

ENVIRONMENTAL MANAGEMENT SYSTEM

Gateway Real Estate AG is a real estate development company with total assets of around €1.1 billion. The Company currently employs 20 employees. To improve its ESG performance and risk profile, Gateway Real Estate AG has incorporated all processes within the Company, all incoming and outgoing materials as well as all services in the Company in an environmental management system (“environmental management”) and evaluates these elements in terms of their sustainability impact.

Gateway Real Estate AG in principle aligns its investment, planning and implementation processes with environmental and social sustainability criteria as well as the requirements of good corporate governance. Based on the selected structures, processes and responsibilities, the environmental management system is intended to ensure environmentally friendly behavior at all times. All ESG components in the Company are interlinked in the best possible way, which in turn provides a basis to derive considerable sustainable synergy and thus optimization potential.

Gateway Real Estate AG naturally complies with the environmental regulations applicable in Germany and the European Union. Gateway Real Estate AG’s preferred timber construction method, as well as its energy-efficient manufacturing methods that are also characterized by low greenhouse gas emissions provide the framework for all sustainability goals and the required implementation measures. As a consequence, the business model of Gateway Real Estate AG at the same time represents its environmental management system. The Management Board of Gateway Real Estate AG is responsible for the Company’s sustainability performance.

BUSINESS MODEL AS ENVIRONMENTAL MANAGEMENT SYSTEM

Gateway Real Estate AG designs real properties that are particularly sustainable. The construction timber used as building materials, for example, is sourced on the basis of sustainable German or European forestry. The planned standard construction method, which largely avoids composite materials, ensures significantly reduced material use compared to conventional construction methods, and also improves recyclability and reduces energy requirements during construction.

The use of innovative technology and the broad-based digitalization of buildings significantly reduces the energy and resource requirements of the buildings designed by Gateway Real Estate AG during the utilization and the operating phase. Every process and product improvement is therefore both a business objective and an environmental goal within the framework of environmental management.

Moreover, “green electricity” is purchased for energy supply in the company’s offices. Technical equipment in use at Gateway Real Estate AG is generally used well beyond its average useful life by means of appropriate refurbishment; it is then sent for proper professional recycling. All steps in the workflow as well as all procurement processes are intended to reduce the use of plastic. Employees are trained and educated accordingly.

The design and planning of real estate at Gateway Real Estate AG covers all environmentally and socially relevant aspects of the Company's activities. Comprehensive corporate governance rules form the basis for this.

- **Goals and planning:** The guiding principles are the use of regenerative materials to the largest possible extent, low energy consumption and greenhouse gas emissions for construction and operation, high user convenience, positive contribution to the development of the (surrounding) infrastructure and the ecological environment.
- **Implementation:** In that sense, all employees make a contribution to successful completion during implementation. The individual process steps are designed in light of the defined goals. In this context, it is clearly defined which employees are responsible for the respective process steps, especially with regard to the environmental impact.
- **Responsibilities and review:** Planning and development are carried out in mutual agreement between the employees. Since Gateway Real Estate AG itself does not carry out construction activities, the appropriately appointed construction companies are monitored throughout the entire construction phase to ensure that the environmental protection measures and specifications as defined by Gateway Real Estate AG are complied with.
- **Improvement:** Experience from the planning and construction process is continuously incorporated into the optimization of real estate projects, particularly with regard to their impact on the environment and the surroundings. Upon completion of each real estate project, Gateway Real Estate AG conducts an internal audit to identify particularly successful steps as well as weak spots in the project. The results of this analysis will then be considered in upcoming projects.

ENVIRONMENT AND SOCIETY

Certain decisions and measures often are often reflected in both environmental and social effects to similar degrees. Accordingly, innovative mobility concepts lead to a reduction of energy consumption and greenhouse gas emissions, and they also increase the user convenience of a real estate complex. For this reason, Gateway Real Estate AG always takes into account social matters when developing real estate projects, such as neighborhood development with long-term utilization concepts.

Corporate governance is applied at Gateway Real Estate AG throughout the project development and commissioning phases and includes information and consultation events for all stakeholders; cooperation with municipal building authorities based on mutual agreement is a top priority. All construction projects are constantly monitored and documented, also from a sustainability perspective. Construction projects are externally audited and certified after completion of the construction work based on environmental criteria.

The environmental management system of Gateway Real Estate AG covers all relevant ESG areas. The Company does not only record energy consumption, (greenhouse gas) emissions, the quantities of materials used, and the volume of waste and wastewater, but also analyses, for example, supplier behavior or the ways to work of the employees, and additional quantitative and qualitative ESG criteria.

