

SUSTAINABILITY REPORT 2022



GATEWAY
REAL ESTATE

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FOREWORD

DEAR SHAREHOLDERS, DEAR READERS,

The construction and real estate industry is responsible for 30 per cent of CO₂ emissions worldwide. Buildings that are constructed today last for a long time. This is precisely why the real estate and construction sector is a central lever for environmental and climate protection. As one of the leading companies of resource-saving timber construction, we are aware of this responsibility.

Environmental sustainability is part of our DNA. At GATEWAY, we have set ourselves the goal of minimising the harmful effects on the environment through environmentally conscious construction and therefore almost exclusively project sustainable and modern residential quarters in timber construction. But it is not only ecological concerns that are important to us. We are also convinced that the creation of affordable housing is the key to successfully overcoming many social challenges.

Gateway Real Estate's sustainable approach to modern urban development therefore integrates transport, culture, quality of life and longevity into all phases of project development. Sustainability also means for us that we focus on fairness and transparency in our dealings with customers, partners, investors and employees. This pays off in the long term and creates trust and quality.

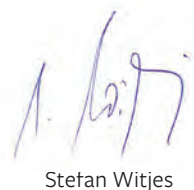
Gateway Real Estate's sustainability approach also includes a transparent approach to risks. In terms of double materiality, we consider the impact of company's actions on the environment (impact) and which ecological and environmental policy changes influence Gateway Real Estate's business model (risks). In doing so, we follow the recommendations of the Task Force on Climate Related Financial Disclosures (TCFD) and monitor developments around the Corporate Sustainability Reporting Directive (CSRD) in order to prepare ourselves now for future reporting standards.

Taken all these together, that does not only create environmental benefits, but also steadily creates new opportunities for the company by serving the growing demand for sustainable residential and commercial properties. Gateway Real Estate focuses on major German cities such as Berlin, Cologne, Hamburg or Dresden and selected high-growth regions. GATEWAY covers the entire value chain from the acquisition of land and projects to the development, construction and sale of the properties.

At GATEWAY, the Board of Directors is responsible for all sustainability policies and initiatives, which is why corporate responsibility will always be at the top of our agenda in the future. We look forward to you continuing to accompany us on the path described.



Tobias Meibom



Stefan Witjes

1 — BUSINESS MODEL AND UNDERSTANDING OF SUSTAINABILITY

GATEWAY REAL ESTATE AG (IN THE FOLLOWING ALSO REFERRED TO AS “GATEWAY”, “GATEWAY REAL ESTATE” OR “COMPANY”) IS THE LEADING LISTED DEVELOPER OF RESIDENTIAL PROPERTIES AND URBAN DISTRICTS IN RESOURCE-SAVING TIMBER CONSTRUCTION. IN REAL ESTATE DEVELOPMENT, SUSTAINABILITY AND THE RESPONSIBLE USE OF RESOURCES ARE AT THE HEART OF EVERYTHING WE DO. ENVIRONMENTALLY CONSCIOUS, ARCHITECTURALLY TIMELESS CONSTRUCTION MINIMISES NEGATIVE EFFECTS ON THE ENVIRONMENT, EVEN IN THE LONG TERM. GATEWAY CONCENTRATES ITS BUSINESS ON LARGE GERMAN CITIES AND ON PARTICULARLY HIGH-GROWTH REGIONS.HIGH-GROWTH REGIONS.

CLIMATE-NEUTRAL BUILDING AS A BUSINESS OBJECT

Gateway Real Estate and its subsidiaries cover essential parts of the real estate value chain with the acquisition of land and projects, the development of properties, the sale or own acquisition of these buildings and neighbourhoods. For the construction of the properties, GATEWAY uses an excellent network of addresses in the construction sector as well as established partnerships with efficient companies.

GATEWAY creates attractive and sustainable properties and neighbourhoods where people want to live, work and stay for many years. GATEWAY takes a holistic approach to the design and development of buildings. This is because a sustainable mindset creates value for owners and residents. Gateway Real Estate’s business activities are characterised by the following features:

- Creation of high-quality and attractive as well as affordable housing.
- Predominant use of wood as a building material.
- Use of other sustainable materials and improvement of the circular economy.
- Optimising energy efficiency and emission intensity.
- Increasing the occupant benefit.
- Improving neighbourhood logistics.
- Increasing employee satisfaction and employer attractiveness.

Sustainable action is an integral part of Gateway Real Estate’s value creation. Energy-efficient and environmentally certified properties are high-quality buildings with low operating costs. Links to public transport and accessibility by bicycle, on foot and with electric vehicles ensure a high and stable level of interest from users.

