique ‘brown to green’ property improvement methodology comes into play. The following pages show examples of projects completed with our partners in 2024.

Bio-Accelerator solar installation

Lightweight panels deliver a big impact

The project

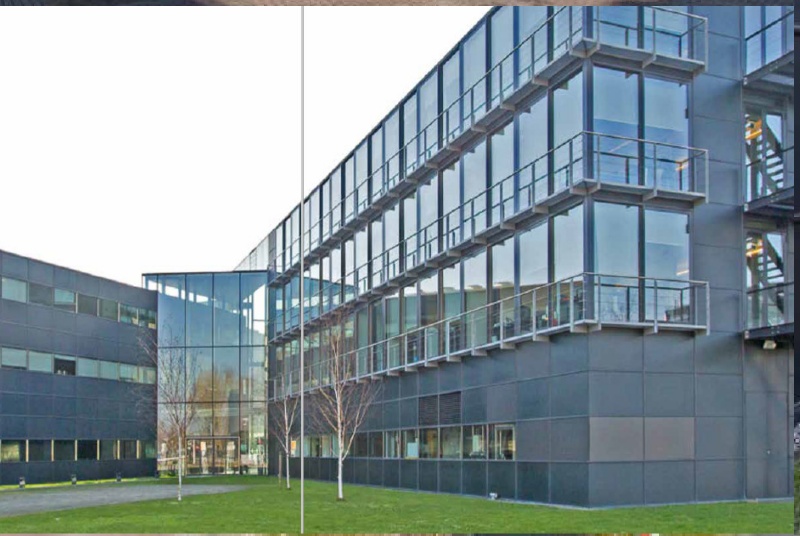
In 2024, we completed a 108 kWp solar installation at the Bio-Accelerator building – a Belgian life sciences facility of 18,694 square metres – working in collaboration with the building’s facilities manager and partners BNP, Encon and Solora BE.

The process

Before starting the project, the team carried out a solar study, alongside a structural assessment to ensure that the roof could support the solar panels. Since the sunniest areas were found to be on the steel roofs of the technical rooms, it was decided to use lightweight panels for the majority of the installation (244 panels). This minimised stress on the steel roofs while maintaining a high overall energy yield – with the lightweight panels producing 370 Wp compared to the 400 Wp generated by the 44 traditional panels that were installed elsewhere on the building.

The results

This installation will generate an estimated 97,243 kWh of sustainable electricity annually – enough to power approximately 40 households – directly supporting the energy needs of the 18,694 square metre site, which is fully occupied. By generating its own electricity, the building also supports grid stability by alleviating demand on local power networks and helps to mitigate the ‘urban heat island’ effect by absorbing excess heat. The project serves as a proof point that renewable energy solutions can deliver environmental benefits and financial returns.



Zernikedreef 12A

Reducing waste and emissions through sustainable renovation

The project

Major refurbishments offer great potential for improving the efficiency and sustainability of the properties we manage. An example of this is the successful renovation of another life sciences facility that we undertook in 2024, Zernikedreef 12A.

The process

Constructed in 1996, the building had significant scope for improvement in terms of infrastructure and environmental measures. To address this, we implemented a number of upgrades. These included installing LED lighting and replacing the existing cooling installation with a system using R32 refrigerant – which is more efficient and has a lower global warming potential (GWP) than alternatives. We also renovated the building's air handling units, equipping them with IE-5 class EC fans and integrating a heat recovery system.

To reduce waste, we repurposed and retained as much of the building's furniture and materials as possible. We reused the laboratory furniture, repurposed the glass and partition walls, and refinished the floor so that it looked as good as new.

The results

With a projected energy saving of approximately 75,000 kWh, and a GHG emissions reduction of around 26 tonnes per year, this project clearly demonstrates how sustainable renovation can transform buildings into efficient and future-ready assets.

Our priorities for 2025

With the 2030 deadline of our GHG emission reduction goal on the horizon, the next few years will be pivotal for Base Investments and the industry as a whole. We have therefore decided to adopt an even more ambitious target: to achieve net zero emissions across our portfolio by 2035 rather than 2050. To deliver on this ambition, we will continue to make our buildings more sustainable in line with the defined CRREM carbon reduction pathways, improve our EPC ratings and pursue BREEAM certification for more of our properties. However, CRREM pathways do not currently exist for properties in the life sciences sector, which makes it harder to measure our progress.

In addition, in 2025 we will prioritise transparency by incorporating more data sources into our reporting. For example, we plan to work with our waste management provider to unlock access to real-time waste management data (amount of waste, type of waste, waste treatment) for all our properties. This will allow us to gain insights that can be used to create a holistic waste management strategy – encouraging multi-stakeholder engagement and paving the way for positive behaviour change.

We are also preparing for GRESB sustainability reporting for part of our portfolio, which will necessitate further work to align our data collection and monitoring processes. This will require us to continue to address data gaps across the value chain. To this end, we will establish a centralised system to simplify collaboration between owners, property managers and tenants. This will facilitate reporting, streamline governance and compliance, and provide greater oversight and control across the entire portfolio.

Prioritising climate change adaptation

As the effects of global warming are felt around the world, climate change adaptation will be increasingly relevant for commercial real estate operations. As of 2024, all of our properties have received an 'Environment Score', a location-based climate risk assessment in line with the Framework for Climate Adaptive Buildings developed by the DGBC. This methodology uses freely available data from the government-funded Dutch Climate Impact Atlas to assess a building's climate risk. In 2025, we will go further by conducting a 'Building Score' vulnerability assessment for a pilot property. With the assessment results, we can create targeted climate adaptation plans for our portfolio.

A broader view of biodiversity

Biodiversity is another key area of sustainability that we plan to prioritise in the coming year. To ensure that nature has a home across our portfolio, 2025 will see the launch of our biodiversity plan. Working with ecological experts, we will carry out a baseline assessment of a pilot property and use the results to set up projects. We intend to implement measures such as sustainable landscaping and insect hotels to create a more favourable environment for wildlife – as well as more pleasant surroundings for our tenants. Establishing 'green corridors' can also help to mitigate the urban heat island effect. Having completed the baseline assessment and implemented the measures outlined above, we will be able to assess the concrete impact of our work in 2026.

Looking ahead

As the environmental and social impact of the commercial real estate sector becomes a priority for a growing number of stakeholders, we can expect sustainability to take an increasingly prominent position, alongside financial returns, as a key determinant of property value. However, the market has not always kept pace with the demands of the sustainability transition in terms of valuation. There remains a disconnect between how we, as asset managers, value sustainability and the more traditional valuation methods that are often used in the sector. And while workarounds exist, a shift in attitudes and regulation is needed to drive widespread progress.

There are already signs across the industry that this change is underway. For example, the EU's revised Energy Performance of Buildings Directive sets minimum energy performance standards for non-residential properties. We support this trend towards stronger sustainability regulation in the sector, which is also reflected in the fact that more and more countries are considering the introduction of carbon pricing for buildings. Such regulations are essential to catalyse action on sustainability in the industry, and they will also mean that proactive sustainability measures will become more important than ever for asset and property managers.

However, companies like Base Investments cannot drive progress on sustainability alone. Our influence only extends so far. We also need our partners in the value chain to play their part as we pursue our mission to turn 'brown' real estate 'green'. We need tenants to procure electricity generated from renewable sources, we need more like-minded investors to finance sustainability improvements, and more sector-specific CRREM pathways (e.g. for life sciences properties) to facilitate greater transparency. In short, we need cohesive and consistent action from all our value chain partners: the more commitments we can secure, the more sustainable progress we can make, together.

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