In doing so, Gateway Real Estate AG pursues several goals: gaining insights to better protect the environment and the climate, greater resource efficiency, higher benefit of products and services for customers. Gateway Real Estate AG's environmental management system is designed to systematize the ESG structures and the corresponding operational processes within the Company in a consistent manner, thus making them more effective and efficient. In addition, the system is intended to provide more relevant transparency to third parties.

STRUCTURE OF THE ENVIRONMENTAL MANAGEMENT SYSTEM OF GATEWAY REAL ESTATE

ENVIRONMENTAL RELEVANCE

The main areas of environmental management at Gateway Real Estate AG are (1) construction methods (use of a high proportion of wood as a building material, standardization of components and processes, largely avoiding composite materials), (2) digitalization of building technology (information technology for control/management as well as building services), and (3) use of innovative techniques and materials. In this way, Gateway Real Estate AG's environmental management highlights particularly ecological and, at the same time, technological aspects from the broad spectrum of ESG topics. Extensive data is collected and evaluated for these areas in particular.

MARKET RELEVANCE

Based on its environmental management, Gateway Real Estate AG on the one hand expresses its belief that the construction and real estate sector in particular, which is responsible for around 40 percent of greenhouse gas emissions worldwide and for a high demand for resources, must initiate a rapid change in its development, creation and utilization philosophy. On the other hand, the Company responds directly to changing expectations and needs of stakeholders. Gateway Real Estate AG identifies the requirements of stakeholders for the modern real estate industry by engaging in a continuous dialogue. The results are then incorporated into the planning and construction phases, which not only increases the benefits for customers and tenants, but also enhances the competitiveness of Gateway Real Estate AG.

FOCUS

Due to Gateway Real Estate AG's strong specialization and, at the same time, low staffing levels, the Company focuses its sustainability efforts on those areas where it can make the greatest relative and absolute contribution to improving its ESG performance. These are the construction of real estate including the selection of building materials as well as the installation of (building) technology in the properties. Areas such as administration or operational office operations only have little potential to improve ESG performance. For example, Gateway Real Estate AG has switched all of its electricity supply for its offices to green energy, i.e., electricity from renewable sources.

RECORD-TAKING

Environmental management systematically records all incoming and outgoing material and substance flows. This includes raw materials, supplies, energy, water, soil qualities as well as finished real estate and by-products, emissions, wastewater and waste.

In terms of sourcing with regard to a specific real estate project in development, it is of utmost importance that materials are used efficiently and in a minimized quantity. In terms of release (waste) with regard to a specific real estate project in development, it is of utmost importance to minimize the use of materials. The recording of the actual material flows (actual figures) is compared with the corresponding targeted values (budget figures). The analysis of the flows in addition to an evaluation of the environmental situation provides information on potential improvements and cost savings.

ORGANIZATION

At Gateway Real Estate AG, all business activities and thus all environmental management tasks are clearly defined and structured. The employees who are specifically entrusted with environmental issues have the appropriate qualifications and competencies. This includes continuous education and training in this regard. Distinct job descriptions exist for the corresponding functions. Regular internal audits reconcile results and requirements and initiate any necessary improvements.

EVALUATION

The environmental management of Gateway Real Estate AG not only determines data and facts that are relevant for the environment, but also, in any case, all variables related to a real estate project or other business activity. This is to ensure that interdependencies as well as countermeasures do not go unnoticed. Apart from purely ecological variables, regulatory requirements such as laws and regulations in relation to environmental protection, occupational health and safety are taken into account in the analysis.

Gateway Real Estate AG continuously compares its business model and *pari passu* its environmental management system with objective environmental needs and expectations or requirements of stakeholders or market participants and makes appropriate modifications in the event of any discrepancies. Findings from the completion of real estate and from subsequent operation are compared with performance assumptions; current plans are adjusted accordingly in the event of deviations. Finally, the scope of Gateway Real Estate AG's environmental management is continuously reviewed for appropriateness, and additional data and processes are included as needed.

RESOURCES

Gateway Real Estate AG seeks to employ all necessary resources for its environmental management system to ensure that it reaches its targeted performance at all times. This includes ensuring that the functions provided by the system not only have the sufficient qualifications at any time, but also the appropriate environmental awareness.

COMMUNICATION

Gateway Real Estate AG communicates in a very transparent way both internally and externally about the entire planning and development process of its real estate projects. All stakeholder groups are adequately informed and their legitimate interests are taken into account.

DOCUMENTATION

Gateway Real Estate AG documents all planning and process steps as part of the environmental management system. The security of the data and information obtained for this purpose is guaranteed.