This specialisation in resource-efficient timber construction opens up GATEWAY opportunities in a market where real estate investors are increasingly demanding sustainable properties. The requirements for newly built “green properties” in which the market is willing to invest are becoming more and more stringent. GATEWAY meets these demands with climate-friendly and resource-saving construction in timber hybrid construction, high energy efficiency and lower greenhouse gas intensity as far as possible.

COMPREHENSIVE ENVIRONMENTAL PROTECTION AND STAKEHOLDER PROGRAMME

An integral part of every development is a comprehensive environmental protection programme. For example, timber from sustainable German forestry is used for the wooden construction. The standardised construction method, which largely avoids the use of composite materials, ensures a significant reduction in the use of materials compared to conventional construction methods, improves the recyclability of materials and reduces energy requirements during construction. All work steps and procurement processes provide for the reduction of the use of plastic. GATEWAY also takes social concerns into account in the development of neighbourhoods as well as in mobility and long-term utilisation concepts. Employees are trained and educated accordingly.

The involvement of all stakeholders in real estate development and the fulfilment of all legal requirements throughout the entire acquisition, project development and commissioning phase are also important components of Gateway Real Estate's business model. Information and consultation events for all stakeholders; amicable cooperation with the municipal building authorities have high priority.

All construction projects are constantly monitored and documented, also with regard to sustainability aspects. Projects are externally audited and certified with regard to environmental aspects after completion of the construction work. In addition, GATEWAY has integrated a company suggestion system through which employees can make suggestions to make GATEWAY even more sustainable. This system provides for appropriate rewards.

Sustainable business is the action that seeks to balance the interests of all those involved in and affected by the business process.

GATEWAY'S SUSTAINABILITY PHILOSOPHY

The core of GATEWAY's business model is sustainable. The timber construction method is environmentally friendly and conserves resources. This not only creates environmental benefits, but also continually creates new opportunities for the company by serving the growing demand for sustainable residential and commercial real estate. GATEWAY's sustainable approach to modern urban development also integrates transport, culture, quality of life, affordability and longevity into all phases of project development. In its dealings with clients, partners, investors and employees, GATEWAY is committed to fairness and transparency.

GATEWAY believes that sustainable urban development depends not only on the building material, but also on the location, especially the proximity to public transport. Modern urban living should at least be possible without private transport. Public transport, local services, health care, schools and care services should be available on site. For this reason, many of GATEWAY's development projects are located near railway, metro and tram stations. The environment GATEWAY designs must be long-lasting and give people "a good feeling".

Regardless of where GATEWAY's quarters are located: People are the focus. In concrete terms, this means: squares, paths, passages and courtyards must be lively at different times of the day and year. Public areas should be perceived as open and inclusive. GATEWAY develops places that promote encounter, relaxation and play – and thus increase the level of safety and well-being.

Nature and gardens are important for the quality of life in a city and in neighbourhoods. GATEWAY creates green spaces and promotes biodiversity in neighbourhoods. This contributes to ecosystem services such as air purification and pollination. Trees, green roofs and sophisticated management of surface water help buildings adapt to climate change and cope with increasingly frequent weather extremes.

Another important development condition is pleasant living comfort, which includes environmentally friendly use of resources and climate neutrality of the new properties. Material and energy consumption together form the largest environmental burdens in the real estate industry. GATEWAY aims to minimise the use of resources and thus also the use of materials.

Therefore, GATEWAY uses flexible, timeless and high-quality materials. Thus, GATEWAY's projects are designed to be durable and sustainable from the outset, so that building materials that are not in good condition do not have to be sent for unwanted recycling or disposal at an early stage.

SUSTAINABILITY PROGRAMME

Sustainability is a core element of Gateway Real Estate's corporate strategy. The company strives for continuous and substantial improvement in sustainability performance. Like all companies, GATEWAY faces the challenge of collecting, systematising and reporting previously uncollected data. To do this, GATEWAY has set out on a journey.

It is a process in a highly dynamic environment. The framework conditions of political requirements such as the taxonomy of the European Union (EU), the Corporate Sustainability Reporting Directive (CSRD) and the related requirements such as the European Sustainability Reporting Standards (ESRS) are currently (as of May 2023) still partly in consultations or in the corresponding legislative processes. At the same time, existing standards such as those of the Global Reporting Initiative (GRI) or the Task Force on Climate-Related Financial Disclosures (TCFD) are constantly evolving. GATEWAY monitors these developments and integrates the insights gained into its corporate strategy.

Central to this is that, in the sense of double materiality, GATEWAY looks at both the impact and the risks that a changing environment brings with it. The risks considered are both physical risks and transition risks. In managing these factors, GATEWAY follows the recommendations of the Task Force on Climate Related Financial Disclosures (TCFD), which has defined a framework for various process steps: Governance, Strategy, Risk Management and Metrics and Targets.

