

RESPONSIBLE BY CHOICE

ESG REPORT 2023

GARBE
Industrial Real Estate

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Industrial Real Estate



BaFin	German Supervisory Authority for Financial Services
BC	Business Continuity
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



**“We are acting sustainably –
because we believe in it.
ESG is not a passing fad
or a regulatory burden.
ESG is a value driver for
real estate companies.”**

Tobias Kassner, Head of Research & ESG, Member of the Management Board

Preface

Dear Reader,

Sustainability and ESG (environmental, social, governance) aspects continued to evolve in 2023 and are in the process of becoming the leading value drivers for the real estate industry. As a real estate company, we are well aware of our industry's transformative potential to contribute significantly to the idea of sustainable development. An extraordinary possibility available to us, for example, is the consistent use of the roof surfaces of our logistics and industrial properties. A total roof surface potential of more than 6.0 million sqm in our portfolio presents tremendous potential for generating renewable energy through photovoltaic systems. It enables us to make a substantial contribution to the energy transition and to the decarbonisation effort. At the same time, it lets us supply our tenants with low-cost electricity.

Going beyond energy and environmental aspects, the ESG principles define the ways in which we handle the social characteristics of our company. For instance, the well-being of logistics warehouse workers has emerged as a focal point of this effort, having previously been somewhat neglected in logistics buildings. After all, logistics real estate represent a key component of our economy's lifelines, and resupplies everyone around us. It is something the general public learned the hard way during the pandemic. Even though they largely stay out of sight and thus out of mind, warehouse workers are one of the driving forces in this line of business. By creating a pleasant work environment at our properties—e. g. through upgraded lighting, optimised ventilation and well-considered quiet zones along with many other aspects—we enhance staff contentment and social bonds among the teams on the ground. While this improves the social footprint of our properties, it also enhances the operational efficiency for our tenants and thereby helps to secure our cash flow. But the social aspect offers even more room for improvement. We have therefore invested substantial energy and resources into the relevant research. Applying the resulting insights to our warehouses is a key component of our strategy and a USP for our type of company.

In order to strengthen our sustainability ambitions, we are actively implementing the Corporate Sustainability Reporting Directive (CSRD). Its strict guidance enables us to fine-tune our decarbonisation strategies and makes it easier to adapt them to global sustainability standards. By embedding the relevant practices in our business processes, we improve our transparency and accountability while simultaneously paving the way toward a greener real estate portfolio.

Sustainability is ultimately not just about doing the right thing for our planet, but about doing it in economically sensible ways. By lowering the operating costs and boosting tenant satisfaction, among other benefits, sustainable practices contribute directly to the appreciation of our real estate. It is against this background that we remain committed to a consistent implementation of our ESG agenda. Investors and tenants, these being our main interest groups, can rest assured that we see sustainable business operations as the cornerstone of our future prosperity. After all, properties need a solid foundation to succeed, ideally one that is cost effective and sustainable at the same time.

Please enjoy your read!

Hamburg, January 2025.

TOBIAS KASSNER

Head of Research & ESG, Member of the Management Board

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About this
Report

1.1 Contents and Period

This ESG report is devoted primarily to the sustainability performance of GARBE Industrial Real Estate GmbH and its subsidiaries, which are listed in Section 2.1. It provides internal and external stakeholders with comprehensive information about the business model and spheres of activity of GARBE Industrial Real Estate GmbH as well as about its sustainability performance, strategy, guidelines and objectives. The sections below will simply use "GARBE" to refer to GARBE Industrial Real Estate GmbH. The reporting period coincides with the 2023 financial year.

Note: In 2024, the corporate structure of the Garbe and Nixdorf Holding along with all enterprises integrated into the conglomerate, including GARBE Industrial Real Estate, comprehensively restructured and adapted to the emergent market conditions. In a parallel effort, the CSRD report was prepared, including a materiality analysis that was carried out. The CSRD report is currently being compiled. Accordingly, this ESG Report should be understood as an intermediate step, subject to a full revision in the course of the first half of 2025.¹

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 2023" table.

¹ However, the descriptions and figures largely represent the status at year-end 2023 and do not necessarily reflect current circumstances.

1.3 Data Coverage

For decades, GARBE has been committed to corporate social responsibility (CSR) and sustainability, 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 in 2022 to incrementally introduce and successively expand processes for gathering quantitative ESG data. The calculation of environmental indicators depends on the availability of consumption data for each site. Chapter 5.2 includes details about the data

coverage. It is planned to extend the data collection to additional sites year after year until the data collection is comprehensive. The selection of indicators for the "Social" segment proved satisfactory as early as 2021, and has therefore remained unchanged. A review and possibly expansion of the indicators in this report format is not planned at this time because GARBE is already preparing the publication of a CSRD-compliant and therefore audited sustainability report. It will be compiled in 2026 and cover the 2025 reporting year.

1.4 Methods and Sources of the Sustainability Information

The information provided by the report are contained mainly in internal documents and data management systems and were obtained in collaboration with various departments and through in-house calculations. 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. our energy utilities.

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), thereby optimally preparing for the imminent general mandatory reporting in addition to enhancing the transparency.

The report is also guided by the **GRI standards**, which are among the most highly respected ESG reporting systems. The report was solely audited in-house for marketing purposes and not subjected to an external audit. The report was compiled exclusively to map the sustainability-related activities of GARBE and the progress made. GARBE reported on the GRI listed information for the period beginning on 1 January 2023 and ending 31 December 2023 referencing the GRI standards, which are transparently itemised in the "GRI Index" table.

GRI INDEX (ACC. TO GRI 1: "FOUNDATION 2021")

GRI STANDARDS	GARBE INDUSTRIAL REAL ESTATE GMBH, ESG REPORT 2023		PAGE
GRI 2	"General Disclosures"		
GRI 2-1	"Organisational details"	"2.1 Group Structure"	18-19, 28
GRI 2-6	"Activities, value chain and other business relations"	"2.1 Group Structure" "2.3 Real Estate Assets" "3. The Business Model" "3.2 Multi-Let Commercial Real Estate"	18-19 24 28 30-31
GRI 2-7	"Employees"	"2.2 Our Workforce"	21
GRI 2-9	"Governance structure and composition"	"4.3 ESG Organigram: Responsibility of the Senior Management and Governing Bodies"	46
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 in industry associations and interest groups"	"4.5 Significant Sustainability Risks and Instruments for Controlling Them"	53
GRI 2-29	"Approach to stakeholder engagement"	"4.4 ESG Guidelines and Measures"	48
GRI 302	"Energy"		
GRI 302-1	"Energy consumption within the organisation"	"5.2 Climate Change Adaptation"	66-72
GRI 305	"Emissions"		
GRI 305-1	"Direct GHG emissions (scope 1)"	"5.2 Climate Change Adaptation"	66-72
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GRI 305-3	"Other indirect GHG emissions (scope 3)"	"5.2 Climate Change Adaptation"	66-72
GRI 401	"Employment"		
GRI 401-1	"New employee hires and employee turnover"	"2.2 Our Workforce"	21
GRI 401-3	"Parental leave"	"6.6 Parental Leave"	80

GRI 403	"Occupational health and safety"		
GRI 403-5	"Worker training on occupational health and safety"	"6.2 Working Conditions, incl. Healthcare and Security, Social Dialogue"	78
GRI 403-6	"Promotion of employee health"	"6.2 Working Conditions, incl. Healthcare and Security, Social Dialogue"	78
GRI 404	"Training and education"		
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 Performance Rating"	80
GRI 405	"Diversity and equal opportunity"		
GRI 405-1	"Diversity of governance bodies and employees"	"6.1 Equal Opportunity, Equal Rights and Inclusion"	77

1.5 Responsibility and Transparency

Due to its size, GARBE is not obliged to compile an ESG report under the CSRD regime until 2026 (for the 2025 reporting year). However, true to our philosophy and our ESG maxim "Responsible by Choice" and in line with out early efforts to enhance transparency, we decided as early as 2021 to start compiling a sustainability report proactively. In 2022, we supplemented it with additional

quantitative performance indicators, and will keep compiling updates in the present format until we become subject to the imminent CSRD reporting obligations. Doing so will continue to make it possible for us to measure our performance and to document it in both comprehensive and transparent form.



GARBE: Facts and Figures

2.1 Group Structure

GRI

2-1 GARBE Industrial Real Estate GmbH is fully owned by Garbe und Nixdorf (GuN) Holding GmbH & Co. KG. The
 2-6 GARBE group of companies was formed in 1965 and, as of 2023, 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

FONTENAY Management



Management of commercial and residential real estate

GARBE Immobilien-Projekte



Development of office and residential real estate

GARBE Capital & Strategy



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 a subsidiary of GARBE Infrastructure in 2022, a newly-formed member company of GuN Holding that is responsible for all activities within the infrastructure segment.

17 office locations

This report covers exclusively the ESG activities of GARBE Industrial Real Estate GmbH, and not of GuN Holding GmbH & Co. KG 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.

Having significantly expanded in 2022, GARBE Industrial Real Estate is now represented in eleven European countries. The company's various teams are spread across 17 branch offices as shown in the map below.



¹ Local collaboration partners, affiliated companies

The senior management of GARBE Industrial Real Estate GmbH consists of four persons now who are listed below in order of seniority as of 2023: Christopher Garbe (Managing Partner), Jan Dietrich Hempel, Jan Philipp Daun and Andrea Agrusow.



