

RESPONSIBLE BY CHOICE

ESG REPORT 2022



BaFin	Federal Financial Supervisory Authority
CRREM	Carbon Risk Real Estate Monitor
CSR	Corporate Social Responsibility
CSRD	Corporate Sustainability Reporting Directive
DGNB	German Sustainable Building Council
ESG	Environmental, Social and Governance
ESRS	European Sustainability Reporting Standards
GARBE	in this report: GARBE Industrial Real Estate GmbH
GRESB	Global Real Estate Sustainability Benchmark
GRI	Global Reporting Initiative
GuN Holding GmbH	GARBE und Nixdorf Holding GmbH & Co. KG
ILO	International Labour Organization
PV system	photovoltaic system
SDGs	Sustainable Development Goals
ZIA	German Property Federation



“Our maxim ‘responsible by choice’ frames our ESG strategy and covers all of our principles and initiatives.”

Jan Dietrich Hempel, Managing Director

Preface

Dear Reader,

The year 2022 demonstrated once again that the sustainable development of our society, economy and politics represents a key challenge of our day and age while being non-negotiable.

To shape its transition toward increased sustainability, Europe has set itself the goal of carbon neutrality by 2050, among other things. By re-enacting the Federal Climate Change Act, Germany stepped up its ambitions in regard to climate change mitigation and defined the objective of net zero emissions by 2045. One measure necessary to achieve carbon neutrality is the decarbonisation of the economy, including the real estate industry. Corporates are among the players relevant to the decarbonisation effort, and have a key responsibility for the impact of their activities on the environment. Accordingly, society and the body politic expect the economy in general, and corporates in particular, to live up to their responsibility and to protect the environment. GARBE Industrial Real Estate GmbH, being the market leader in the field of logistics and industrial real estate, takes its responsibility very seriously, and has already launched several initiatives to reduce its environmental footprint, starting with an increase in transparency.

However, sustainable development includes not just environmental but also social and governance aspects. Employees and job applicants, for instance, attach growing importance to options for their continued professional and personal development at the workplace. Analogously, the stakeholder group of investors and business partners expects to see not just adherence to laws and legislation but also integrity, ethical conduct and compliance with ESG criteria.

GARBE Industrial Real Estate GmbH has addressed sus-

tainability topics for more than ten years now, specifically by supporting charity projects for the benefit of society as a whole. One of the mainstays in this effort is the company's holistic ESG strategy. Our maxim “responsible by choice” frames our ESG strategy and covers all of our principles and initiatives. The purpose of this report is to present our ESG-related objectives, initiatives and achievements during the 2022 financial year in detail.

GARBE Industrial Real Estate GmbH made considerable progress with a number of ESG aspects in 2022, as elaborated in the pages below. Based on the progress made and with a view to the future, the company will keep expanding its ESG strategy. In this context, GARBE Industrial Real Estate can count on the cooperation and participation of all departments and employees.

For now, please enjoy the read!

Hamburg, October 2023.

JAN DIETRICH HEMPEL
Managing Director

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About this
Report

1.1 Contents and Reporting

This ESG report is devoted primarily to the sustainability performance of the group, GARBE Industrial Real Estate GmbH, and its subsidiaries, as listed in Section 3.1. It provides internal and external stakeholders with comprehensive information about the business model and spheres of activity of GARBE Industrial Real Estate as well as on its sustainability performance, strategy, guidelines and objectives. The sections below will use “GARBE” to refer to GARBE Industrial Real Estate GmbH. The reporting period is the financial year 2022.

1.2 Differentiating between Company Level and Portfolio Level

Being a responsible service provider and administrator of a substantial real estate portfolio, GARBE offers various instruments for measuring and controlling the sustainability performance of the real estate funds under its management. Data and details referring to the real estate portfolio are clearly distinguished in the text from data that refer to the company as such, which are visibly differentiated by being presented in blue boxes. The most relevant indicators are itemised in the “GRI - KPIs 2022” table in the Annex.

1.3 Data Coverage

GARBE has been committed to corporate social responsibility (CSR) and sustainability for decades, including through donations and other forms of support for social projects and innovative products. In order to make it easier to communicate and monitor its sustainability efforts, the company started to incrementally introduce processes for gathering quantitative ESG data last year. The calculation of environmental indicators depends on the availability of consumption data for each site. Tables 2, 3 and 4 include details about the data coverage. Compared to the data coverage in 2021, it has already been expanded. Electricity consumption data, for instance, are available for all German sites. In addition, first data on the European companies were successfully collected for the 2022 reporting year. It is planned to keep expanding the data collection annually to include additional sites until the data set is complete. The selection of indicators for the “Social” segment proved satisfactory, and has therefore remained unchanged. The indicators are annually reviewed and expanded where applicable.

1.4 Methods and Sources of the Sustainability Information

The information provided by the report was mainly sourced from in-house documents and data management systems in collaboration with various departments and through calculations done in-house. Some data were made available by external service providers, including travel agencies contracted by us, motor pool managers, property managers and other suppliers, e. g. the utilities we buy electricity from.

1.5 Responsibility and Transparency

Given its size as a company, GARBE is currently under no obligation to compile an ESG report. But in line with our philosophy and our ESG maxim “Responsible by Choice,” it is our desire to go beyond legal obligations by measuring our own performance, on the one hand, and by presenting it in a comprehensive and transparent way, on the other hand. In order to ensure complete and clearly structured reporting, contents and structure are aligned with the EU’s new framework for sustainability reports (European Sustainability Reporting Standards, ESRS). The purpose of these standards is the substantive implementation of the EU guidance for sustainability reporting

(Corporate Sustainability Reporting Directive, CSRD). At the same time, the report is guided by the GRI standards, which are among the most highly respected ESG reporting systems. The report was reviewed exclusively in-house for marketing purposes, and was not created in conformity with any of the official GRI designations. Accordingly, the report was compiled exclusively to present GARBE’s sustainability-related activities and their progress, and was not audited by any third party.

GRI INDEX (ACC. TO GRI 1: “FOUNDATION 2021”)

GARBE Industrial Real Estate GmbH reported on the information specified in the GRI Index for the period starting 01/01/2022 and ending 31/12/2022, with reference to the GRI standards.

GRI STANDARDS		GARBE INDUSTRIAL REAL ESTATE GMBH, ESG REPORT 2022		PAGE
GRI 2	“General Disclosures 2021”			
GRI 2-1	“Organizational details”	“2.1 Group Structure”		18–19, 28
GRI 2-6	“Activities, value chain and other business relations”	“2.1 Group Structure”		18-19
		“2.3 Real Estate Assets”		24
		“3. Business Model”		28
		“3.2 Multi-let Commercial Real Estate”		30-31
		“Annex” – Table 4: Other KPIs – 2022		93
GRI 2-7	“Employees”	“2.2 Our Workforce”		22
GRI 2-9	“Governance structure and composition”	“4.3 ESG Organigram: Responsibility of the Senior Management and Governing Bodies”		46
		“Annex” – Table 4 Other KPIs – 2022		93
GRI 2-13	“Delegation of responsibility for managing impacts”	“4.3 ESG Organigram: Responsibility of the Senior Management and Governing Bodies”		46
GRI 2-22	“Statement on sustainable development strategy”	“4.1 Sustainability in the Business Strategy”		36
GRI 2-23	“Policy commitments”	“7.1 Business Ethics, Anti-Bribery and Anti-Corruption”		84

GRI 2-28	“Membership associations”	“4.5 Significant Sustainability Risks and Instruments for Controlling Them”	54
GRI 2-29	“Approach to stakeholder engagement”	“4.4 ESG Guidelines and Measures”	50
GRI 302	“Energy 2016”		
GRI 302-1	“Energy consumption within the organisation”	“5.2 Climate Change Adaptation”	71-72
		“Annex” – Table 4: Other KPIs – 2022	84
GRI 305	“Emissions 2016”		
GRI 305-1	“Direct (Scope 1) GHG emissions”	“5.2 Climate Change Adaptation”	71-72
		“Annex” – Table 4: Other KPIs – 2022	84
GRI 305-2	“Energy indirect (Scope 2) GHG emissions”	“5.2 Climate Change Adaptation”	71-72
		“Annex” – Table 4: Other KPIs – 2022	84
GRI 305-3	“Other indirect (Scope 3) GHG emissions”	“5.2 Climate Change Adaptation”	71-72
		“Annex” – Table 4: Other KPIs – 2022	84
GRI 401	“Employment 2016”		
GRI 401-1	“New employee hires and employee turnover”	“2.2 Our Workforce”	22
		“Annex” – Table 4: Other KPIs – 2022	84
GRI 401-3	“Parental leave”	“6.5 Highlight – Parental Leave”	81
		“Annex” – Table 4: Other KPIs – 2022	84
GRI 403	“Occupational health and safety 2018”		
GRI 403-5	“Worker training on occupational health and safety”	“6.2 Working Conditions, incl. Healthcare and Security, Social Dialogue”	77
GRI 403-6	“Promotion of worker health”	“6.2 Working Conditions, incl. Healthcare and Security, Social Dialogue”	78
GRI 403-9	“Work-related injuries”	“Annex” – Table 4: Other KPIs – 2022	84
GRI 404	“Training and education 2016”		
GRI 404-2	“Programs for upgrading employee skills and transition assistance programs”	“6.2 Working Conditions, incl. Healthcare and Security, Social Dialogue”	78
GRI 404-3	“Percentage of employees receiving regular performance and career development reviews”	“6.5 Highlight – Performance Rating”	80
		“Annex” – Table 4: Other KPIs – 2022	84
GRI 405	“Diversity and equal opportunity 2016”		
GRI 405-1	“Diversity of governance bodies and employees”	“6.1 Equal Opportunity, Equal Rights and Inclusion” “Annex” – Table 4: Other KPIs – 2022	76
			84



GARBE: Facts and Figures

2.1 Group Structure

2-1 GARBE Industrial Real Estate GmbH is fully owned by the GARBE Group, The group was formed by the GARBE and Nixdorf ("GuN") Holding GmbH & Co. KG. The conglomerate was formed in 1965, and consists of five companies, each of which handles different asset classes while differing in their business models and main business activities:

GARBE.
Industrial Real Estate



All Services in the area of logistics and multi-let commercial real estate

GARBE.
Immobilien-Projekte



Development of office and residential real estate

FONTENAY.
Management GmbH



Management of commercial and residential real estate

GARBE.
Institutional Capital



Investment and asset management for residential, retail and office real estate

GARBE.
Infrastructure



Activities in the area of renewable energies

GARBE Renewable Energy – Green GmbH, a former subsidiary of GARBE Industrial Real Estate GmbH, became the affiliated company GARBE Infrastructure in 2022 and now belongs to GuN Holding GmbH.

This report covers exclusively ESG activities of GARBE Industrial Real Estate GmbH, and not of GuN Holding GmbH as a whole. Accordingly, the report includes no disclosures on the other four affiliates of GARBE Industrial Real Estate GmbH.

The following companies are owned by GARBE Industrial Real Estate GmbH: NDC-GARBE Data Centers Europe GmbH (a joint venture with NDC Data Centers), GARBE Industrial Real Estate Eastern Europe Holding GmbH, GARBE Industrial Real Estate France SAS, GARBE Industrial Real Estate Italy S.r.l, GARBE Industrial Real Estate Netherlands B.V., GARBE Industrial Real Estate United

Kingdom Ltd., GARBE Industrial Real Estate Spain SL, GARBE Industrial Real Estate Austria GmbH, and GARBE Logistic Management Company S.à r.l. In turn, GARBE Industrial Real Estate Eastern Europe Holding GmbH owns the companies GARBE Industrial Real Estate Slovakia S.R.O., GARBE Industrial Real Estate Czech Republic S.R.O. and GARBE Industrial Real Estate Poland Sp. Z.O.O.

All of the Group's 17 branch offices are identified in the map below. The year 2022 was defined by the Group's expansion, with notable examples including the opening of two new European branches, one in Spain and the other in Austria, while the branch office in the UK was enlarged.



2-6

2-1

2-6

SENIOR EXECUTIVES

Listed by seniority, the senior executives of GARBE Industrial Real Estate GmbH in 2022 were: Christopher Garbe (Managing Partner), Jan Dietrich Hempel, Jan Philipp Daun and Andrea Agrusow.



CHRISTOPHER GARBE
Managing Partner



JAN DIETRICH HEMPEL
Senior Management



JAN PHILIPP DAUN
Senior Management



ANDREA AGRUSOW
Senior Management

EXPANDED SENIOR MANAGEMENT

As of 31/12/2022, the expanded senior management counted 12 members.