In addition, GATEWAY's management has developed strategy components in key business areas to continuously improve the sustainability of the company. In a next step, implementation paths as well as metrics-based targets and intermediate goals will be developed for the individual strategy components.

2 — MATERIALITY ANALYSIS

GATEWAY REAL ESTATE HAS PERMANENTLY INTEGRATED THE GUIDING PRINCIPLE OF SUSTAINABLE DEVELOPMENT INTO ITS CORPORATE DECISION-MAKING PROCESSES. GATEWAY REAL ESTATE'S BOARD OF DIRECTORS IS RESPONSIBLE FOR THE COMPANY'S SUSTAINABILITY PERFORMANCE AND PURPOSEFULLY DESIGNS ORGANISATIONAL STRUCTURES AND PROCESSES TO MANAGE AND PROMOTE RESPONSIBLE CORPORATE ACTION. IN THIS WAY, GATEWAY ADDRESSES SUSTAINABILITY ISSUES SYSTEMATICALLY AND CONSISTENTLY IN ALL BUSINESS ACTIVITIES AND ACROSS ALL HIERARCHICAL LEVELS. OVERALL RESPONSIBILITY FOR SUSTAINABILITY MANAGEMENT LIES WITH THE BOARD OF DIRECTORS, WHICH ALIGNS BUSINESS POLICY WITH THE REQUIREMENTS OF SOCIALLY RESPONSIBLE BUSINESS AND DEFINES CORRESPONDING STRATEGIES AND COMPREHENSIVE PROGRAMMES AND GUIDELINES.

MANAGING SUSTAINABILITY EFFORTS

Gateway Real Estate's sustainability management aligns the company's business activities with environmental, social and ethical aspects. GATEWAY has operationalised fields of action, goals and measures and integrated them into the corporate processes. In addition, sustainability management takes into account ideas and demands from stakeholders such as customers, employees, suppliers and investors. A central component is the life cycle analysis for every project GATEWAY starts. All specifications of the German Sustainable Building Council (DGNB) are always observed.

In future, GATEWAY will provide detailed and regular information on the implementation and management of sustainability measures and the development of relevant sustainability data. This reporting-relevant data includes, in particular, the tracking and monitoring of sustainability targets in the respective areas. In order to be able to objectively assess the status quo and the development of sustainability performance, GATEWAY has itself evaluated by ESG rating agencies, from which targets and measures for further optimisation can be derived.

In addition, GATEWAY closely monitors the process of forming sustainability reporting standards. In April 2021, the European Commission adopted a legislative proposal for a Corporate Sustainability Reporting Directive (CSRD), which requires companies to report in accordance with the European Sustainability Reporting Standards (ESRS) adopted by the European Commission in the form of delegated acts, based on the principle of double materiality. On 9 June 2023, the European Commission published the draft ESRS delegated act and launched the consultation. Even though the related regulations are not yet in force, GATEWAY is closely monitoring this process in order to be able to quickly comply with new requirements. The structure of this report already follows the given structure (general information, environmental information, information on social issues, governance information).

COMPREHENSIVE ANALYTICAL PROCESS

In 2022, Gateway Real Estate – accompanied by an external partner – conducted a materiality analysis on the topic of sustainability for the first time. The analysis was carried out with all employees of the company. The participants also contributed their experiences and information from the dialogue with the various stakeholders of GATEWAY in a joint workshop. In a future update of the materiality analysis, the direct involvement of the stakeholders in the course of a survey is planned – in coordination with the legal requirements and any frameworks applied.

The current selection of sustainability issues that are material for Gateway Real Estate was carried out in a multi-stage process.

- 1 Based on national and international standards and frameworks, as well as a peer group analysis and company-specific factors, a catalogue of potentially material issues was drawn up, which was then discussed with all employees in a seminar – in terms of their short-, medium- and long-term significance. The participants selected the 30 most important issues from around 100.
- 2 All GATEWAY employees then evaluated these 30 issues in terms of their materiality for GATEWAY from three perspectives:
 - Importance of the issue to GATEWAY’s business (outside-in).
 - Environmental impact of GATEWAY’s operations in relation to this issue (inside-out).
 - Importance of the issue to stakeholders and their expectations such as decision making.
- 3 The results were presented to GATEWAY’s board of directors, who had the opportunity to integrate their assessments of the effects and impacts of the business as a responsibility body. This also meant assigning individual priorities to the respective issues.



MATERIALITY MATRIX Importance for Gateway Real Estate’s sustainability management			
Impact of business activities on the environment and society			
Very high importance		[5] Life cycle analysis [6] Innovations for environmental and climate protection [7] