

ESG Policy

GARBE Industrial Real Estate GmbH

As at
August 2023



Content

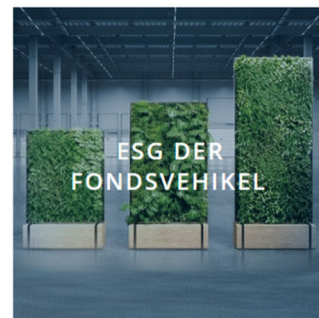
Content	Fehler! Textmarke nicht definiert.
1. Corporate ESG at GARBE summarized	3
2. E - What we do is ecologically sustainable.....	4
3. S - Social responsibility as a company and of each individual.....	7
4. G - Sustainable governance internally and with our business partners.....	9
5. Operational ESG - transparency and assessment.....	12
6. Operational ESG – Implementation.....	13

1. Corporate ESG at GARBE summarized

At GARBE we take our ecological and social responsibility very seriously, by choice. We have been dealing with sustainability issues for more than ten years now, ESG has long since found its way into each of our departments. All initiatives are part of our strategy and the overall motto "**Responsible by Choice**".



On our website [ESG bei GARBE | GARBE IRE \(garbe-industrial.de\)](https://garbe-industrial.de/ESG-bei-GARBE-GARBE-IRE) we describe our sustainable business model, i.e. our external ESG strategy, for fund management and the properties we build, acquire, manage and divest. Thus, ESG also follows our 360-degree approach.



Our ESG policy covers our responsible actions internally and as a company, i.e. "ESG at GARBE" and the fundamental policies and processes relating to our business.

Scope of application

The Sustainability Policy applies not only to GARBE Industrial Real Estate GmbH but also to its subsidiaries and branches.

We divide our guiding principles and initiatives into the three areas:

- E - What we do is ecologically sustainable
- S - Social responsibility as a company and of each individual
- G - Sustainable governance internally and in cooperation with our business partners

We can all play a part, every small step is important!

With regard to ESG initiatives in the operational business, we distinguish between two categories:

- Transparency and evaluation
- Implementation

Note

The ESG Policy is updated annually at the end of the year and applies in its latest version.

ESG Reporting

The first ESG report was completed for 2021 and can be viewed on the internet and website. In the coming years, the project will be further expanded and completed and grow in line with increasing regulation. Our ESG initiatives, data; indicators and information are collected according to the following reporting frameworks. ESRS, GRI, SDGs.

Homepage and Intranet

Our ESG strategy in the business model, the ESG-compliant hall and ESG in our funds are explained on our corporate website. For internal purposes, information and important documents are published on the intranet site of the Corporate Development Department.

2. E - What we do is ecologically sustainable

Setting a good example: our sustainable Head office

Our office space, which we moved into in October 2019, is a building certified in accordance with the "Sustainable Building in HafenCity" certification procedure with the highest possible "Gold" award, which meets particularly high standards of ecological and social sustainability. This careful and sustainable choice of office space has a long tradition at GARBE; more than 10 years ago, we moved into a particularly modern, energy-efficient building, which was characterised by the use of regenerative energies for temperature control of the premises and lighting equipped with sensors, among other things.

Save resources

A sustainable building alone is not sufficient; it must also be managed in a sustainable manner. That's why we use green electricity as much as possible, and save as much electricity as we can.

Although the lighting is already economical with LEDs and sensors, everyone makes an effort to use light only when it is really necessary. The last person to leave the office also turns off the lights. The same goes for appliances, which we don't leave on standby unnecessarily. Cooling ceilings, ventilation systems and heaters also enable us to have a pleasant indoor climate. But here, too, we are responsible and economical. Shock ventilation, no overheating, is a standard practice for us.

Water is also an important resource for us, and we use it sparingly. Sensor-controlled water taps and economy buttons in the WCs help us in this respect.

We have already commissioned the installation of smart meters in our office spaces, and implementation will take place in 2023. As soon as the automatically read consumption data is available, data protection-compliant analyses will be carried out to identify optimization potential.

Avoid waste

We strive to avoid unnecessary waste. We separate what cannot be avoided and dispose of it properly in the respective compartments of the trash cans. Our goal is 100% waste separation and waste recycling of paper.

Mineral water in glass bottles is provided by the company. Under the heading of social responsibility, which we place above ecological considerations at this point, we want our employees to continue to have the mineral water they appreciate and do not switch to tap water.

Environmentally friendly cleaning

For the cleaning of our office premises, preference is always given to the more environmentally friendly products with the same cleaning performance. Cleaning agents that are harmful or even hazardous to health are not used. Cleaning rags are washed and reused to avoid unnecessary waste. Only used offices are cleaned; each individual contributes to this by opening the office door when cleaning is required, otherwise closing it.

Regional offices do not lag behind

■ **Berlin**

Our Berlin office is equipped with LED lighting and daylight access, and is air-conditioned - in addition to access to fresh air - by state-of-the-art room air conditioners (built in 2020). Showers and social rooms are available to our employees. Water-saving buttons are available at the toilets, waste separation is being implemented and the cleaning of the premises is environmentally friendly.

■ **Frankfurt**

From Q1 2022, our Frankfurt team will move into an LEED Gold certified office space, which is characterized by various ESG attributes: Heated/cooling ceilings, mechanical ventilation and access to fresh air (windows) ensure a pleasant indoor climate, glare protection and sound insulation are sufficiently provided. Bicycle parking and e-charging stations as well as showers and social rooms and even a Kindergarden and a canteen are available in the building. Water-saving buttons in the sanitary area, waste separation and environmentally friendly cleaning make a contribution in the "E" area.

■ **Köln**

Our Cologne office also already has some ESG features, although these have not been implemented across the board in the leased space. For example, the offices have access to daylight and fresh air, are equipped with external blinds (glare protection), are well insulated against external noise and have water-saving buttons. Waste is also separated

into plastic, paper and residual waste. Bicycle parking is available, but there are no social rooms.



Paperless Office

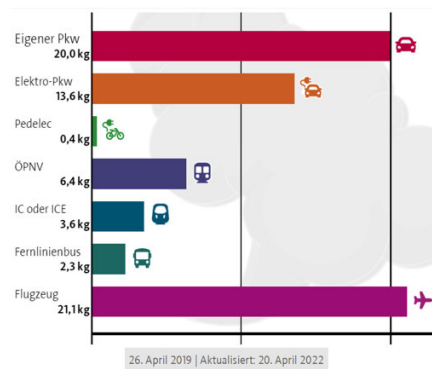
Even in our business, it is not possible to do completely without paper. Nevertheless: we strive to keep paper consumption as low as possible through a comprehensive digitization strategy. It's up to each and every one of us: when we print, we avoid color printing wherever possible and print double-sided and paper-saving as much as we can - only after carefully examining the document and considering digital alternatives.

We dispose of paper properly in the paper waste; containers for this are available in every print room.

Mobility

We aim to travel with a minimum carbon footprint:

- Online-Meetings are used as much as possible
- When we travel, public transport and train are the preferred options
- CO2 compensation of business travel is in progress, for the first time for travel made in 2022. In the first step, we are also making ourselves aware of the CO2 balance of our travel activities.



Source: www.quarks.de/umwelt/klimawandel/co2-rechner-fuer-auto-flugzeug-und-co/

- Public transport brings us directly to the doorstep of our head office in Hamburg and the regional offices in Stuttgart and Frankfurt – we use it as much as possible for our way to work (exceptions are naturally made during the pandemic). In order to make a contributions, for our employees in the Hamburg office we sponsor the public transport ticket. This is unfortunately only possible where the minimum demand for these tickets is reached, and therefore not possible regionally.
- Travelling by bike as an alternative (Bicycle-Parling in the garage, showers in Hamburg and Berlin)
- E-Mobility: charging stations in the garage, new orders of company cars preferably as E-cars
- The possibility of Jobrad (a company-subsidized bicycle purchase scheme) are reviewed

Positive effects: planting trees

As part of our internal ESG initiatives, our marketing department launched a tree planting initiative to offset our future carbon footprint and the land sealing caused by our construction activities. The first GARBE corporate forest was founded in November 2021.

Calculation of our carbon footprint

We have calculated our corporate carbon footprint for the first time for fiscal year 2022. The data coverage will be expanded from year to year. When sufficient information is available, we will define specific CO2 targets.

Employee contribution

Even the best management cannot think of everything... and many of our ideas for further development regularly come from our employees. Each and every one of us is called upon to make suggestions on our intranet site or to contact the Corporate Development Department directly with proposals for an even more ecologically sustainable everyday working life! And, of course, we all always strive to set a good example - both internally and to our customers!