HEIKE LANDFERMANN
Member of the Executive Board/
Human Resources & Organization



HENNING REUSCH
Member of the Executive Board/
Real Estate Management



DR. PETER BARTHOLOMÄUS
Member of the Executive Board/
Portfolio Management



FRIEDERIKE BUCHHEISTER
Member of the Executive Board/
IT & Digitalization



PHILIPP SCHNABEL
Member of the Executive Board/
Financing



PHILIPP LOTH
Member of the Executive Board/
Investment Germany



PETER POHLSCHRÖDER
Member of the Executive Board/
Head of Data Center



PHILIPP DOLL
Member of the Executive Board/
Commercial Management



MAIK ZERANSKI
Member of the Executive Board/
Project Development



ADRIAN ZELLNER
Member of the Executive Board/
Business Development



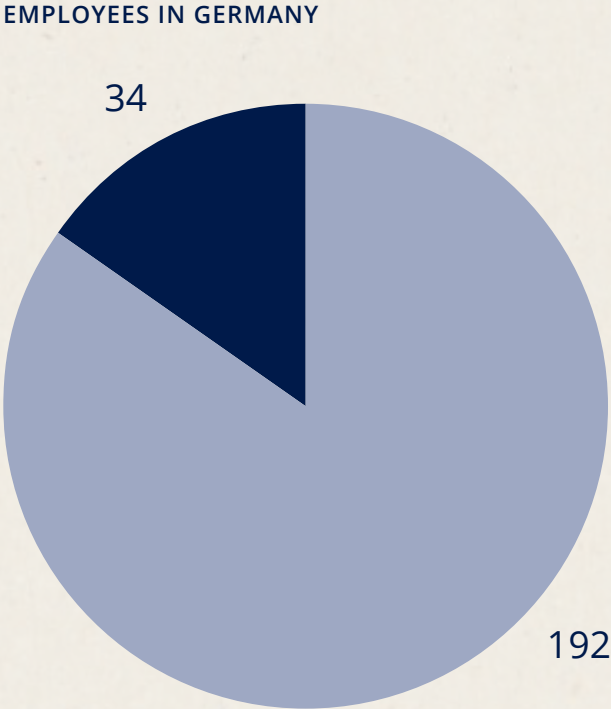
JANICA GERECKE
(on maternity leave)
Member of the Executive Board/
International Business



DR. JENS STEIER
Member of the Executive Board/
Legal Department

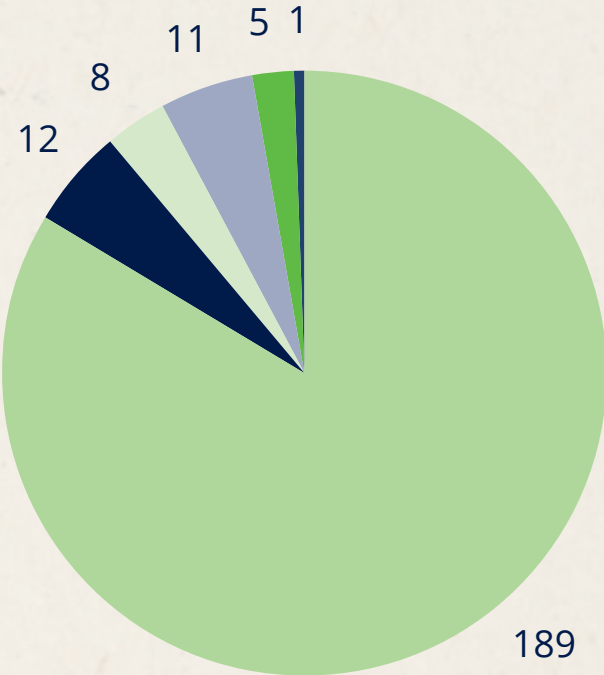
2.2 Our Workforce

401-1 The company has grown quickly over the past two years. Between 2020 and 2021, its workforce increased by 77 employees. The trend continued into 2022, as another 34 employees were hired. In Germany, the company has a total of 226 employees on the payroll, including its four managing directors.



■ Employees at year-end 2021
■ Year-on-year increase by 34 in 2022

2-7 EMPLOYEES, OFFICES IN GERMANY



226

Employees at offices in Germany
(112 male, 114 female, as of year-end 2022)

Out of the total of 226, 29 employees were working part-time at the end of 2022. In addition, GARBE employed 9 external staff at year-end (4 female, 5 male).

■ Munich ■ Hamburg ■ Frankfurt
■ Cologne ■ Berlin ■ Stuttgart

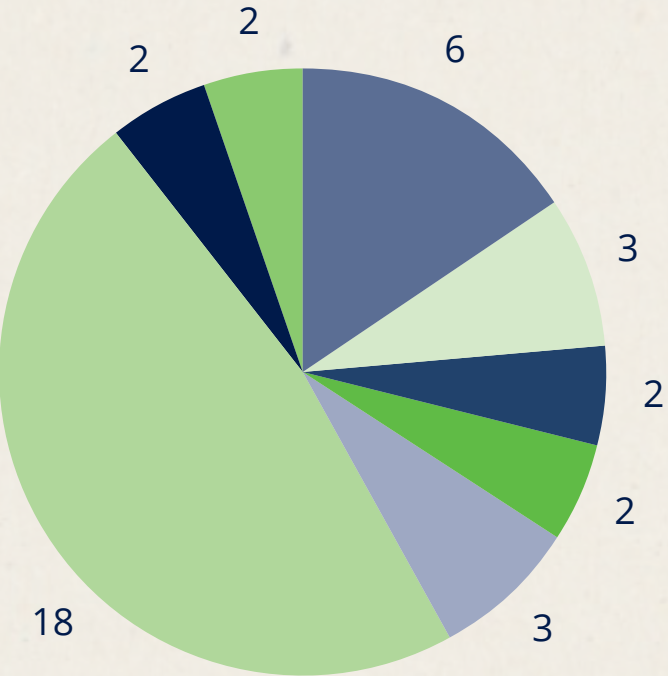
+ 18 %

employee growth between 2021 and 2022 was reported by GARBE.

The national subsidiaries has a total of 38 employees on their payrolls (+9 since 2021). Not taken into account here are their managing directors, which are included in the headcount for Germany, while those staff who work for more than one European company were only counted once.

■ Slovakia ■ Czech Republic ■ Poland
■ France ■ Italy ■ Netherlands
■ United Kingdom ■ Spain

EMPLOYEES, OFFICES ELSEWHERE IN EUROPE



38

Total workforce employed in European offices
(as of year-end 2022)

2.3 Real Estate Assets

2-6 By the end of 2022, GARBE managed 203 properties worth 10.2 billion euros and with a lettable area totalling 5.6 million sqm across Europe that are held in 17 separate asset pools. The occupancy rate (not including structural vacancy) equalled 98.09 %.

203 AUM

across Europe

5.6m 10.2bn

sqm of lettable floor area

euros worth of real estate are under GARBE's management across Europe

98.09 %

Occupancy rate
(not incl. structural
vacancy)

SUSTAINABILITY IN THE FUND BUSINESS: FIRST ART. 8 FUND

In 2021, the company launched its first Article-8 fund. This is an investment vehicle that applies 16 ESG criteria in order to achieve its sustainability objectives. The fund was built up incrementally in the course of 2022 by acquiring several assets in Germany and other European countries.

Article 8

MODERN, ESG-COMPLIANT PROJECT DEVELOPMENTS

All new project developments are built to recognised (DGNB Gold) ESG standards. A total of 86,000 sqm in project developments were completed in 2022. In 2022, the KfW 40 standard was defined as new energy efficiency target.

KfW 40



The Business Model

2-1

Based in Hamburg, GARBE is one of Germany's leading companies selling and managing logistics, light industrial and technology real estate. For over 30 years, the company has counted among the most important collaboration partners for transport and logistics service providers, the trade sector and the manufacturing industry. GARBE develops, buys or sells, lets, manages and finances high-end commercial properties in attractive transport nodes and industrial locations inside and outside Germany. At present, GARBE has around 5.3 million square metres of lettable area and a project development pipeline of around 2.2 million square metres in Germany and elsewhere in Europe under management that represent property and fund assets in a total value of c. 10.3 billion euros (as of 30 June 2022).

2-6

3.1 Logistics Real Estate

In the years since our company was formed, GARBE has evolved into an organisation with modern structures and international commitments that is active in all relevant logistics real estate segments and, since 2007, in the investment fund business as well. In addition to its real

estate expertise, GARBE has extensive insights into logistics processes in industrial and trading contexts, and is therefore able to respond optimally to the needs that corporate tenants have for the premises they rent.

GARBE in Figures.

30 years

in the business have made the company one of the most important independent collaboration partners for transport and logistics service providers, the trade sector and the manufacturing industry.

5.3m

GARBE currently manages a total lettable area of around 5.3 million square metres.

2.2m

square metres are currently in the development pipeline of GARBE in Germany and wider Europe

Since 2007

GARBE has been active in the fund business as well

3.2 Corporate Real Estate

2-6

In order to ensure our continued success, GARBE is always on the lookout for auspicious new markets on behalf of our clients. Following thorough preparations, GARBE therefore entered the market for corporate real estate as a new business field in late 2015.

GARBE pursues a 360-degree approach in both asset classes. We employ our expert know-how to guide our clients and investors through every phase of a property's life cycle, from construction or acquisition, to portfolio management and optimisation, and all the way to disposal or realisation.



PROJECT DEVELOPMENT



Closely coordinating its efforts with the incoming tenant, the GARBE team of more than 30 high-skilled professionals create buildings that are sure to meet industry requirements for decades to come. GARBE facilitates all stages of the development: site search, preparation, concept design, planning, project management and construction. Even beyond the completion, GARBE usually remains the liaison partner as asset manager. As Germany's leading property developer, GARBE concentrates specifically on sustainability, construction quality, and the long-term viability of the property. Chapter 4 provides an overview of the components that define a sustainable project development.

REAL ESTATE MANAGEMENT



As manager of a given property, GARBE acts in the best interest of both its tenants and investors. Since 1 November 2022, the Region Heads of the property management, now renamed Real Estate Management (REM), have been reorganised in a new structure to bring them in closer touch with their assets. As a result, the Real Estate Management is restructured into the following five regions: Hamburg, Stuttgart, Berlin, Cologne and Frankfurt.

The Real Estate Management professionals are grouped into four areas of expertise, each of them specialising in one of the following activities: data management, property management, commercial asset management or technical asset management. Short in-house lines of communication and offices on location permit a lean and optimal management of the properties. This is complemented by a cross-regional focus that specialised teams apply to special subjects such as digitisation and sustainability as well as quality management, and these report directly to the company's head office in Hamburg.

2-6



INVESTMENT MANAGEMENT

GARBE employs robust professional know-how to advise its clients on real estate acquisitions and dispositions. By conceptualising and launching investment platforms, we create an attractive framework for investments in the asset classes of logistics real estate and multi-let commercial real estate. The deliverables of GARBE also include portfolio analysis and strategic consultancy.



PORTFOLIO MANAGEMENT

GARBE manages the assets of institutional investors with the goal of achieving above-average capital growth. At the same time, our well-considered investment decisions are based on exact analyses and evaluations that serve as foundation of a sound risk management. The service areas of real estate management, investment management and project development ensure that we remain close to the market and keep our real estate know-how up to date. On top of that, the Research department systematically and continuously conducts market analyses using state-of-the-art instruments that detect even the minutest trends in relevant macro- and micro-economic markets, while sustainability strategies are supplemented by a department set up specifically for the purpose.





Sustainability
at GARBE

2-22

4.1 Sustainability in the Business Strategy

GARBE has engaged with the sustainability issue for more than ten years now. The ESG topic has long been introduced to all departments and has become an integral part of our business strategy.

All of the ESG-related initiatives of GARBE are subsumed under the maxim “Responsible by Choice.” Specifically in the operational division, the ESG topic breaks down into three components – sustainable project developments, manage-to-ESG for existing properties, and brownfield revitalisations:

SUSTAINABILITY AND OPPORTUNITIES FOR THE COMPANY – THE OPERATIONAL APPROACH OF GARBE

The portfolio managed by GARBE includes both existing properties and new-build units. The strategy that GARBE pursues to support the sustainability objectives prescribed by the EU for the real estate sector rests on two pillars: sustainable construction and the preservation of so-called “embodied energy” through periodic manage-to-ESG upgrades of existing properties.

Sustainable Project Developments

Sustainability comes into play as early as the site selection, with brownfield being clearly favoured in order to keep new soil sealing to a minimum. Project developments are built to recognised sustainability standards (DGNB Gold or higher). It was also decided to set the KfW 40 guidance as the minimum standard for energy efficiency. Interior fit-outs principally include heat pumps and smart meters (radiant tube heating units may in some cases require a special permit), while lease agreements principally take the form of ESG leases. Every newly constructed building is pre-fitted for the installation of a PV system or else is already equipped with one because the roof surfaces are let to a PV operator. The in-house use of the generated green electricity is actively encouraged, while storage systems are trialled at the same time. Product innovation is supported in regard to building materials as well as to mechanical and electrical engineering.

Manage-to-ESG in existing real estate properties

The managed real estate portfolio also includes assets that were built years ago at a time when comprehensive sustainability standards did not yet exist. But it should be borne in mind that the construction of new building generates massive carbon emissions because of the building activity and the use of materials. The manage-to-ESG approach of GARBE seeks to extend the service life of existing buildings while making them more sustainable via suitable refurbishments. Our in-depth real estate experience of many years and AI-augmented ESG software enables us to offer manage-to-ESG services even if the budget is limited.

Brownfield

Land consumption is a serious environmental effect caused by the business of real estate companies. Implementing brownfield developments, in which GARBE has already gathered plenty of experience, helps to prevent further land consumption, as land is a finite resource worth protecting.

The sustainability strategy of GARBE comprises a variety of measures and topics that are pursued in the environmental, social and governance areas. In addition, GARBE thereby contributes to the 17 Sustainable Development Goals (SDGs) defined by the United Nations (UN).

The SDGs are part of the 2030 Agenda, which is motivated by the desire to find a common approach to prosperity and peace for mankind and for the planet. The SDGs address social issues (such as inequality and poverty) and

environmental issues (e. g. protection of oceans and forests, climate change mitigation). The various measures that GARBE undertakes in line with its ESG strategy contribute essentially to five of the SDGs. They are thematically connected to the ESG measures that GARBE took as a company and that GARBE relates to due to its business model and due to the nature of the real estate industry.

The chart below provides a summary and overview of GARBE’s ESG strategy.

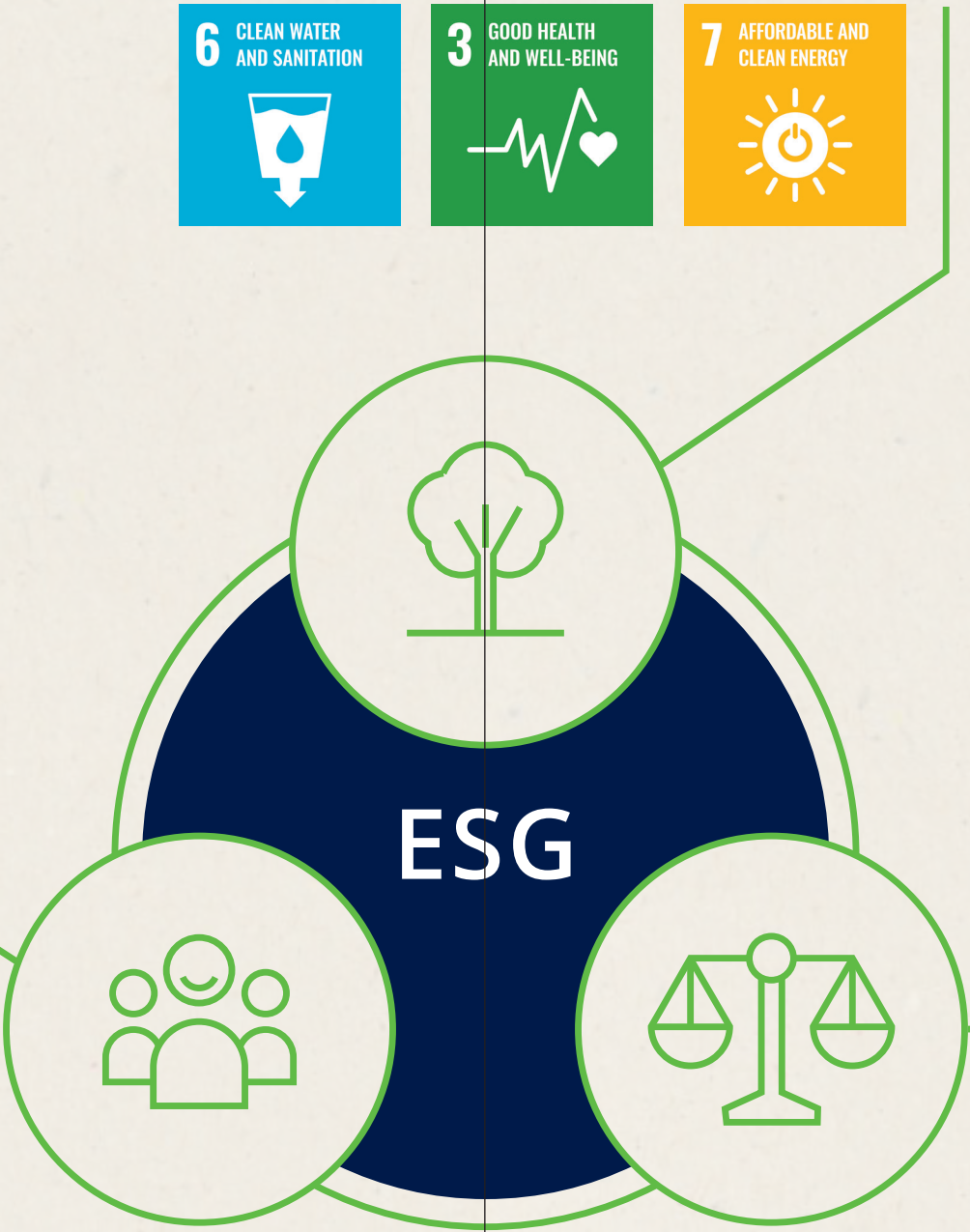
Responsible by Choice



SOCIAL

- Focusing on the perspective of people as users, ensuring the social integrity of buildings
- Assuming responsibility in society: pursuing social projects and donating money
- Within the company: Assuming social responsibility as employer (equal opportunity, integrating employees through surveys, Top Job)

→ Accepting social responsibility as a company and as business partner



ENVIRONMENTAL

- Minimising the carbon footprint – in-house and in the portfolio
- Trading and building in environmentally sustainable ways
- Creating ESG transparency

In-house, GARBE encourages specifically:

- working in sustainable offices, setting a good example
- conserving resources, avoiding waste, reducing paper use
- using green means of transportation

→ Accepting environmental responsibility as a company and as business partner



GOVERNANCE

- Identifying corporate values
- Complying with ESG guidance, including business partners (e. g. screening, knock-out criteria)
- Creating a modern, environmentally and socially sustainable and family-friendly workplace and ensuring well-being in the own offices
- Anchoring the ESG policy along with key aspects of the ESG strategy in the employee objectives
- Integrating employees: granting extra holidays to support community days

→ Creating sustainable corporate governance in-house and in collaboration with our business partners

4.2 Sustainability Objectives and Progress

When defining sustainability objectives, one needs to differentiate between corporate objectives and those objectives that GARBE seeks to achieve as service provider or portfolio manager.

PROGRESS ON THE COMPANY LEVEL



- Qualitrain: about 20 % of the workforce
- Fundraiser for “Logistik in Bewegung”: 15,000 euros
- Sporting event: 4 (triathlon, dragon boat cup, hockey tournament, tennis tournament)
- Wellbeing initiatives: 2 (Mindfulness@Work, active lunch break)

We encourage our staff to engage in physical activities by offering the “Qualitrain” and company sports programs, and contribute to the welfare of our societal environment through charity and social initiatives. In our role as property developers, we uphold minimum wellbeing standards.



- Board: hiring the first female managing director
- Management: raising the women’s quota in the executive body to 33 %

Equal opportunity at the workplace is of key significance for us; in addition, we actively support the re-integration of female staff after a maternity leave, and we cultivate a system of performance-based promotion. Our workforce is almost evenly divided along gender lines. In 2022, we ran an internal equal-opportunity cheque for small and mid-sized enterprises that was created by the Federal Ministry for Family Affairs, Senior Citizens, Women and Youth.



- Transitioning our offices to green electricity
- E-mobility: 3 hybrid and 5 electric vehicles
- Expanding the renewable energies division – the GREEN entity being absorbed into the newly formed company, GARBE Infrastructure GmbH

On the company level, we promote the use of green electricity and e-mobility. By collaborating with GARBE Renewable Energy GmbH (GREEN), we support the installation of solar arrays on the roof surfaces of logistics warehouses.



- CO₂ footprint: expanded the data coverage to include additional locations and commuter travel
- Planting event: planted 1 tree for every 100 sqm of sealed surface area (next event – Q1 2023)
- Climate risk management: Introduction of CRREM and Location Risk Intelligence by Munich RE (for a count of the assets, see next page)

In our role as a company, we monitor our carbon footprint and intend to reduce it as much as possible. In our role as asset manager, we offer carbon emission monitoring and a software-based reduction of these emissions along with climate risk analyses and climate risk management.

Highlight 2022!



In 2022, we donated 25,000 euros to the charity:water non-profit organisation. The donation was large enough to finance a whole water project, and so we are helping to bring clean water to an entire community for the next 21 months.

As property developer and asset manager, we offer solutions for lowering the clean water consumption through water-saver buttons, rainwater harvesting and grey water recycling, pond systems as well as adequate sanitary facilities for all warehouse staff. Within the scope of our fundraising campaigns, we strive to sponsor clean-water projects as much as we can.

PROGRESS ON THE PORTFOLIO LEVEL

Introduction of the ESG software Quantrefy

ESG analysis of properties and portfolios according to recognised KPI/standards + guidance on the measures to be implemented to enhance the respective ESG performance



Number of assets on Quantrefy: 89 (5 funds)

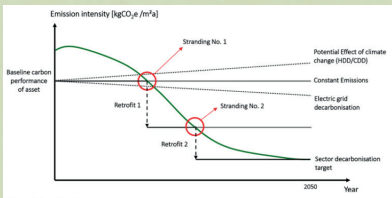
PV KPIs:

14 facilities in operation and 45 MWp in operation and development
10 facilities under construction 60-70 MWp in the pipeline



Introduction of CRREM

The CRREM rates the degree of compliance with evidence-based decarbonisation pathways that conform to the Paris climate targets.



Number of assets subjected to a CRREM analysis: 14 (1 fund)

Participation in GRESB

GRESB is the leading rating system for the evaluation of the sustainability performance of entire real estate portfolios in accordance with ESG criteria.



Number of assets rated according to GRESB: 14 (1 fund)

Introduction of Madaster

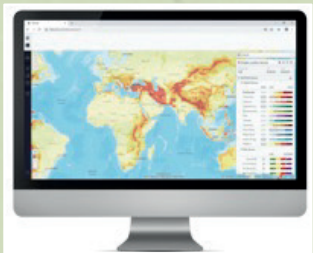
The purpose of this online registry for materials and products is the recycling of building materials and the calculation of their embodied carbon.



Introduction of the Climate Risk Analysis (Munich RE)

This software solution is used to analyse site-specific physical threats that natural disasters and climate change may pose.

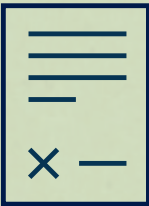
Climate risk – analyses conducted for all sites / AuM



Introduction of the ESG lease

ESG clauses define sustainability requirements and lay the ground for implementing the ESG measures

Number of ESG leases: 27



OTHER ESG TARGETS ON THE PORTFOLIO LEVEL

ESG digitisation – introduction of ESG software

A major objective achieved in 2022 is the digitisation of ESG data by introducing the QUANTREFY software which, following the input of all relevant ESG data, lets you analyse the assets’ ESG performance from the angle of recognised assessment models. It is planned to add all assets to the platform eventually.

In the future, the software will permit AI controlled analyses of planned ESG measures in order to prioritise them according to their effects on the GRESB score, the adherence to the climate paths according to the CRREM, the Taxonomy compliance and, if so desired, the ECORE score.

ESG digitisation – installation of smart meters

The installation of smart meters in the properties we manage started in 2022. The long-term objective is a fully automated acquisition of the consumption data.

ESG lease

In 2021, we had our standard ESG lease finalised, the idea being to facilitate and govern the installation of PV systems, the use of energy from renewable sources, the transmission of consumption data and generally the environmentally sound and energy-efficient use of a given property by its tenant. All of the lease agreements signed in 2022 include ESG clauses.

ESG certifications

All new project developments were certified to the recognised ESG standard, DGNB “Gold.” Existing properties are earmarked for a retroactive certification.

Portfolio assessment and benchmarking

To rate the ESG performance transparently and in accordance with recognised and independent standards, two of the managed investment funds participated successfully in the GRESB assessment. In addition, the CRREM tool analyses the degree to which the portfolio has been adapted to the decarbonisation pathway of the Paris Agreement. In 2022, a location risk intelligence tool was introduced which lets us analyse the climate threats that individual properties and entire portfolios are exposed to.

Measuring and lowering the carbon output of assets

QUANTREFY, GRESB and CRREM enable us to calculate the carbon emissions of properties. Calculating the carbon footprint is important for the transparent measuring of the environmental effects, one the one hand, yet it is also the basis we use to identify reduction potential. For 2022, we calculated the carbon emissions of the two investment funds that participated in the GRESB assessment. Two important measures for bringing down the portfolio’s carbon emission are the installation of roof-mounted PV systems and greenery (see the “Climate Change Mitigation” and “Climate Change Adaptation” chapters for details).

Using roof surfaces for the production of PV electricity

GARBE Renewable Energy GmbH develops and installs bespoke PV systems for facilities and rooftops of industrial and logistics real estate. The goal is to provide about 120,000 households with electricity and thereby to save up to 170,000 tons of carbon dioxide.

170,000 t

tons of carbon dioxide to be prevented by deploying PV systems

4.3 ESG Organigram: Responsibility of the Senior Management and Governing Bodies

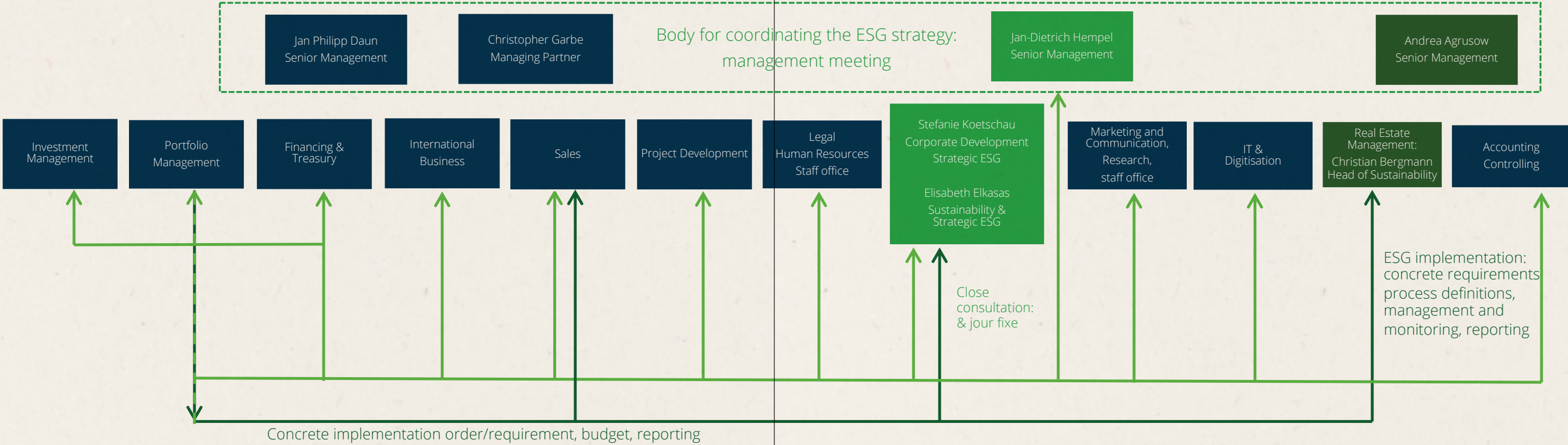
2-9

2-13

The senior management is responsible for the sustainability management within the company with the collaboration and active support of the executive committee and in particular of the dedicated positions created for the purpose, these being “Head of Corporate Development & ESG” (department of Corporate Development and Strategic ESG) and “Head of Quality, Competence & ESG” (department of Real Estate Management). Corporate Development, which employs another two professionals, is responsible for the strategic project management of important ESG projects across department lines. The Operational ESG unit is responsible for implementing ESG measures on the property level. The two departments cooperate very closely and compare notes daily. In addition, the Strategic ESG department reports directly to the senior management. The managing director in charge of

the ESG strategy is briefed once a week about the latest state of affairs, with in-depth briefings delivered every other week. Moreover, ESG is on the agenda of the periodic meetings of the managing directors. Since the four managing directors are responsible for corporate divisions, each of them is responsible for his or her respective division. Accordingly, the ESG/sustainability topic, for instance, also has its place on the agenda of the senior management meetings. In addition, there are smaller working group within the workforce who regularly engage with ESG topics and who will forward initiatives and questions or suggestions to Corporate Development and to the senior management.