CHRISTOPHER GARBE
Managing Partner



JAN DIETRICH HEMPEL
Managing Director



JAN PHILIPP DAUN
Managing Director

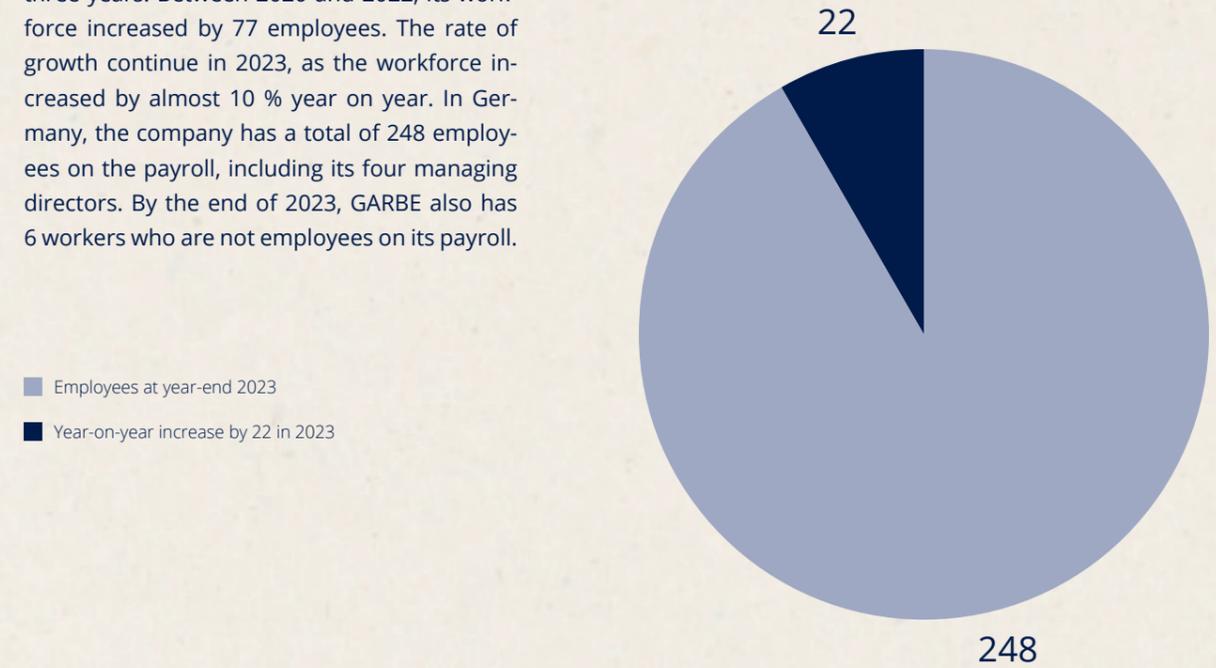


ANDREA AGRUSOW
Managing Director

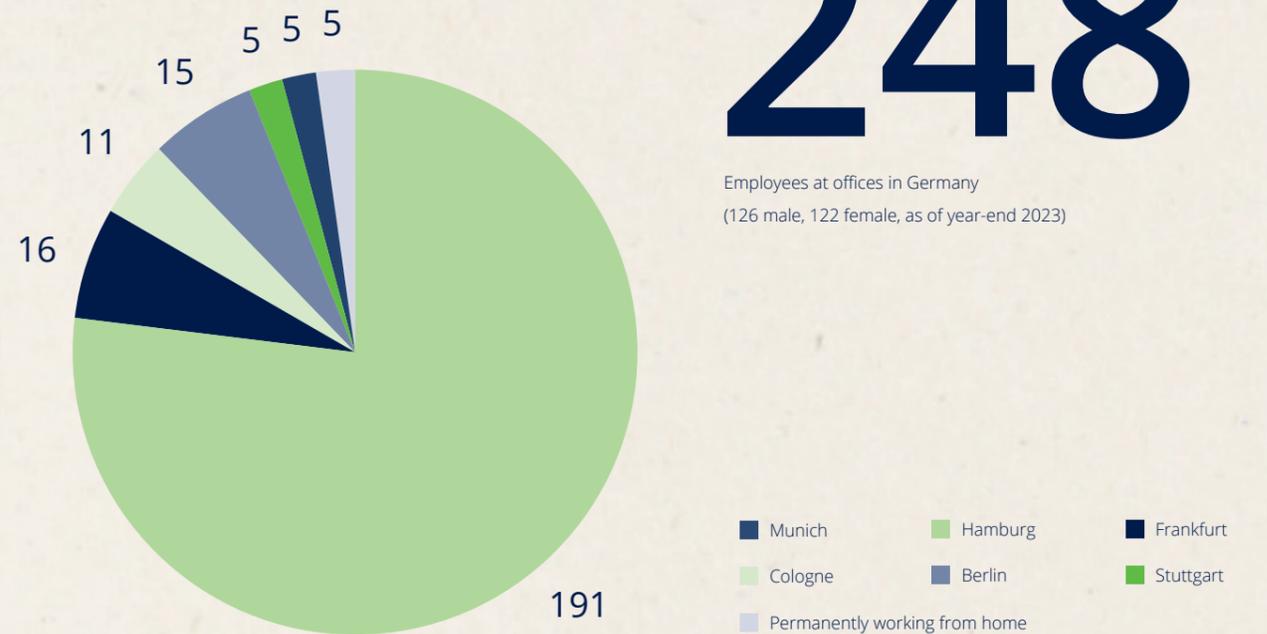
2.2 Our Workforce

The company has grown quickly over the past three years. Between 2020 and 2022, its workforce increased by 77 employees. The rate of growth continue in 2023, as the workforce increased by almost 10 % year on year. In Germany, the company has a total of 248 employees on the payroll, including its four managing directors. By the end of 2023, GARBE also has 6 workers who are not employees on its payroll.

EMPLOYEES IN GERMANY



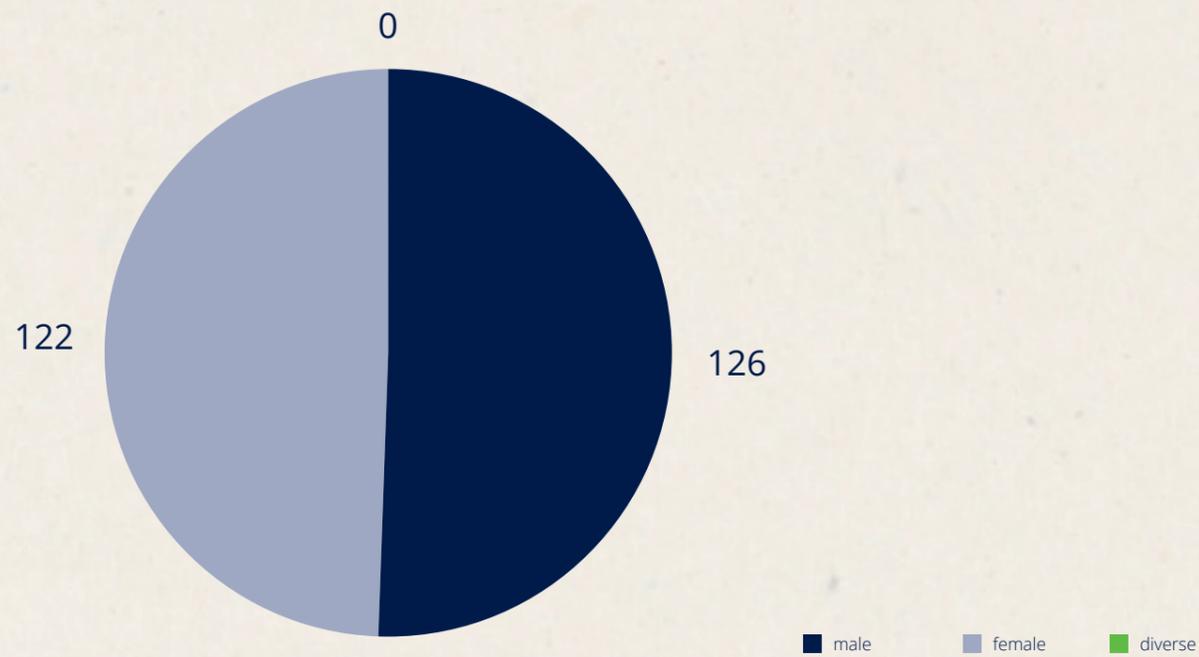
EMPLOYEES, OFFICES IN GERMANY



248

Employees at offices in Germany
(126 male, 122 female, as of year-end 2023)

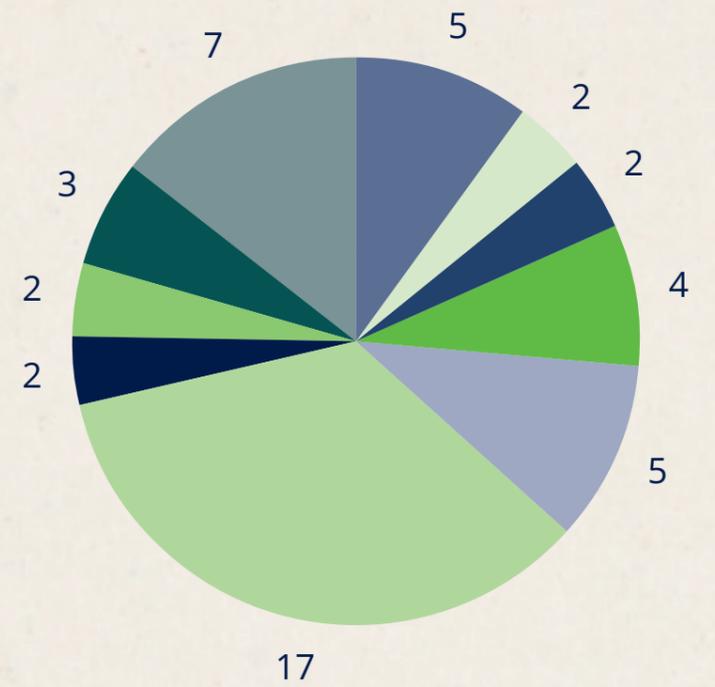
GENDER DISTRIBUTION OF EMPLOYEES, GERMANY



The national subsidiaries had a total of 49 employees on their payrolls by year-end 2023 (an increase by 11 since 2022). Not included here were managing directors that were already included in the head count of employees in Germany. Staff working for several European companies were only counted once.

- Slovakia
- Czech Republic
- Poland
- France
- Italy
- Netherlands
- Spain
- United Kingdom
- Austria
- Luxembourg

EMPLOYEES, OFFICES ELSEWHERE IN EUROPE



The in-house exchange of information and social interaction means a lot to GARBE. This is illustrated by the 2023 summer party of the Italian GARBE team.

+ 11 %

employee growth in its European offices between 2022 and 2023 was reported by GARBE.

2.3 Real Estate Assets

GRI

2-6

By the end of 2023, GARBE managed 222 properties across Europe in a combined value of 7.3 billion euros and with a combined lettable area of 6.0 million sqm that are held in 14 separate asset pools. The occupancy rate (not including structural vacancy) equalled 96.20 %.