3. S - Social responsibility as a company and of each individual

Wellbeing in our offices

The sustainable office spaces we have chosen not only meet high ecological standards, they also offer a particularly employee-friendly working environment based on the latest insights, promoting the health and well-being of those using them. In addition to low-emission and well-tolerated materials, special emphasis was also placed on well-being: Fresh air, daylight, glare and sun protection, materials that are as natural as possible, and an ambience which feels cozy. Zones for employees to interact with each other provide the framework for good social cohesion within the company and offer a pleasant environment for direct exchange. Height-adjustable desks and ergonomic chairs are designed to help employees maintain a healthy posture at work and the recommended frequent changes of position. Geothermal energy and an air conditioning system with fresh air, as well as the possibility of direct fresh air supply, also ensure a pleasantly tempered climate and - importantly, as the pandemic has demonstrated - healthy indoor air.

Wellbeing of our employees

The health of our employees is very important to us. Therefore, GARBE has always attached great importance to hygiene, but during the pandemic the measures have been stepped up even more. Door handles and common areas are cleaned appropriately every day, disinfectant is available at every office access. Furthermore, each and every one of us is asked to leave the workplace tidy and cleaned after use, to leave the door open so that the cleaning staff have access and to keep the virus load as low as possible by regular ventilation. In addition to legal regulations, GARBE also relies on the personal responsibility and collegiality of its employees when it comes to hygiene measures.

To promote the well-being and healthy nutrition of our employees at the office, we provide a fruit basket twice a week, as well as mineral water, tea and coffee, and also promote social interaction through comfortable staff areas with microwaves.

Not only during the pandemic, but since then increasingly, GARBE has committed itself to New Work and enables mobile office. Employees with families can organize their daily

office routine in a family-friendly way, the work-life balance is promoted by trust-based working hours and the focus on the overall result of the work for the company.

Appreciation in collaboration

Respectful interaction with each other is deeply anchored in our corporate values and guiding principles; we treat each other with esteem, cultivate constructive open-minded cooperation and always strive to find a solution together.

Human rights

We recognise and comply with the UN Human Rights Council's Guiding Principles on Business and Human Rights. It is our responsibility to raise awareness within the company and our sphere of influence of known human rights issues and to ensure that we are not complicit in human rights abuses through our activities. We do not tolerate discrimination, harassment, retaliation, human trafficking/slavery, forced labour, child labour or corruption in any form and address these impacts where they occur.

Our role in society (CSR)

Beyond everyday life, GARBE Industrial Real Estate GmbH supports aid projects that benefit society. Special attention is paid to the future of children in need of protection, above all disadvantaged children. But also the promotion of research and aid projects in the social and health sector is close to our heart in our effort to help difficult fates as much as possible.

Concrete projects in recent years have included:

Spenden und tatkräftige Unterstützung der Stiftungen Kinderjahre und Mittagskinder

- Donations and active support for the foundations Kinderjahre and Mittagskinder
- Involvement and participation in the Hamburg Dragon Boat Cup (a charitable event organized by the Michael Stich Foundation for the benefit of HIV-infected children and children suffering from AIDS as well as their families) as a company with its own team
- An in-house blood donation initiative, planned again on our own premises after Corona
- A fundraising campaign of the DKMS (German Bone Marrow Donor File) financed and carried out several times: many employees acquired a DKMS donor card after an employee privately saved a life by donating bone marrow
- Donation for the smashsmard initiative in a joint effort within the scope of the above-mentioned ESG initiative
- Also in the context of the above-mentioned ESG initiative, a donation was made to the Deutsche Gesellschaft für Muskelkranke, unfortunately due to a very sad occasion in our company
- In 2022, €15,000 were donated through sporting activities by our employees as part of the Logistik in Bewegung initiative
- In 2022, we donated €25,000 to the charitable organization charity:water. With the help of this donation, an entire water project can be financed and we help ensure that within the next 21 months an entire community will have access to clean water

In addition to its own activities, GARBE grants its employees a day additional leave for social engagement, and this is where initiatives are needed! Also welcome from the private sphere, where people are already personally involved.

Training and development opportunities

Wir bieten unseren Mitarbeitenden gern die Möglichkeit, sich fachlich fortzubilden und besprechen Inhalt, Dauer, Rahmenbedingungen und die arbeitgeberseitige Unterstützung bei einer Fortbildung individuell. Bei Themen insbesondere zu Microsoft-Office-Programmen wie Excel oder Powerpoint können unsere Mitarbeitenden nach Absprache mit dem jeweiligen Vorgesetzten eine E-Learning Plattform nutzen. Außerdem steht jedem Mitarbeitenden ein externer Partner als Coach zur Verfügung. Eine wichtige Initiative im Jahr 2022 waren die Business English Kursen an den ca. 110 Kollegen teilgenommen haben.

ESG training

In our GARBE Academy, we bring the topic of ESG closer to our employees through internal lectures. For specific topics, such as building certifications, we also organise targeted external training courses.

4. G - Sustainable governance internally and with our business partners

Contribution of the employees: Surveys and TopJob

We also want to set a good example in corporate governance. We have our measures in the ecological and, above all, internal social area evaluated annually by those who can best judge our quality as an employer: you.

Every 2 years, this survey is conducted externally. In 2018/9 2020/1, and expected for 2022/3 we received the Top Job award as one of the best employers in the SME sector, and in 2020/1 we even came in the top 3. Afterwards, a consultant presented us, and in particular the management committee, with suggestions for improvement. Among other things, we worked out how trust in the company can grow through concrete measures and rules of conduct. We also asked you about this and incorporated the results into our mission statement.

But also internally we ask questions and derive concrete improvement measures from the results and suggestions. Regularly as well as on special occasions, such as our handling of the first lockdown. Every individual is allowed and encouraged to participate, to give his or her honest opinion and also to use every opportunity to contribute ideas. Many valuable improvements have resulted from your suggestions, and particularly ones that are also desired and thus make sense.

In addition to the regular surveys, there is always the possibility of depositing ideas and feedback on the intranet. The ESG team evaluates these on an ongoing basis and communicates them to the organization. Outstanding ideas are awarded prizes.

Equal Opportunity Employer

For us, it's performance that counts, the result: internal entrepreneurship and personal responsibility count the most, flat hierarchies enable everyone to make a valuable contribution to our corporate goals. Within the scope of their job description, everyone has an equal opportunity to distinguish themselves and develop further, and is assessed according to the results of their work, both individually and as a team. For new hires, the qualification for the advertised job profile counts. Our share of female employees has been close to 50 per cent over the years; origin, religion, etc. have no influence on promotion or in the hiring process. As a result, the proportion of female employees has also increased steadily in recent years, to around 1/3 on the management board and ¼ on the executive board.

Codes of Conduct

What GARBE expects from its employees and what you should observe is set out in clearly structured guidelines. Our joint actions are determined by our new mission statement, which was developed and written "by and for us", while our Code of Conduct and Compliance Code outline precisely defined rules of behavior. And our ESG Policy shows guidelines for dealing with ecological and social sustainability and corporate governance, illustrated by examples.

[IntranetGIG – Homepage \(sharepoint.com\)](https://gunholdinggmbh.sharepoint.com/sites/IntranetGIG)

Active Stakeholdermanagement

GARBE employs a stakeholder manager in the research department whose declared task is to conduct active stakeholder management in cooperation with the operative departments and the management. In addition to maintaining contacts and contact data, this activity includes regularly conducting stakeholder surveys:

- Every 3 to 4 years, we plan to conduct a tenant survey, which should provide us with conclusions on tenant satisfaction, the quality of our property and asset management as well as opportunities for improvement. An important product of this survey, which was most recently conducted externally in cooperation with bulwiengesa, was the installation of a signpost with contact persons in each of our properties, a change in the strategy with regard to facility management, as well as concrete adjustments to individual properties. These surveys are carried out by GARBE Research
- Our second client group is also surveyed every 3 to 4 years: investors. A distinction is made here: our fund investors are surveyed in a specific, optionally anonymous survey. Last conducted in 2018, this survey revealed a high level of satisfaction with our service and showed portfolio management what this important client group particularly values. At the same time we conducted a survey of investors with whom we were in contact. These surveys are also conducted by GARBE Research
- Further stakeholder surveys, such as financing banks, brokerage houses with whom we work, but also our business partners in project developments and in portfolio management, are being planned, also by the Research department

In all surveys, ESG issues have gained a place in the last few years, with specific questions on the assessment of our ESG strategy, but also on the understanding of the ESG orientation of our client groups.

Whistleblowing

Since February 1, 2022 GARBE´s employees have a reporting office compliant with the new European whistleblowing rules.

Mission statement

Our corporate culture and the goal-oriented guiding principles for our work are provided by our mission statement, which defines our corporate values and goals and translates them into concrete action in the form of do's and don'ts. Drawn up with the help of our long-standing employees.

Code of Conduct and Code of Compliance

The framework of ethical and value-oriented principles that is intended to help management as well as the employees of GARBE Industrial - also with a view to their activities externally - to fulfil their duties towards business partners and colleagues.

5. Operational ESG - transparency and assessment

Digitizing ESG

Digitalization is the foundation of our ESG strategy in operations. Since 2022, we have been conducting ESG analyses of funds and properties using our internal software solution, which enables us to measure ESG performance in line with relevant KPIs and industry standards. Data collection is expanded year by year until full coverage is achieved. Wherever technically and contractually permissible, smart meters for electricity and gas are installed so that consumption data can be collected automatically.

Promoting cooperation for the achievement of ESG goals

Based on the extensive ESG expertise, an internal step-by-step plan was developed that serves as a guide for the various vehicles for introducing ESG measures. As a real estate expert, GARBE has also developed its own ESG model release, which is based on the ESG step-by-step plan of the portfolio management. Through the introduction of ESG clauses, the framework conditions for cooperation with the tenant in the collection of consumption data and the introduction of ESG measures are defined in the lease agreements.

Applying ESG criteria in acquisitions

GARBE has created a standardized internal due diligence list that can be used for the valuation of real estate from an ESG perspective.

Exclusion criteria for business partners

The following exclusion criteria apply to GARBE (supplemented by those of the respective fund vehicles):

- Business activity > 10% of turnover in the field of gambling or pornography.
- Production/distribution of controversial weapons
- Business > 30% in fossil fuels
- Controversial human rights and environmental impacts
- Corruption
- Non-compliance with ILO standards
- UN SDGs are negatively affected

In particular, tenants in our properties are considered business partners for the purposes of this process. A supplementary digital screening is carried out in consultation with the respective fund vehicle.

Measuring climate risks

With the aim of mitigating climate risks, we conduct software-based analyses to monitor the location-based physical climate risks of managed properties, project developments

and potential investments. To measure transitory climate risks, we perform CRREM analyses to determine when strandings occur.

6. Operational ESG – Implementation

ESG-compliant new buildings

All project developments meet at least the DGNB Gold Standard and are equipped with a roof PV system. In addition, the achievement of certain ESG standards (e.g. KfW-40) is planned for all project developments. In addition, an internal catalogue of measures has been drawn up, which is used as an example of best practice in the development of new buildings.

Promoting circular economy

GARBE is an active partner in a material register in which buildings are registered, including the materials and products used in their construction. The documentation, registration and archiving of materials used in buildings and construction objects facilitates their reuse, promotes intelligent design concepts, and facilitates the calculation of embodied energy..

Promoting the energy transition

In close cooperation with the sister company Garbe Infrastructure GmbH and other business partners, photovoltaic systems are installed on the roofs of project developments and existing buildings.

Saving resources

Land use is an important ecological consequence of real estate companies. By implementing brownfield projects, in which GARBE has already gained a lot of experience, the use of additional land is avoided as much as possible, which is a scarce resource that must therefore be protected. Furthermore, the logistics objects and the areas they use are considered as logistics nodes instead. To improve sustainability and optimize resources, logistics objects can, for example, provide green spaces that can be used by the public and act as a supplier of green energy for the community thanks to the installation of photovoltaic systems.

Intensifying stakeholder dialogue

GARBE uses various tools, such as surveys (see chapter 3), to promote dialogue with the various stakeholders. The aim is to jointly determine the materiality and effectiveness of ESG measures.

Manage-to ESG according to the 360 degree approach

When planning and implementing ESG measures, we consider all phases of a building's life cycle. In particular, we try to preserve embodied energy as much as possible by prioritizing measures to extend the life of properties and thus avoid their demolition.

Implementing and certifying ESG according to recognized market standards

When planning and implementing ESG measures, we follow recognized market standards, e.g. BRREAM and DGNB, and in many cases participate in the official procedures for obtaining certification. This applies to both new buildings and existing properties.