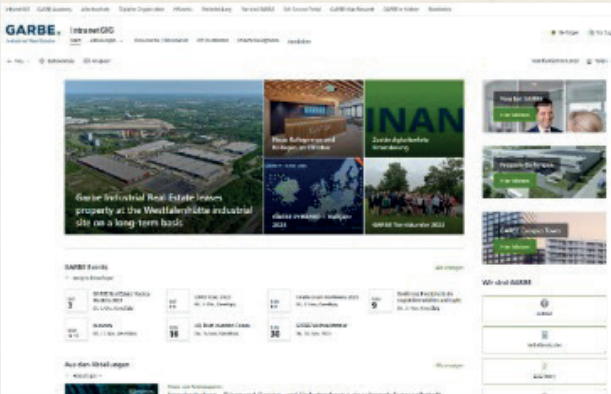
The ESG organigram of GARBE (2022) shows the responsibilities in the areas of strategic and operational ESG.



4.4 ESG Guidelines and Measures

ESG POLICY

Everything GARBE expects from its employees and unequivocally wishes to be observed is detailed in clearly structured guidelines. Its ESG policy shows the guidelines for practising environmental and social sustainability and governance, and uses examples to illustrate them. Our joint activities within the company are defined by the mission statement that was jointly re-developed and drafted “by us, for us,” in a manner of speaking. Narrowly defined practice rules are prescribed by the code of conduct and the compliance code.



As of 2023, these are also retrievable on our website:



ESG DOCUMENTS FOR THE PORTFOLIO

ESG step-by-step plan

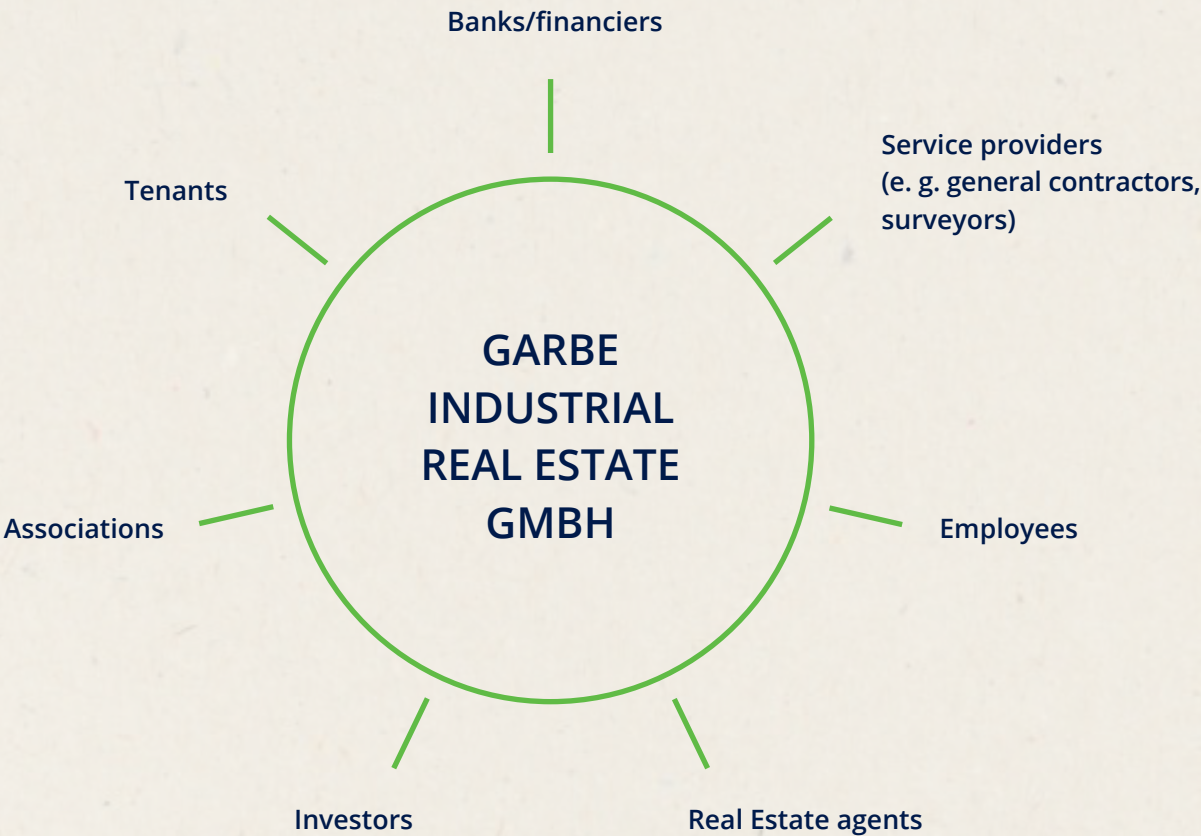
In its role as service provider, GARBE has developed a phased plan of ESG measures for the portfolio management that breaks down into three stages: Phase 1 focuses on transparency, Phase 2 supplements transparency with a number of ESG measures, while Phase 3 brings in more demanding ESG measures, aiming for a significant improvement of the sustainability performance.

ESG due diligence

As real estate expert, GARBE compiled an ESG due diligence list that became available in 2021 to be referenced when buying real estate. The ESG due diligence has become part of the standard process, unless it conflicts with the strategy of a given vehicle.

STAKEHOLDER MANAGEMENT AND ESG

Within the scope of an internal analysis, we identified those stakeholder groups that are particularly relevant because of the intensity of their interaction with, and the degree to which they are exposed to, the corporate activities of GARBE.



STAKEHOLDER ENGAGEMENT THROUGH SURVEYS

2-29



GARBE plans and regularly conducts surveys for the purpose of integrating stakeholders in the corporate strategy and sustainability strategy.



On top of that, the issues and opinions of the stakeholders are queried via individual dialogues and taken into account.

Employees

Employees are the most important resource of any company: Every year, we conduct internal and external surveys to determine the opinions of this, our most important stakeholder group. In addition, employees have the option to provide feedback at any time, using a dedicated Intranet portal for the purpose.

Being a regular participant in the biannual Top Job poll and associated competition organised by the Centre for Employer Attractiveness (zeag GmbH), GARBE was awarded the “Top Job” seal for the third time in 2022.

GARBE is well aware that qualified employee feedback is a great basis for a strong and crisis-proof corporate culture. The company has repeatedly implemented concrete improvements suggested by employees: Our mission statement, for instance, was revised in a manner that made it easier for employees to embrace it. The following measures, based on the employee feedback, were taken in 2022:

- The 2020 lockdown survey revealed that the loss of opportunity for engaging in small talk on the job was felt to be among the gravest consequences of the coronavirus pandemic. In response, a small-talk environment posing no health hazard was created by introducing bi-weekly “GARBE Coffee Talk” team meetings.
- Mobile working remains an option 2 or 3 times a week, depending on a staff member’s sphere of activity.
- That said, it was not the first time that changes based on employee feedback were introduced. The poll conducted by Top Job also revealed a number of possibilities for improving the energy and motivation level among employees. Dedicated training workshops for executives and department heads produced an increase in job satisfaction among employees, as a follow-up poll revealed in 2022. Together with an advisor and in one-on-one talks with each team head, the respective weak spots were identified in a joint effort. Next, specific improvement measures were planned.

Tenants

The tenant surveys conducted by GARBE Research every 3 to 4 years enable us to draw conclusions regarding tenant satisfaction and the quality of our property management while suggesting ways to improve things further.

Important outcomes of this survey, which was initially undertaken in collaboration with bulwiengesa before being repeated internally in two successive follow-ups, included the installation of signage providing contact details inside the properties, a shift in strategy in regard to facility management and concrete adjustments to individual properties.

In 2022, GARBE Research conducted an internal tenant survey focusing on the ESG subject.

- The ESG tenant survey of GARBE took place between 4th and 29th of April 2022.

- Out of a total of 217 tenants contacted, 56 participated in the poll. This equals a response rate of 25.8 %.
- Two out of three tenant respondents already follow sustainability strategies that focus on the reduction of carbon emissions, net zero carbon, carbon neutrality by 2040, avoidance of plastic, and the conservation of resources in general.
- The survey clearly revealed that tenants place particular importance on ESG-related subjects. The top three items were conservation of energy, digital consumption data acquisition, and energy-efficient lighting designs.
- While our ESG strategy and our PV activities are appreciated, there is still room for improvement. Going forward, GARBE is planning to increase tenant awareness, e. g. by taking a more active approach to communicate its PV activities.

Investors

Another group we interview every 3 to 4 years are investors. The latest of these surveys, conducted in 2018, returned a high level of satisfaction with the services of GARBE while revealing to the portfolio management which aspects this major client group cares about most.

Decisions on sustainability measures to be implemented take the needs, expectations and requests of investors duly into account and include them in the decision-making process.

Other stakeholders

Additional stakeholder surveys now in planning will engage, for example, banks or real estate agencies we collaborate with but also business partners in the areas of project developments and portfolio management, and these will again be carried out by the Research Department.

The ESG theme finds its way into all surveys in recent years, raising concrete questions about the assessment of the ESG strategy but also about the perception of the ESG alignment by our client groups.

DUE DILIGENCE IN DETAIL

In 2022, the ESG Due Diligence list was adopted as standard for all investment processes to analyse properties from an ESG angle on behalf on investment funds.

The list breaks down into a variety of categories of criteria that consider the social and environmental sustainability of site, outer areas, office section and warehouse. In addition, governance criteria are taken into account.

The degree of compliance of each criterion can be measured for several aspects, the highest degree of compliance being 100 %. The categories are eventually weighted according to their materiality.

The criteria consider internal sustainability standards of GARBE along with common market standards and legal requirements.

4.5 SIGNIFICANT SUSTAINABILITY RISKS AND INSTRUMENTS FOR CONTROLLING THEM

According to the Federal Financial Supervisory Authority (BaFin), sustainability risks represent environmental, social or governance events or conditions whose occurrence could actually or potentially have adverse consequences for the net assets, financial position and earnings position as well as for the reputation of a company under the authority's supervision.

In line with the principle of proportionality (BaFin), GARBE Industrial Real Estate seeks to develop systems for detecting and controlling risks whose scope, structures, processes and methods complement the company's business model.

IDENTIFYING AND CONTROLLING CLIMATE CHANGE RISKS

Physical climate change risks in the location assessment system

The location assessment system that the GARBE Research department had introduced in 2021 was expanded in 2022: Its purpose is the addition of physical climate change risks, such as flooding (fluvial flooding or rainstorms), forest fires or high temperatures, in order to appraise the degree to which portfolio properties, investments and project developments are exposed to climate change risks (for more details, see "Climate Change Adaptation").

Transitory climate change risks

The real estate industry, just like the world as a whole, is going through a transition phase in an effort to achieve the climate targets that were set by the Paris Agreement. Part of the effort is the need to decarbonise the real estate industry. The use of its CRREM tool enables GARBE to assess the "stranded asset" risk for the portfolio under its management. Introducing the ESG software has made it possible, assuming the availability of the necessary data, to run automated CRREM analyses on the managed portfolios and to subject them to consumption benchmarking.

How does GARBE handle transitory risks?

The most important transitory risks for companies active in the real estate sector must be seen in the context of emerging new technology and sustainability standards both in the market and in legislation. To ensure that the project developments meet the latest ESG standards,

GARBE constructs its buildings in accordance with recognised sustainability standards. At the same time, the company is implementing its plan to subject standing properties to manage-to-ESG measures.

Playing an active part in the energy transition

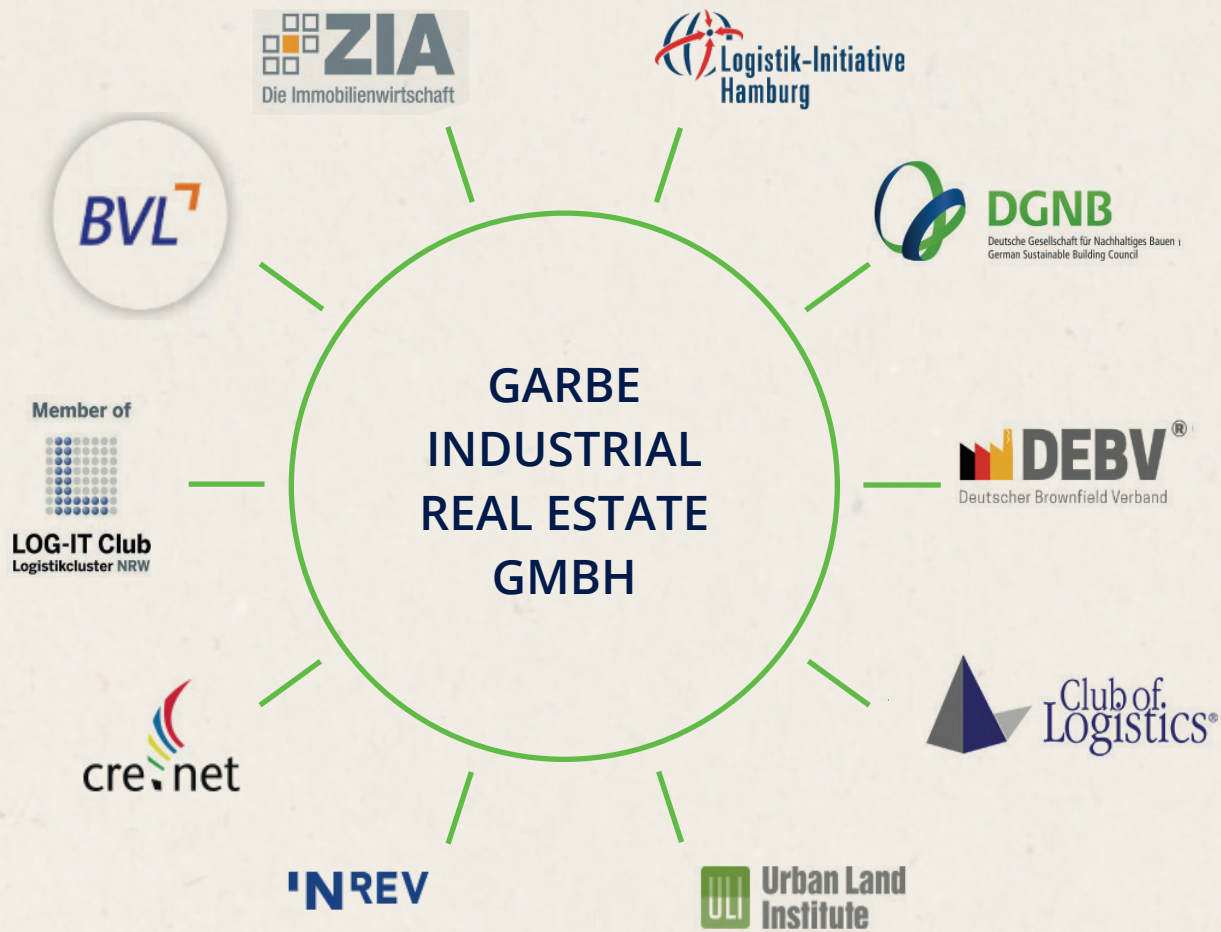
In 2019, GARBE spun off a green energy subsidiary, GARBE Renewable Energy - Green GmbH (formerly GARBE Industrial Photovoltaik Entwicklung GmbH). Its objective is to equip both project developments and existing properties with PV systems so as to bring them

up to the latest sustainability standards. In the course of 2022, the entity's legal structure was altered: the subsidiary formerly known as GREEN was renamed GARBE Infrastructure GmbH and is now an affiliate of GARBE Industrial Real Estate GmbH, as outlined in Chapter 2.

Involvement in industry initiative and sustainability initiatives to mitigate the political risk

Through its membership and active involvement in various industry initiatives, GARBE not only stays up-to-date on the latest sustainability standards in logistics but actu-

ally sees itself as a trailblazer who actively contributes to their definition (for more details, see the "Political Commitment, Lobbying Work and Memberships" chapter).



SUSTAINABLE PROJECT DEVELOPMENTS

All project development satisfy, at the least, the DGNB “Gold” standard and are equipped with roof-mounted PV systems. Moreover, all project developments are intended to meet the KfW 40 sustainability standard.

The image shows our “Stapelfeld” project development as a best practice example (completed in 2023).

- Green roof for attached office building**
- Optimised use of the developable area
 - Rainwater retention and extended storage
 - Natural air conditioning of the building
 - Habitat for birds and insects

- PV system**
- Rental income for the owner
 - Energy cost savings for tenants
 - Use of regenerative energy
 - Improving the carbon footprint

- Lowering clean water consumption**
- Objective: sourcing 25 % of the water consumed from rainwater and process water treatment
 - Water-saver buttons and automated water taps

- Primary energy management**
- Prudent material selection
 - Life cycle assessment regarding energy costs

- Pond system, soakaway**
- Substitute habitat for various organisms
 - Rainwater draining into the ground

- Flora & fauna**
- Ecologically particularly valuable trees and plant communities
 - Bird nesting boxes
 - Insect hotel
 - Areas for ground-nesting birds
 - Hedge
 - Wild flower area

- Sustainable materials**
- Recycled building materials use to the extent possible
 - Use of timber from sustainable sources to the extent possible
 - Preference for natural materials

- Energy-efficient building fit-out**
- Optimised insulation
 - Geothermal heating, heat pumps

Daylight- and motion-based lighting design (LED lighting)

- Low-emission mobility**
- State-of-the-art charge points for e-mobility
 - Roofed-over e-bicycle parking



MANAGE-TO-ESG UPGRADES OF STANDING PROPERTIES

Even older existing properties can be restructured to be more sustainable – and GARBE has set itself the target of identifying and exploiting this potential. Depicted in the image is the portfolio development of the “Werne” property: This project boasts a remarkable spectrum of ESG characteristics that were created both during and after the construction phase.



Table 1: ESG risk management

Risk	ESG	Level	Potential consequences	Risk management tools
Extreme weather events (physical climate change risks)			<ul style="list-style-type: none">Damage to real estate, possible impairmentsImpact on the attractiveness of the location	<ul style="list-style-type: none">Site-related climate change risks in the ESG DDSoftware-based climate risk analysis of the sites: 2022 with Munich RE
New sustainability standards, e.g. technologies, regulations (transitory climate change risks)			<ul style="list-style-type: none">Obsolete products, poor competitivenessLegal consequences, penalties	<ul style="list-style-type: none">Participation in industry initiatives, lobby workParticipation in the energy transition by setting up GREEN
Personnel risks			<ul style="list-style-type: none">Staff shortage, staff leaving, employee motivation, employee healthRamifications for the employer attractivenessReputational damages	<ul style="list-style-type: none">Employee surveysEmployee benefits systemIn-house initiatives to promote social sustainability
Stakeholder risks			<ul style="list-style-type: none">Conflicts, degraded collaborationReputational damages	<ul style="list-style-type: none">Stakeholder survey programStakeholder exposure program
Mismanagement/ misconduct			<ul style="list-style-type: none">Legal consequences, penaltiesReputational damages	<ul style="list-style-type: none">Code of conduct, compliance codeWhistleblowing system
ESG compliance of the business partners			<ul style="list-style-type: none">Loss of business (after grave ESG incidents)Reputational damages	<ul style="list-style-type: none">Knock-out criteria for tenantsESG screening system (in preparation)



Environment – Sustainable Green Action

5.1 Climate Change Mitigation

LEADING BY EXAMPLE: THE SUSTAINABLE HEAD OFFICE

Our head office in Hamburg has been certified under the “HafenCity Ecolabel” with a “Gold” rating which is the highest one possible. Among the things most important to us are:

- the sustainable use of energetic resources
- the sustainable use of public goods
- the use of environmentally friendly building materials
- the specific consideration of health and wellbeing

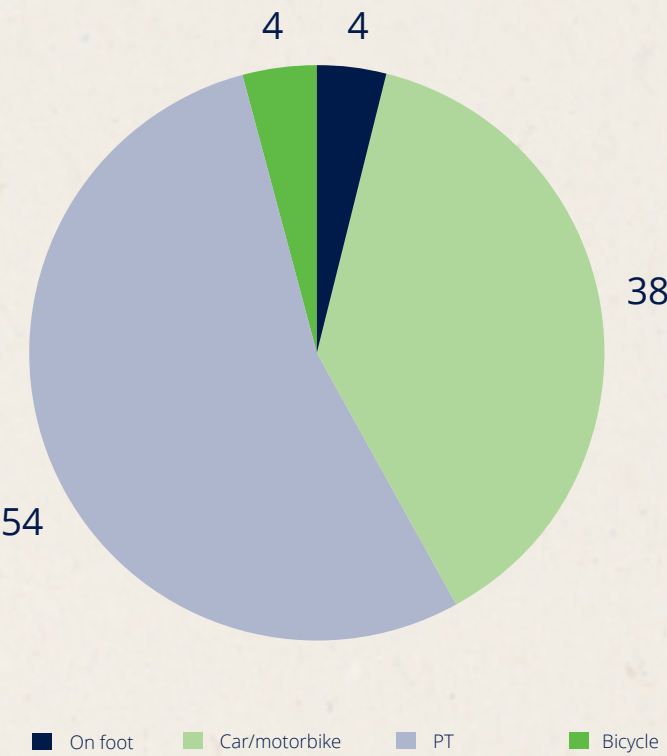
The integration of renewable energies had been part of the plan all along, yet we did not manage to implement it until 2022 due to the type of our electricity contract, which involved a large number of different parties.

MOBILITY

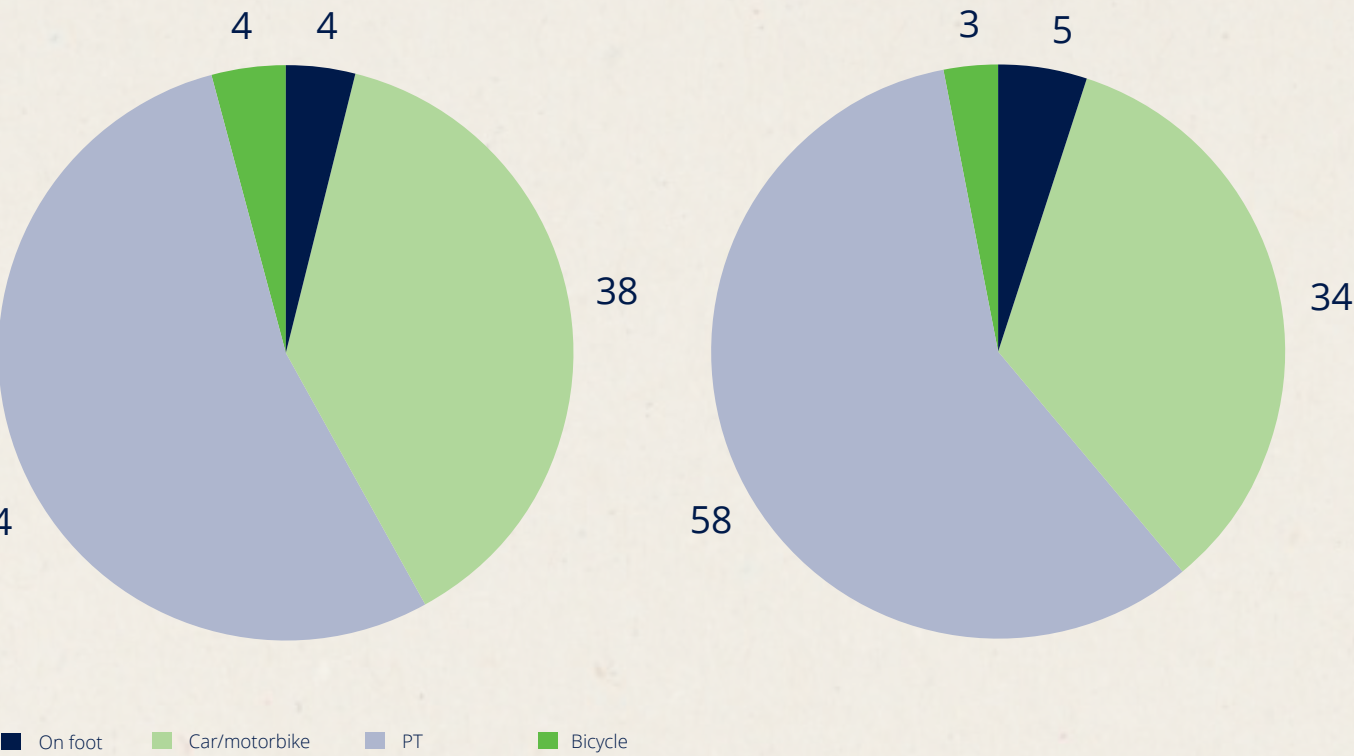
Mobility is an indispensable part of day-to-day life. But transportation remains one of the leading emitters of greenhouse gases in Germany. GARBE strives therefore to reduce its carbon footprint via a variety of measures.

- Convening online meetings whenever possible
- Travelling preferably by public transportation and railway (see Table 2 “Environmental – KPIs DE 2022” for a detailed breakdown of the various means of transportation, listed by kilometres travelled).
- The head office in Hamburg and the branch offices in Stuttgart and Frankfurt have direct access to public transportation. To encourage the use of public transportation, GARBE supports its employees in Hamburg with an allowance toward a local commuter ticket.
- For staff working at our other branches, we carefully checked out equivalent options.
- For instance, the availability of bicycle lockers in the underground car park (in Hamburg) and end-of-trip facilities (in Hamburg and Berlin) encourage employees to cycle to work.
- To promote the transition to e-mobility, charging stations are available in the underground car park. Furthermore, GARBE has already begun to convert its vehicle fleet: By the end of 2022, four out of a total of 44 cars were hybrid vehicles (one more than the year before). It is planned to incrementally increase the number of e-vehicles.
- In 2022, an in-house survey investigated for the first time which means of transportation employees use to travel back and forth to work, the idea being to calculate the carbon emissions generated by employee commuting.

SHARE OF DIFFERENT MEANS OF TRANSPORTATION, Q1/Q2 2022



SHARE OF DIFFERENT MEANS OF TRANSPORTATION, Q3/Q4 2022



During the first half of the year, the number of our employees in Germany who commuted to work by public transportation already exceeded 50 %. On average, each employee caused a carbon output of 171 kg of CO₂ during the first half-year.

During the third and fourth quarter of 2022, the number of kilometres travelled by car declined by 4 % whereas those travelled by public transportation increased by 4 %. Each employee caused a carbon output of 159 kg of CO₂ during the second half-year. This is 7 % less than during the first two quarters of 2022.

7%

fewer kg CO₂ were generated by each employee in Q3/Q4 when compared to Q1/Q2 2022

CLIMATE CHANGE MITIGATION ON THE PORTFOLIO LEVEL –
CONSERVING “EMBODIED ENERGY”

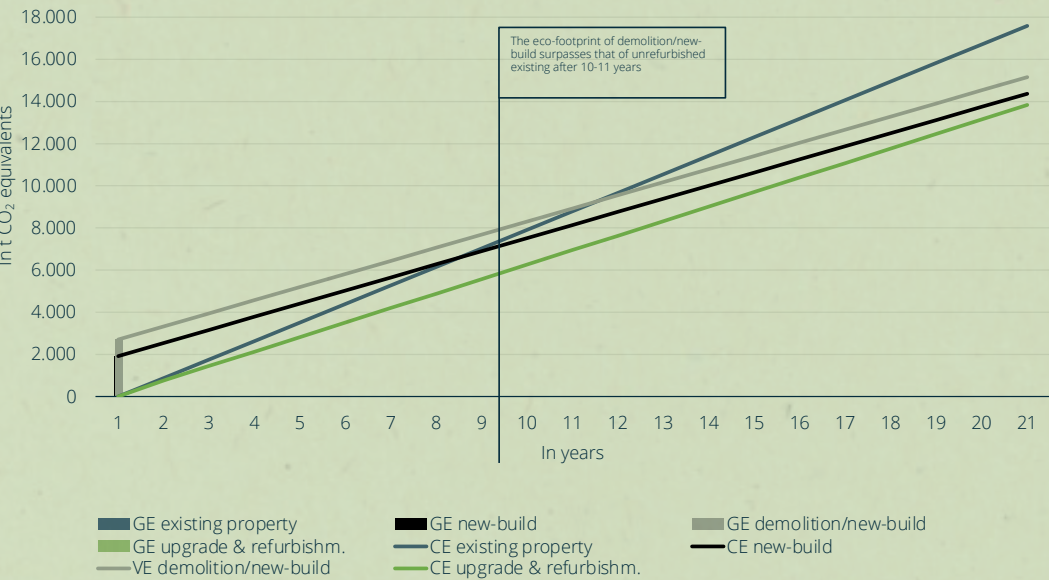
GARBE strives to build according to the latest sustainability standards. However, new-build units generate primary energy input (embodied energy) whose compensation through higher energy efficiency takes many years. Conserving this embodied energy represents a key component of GARBE’s sustainability strategy: Extending the service life of existing properties while upgrading their environmental performance at the same time is often possible through refurbishments.

An in-house survey that GARBE undertook in 2022 compared four different options for a property with a floor area of 30,000 sqm:

- new-build construction of a modern, certifiable warehouse on a previously undeveloped plot (greenfield).
- demolish/new-build construction of an existing property within a historically evolved business area in a conurbation (brownfield).
- use of an existing property within a historically evolved business area without undertaking refurbishment measures.
- refurbishment of an existing property, with an energetic upgrade definitively included but the value in use principally remaining the same.

Visit our website, to learn more about the topic of “embodied energy”!

ENVIRONMENTAL ASSESSMENT OF VARIOUS SCENARIOS



Based on the survey’s underlying assumptions, the environmental life cycle assessment of a refurbished existing property achieves the highest score over an observation period of 20 years.

CLIMATE CHANGE MITIGATION ON THE PORTFOLIO LEVEL –
ROOF-MOUNTED PV SYSTEMS

GARBE develops and installs bespoke PV systems on facilities and rooftops of industrial and logistics real estate as well as in open areas anywhere in Germany.

PV KPIs – as of year-end 2022:

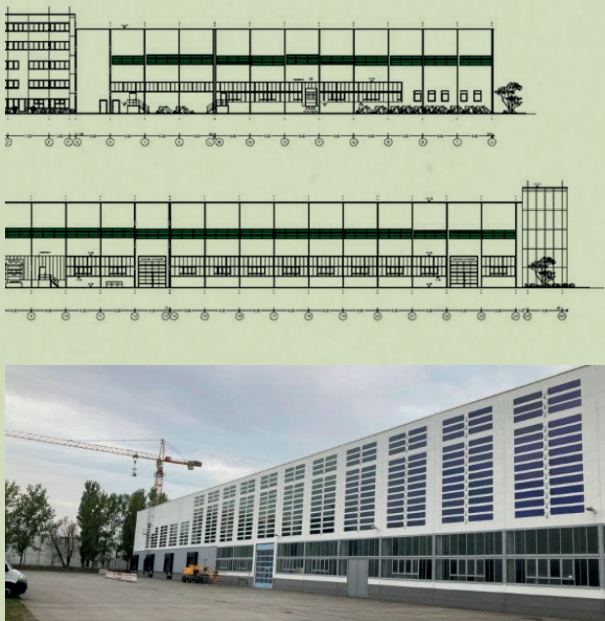
- 14 facilities in operation
- 10 facilities in development
- 45 MWp in operation and development
- 60-70 MWp in the pipeline



DRIVING PRODUCT INNOVATION

In 2021, GARBE Infrastructure GmbH (still named GARBE Renewable Energy – GREEN GmbH at the time) installed a thin-film PV system on the façade of the property in Berlin-Hohenschönhausen in collaboration with the companies Heliatek GmbH (“Heliatek”) and ADLER Smart Solutions GmbH (“ADLER”). In 2022, these thin-film solar cells generated 8.45 MWh of electricity.

The innovative solar film is based on a novel solar technology and, due to the light weight and high flexibility of the cells, permits solar power generation on precisely those surfaces that fail to qualify for conventional solar solutions because of insufficient load-bearing capacity of roofs or unsuitable roof structures. What is more, this organic solar technology is the cleanest of its kind and represents a major step forward en route to carbon neutrality.



5.2 Climate Change Adaptation

One of the direct effects of global warming is climate change, which manifests itself in the form of extreme weather events, among other phenomena. Like others, real estate companies are called upon to act now in order to prevent or minimise the effects of global warming.

To ensure that their business will keep prospering in future, companies also need to have suitable instruments on hand to assess these threats. On top of that, the resilience of the managed properties vis-à-vis climate change is of the utmost significance.

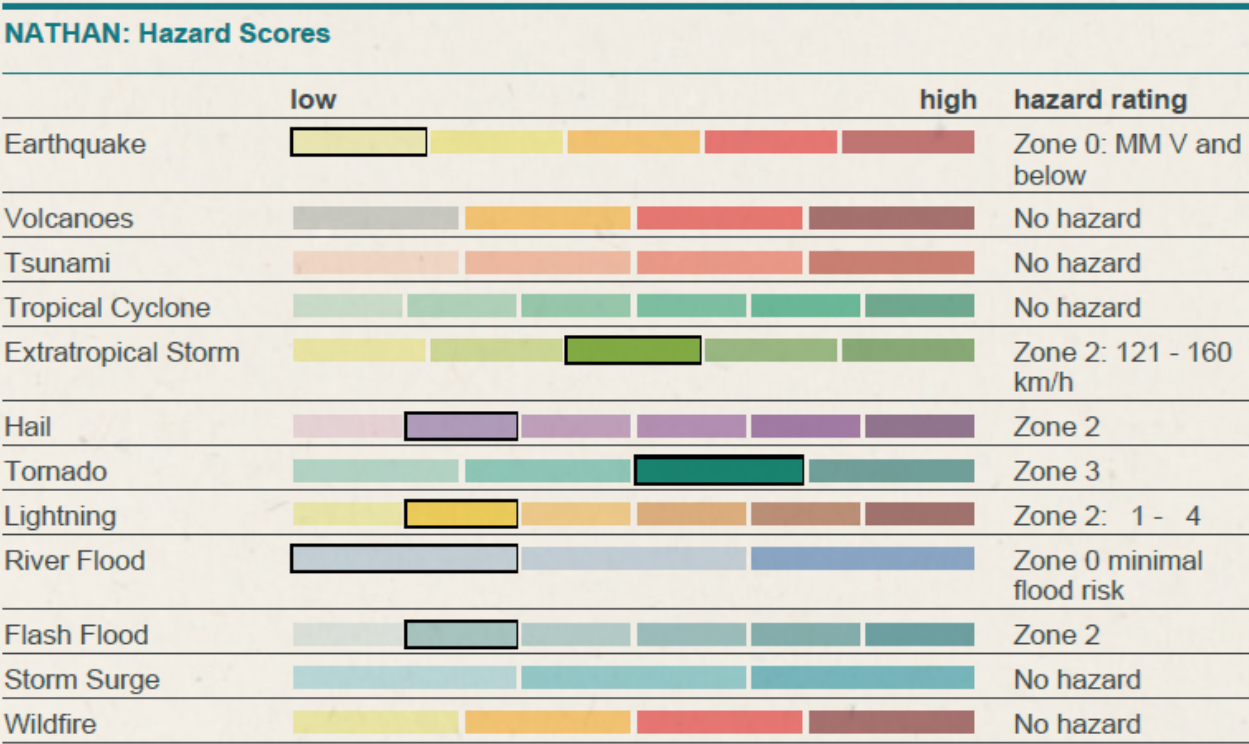
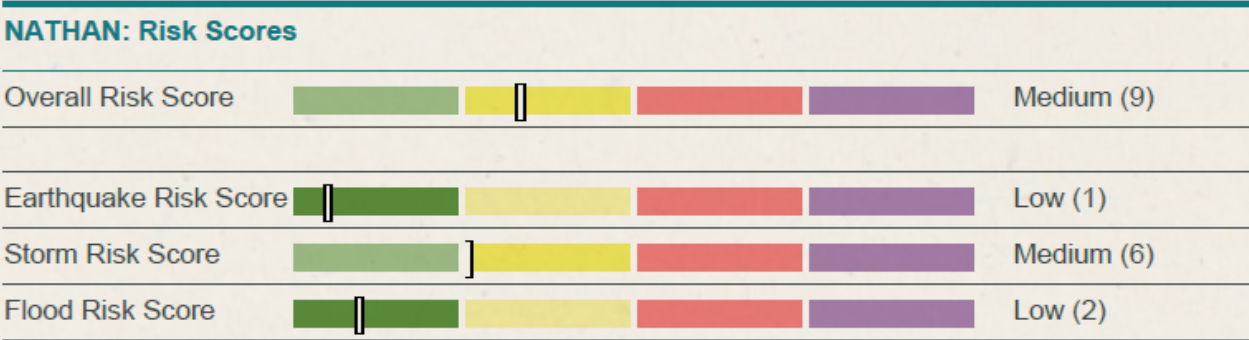
CLIMATE CHANGE RISKS IN THE LOCATION ASSESSMENT SYSTEM

Extreme weather events can precipitate material damages that in turn will incur repair costs or impair the value of a given property. Going forward, it will become ever more important to have the right kind of instruments on hand to assess the physical climate change risks of the places in which the company does business. In line with the expansion of our location assessment system, GARBE used climate risk analyses compiled by Munich RE.

The main climate events included in the risk assessment system are the following:

- earthquake
 - extratropical storm
 - hailstorm
 - tornado
 - lightning strikes
- river flooding
 - high water
 - flash floods
 - storm surge
 - forest fires

The assessment undertaken in 2022 covered all GARBE sites and all assets under management. The example depicted below shows the results for the location of Berlin.



ASSESSMENT OF CLIMATE CHANGE RISKS

The climate change risk of a given location is also reflected in the ESG due diligence that was developed for in-house appraisals of individual properties within the framework of the investment process. In addition, our collaboration with Munich RE gives us access to full-length climate risk analyses.

CLIMATE RESILIENCE – UPGRADING THE EXISTING PROPERTIES OF THE MANAGED PORTFOLIO

Within the constraints of the budget, measures to enhance the resilience of buildings vis-à-vis climate change are also carried out for existing properties. Since every property has its specific characteristics, manage-to-ESG measures are approved and planned on the basis of one-off analyses of each case and in consultation with the tenants. Our phased plan, which provides the implementation frame, prioritises the following measures:

- Optimising the use of water helps during periods of drought
- Greening helps to protect against heavy rain
- Adjusting the heating systems cushions extreme temperatures
- Checking the roof load (rain and snowfall)
- Protective measures against flooding hazards

USE OF RESOURCES AND CIRCULAR ECONOMY

Frugality in the use of resources is an important principle for GARBE, and it is included in our ESG policy as well.

The main approaches for resource conservation in our offices are:

- Energy-efficient lighting, using LED lights and motion detectors
- Avoidance of unneeded lighting and device operation in stand-by mode
- Efficient air conditioning technology
- Environmentally friendly cleaning
- Reduction in the use of paper

To optimise the monitoring of our energy consumption and to determine savings potential, we are planning to install smart meters in our offices in 2023.

CIRCULAR ECONOMY IN THE PORTFOLIO:
BROWNFIELD AND MADASTER

Land and building materials are two basic resources for the real estate sector whose use is simply unavoidable. The long-term solution to this issue is recycling, another subject to which GARBE is intensely devoted.

Brownfield

As a brownfield pioneer and founding member of the recently formed German Brownfield Association (DEBV), GARBE is thoroughly familiar with the subject matter.

By developing brownfields, we are pursuing two parallel objectives:

- avoidance of new soil sealing
- relieving the shortage of space

Visit our website, to learn more about the “brownfield” topic!

Madaster

GARBE is an innovation partner of MADASTER, which is an online cadastre for construction materials that registers buildings including the materials and products used in their construction. Documenting, registering and archiving the materials used in the built-up environment facilitates their recycling while also encouraging smart design concepts. In the longer term, the platform will make it easier to determine the carbon footprint of buildings through the automatic calculation of their embodied energy.

Table 2: Environmental KPIs DE – 2022

- Electricity consumption, Hamburg: 39,021 kWh
- Electricity consumption, Berlin: 5,582 kWh
- Electricity consumption, Cologne: 6,317 kWh
- Electricity consumption, Frankfurt: 25,837 kWh
- Electricity consumption, Stuttgart: 9,000 kWh
- **Electricity consumption, total: 85,757 kWh**
 - For all sites, the estimates (projected delivery quantities) from the electricity contracts were used – future installation of smart meters will permit the automatic transmission of consumption data
 - Emission factor: 0.366 kg CO₂e/KWh

31,387
kg CO₂e

305-1
305-2
305-3
302-1

- District heating / cooling, Hamburg: 54,596 kWh
- District heating / cooling, Frankfurt: 7,750 kWh
- **District heating / cooling, total: 62,346 kWh**
 - in the case of Hamburg, the estimate quoted in the 2021 service charge statement was adopted
 - Emission factors: 0.280 kg CO₂e/KWh district heating/cooling

17,457
kg CO₂e

- Water consumption, Hamburg: 281 m³
- In the case of Hamburg, the estimate quoted in the 2021 service charge statement was adopted

- **Company cars, total: 749,870 km**
 - Calculation on the basis of the information provided by employees at various times – rounded to a year of 365 days.
 - Emission factor: 0.152 kg pkm

113,098
kg CO₂e

- Rail: 293,378 km
- Air:
 - Air travel: only available CO₂e (no km)
 - Emission factors: 0.001 kg pkm rail & 0.210 kg pkm air

49,498
kg CO₂e

- Road: 230,459 km
- PT: 360,594 km
- **Commuter travel, total: 591,053 km**
 - In-house survey conducted
 - Emission factors: 0.210 kg pkm car/motorcycle & 0.064 kg pkm PT

71,366
kg CO₂e

Table 3: Environmental KPIs EU – 2022*		
305-1	Electricity consumption, United Kingdom: 4,453 kWh	5,260 kg CO ₂ e
305-2	Electricity consumption, Netherlands: 11,525 kWh	
305-3	Electricity consumption, total: 15,978 kWh	
	Gas consumption, United Kingdom: 831 kWh	4,529 kg CO ₂ e
	District heating / cooling, Netherlands: 15,580 kWh	
	Heating, total: 16,411 kWh	
302-1	Water consumption, United Kingdom: 19 m³	15,637 kg CO ₂ e
	Water consumption, Netherlands: 21 m³	
	Water consumption, total: 40 m³	
	Company cars, United Kingdom: 1,361 km	5,480 kg CO ₂ e
	Company cars, Poland: 14,300 km	
	Company cars, Slovakia: 87,215 km	
	Company cars, total: 102,876	1 kg CO ₂ e
	Air travel, United Kingdom: 12,090 km	
	Air travel, Poland: 8180 km	
	Air travel, Slovakia: 582,738 km	
	Air travel, total: 603,008 km	
	Rail travel, United Kingdom: 1,044 km	

5.3 BIODIVERSITY AND ECOSYSTEMS

EQUIPPING PROPERTIES WITH INSECT HOTELS

In 2021, a GARBE insect hotel in the shape of a logistics warehouse was designed. The first prototype was installed in 2022, and the installation of such insect hotels at all portfolio assets is scheduled for 2023.





Social –
Accepting Social
Responsibility as
a Company and
Business Partner

6.1 Equal Opportunity, Equal Rights and Inclusion

TOP JOB EMPLOYEE SURVEY

Following up on similar surveys in 2018 and 2020, TOP JOB conducted another employee survey in 2022. In addition to employee satisfaction and leadership behaviour, this employer award also includes the aspects of motivation, equal opportunity and inclusion in its assessment criteria. Our employees eagerly participated in all

three of the surveys. Compared to the benchmark rating, GARBE stood out with an excellent performance in regard to new work formats, which definitively influenced job satisfaction and staff retention.

EQUAL OPPORTUNITY EMPLOYER

An important part of our ESG policy is equal opportunity, underlining the fact that performance is what matters to GARBE – the outcome. Due to the company's flat organisational structures, everyone has the chance to outperform and to keep developing within the framework of their job. When hiring, the qualification for the advertised job profile and the personal attitude are considered corporate assets. Our share of female employees has been nearly 50 % for years, whereas origin, faith, etc. do not influence promotions or the hiring process.

Social sustainability indicators have specifically been measured since 2021 (see Table 4 "GRI – KPIs 2022" for the 2022 data) to make it easier to identify and process existing potential for improvement. It is intended to expand the indicator scope further in 2023/2024.

50 %

For years, females have made up half of our workforce.

FRAUEN !N FÜHRUNG

405-1 FRAUEN !N FÜHRUNG seeks to speed up the transition toward more diversity and a more modern leadership culture in the real estate industry by advocating the appointment of female executives. The initiative, in which GARBE is a member, provides well-researched evidence on hurdles that women face during their career within the industry, and suggests ways to make equal participation in corporate leadership a success.

EQUAL OPPORTUNITY CHECK

The company is also planning to analyse its situation on the basis of an equal opportunity check for small and mid-size companies that was developed by the Federal Ministry for Family Affairs, Senior Citizens, Women and Youth. Using this check as basis, topics were identified that show room for improvement. In the next step, measures will be planned and implemented in collaboration with the Human Resources department.

6.2 Working Conditions, incl. Healthcare & Security, and Social Dialogue

Since December 2021, an external safety engineer has been in charge of occupational safety issues. ■ Monitoring the implementation of occupational safety and accident prevention

He is responsible for the tasks of a safety specialist pursuant to Art. 6 of Germany's Occupational Safety Act, particularly for the following ones: ■ Instructing employees about accident and health hazards in the workplace and about steps to prevent them, and collaborating in the training of safety officers

■ Advising the employers and other persons responsible for occupational safety and accident prevention In addition, first aid training was offered to GARBE employees and was well attended.

■ Running safety checks on operational facilities and technical work equipment prior to commissioning, and reviewing operating procedures before their introduction

CONTINUED PROFESSIONAL DEVELOPMENT OF EMPLOYEES

- 404-2
- GARBE offers its employees various options to continue their professional development:
- E-learning: Particularly to hone their skills in Microsoft Office programs such as Excel or PowerPoint, our employees may use the www.udemy.com e-learning platform.
 - Coaching: An external partner is available as coach to every employee.
 - Business English: Weekly English classes are available for different skill levels and taught in small groups.
 - GARBE Academy: As part of our GARBE Academy, in-house staff give talks for their fellow workers on a regular basis. It is a great way to ensure that all members of the staff are always well informed and up to date as far as the work of other departments and new trends go. The lecture format give attending employees plenty of chance to ask questions.

HEALTH PROMOTION – MINDFULNESS TRAINING

- 404-2
- In September 2022, an external lecturer was contracted to introduce employees to the subject of mindfulness at the workplace. Given the fast-changing nature of the
- 403-6
- work environment, the event focused on the function of mindfulness in the context of communication, stress resistance and the definition of limits and priorities.



employees joined a urban waste clean-up campaign in Hamburg in 2022.

6.3 Human Rights

As a non-manufacturing company, GARBE is not exposed to specific risks in connection with global supply chains, such as disregard of human rights, for example. The introduction of an ESG screening system for business partners is planned for 2022/2023, the idea being to determine the sustainability of their business models and to uncover potential ESG controversies.

6.4 Our Role in Society

Outside its regular business, GARBE Industrial Real Estate GmbH sponsors aid projects that benefit society as a whole. Here, the focus is particularly on the future of vulnerable groups, especially underprivileged children. But we are also committed to supporting research and aid projects in the health sector in our efforts to help people in distress the best we can.

Concrete projects we supported in recent years included, inter alia:

- Donations and Active Support for the Kinderjahre and Mittagskinder Foundations
- Assistance with, and participation in, the Hamburg Dragon Boat Cup (a charity event organised by the Michael Stich Foundation for the benefit of children infected with HIV or suffering from AIDS, and their families)
- Several fundraisers for the German Bone Marrow Donor Centre (DKMS) were financed and organised, with many employees getting a DKMS donor card.
- With the pandemic over, our in-house blood donation initiative is supposed to resume on the premises
- The company's shareholders set up an ESG donation initiative that rewards the community engagement of employees, especially those who donate blood, obtain an organ donor card and register as a bone marrow donor, by supporting medical projects with donations that keep increasing with each contribution.
- Donation for the Smashsmard Initiative in a joint effort within the framework of the aforementioned ESG initiative
- Another donation, also in connection with the ESG initiative, was made to the German Society for Muscular Dystrophy.

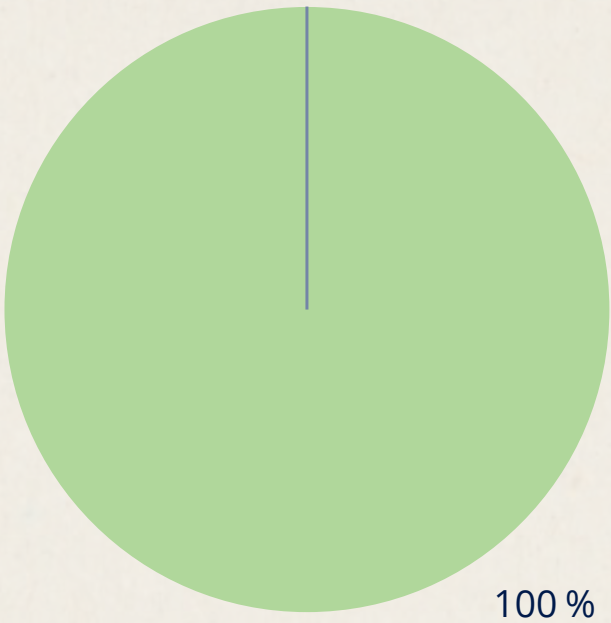
Moreover, GARBE grants extra holidays to employees who wish to engage in community work, thus sponsoring their personal initiatives. For example, one employee used her community day to help her local sports club. Another example is "Hamburg räumt auf!", a waste clean-up campaign in Hamburg. In 2022, GARBE Industrial Real Estate participated in the campaign with 17 employees.

6.5 Highlight – Performance Rating

404-3 Integrity, steady improvement, accountability, and concrete feedback are of key importance to GARBE. Open communication and suggestions for improvements are always encouraged within the company. On top of that, employees and executives meet for official employee performance reviews once a year.

Employees in German offices

PERFORMANCE RATING – GERMANY



100 %

All of the 226 staff employed in the company's German offices were issued a performance rating in 2022.

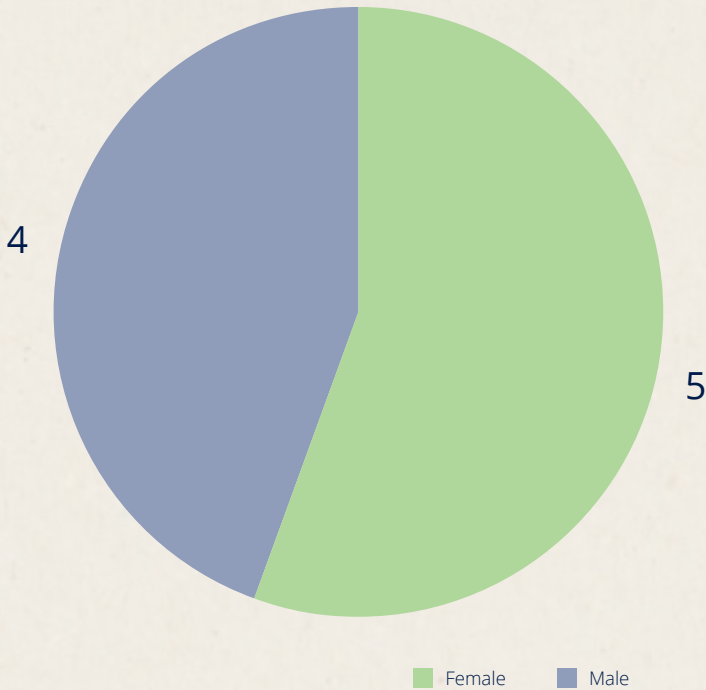
6.6 Highlight – Parental Leave

2022 was marked by a particularly balanced ratio of male and female employees on parental leave. Moreover, the return rate was as high as it could get – 100 %.

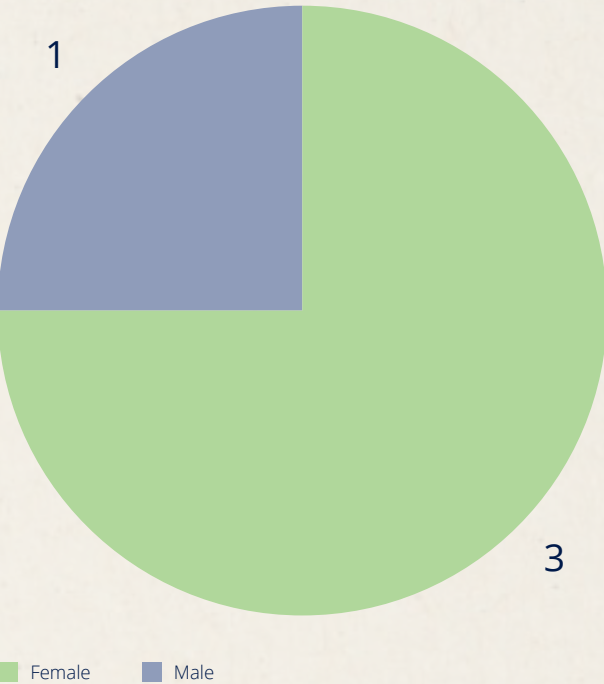
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employees were on parental leave in Germany in 2022, thereof 5 women (still on parental leave by the end of 2022) and 4 men (on parental leave for 1 to 2 months)

PARENTAL LEAVE – GERMANY



RETURNS FROM PARENTAL LEAVE – GERMANY



4

permanent employees returned from their parental leave in 2022, thereof 3 female and 1 male employee The return rate was 100 %.