222 AUM

across Europe

6.0 mn 7.3 bn

sqm of lettable floor area

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

96.20%

Occupancy rate
(not incl. structural
vacancy)

SUSTAINABILITY IN THE FUND BUSINESS: FIRST ARTICLE 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 as several assets in Germany and other European countries were acquired. In 2023, the company started sharing the progress made in the implementation of the ESG measures with its investors via the ESG Report of the GLIF+III fund.

Article 8

MODERN, ESG-COMPLIANT PROPERTY DEVELOPMENTS

All new property developments are built to meet recognised (DGNB Gold) ESG standards. Property developments with a combined floor area of 526,000 sqm were completed in 2023. The KfW-40 standard was defined as new energy efficiency target as early as 2022. In 2023, the company actively sought to have a Madaster-capable BIM file compiled, and it was planned to contract deliverables for all property developments via Madaster by 2024.

DGNB Gold



The Business model

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 6.0 million square metres of lettable area under management in Germany and Europe that represent property and fund assets in a combined value of c. 7.3 billion euros (as of December 2023).

3.1 Logistics Real Estate

GRI

2-1

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

2-6

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

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.

6.0 mn sqm

GARBE currently manages a total lettable area of around 6.0 million square metres.

Since 2007

GARBE has been active in the fund business as well

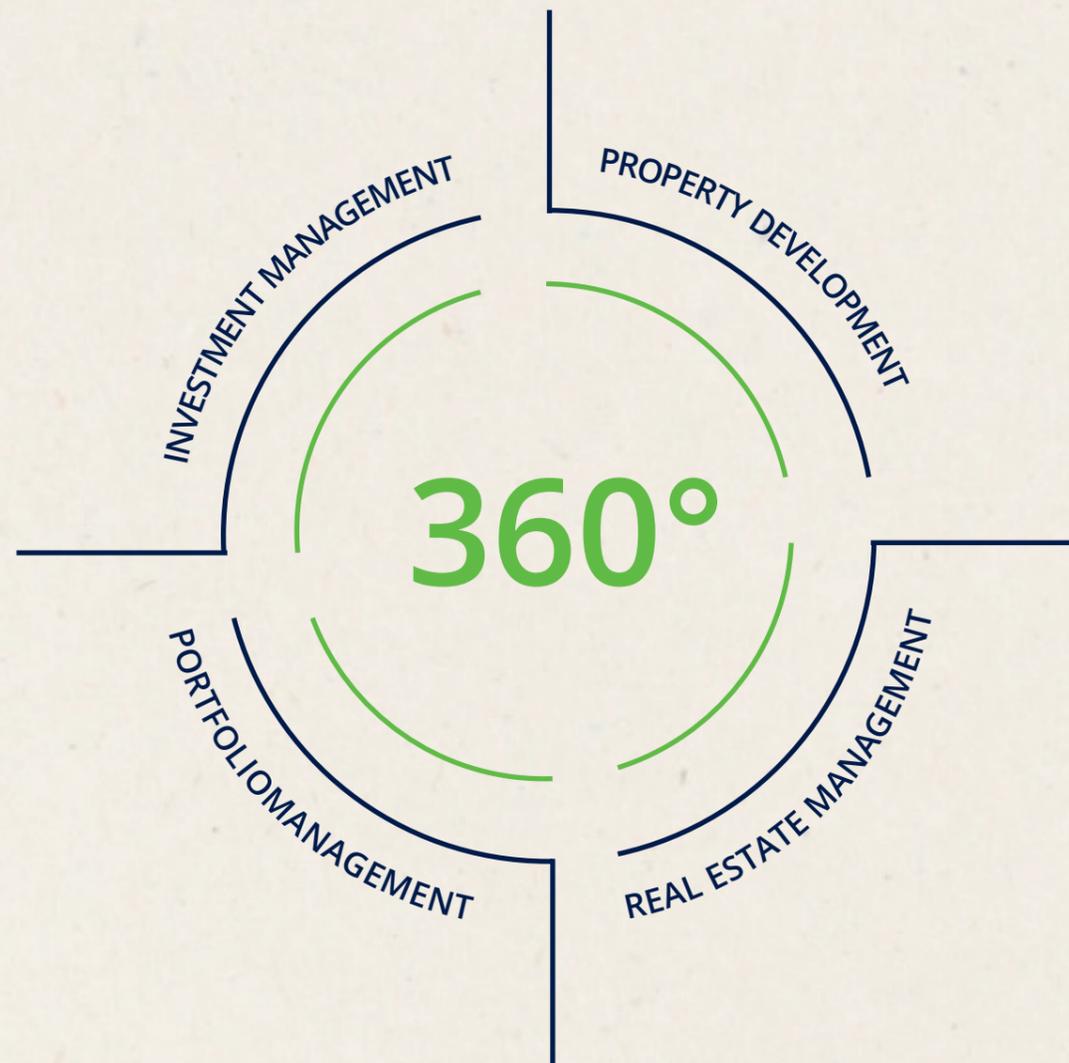
12/2015

Toward the end of 2015, GARBE entered the market for mixed-use, multi-let commercial real estate as another business line.

3.2 Multi-Let Commercial Real Estate

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 multi-let commercial real estate as a new business line in late 2015. GARBE pursues a 360-degree approach in all three of its

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.



PROPERTY DEVELOPMENT

Closely coordinating its efforts with the incoming tenant, a GARBE team of high-skilled professionals will create a building that is sure to meet industry requirements for decades to come. Since April 2023, property development and sales units have been reorganised under a regional structure, just like the real estate management. The new structure is better positioned to take advantage of local networks while also offering time and cost savings, but it also promises an enhanced work quality in terms of know-how and social cohesion. Six teams and one specialised team for the built-to-suit business line cover six regions within Germany, operating in close proximity to their clients. GARBE facilitates all stages of the development: site search, 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 property 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 company's regional heads have been reorganised in the Real Estate Management (REM) structure. As a result, the Real Estate Management is restructured into the following six regions: Hamburg, Stuttgart, Berlin, Cologne, Frankfurt and Munich.

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 head office in Hamburg. The report highlights specifically the Quality and Competence Management department, which was set up for these activities because they include the operational ESG area. Since mid-year 2023, the team has been responsible for team training and the supervision of ESG measures directly on the asset level.



INVESTMENT MANAGEMENT

GARBE employs in-depth professional know-how to provide real estate acquisition and disposition advisory. 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 (light industrial). 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 property 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 shifts in 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

GARBE has engaged with the sustainability issue for more than ten years now. The ESG topic has long been introduced in every department and is now an integral part of our business strategy.

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

4.1 Sustainability in the Business Strategy

GRI

2-22

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 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 (pp. 38/39) provides a summary and overview of GARBE's ESG strategy.

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 Property Developments

Sustainability comes into play as early as the site selection, with brownfield being clearly favoured in order to keep further soil sealing to a minimum. Property 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), 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 pursued, storage systems are being trialled. Product innovation is supported in regard to building materials as well as to mechanical and electrical engineering.

Manage-to-ESG Upgrades to Existing 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 buildings 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 by the business of real estate companies has a serious environmental effect. 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.

Responsible by Choice



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

→ Environment – Sustainable Green Action



SOCIAL

- Putting people as occupiers centre stage, ensuring the social integrity of buildings
- Assuming responsibility in society: pursuing social projects and donating to charities
- Within the company: Accepting social responsibility as employer (equal opportunity, integrating employees through surveys, Top Job)

→ Accepting social 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 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 ON THE COMPANY AND PORTFOLIO LEVEL

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



- EGYM Wellpass: about 33 % of the workforce
- Sporting events: e. g. triathlon, tennis tournament, hockey cup
- Well-being initiatives: Mindfulness@Work etc.

We encourage our staff to engage in physical activities by offering the EGYM Wellpass and company sports programs, and contribute to the welfare of our societal environment through charity and social initiatives. In 2023, GARBE participated in the HafenCity Run and the Hamburg Triathlon. The in-house tennis tournament also helps to enhance team cohesion and the general well-being. GARBE's community commitment includes the participation in the "Hamburg räumt auf!" waste clean-up campaign and the planting event we organise annually. As a sustainability-focused property developer, we defined minimum well-being standards for our buildings.



- Senior Management: first female managing directors appointed in 2022
- Near-parity in Germany: 49 % of the employees are female, 51 % male

Equal opportunity is of key importance to 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 as defined by the Federal Ministry for Family Affairs, Senior Citizens, Women and Youth.



- Use of green electricity in our offices
- E-mobility: 10 hybrid and 16 electric vehicles
- Expanding the renewable energies division – the GREEN entity being absorbed into the recently 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 balance: data coverage expanded to include additional locations and commuter travel
- Planting event: 1 tree planted for every 100 sqm of sealed surface area
- Climate risk management: Use of CRREM and Location Risk Intelligence by Munich RE (for a count of the assets, see next page)

As a company, we monitor our carbon footprint and plan to reduce it as much as possible. As asset manager, we offer carbon emission monitoring and a software-based reduction of these emissions. Within the scope of our climate risk management we conduct active climate risk



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, and pond systems. Our properties feature adequate sanitary facilities for all warehouse staff.

In January and February 2023, GARBE organised another successful in-house fundraiser of the sort that had already resonated with the staff in 2019. Employees were given the chance to contribute to the fundraiser by substantiating any of the following measures:

- blood donation in 2022 or 2023
- possession of an organ donor card
- registration as a stem cell donor with DKMS

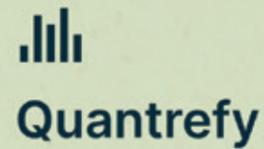
A total of 68 employees actively participated, generating an impressive donation of 39,500 euros. The sum was split evenly and donated to two important organisations: the Children's Cancer Center Charity Association in Hamburg and the German Society for Muscular Dystrophy (DGM). We are proud of the commitment of our employees, and are glad to be supporting two amazing organisations through this initiative.