Governance –
Sustainable
Corporate
Governance,
Internally and
Externally

7.1 Business Ethics, Anti-Bribery and Anti-Corruption

MISSION STATEMENT

2-23 GARBE’s corporate culture and the target-oriented guidelines for working in the company are defined by the mission statement that was developed by the senior management and drafted on that basis by a working group:



The mission statement defines the company’s ethics and goals. The latter translate into hands-on guidance in the form of “dos and donts,” an example being the maxim “high quality” which includes the positive advice to “clarify expectations and meet them in the best way possible” and the negative advice not to “disregard quality standards or internal/external expectations.”

CODE OF CONDUCT AND COMPLIANCE CODE

As they fulfil their duties vis-à-vis business partners and colleagues, the senior executives and employees of GARBE adhere to the Code of Conduct that sets the framework for the company’s ethical principles and values. The Code of Conduct is a guidance framework whose purpose is to provide ethical and value-oriented principles that are intended to help GARBE’s senior executives and employees fulfil their duties vis-à-vis business partners and colleagues – and helps them do so even with regard to the impact of their activities on the general public.

The purpose of the Compliance Code is to help implement and elaborate the corporate principles adopted by GARBE. The Code defines the principles of conduct and action that senior executives and employees of GARBE should observe vis-à-vis business partners, third parties and the general public.

It is planned to organise employee training on compliance behaviour.

WHISTLEBLOWER SYSTEM

In early 2022, GARBE set up a platform-based whistleblower system for employees for the purpose of clarifying alleged violations of the Code of Conduct and the Compliance Code as well as applicable EU law by or within the company. These are thereby given a chance to assign their anonymised alert to any of various thematic categories, including data protection, environmental protection, money laundering, breaches of the Code of Conduct in the workplace or human rights violations.

Any alert submitted will be confidentially reviewed and processed by external third parties. If necessary, the senior management of GARBE will be consulted. To protect the informant, his or her identity will be kept anonymous both when submitting the alert and during its further processing.

7.2 Lobby Work and Initiatives

- GARBE employs its market expertise to help introduce and improve ESG standards in the market, especially when working with GRESB and ZIA.

GARBE heads the ZIA committee for warehousing and industrial real estate, which focuses specifically on ESG aspects.

 - GARBE strives to set ESG standards and to increase their acceptance within the industry while also seeking to influence the legislative process in Germany.
 - Special event: GRESB presentation for the working group.
 - Opportunity to commend on legislative proposals.
 - Proposal and coordination during the drafting of a joint ESG guide for logistics real estate.
- GARBE was selected to join the GRESB Foundation Real Estate Expert Resource Group.
 - GARBE supports the work of the GRESB Foundation by providing know-how, resources and consultancy and through its participation in various working group.



7.3 Business Partner Management

CODE OF CONDUCT AND COMPLIANCE CODE

The senior executives and employees of GARBE orient themselves to the code of conduct and the compliance codes when interacting with business partners. GARBE will exclude any business partner that violates the SDGs or the ILO core labour standards.

TENANTS

By applying its knock-out criteria, GARBE ensures that the managed portfolio includes no tenants whose business model violates the company's fundamental principles. In particular the follow knock-out criteria apply: pornography and gambling.

KNOCK-OUT CRITERIA FOR OUR ARTICLE 8 FUND

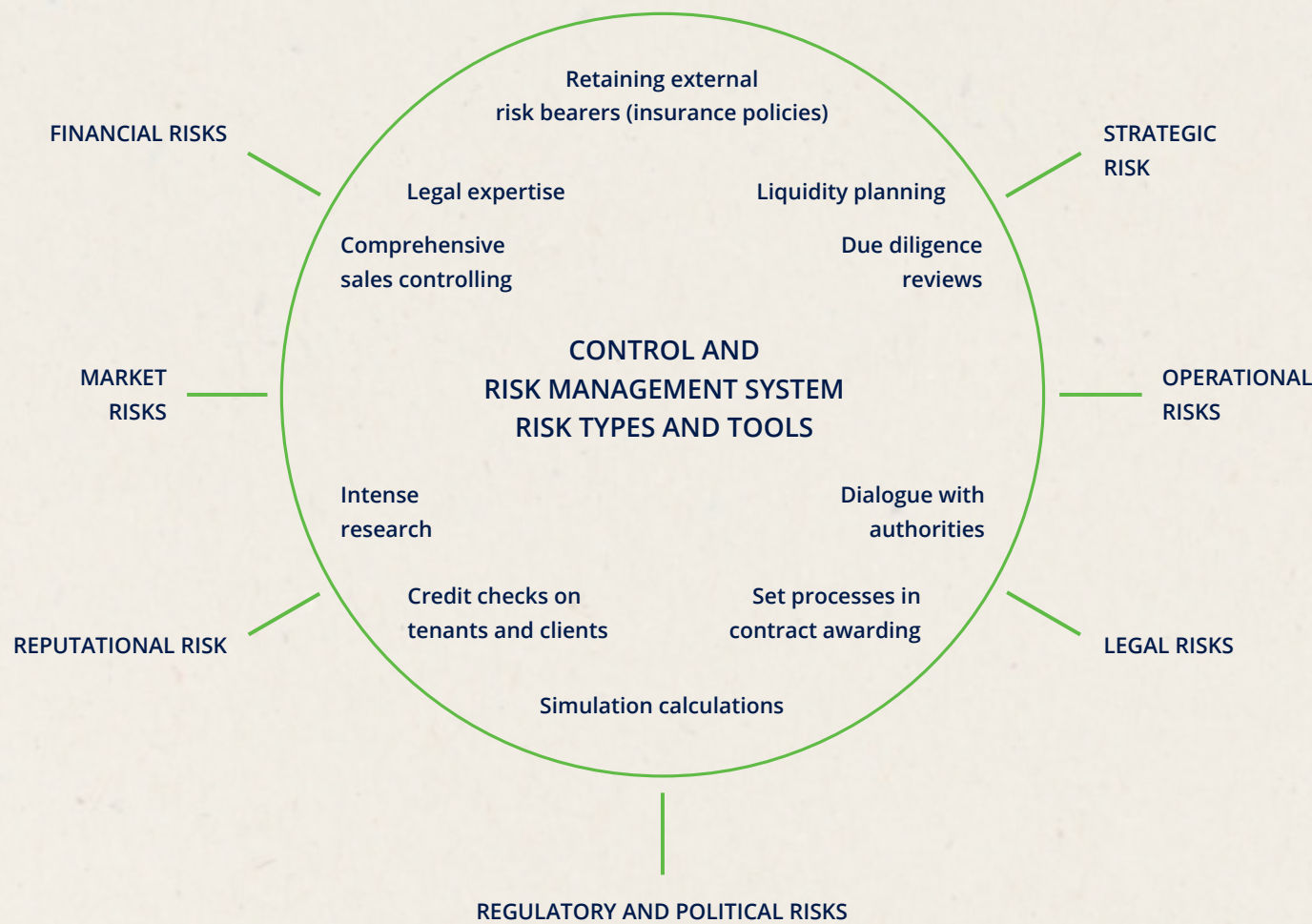
On top of that we defined narrower knock-out criteria for our Article 8 fund: The introduction of a corresponding ESG screening system is scheduled to be introduced in 2023, initially for tenants of Article 8 fund assets, the objective being to analyse the sustainability of their business models and possible conflicts. Eventually, the screening system will be expanded to include all business partner.

7.4 Internal Control- and Risk Management System

The senior management is in charge of the company's control and risk management, assisted and actively supported by the Finance department where the Team Head Controlling works together with another two employees (senior controller and controller). The Controlling department reports directly to the head of the Finance department and briefs the senior management on the latest business developments whenever necessary and once a quarter. On occasion of periodic meetings, significant events and developments are discussed in depth, as are their potential ramifications for the company. If necessary, appropriate steps are determined and approved. Controlling and risk management are also on the agenda of the regular meetings of the managing directors.

In its role as fund manager, GARBE must ensure that business is transacted in accordance with the terms and conditions set forth in the investment fund agreements. Meetings to follow up on the deal pipeline, which are at-

tended by the controlling, project finance and property management teams, are convened weekly (their agendas alternating between German and European projects).



Its broad-based senior management, whose members exchange notes in weekly meetings, enables GARBE to factor recent market developments into the corporate strategy flexibly and on short notice. During the weekly management briefings, topics from the operational divisions are discussed together and can thus be included in these deliberations and strategy adjustments.

Property-specific market risks are addressed by GARBE

via comprehensive sales controlling and in-depth research. Well ahead of a diligent pre-acquisition audit, the location of the property to be acquired is subjected to a pre-check that will include important site-specific ESG factors as of 2023.

GARBE addresses operational risks with a variety of measures, including standardised due diligence checks when acquiring real estate and land; commissioning effi-

cient construction companies and general contractors in accordance with the processes defined for the awarding of contracts; long-term collaboration with construction companies with whom previous developments were successfully completed; credit checks on tenants and clients.

Risks emerging in the political and regulatory environment are analysed by our in-house legal department as well as by external advisers. GARBE seeks to control these through its lobbying work and by engaging government authorities and municipalities in dialogue. Risks associable with legal disputes GARBE strives to control through appropriate litigation support that is provided both by the in-house legal department and by collaborating external law firms.

Due to the nature of its business activities, GARBE is also exposed to various financial risks. These include in particular the liquidity risk but also the interest rate risk and the delinquency risk associable with the company's

business partners. The purpose of the group's financial risk management is to limit these risks through ongoing operational and finance-oriented activities.

Regular corporate communication plays a key role in the control of the reputational risks: maintaining a dialogue with employees and other stakeholders gives GARBE a chance to keep an eye on the outside perception of the company, and to prevent or correct actions or facts that could adversely affect our reputation. Relevant tools in this context are surveys and feedback channels. Another task of the Corporate Development department is to plan and to develop important future topics, and to drive the company's transition. The Code of Compliance, the Code of Conduct and the whistleblower system are meant to prevent unlawful conduct and thereby to avoid scandal. The Compliance Officer, who is based in the Legal department, monitors the currency and observance of the codes.

BUSINESS CONTINUITY PLAN

Operational continuity management represents the process of creating prevention and recovery systems and of defining measures and action plans to deflect potential threats to a company, its employees and its clients. Aside from prevention, the purpose of the continuity management is to permit the uninterrupted current operation before and during the execution of the contingency plan or the restoration of the normal business operations. GARBE has prepared a plan with recommended actions for emergencies and unforeseen disruptions that is to ensure normal business operations in the interest of the company's continued existence, while also creating security for employees and clients and permitting a rapid and

appropriate response in the event of an emergency. The BC plan was updated in September 2022. The plan will come into play in the case of unforeseeable events that severely impair or prevent the continuation of normal business processes, such as fire, sabotage, server failure, terrorist attacks, extreme weather conditions, pandemics or other unforeseeable events. The plan relies on remote working, cloud computing, communication and collaboration software and on hygiene rules. The functionality of the plan was demonstrated during the coronavirus pandemic.
















Outlook

True to our sustainability maxim “Responsible by Choice,” we keep developing our ESG strategy, adapting it to the evolving market and legal situation. The planned measures are implemented step by step and as extensively as possible. Our ESG report, for one, will gradually increase

its quantitative substance and its drilldown depth. To enhance the transparency vis-à-vis our clients and business partners, we are working on an incremental publication of selected data.

Annex

Table 4: Other KPIs – 2022

GARBE indicator	GRI indicator	Value
Employees – total	 GRI 2-6 “Scale of the organisation”	Number of employees DE: 226 (112 m, 114 f) Number of employees EU: 37
Part-time employees	 GRI 2-7 “Information on employees and other workers”	Part-time employees DE: 29
Workers who are not employees	 GRI 2-7 “Information on employees and other workers”	
Electricity consumption branch offices	 RI 302-1 “Energy consumption within the organisation”	Total DE: 85,757 kWh Total EU:
Heating, branch offices		Total DE: 63,346 kWh (district heating/cooling) Total EU: 16,411 kWh (district heating except for 831 kWh gas)
Fuel consumption Company cars	 GRI 302-1 “Energy consumption within the organisation”	Petrol DE: 10,838 l Diesel DE: 67,347 l
Use of various means of transportation		Road DE: 980,329 km Road EU: 102,826 km Public transport DE: 360,594 km Rail DE: 293,378 km Rail EU: 1,044 km Air DE: only kg CO ₂ e data available (no km) Air EU: 5,480 km
Water consumption, branch offices	 GRI 302-1 “Energy consumption within the organisation”	Water consumption DE: 281 m ³ Water consumption EU: 40 m ³
GHG emissions – scope 1	 “Direct GHG emissions (scope 1)” GRI 305-1	Company cars DE: 149,099 kg CO ₂ e Company cars EU: 15,637 kg CO ₂ e
GHG emissions – scope 2	 “Energy indirect GHG emissions (scope 2)” GRI 305-2	Electricity cons. & district heating DE: 48,844 kg CO ₂ e Electricity cons. & district heating EU: 9,789 kg CO ₂ e
GHG emissions – scope 3	 “Other indirect GHG emissions (scope 3)” GRI 305-3	Business travel DE (rail, air, PT and car commuting): 106,764 kg CO ₂ e Business travel EU (rail, air): 5,482 kg CO ₂ e
Number of new hires	 “New employee hires and employee turnover” GRI 401-1	New hires DE: 71 permanent employees, 8 student trainees, 3 work/study students
Employees on parental leave	 “Parental leave” GRI 401-3	Parental Leave DE: 4 (1 m, 3 f) – in addition, 4 male employees on parental leave for 1-2 months during the year; return rate: 100 %
Occupational accidents	 “Work-related injuries” GRI 403-9	5
% of employees receiving regular performance reviews	 “Percentage of employees receiving regular performance and career development reviews” GRI 404-3	100 %
% of employees in the various hierarchical levels	 “Diversity of governance bodies and employees” GRI 405-1	Total: 50 % m, 50% f (112 m, 114 f) Senior management: 75 % m, 25% f (3 m, 1 f) Expanded management: 75 % m, 25% f (9 m, 3 f)