Highlight 2023:
DKMS fundraiser

SUSTAINABILITY AT THE PORTFOLIO LEVEL

Quantrefy ESG software

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: 103 assets / 5 funds (89 assets / 1 fund in 2022)

PV KPIs:

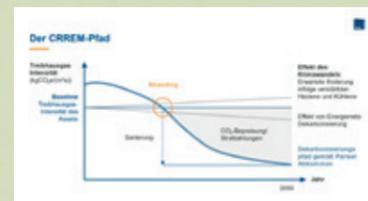
20 facilities in operation (14 in 2022)	78 MWp in operation and under construction (45 in 2022)
21 facilities under construction (10 in 2022)	104 MWp in the pipeline (60-70 in 2022)



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)



Participating in GRESB

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

Number of assets rated according to GRESB: 93 assets / 3 funds (14 assets / 1 fund in 2022)



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 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: 59 in 2023 (27 in 2022)



FURTHER ESG TARGETS AT THE PORTFOLIO LEVEL

ESG software

Starting in 2022, the ESG data have been digitised using the QUANTREFY software. Once all relevant ESG data have been entered, it lets you analyse the ESG performance of the assets by applying recognised assessment models. It is planned to add all assets to the platform.

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, additional measures.

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 consumption data acquisition.

ESG lease

In 2021, we had our standard ESG lease finalised for the purpose of facilitating and governing 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 2023 include ESG clauses.

ESG certifications

All new property developments were certified to the recognised ESG standard, DGNB "Gold", in 2023. 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, three of the managed investment funds participated successfully in the GRESB assessment for the 2023 calendar year.

In addition, the CRREM tool analyses the degree to which the portfolio has been adapted to the decarbonisation pathways 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 our assets. Calculating the carbon footprint is important for the transparent measuring of the environmental effects, on the one hand, yet it also serves as basis for identifying reduction potential, on the other hand. For 2023, we calculated the carbon emissions of the three investment funds that participated in the GRESB assessment. Two important measures for bringing down the portfolio's carbon emission are the installation of rooftop photovoltaic systems and greening (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 photovoltaic 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

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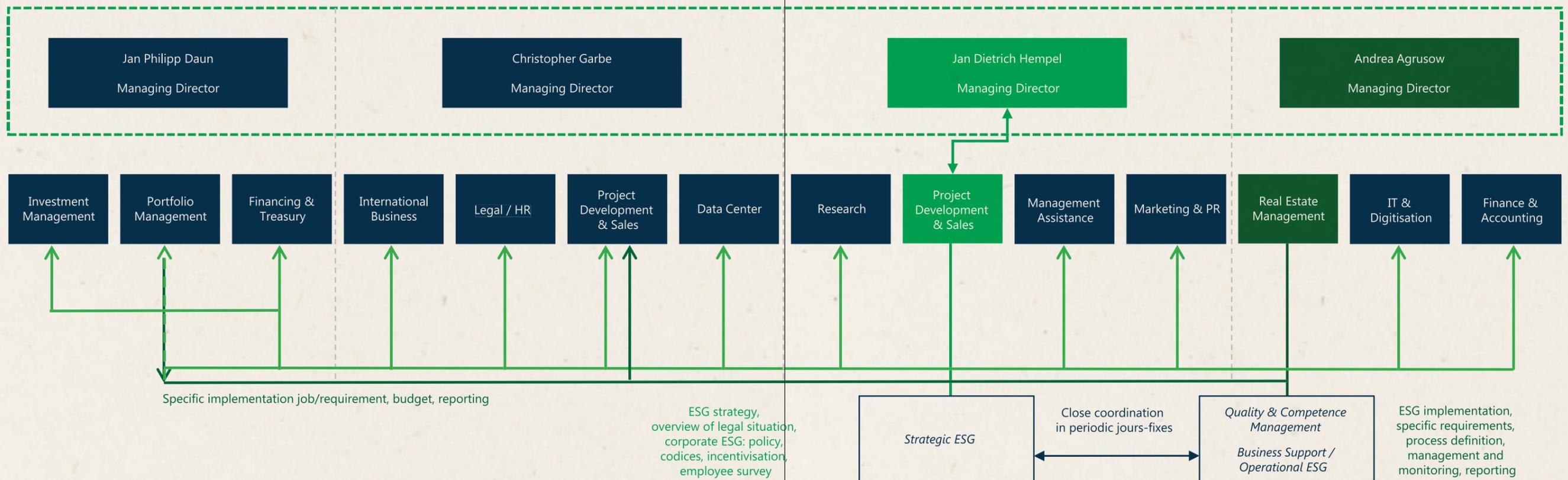
The senior management is responsible for the sustainability management within the company, drawing on the collaboration and active support of the executive committee and in particular of the dedicated positions created for the purpose, these being "Head of Corporate Development & ESG" (department of 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 manage-

ment 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 part of the agenda during the periodic meetings of the managing directors.

The company's four managing directors are each in charge of a different corporate division. Two managing directors are particularly focused on the sustainability topic. But since the entire senior management shares this focus, the ESG/sustainability topic is also prioritised by all other operational divisions in specific contexts and with the focus on implementation, most notably by the portfolio management and property development units as well as by the investment unit.

Whenever the need arises, small working groups will moreover be formed to address corporate ESG issues, submitting initiatives and questions/suggestions to the Corporate Development/ESG unit, the HR team and to the senior management.

The ESG organigram of GARBE (2023) shows the responsibilities in the areas of strategic and operational ESG.

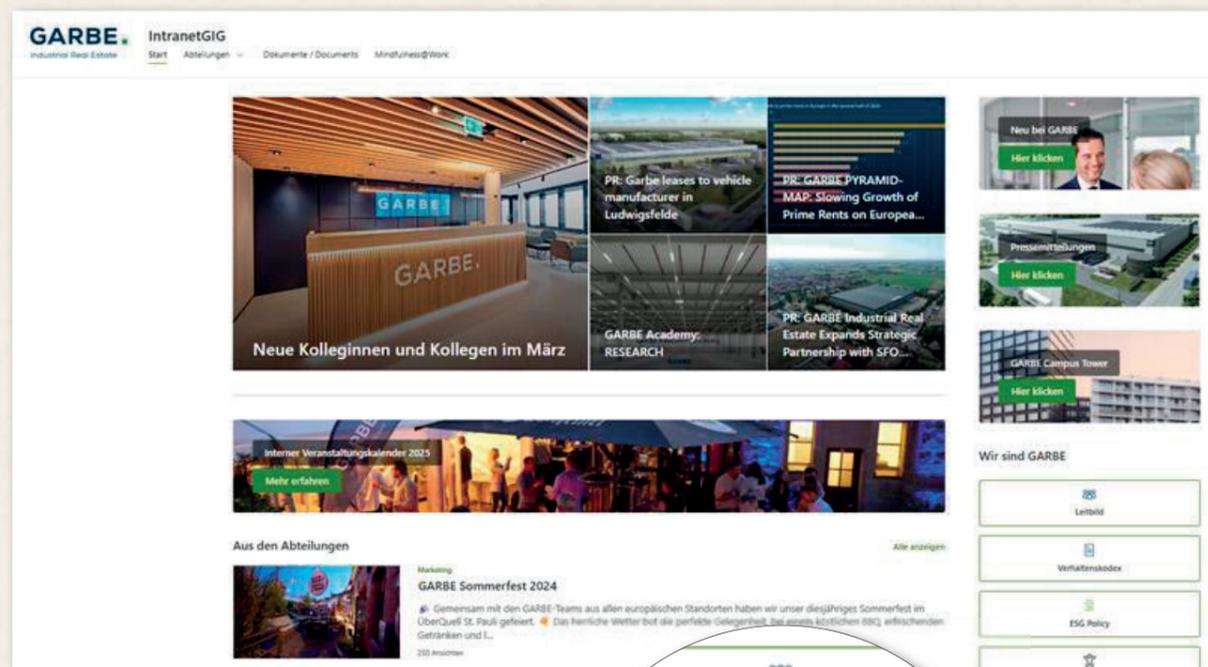


4.4 ESG Guidelines and Measures

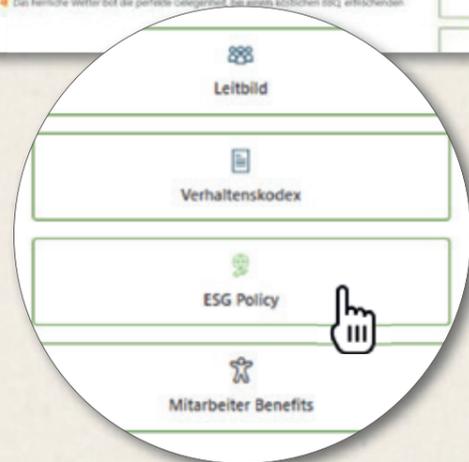
ESG POLICY

GRI

2-29 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 are defined by the new mission statement which was developed and drafted “by us, for us.” Narrowly defined rules of conduct define the Code of Conduct and the Compliance Code.



These have been available on our website since 2023:



ESG DOCUMENTS FOR THE PORTFOLIO

Phased ESG 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

In its role as a real estate expert, GARBE compiled an ESG due diligence list that became available in 2021 to be referenced when buying real estate. Conducting an ESG due diligence has been part of the standard process since 2022, and the due diligence is regularly updated to meet the latest requirements as dictated by the regulatory framework or by the market.

GLIF+III ESG Reporting

Introduced in 2023, GLIF+III ESG reporting reflects the development progress achieved in regard to ESG measures already implemented by our Article 8 fund (GLIF+III) both on the asset level and on the portfolio level. A semi-annual report is compiled to control and improve the asset performance on a regular basis. The report also enhances the transparency for the investors, and is an important instrument for the continued sustainable development of the portfolio.

ESG action plan

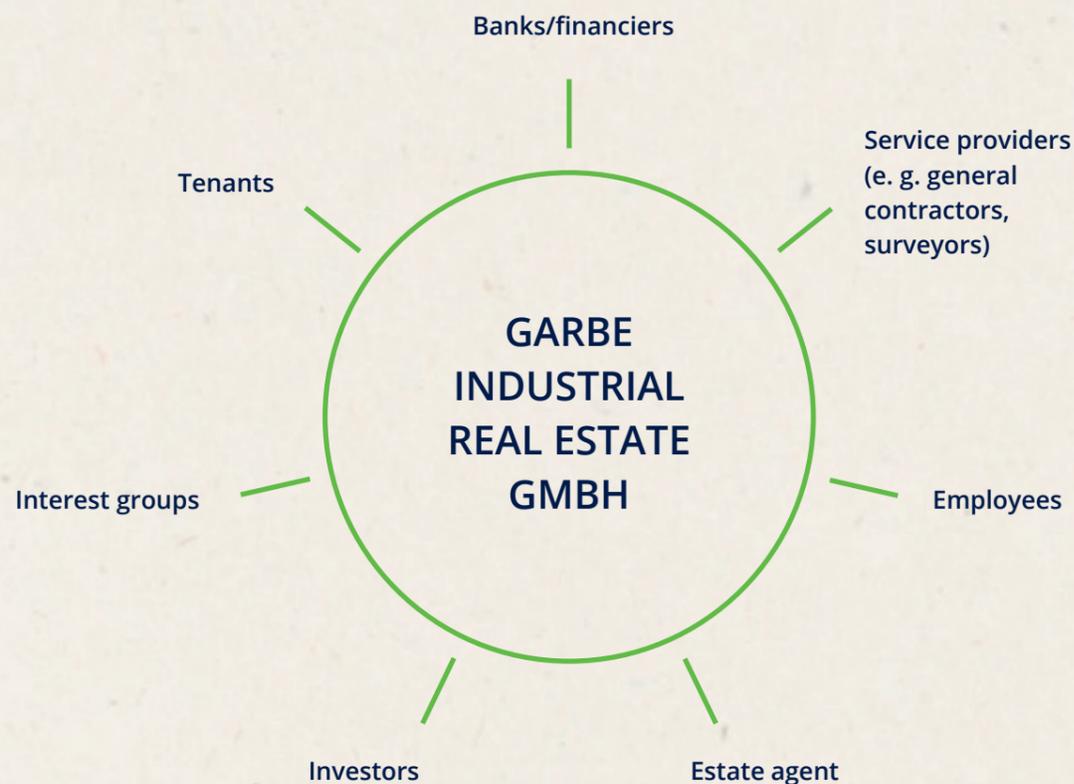
The ESG action plan drafted by the operational ESG units in late 2023 is meant to provide an overview of all ESG actions that the portfolio assets could potentially be subjected to. In addition to environmental actions, it also considers social and governance actions. The action plan lists added value, costs and contacts both internal and external, and provides a framework for orientation based on a matrix of time intensity, cost intensity and ESG impact. This idea behind the principle is to provide optimal hands-on guidance, specifically to support the real estate management when planning and budgeting the actions. Aside from the real estate management, the fund management may also use the action plan for planning its own measure, so that it principally serves as a guideline.

STAKEHOLDER MANAGEMENT AND ESG

GRI

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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



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.

Having regularly participated in the biannual Top Job poll and associated competition since 2018, GARBE was awarded the "Top Job" seal for the third time in 2022. The next Top Job survey will take place in 2024. GARBE Industrial is well aware that qualified employee feedback is a great basis for a strong and crisis-proof corporate culture. In many cases, employee suggestions for improve-

ments are directly implemented. A case in point is our mission statement, which was adjusted to make it easier for members of staff to identify with it.

An important component of the feedback culture is the Top Job survey conducted by the Centre for Employer Attractiveness (zeag GmbH). In 2020, for instance, it revealed several ways to improve the energy level and degree of motivation 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.



Tenants

The tenant surveys annually conducted by GARBE Research, most recently in June 2023, enable us to draw conclusions regarding tenant satisfaction and the quality of our real estate 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. The 2023 survey added questions regarding the ways in which sustainability-related challenges are handled.

Investors

Our second group of clients, our investors, are also polled periodically at intervals between one and two years. So far, these surveys have 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. The next survey will include dedicated sustainability topics.

Other stakeholders

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

The ESG theme found 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 in-house ESG Due Diligence list as amended was adopted as standard for all investment processes managed by GARBE to analyse properties from an ESG angle.

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 and of the respective target fund along with common market standards and legal requirements.

4.5 SIGNIFICANT SUSTAINABILITY RISKS AND INSTRUMENTS FOR CONTROLLING THEM

According to the German Supervisory Authority for Financial Services (BaFin), sustainability risks represent environmental, social or governance events or conditions that 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, GARBE Industrial seeks to develop systems for detecting and controlling risks whose scope, structures, processes and methods complement the company's business model. (cf. summary in Table 1)

GRI

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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 to screen 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 property 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 at large, is going through a transition phase in an effort to achieve the climate targets that were set by the Paris Agreement. Part of this is the need to decarbonise the real estate industry. The use of its CRREM tool enables GARBE Industrial 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. However, GARBE has certain misgivings about applying the tool to the logistics asset class because tenant behaviour, which is not subject to GARBE's control, definitively influences a given asset's performance.

GRI

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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 property developments meet the latest ESG standards, GARBE constructs its buildings in accordance with rec-

ognised sustainability standards, the minimum for Germany being the DGNB "Gold" label. At the same time, the company is implementing its plan to subject standing properties to manage-to-ESG measures, specifically with the objective to actively manage the carbon footprint.

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). The objective is to equip both the property developments and standing properties with PV systems so as to bring them up to the latest sustainability standards.

In the course of 2022, the legal structure was changed: A new company, GARBE Infrastructure GmbH, was set up to pool all infrastructure-related activities. GREEN was assigned to this company as a subsidiary. GARBE Infrastructure GmbH is an affiliate to GARBE Industrial Real Estate GmbH, as detailed in Chapter 2.

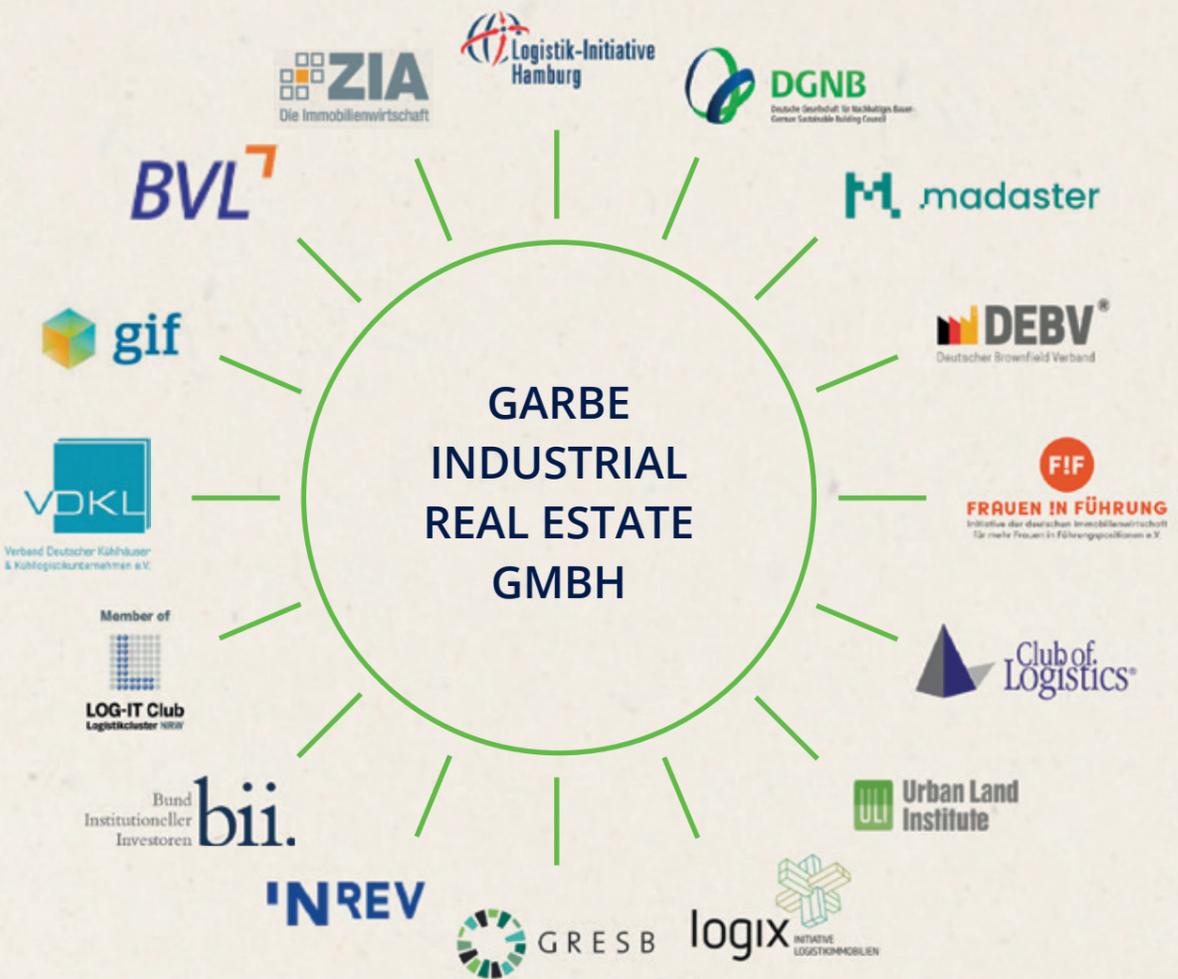
GRI

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

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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 PROPERTY DEVELOPMENTS

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

The image shows our "Stapelfeld" property development as a best practice example (completed in 2023).



Lighting design

- LED lighting concept
- Daylight- and motion-based
- Exceeding legal requirements

Flora & fauna

- Ecologically particularly valuable trees and plant communities
- Environmentally green noise barrier
- Bird nesting boxes
- Insect hotel
- Areas for ground-nesting birds
- Bushes and shrubbery replace manicured lawn areas

Sustainable materials

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

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
- Evaluation of life cycle versus energy consumption during operation
- Active management of embodied energy

Dry stone wall

- Habitat for small creatures such as lizards, isopods

Pond system, soakaway

- Creating another habitat
- Rainwater draining into the ground

Energy-efficient building fit-out

- Optimised insulation
- Geothermal heating, heat pumps

Reduced soil sealing

- Water-permeable paving
- Parking spots with grass pavers

Low-emission mobility

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

Battery storage system for PV electricity

- Use of regenerative energy outside the sunshine hours

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 range of ESG characteristics that were created both during and after the construction phase.

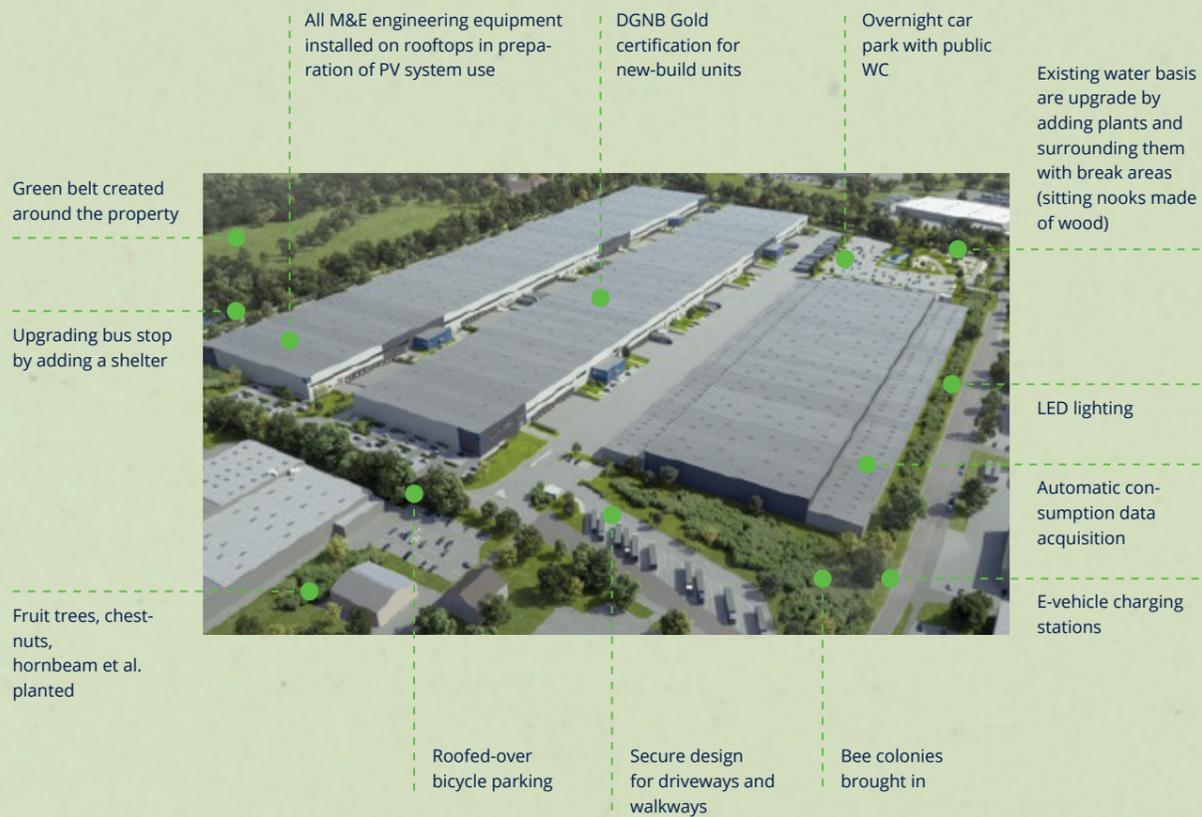


Table 1: ESG risk management

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 impairments Impact on the attractiveness of the location 	<ul style="list-style-type: none"> Site-related climate change risks in the ESG DD Software-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 competitiveness Legal consequences, penalties 	<ul style="list-style-type: none"> Participation in industry initiatives, lobby work Participation in the energy transition by setting up GREEN
Personnel risks		■■■	<ul style="list-style-type: none"> Staff shortage, staff leaving, employee motivation, employee health Ramifications for the employer attractiveness Reputational damages 	<ul style="list-style-type: none"> Employee surveys Employee benefits system In-house initiatives to promote social sustainability
Stakeholder risks		■■■	<ul style="list-style-type: none"> Conflicts, degraded collaboration Reputational damages 	<ul style="list-style-type: none"> Stakeholder survey program Stakeholder exposure program
Mismanagement/ misconduct		■■■	<ul style="list-style-type: none"> Legal consequences, penalties Reputational damages 	<ul style="list-style-type: none"> Code of conduct, compliance code Whistleblowing 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 tenants ESG screening system



Environment –
Sustainable
Green Action

Environmentally sustainable action is at the centre of our commitment to preserve the environment. As a logistics real estate company, we focus on energy-efficient construction methods, the use of renewable energies and the sustainable use of resources so as to minimise our ecological footprint. We develop innovative concepts that help to protect environment and climate in the long term and encourage solutions that are fit for the future.



5.1 Climate Change Mitigation

LEADING BY EXAMPLE: THE SUSTAINABLE HEAD OFFICE

Our head office in Hamburg has been certified under the “Sustainable Construction in HafenCity” certification process, scoring a “Gold” rating, the highest 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 well-being

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 2023” for a detailed breakdown of the various means of transportation, listed by kilometres travelled).
- GARBE enhances staff mobility by co-sponsoring the purchase of a national rail pass (“Deutschlandticket”). 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. In addition, we organised the use of JobRad company bicycles.
- To promote the transition to e-mobility, charging stations are available in the underground car park. Moreover, the conversion of the company vehicle fleet has made good progress: By the end of 2023, 16 vehicles out of GARBE’s total fleet of 61 vehicles were electric. It is planned to incrementally increase the number of e-vehicles.

CLIMAT 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 the 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.

In an in-house survey, GARBE compared four different options for a property with a floor area of 30,000 sqm:

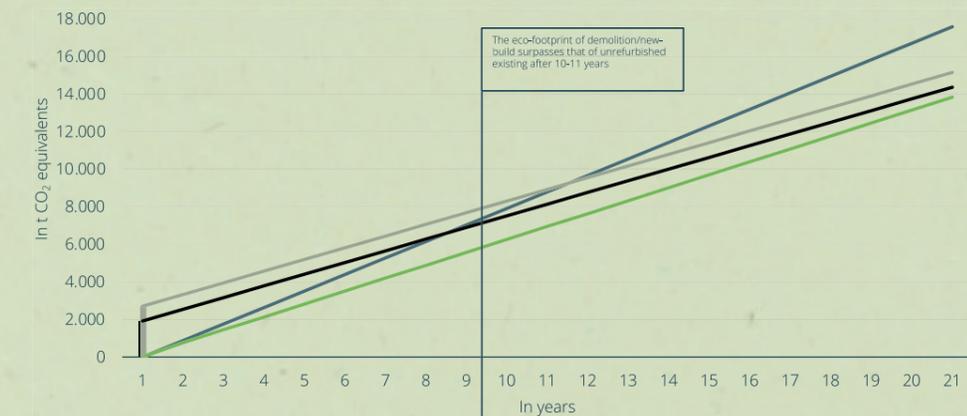
- new-build construction of a modern, certifiable warehouse on a previously undeveloped plot (greenfield).

- 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 and 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



- The eco-footprint of new-build surpasses that of unrefurbished existing after 8-9 years
- The eco-footprint of demolition/new-build surpasses that of unrefurbished existing after 10-11 years
- The best eco-footprint for the whole period under review is achieved by a refurbished existing warehouse

■ GE existing property ■ GE new-build ■ GE demolition/new-build
■ GE upgrade & refurbishm. ■ CE existing property ■ CE new-build
■ VE demolition/new-build ■ CE upgrade & refurbishm.

GE – grey energy: GE is the primary energy that is needed to construct a building. The grey energy is considered to be tied up in the building.
 CE – consumption energy: This kind of energy includes the carbon emissions generated by a building electricity and heating demand.

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

GARBE develops and installs bespoke photovoltaic 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 2023:

- 20 facilities in operation
- 21 facilities in development
- 78 MWp in operation and development
- 104 MWp in the pipeline



DRIVING PRODUCT INNOVATION

In 2021, GARBE Renewable Energy – GREEN GmbH installed a thin-film photovoltaic system on the façade of a property in Berlin-Hohenschönhausen in collaboration with the companies Heliatek GmbH (“Heliatek”) and ADLER Smart Solutions GmbH (“ADLER”). In 2022, these thin-film solar facility 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 any other business, 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 real estate vis-à-vis climate change and the identification and implementation of effective countermeasures is of the utmost significance.

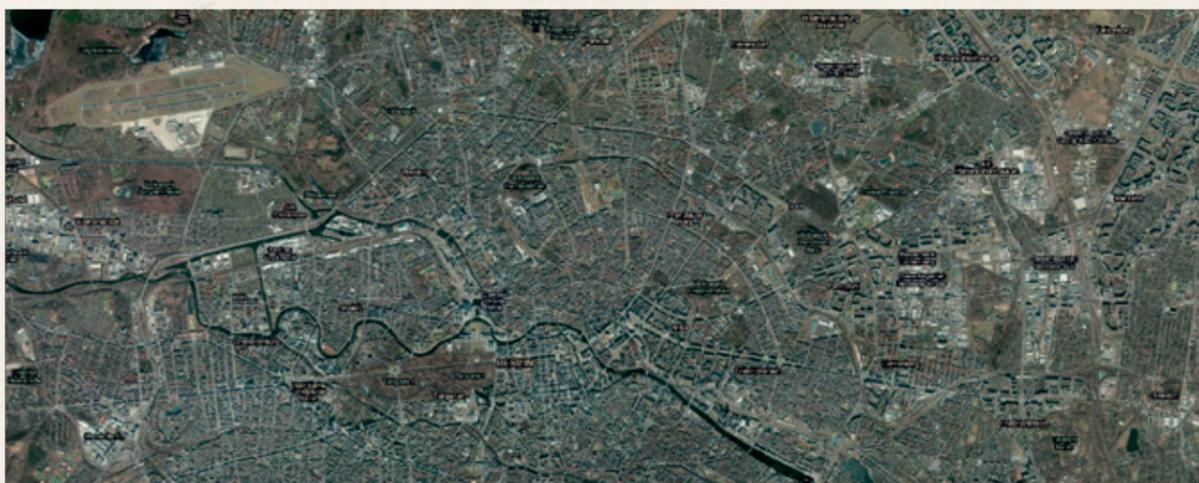
CLIMATE CHANGE RISKS IN THE LOCATION ASSESSMENT SYSTEM

Extreme weather events can precipitate material damages that may in turn cause repair costs and 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, not least in order to take preventive action. In 2022/2023, we used the climate risk analyses compiled by Munich RE in line with the expansion of our location assessment system.

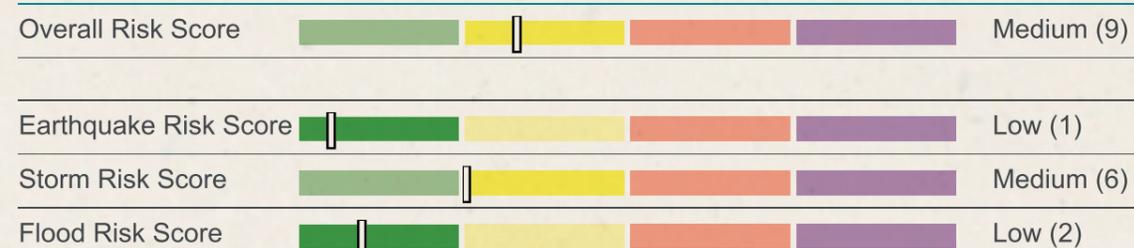
The main climate events included in the risk assessment system are the following:

- Earthquake
- Extratropical storm
- Hailstorm
- Tornado
- Lightning strikes
- River flooding
- Flooding
- Flash floods
- Storm surge
- Forest fires

The assessment undertaken in Q1 2023 covered all GARBE sites and all assets under management. The example depicted below shows the results for the location of Berlin.



NATHAN: Risk Scores



NATHAN: Hazard Scores



NATHAN: Additional Information



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. To do so, detailed climate risk analyses by Munich RE were consulted.

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:

- Greening and creating of compensatory areas helps to prepare for heavy rainfall
- Adjusting the heating systems cushions extreme temperatures
- Optimising the use of water helps during periods of drought
- Checking the roof load (rain and snowfall)
- Taking protective measures against flooding



USE OF RESOURCES AND CIRCULAR ECONOMY

The frugal 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
- avoiding unneeded lighting and device operation in stand-by mode
- using efficient air conditioning technology
- reducing the use of paper
- environmentally friendly cleaning

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

CIRCULAR ECONOMY IN THE PORTFOLIO: MADASTER

As a property developer and property asset holder, we have to find effective ways to address current challenges such as resource shortages and disrupted supply chains. By recycling building materials, extending life cycles and minimising waste, we implement sustainable concepts that are not only good for the environment but also help us ensure the long-term appreciation of buildings. Our projects focus on the efficient use of resources and innovative approaches to create real estate that is fit for the future both in economic and in ecological terms.

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 these materials 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.

We expect to achieve the following objectives by using Madaster:

- to minimise the product carbon footprint for property developments
- to promote a circular economy in construction
- to boost the residual value of our real estate through modular construction and the improved recoverability of materials.

Environmental KPIs DE – 2023

- Electricity consumption, Hamburg: 40,164 kWh
- Electricity consumption, Berlin: 13,147 kWh
- Electricity consumption, Cologne: 5,406 kWh
- Electricity consumption, Frankfurt: 25,837 kWh
- Electricity consumption, Stuttgart: 1,085 kWh
- **Electricity consumption, total: 85,639 kWh**
 - Exact data were used for all cities except Frankfurt am Main. The landlord of our office in Munich was unable to communicate the consumption data in time.
 - Emission factor: 0.381 kg CO₂e/KWh (source: EEA)

32,629
kg CO₂e

GRI
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**
 - The prior-year figures had to be re-used for all cities.
 - Emission factors: 0.280 kg CO₂e/KWh district heating/cooling

17,457
kg CO₂e

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

- **Company cars, total: 797,301 km**
 - Calculated on the basis of the information provided by employees at various times – rounded to a year of 365 days.
 - The emission figures were directly provided to us by the leasing company

117,095
kg CO₂e

- Rail: 293,378 km
- Air: -
 - Both emissions calculations were obtained directly from our travel agency

873
kg CO₂e

82,461
kg CO₂e

<ul style="list-style-type: none"> Rental cars: 230,459 km → CO₂e via spend-based calculations 	<h1>3,713</h1> <p>kg CO₂e</p>
<ul style="list-style-type: none"> Commuter travel, total: 591,053 km → In-house poll conducted (source of emission factors: BEIS) 	<h1>10,279</h1> <p>kg CO₂e</p>
<ul style="list-style-type: none"> Purchased goods and services: → Total emissions for goods and services, obtained via spend-based calculations 	<h1>572,530</h1> <p>kg CO₂e</p>

Environmental KPIs EU – 2023*

GRI

305-1	<ul style="list-style-type: none"> Electricity consumption, total: 67,818 kWh 	<h1>16,033</h1> <p>kg CO₂e</p>
305-2		
305-3		
302-1	<ul style="list-style-type: none"> Heating, total: 69,711 kWh (estimated) 	<h1>4,529</h1> <p>kg CO₂e</p>
	<ul style="list-style-type: none"> Water consumption, total: 170 cbm (estimated) 	

* Emission factors for electricity vary from one country to the next.

5.3 BIODIVERSITY AND ECOSYSTEMS

As a property developer and property asset holder, we face the challenge of the so-called twin crisis of climate change, on the one hand, and the loss of biodiversity, on the other hand. Our strategy aims to develop sustainable and forward-looking solutions that contribute not only to the reduction of carbon emissions but also ensure the preservation and promotion of biological

diversity. Through the purposeful design of our projects, we create living areas that are conducive to biodiversity while the innovative concepts we implement ensure the frugal use of space and resources. We actively contribute to the protection of biodiversity and to the management of global environmental challenges.

BROWNFIELD

As a brownfield pioneer and founding member of the German Brownfield Association (DEBV), GARBE recognised the associated potential early on.

By developing brownfields, we pursue two parallel objectives:

- avoiding new soil sealing
- addressing the shortage of space



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





Social –
Accepting Social
Responsibility as
a Company and
Business Partner

As a responsible organisation, we put a premium on social responsibility vis-à-vis our employees, our business partners and society as a whole. We promote fair working conditions, diversity and inclusion, and encourage adherence to high social standards along our entire value chain. Partnerships and community engagement strengthen the basis for sustainable and trust-based relationships.

6.1 Equal Opportunity, Equal Rights and Inclusion

TOP JOB EMPLOYEE SURVEY

In the years 2018, 2020 and 2022, Top Job conducted an employee survey each, the next one being scheduled for 2024. 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 actively 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 influence 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 values. 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 2023" for the 2023 data) to make it easier to identify and process existing potential for improvement.

FRAUEN !N FÜHRUNG

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.

GRI

405-1

49 %

of the workforce were women in 2023, approaching parity.

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

GRI

- 403-5 Since December 2021, an external safety engineer has been in charge of occupational safety issues.
- monitoring the implementation of occupational safety and accident prevention
- 404-2 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 it, and reviewing operating procedures before their introduction

DIVERSITY TRAINING

GRI

- 405-1 Within the scope of our commitment to promote diversity and inclusion, we provided a diversity training program for our staff during the past two years. It was organised in collaboration with Avrami Business Communication, its purpose being to sharpen awareness of subconscious stereotypes and to strengthen the ability to interact with diversity. The curriculum included subjects like inter-cultural communication, inclusion in the workday reality and the breaking down of stereotypes.

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 a database-assisted ESG screening system for business partners is planned for 2023, the idea

being to determine the sustainability of their business models and to uncover potential ESG controversies. The conclusive evaluation of the most important business partners is planned for 2024.

6.4 Our Role in Society

Outside its regular business, GARBE Industrial Real Estate GmbH sponsors charities that work for the common good. The focus is particularly on the future of vulnerable groups, especially underprivileged children. But we are also committed to supporting research and relief projects in the health sector.

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 local waste clean-up campaign.



6.5 Performance Rating

GRI

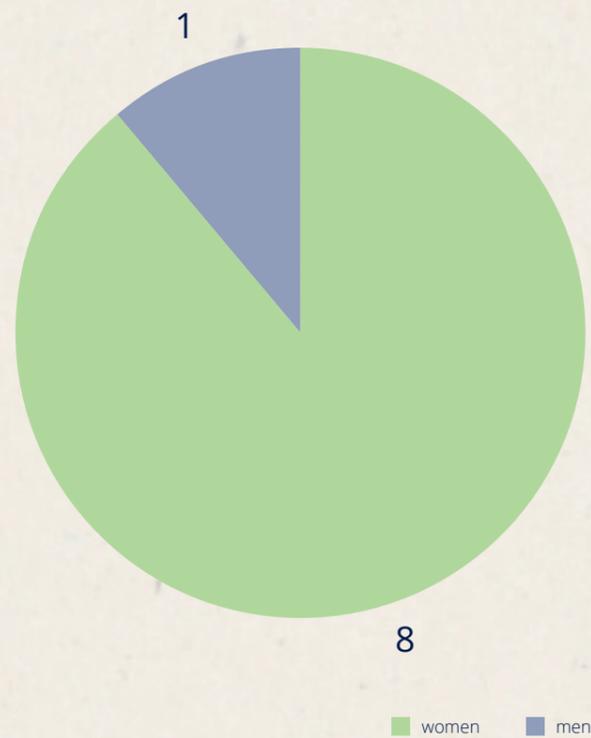
404-3 Integrity, steady improvement, accountability, and concrete feedback are of key importance to GARBE. Open communication and suggestions for improvements are always encouraged within the company. On top of that, employees and executives meet for official employee performance reviews once a year.

6.6 Parental Leave

GRI

401-3 Out of nine employees who took parental leave in 2023, the vast majority were female (8 women, 1 man). The average parental leave among women was 1 to 1.5 years.

PARENTAL LEAVE – GERMANY

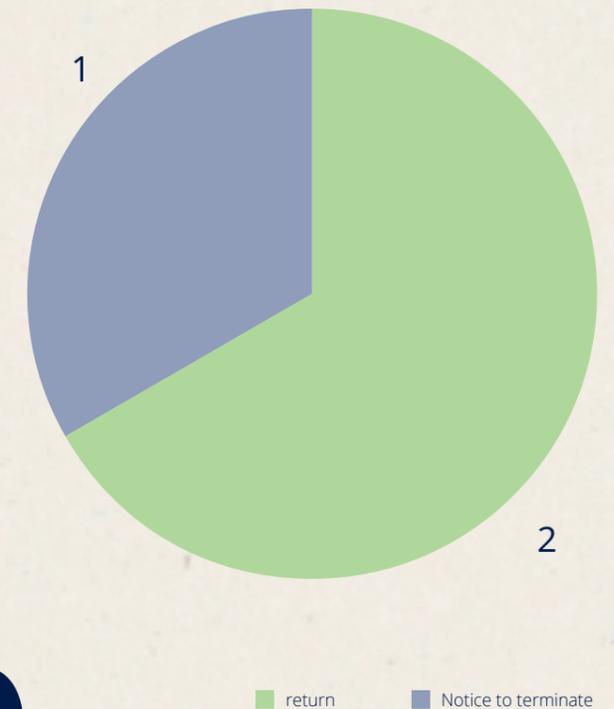


9
employees

were on parental leave in Germany in 2023, thereof 8 women (parental leave of 1 to 1.5 years) and 1 man (on parental leave for 1 month).

2 permanent employees returned from lengthy parental leaves, both of them women. The return rate was 67 %.

RETURN FROM PARENTAL LEAVE – GERMANY



67 %

return rate in 2023



Governance –
Sustainable
Corporate
Governance,
Internally &
Externally

Sustainable corporate governance is the foundation of our actions, and defines both our in-house processes and our external relations. We aim for integrity and long-term success by using clear structures, transparent communication and responsible decision-making processes. This way, we inspire confidence among our shareholders and ensure that our business practices meet the highest ethical and legal standards.

7.1 Business Ethics, Anti-Bribery and Anti-Corruption

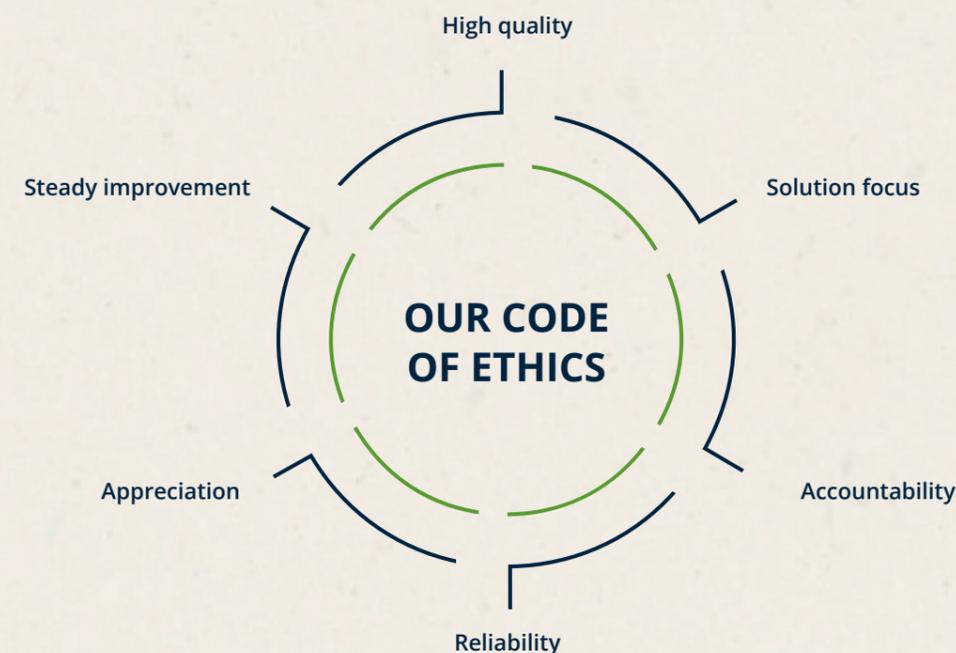
GRI

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 don'ts." An example is 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 the GARBE's senior executives and employees fulfil their duties vis-à-vis

business partners and colleagues – not least with a view to the impact of their activities on the general public. The purpose of the Compliance Code is to help implement and specify 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.

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 the chance to group an 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 the ZIA German Property Federation.
- Opportunity to comment on legislative proposals.
 - Proposal for, and coordination during the drafting of, a joint ESG guide for logistics real estate.
- GARBE heads the ZIA committee for logistics and industrial real estate, which focuses specifically on ESG aspects.
- GARBE was selected to join the GRESB Foundation Real Estate Expert Resource Group.
 - GARBE is a Madaster Innovation Partner.
 - GARBE supports the work of the GRESB Foundation by providing know-how, resources and consultancy and through its participation in various working groups.
- GARBE seeks to set ESG standards and to increase their acceptance within the industry while also striving to influence the legislative process in Germany.
 - Special event: GRESB presentation for the working group.



7.3 Business Partner Management

ESG-COMPLIANCE OF BUSINESS PARTNERS

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

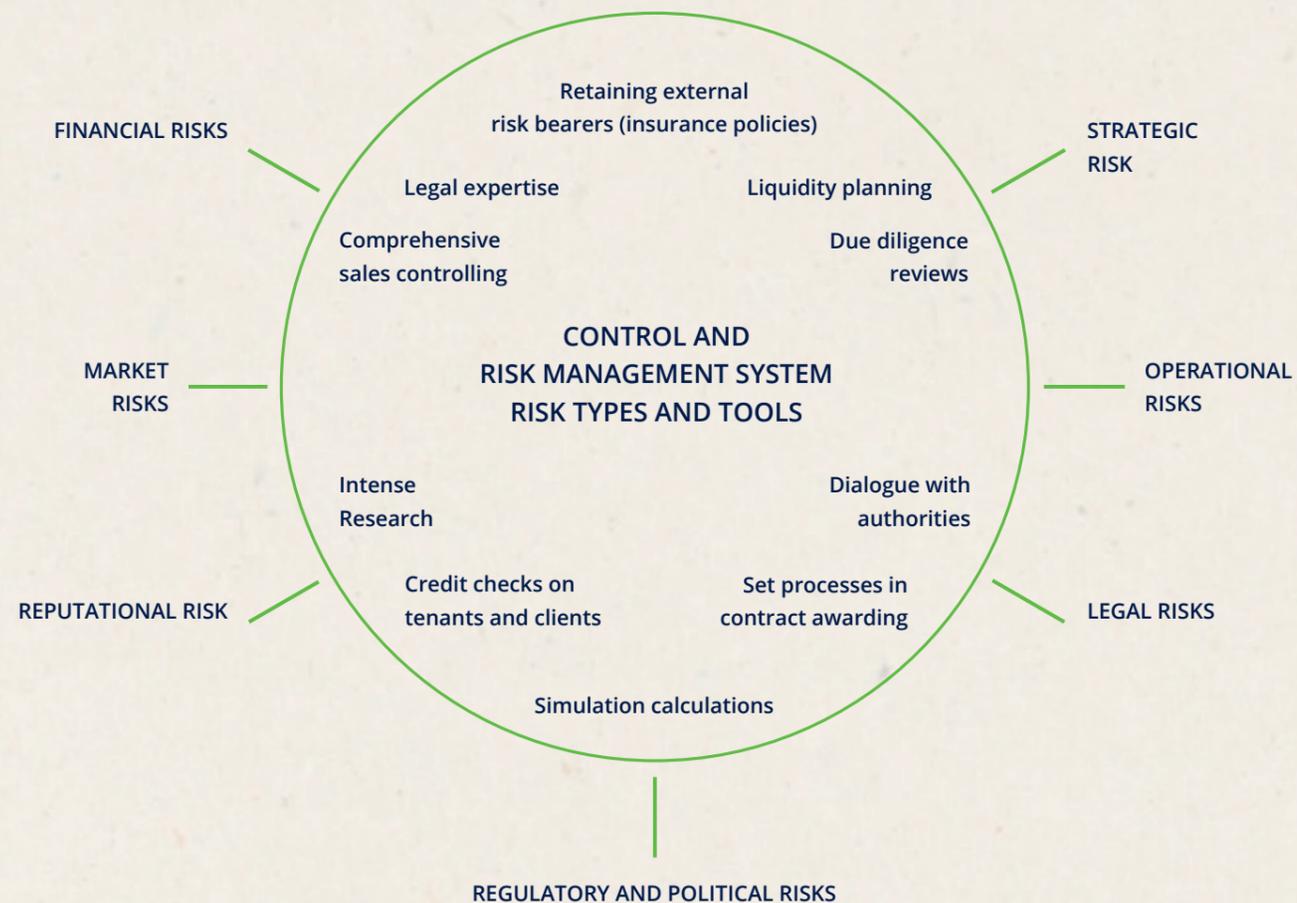
On top of that we defined narrower knock-out criteria for our Article 8 fund: A corresponding ESG screening system was introduced in 2023, initially for tenants of the Article 8 fund assets, the objective being to analyse the sustainability of their business models and possible conflicts. The conclusive evaluation is scheduled for 2024. The screening system will remain in place for future business partners.

7.4 Internal Control- and Risk Management System

The senior management is responsible for the control and risk management within the company, assisted and actively supported in this effort by the Finance department, which includes the Controlling unit. The Controlling unit reports directly to the head of the Finance department and briefs the senior management on the latest business developments once a quarter and whenever necessary. 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 derived and approved. The control and risk

management topics 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 attended 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 compare 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 site check that has included important site-specific

ESG factors since 2022.

GARBE deflects operational risks by taking any of various measures, including:

- standardised due diligence investigations prior to the acquisition of properties and plots of land.
- retaining efficient construction companies and general contractors through processes defined for the awarding of contracts.
- seeking the long-term collaboration with contractors

with whom we successfully completed projects in the past.

- running 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 associated 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 associated 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 assigned to 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 cli-

ents and permitting a rapid and appropriate response in the event of an emergency. The Business Continuity (BC) plan was updated in September 2022.

The BC 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. Since reporting under the CSRD regime will become mandatory for GARBE by 2026, we are currently going through a transition phase that we are using to prepare thoroughly for the reporting obligation. The CSRD regime will enable us to communicate ESG-related data in even more transparent ways to our clients and business partners, which is something we consider a major value-added. In addition, the ESG topic has gained such importance for us as a company that the strategic ESG team will be drastically expanded in 2024. The team’s job will be to examine the applied mechanisms and tools rigorously so as to help us focus on solutions that meet our needs and are established in the market.



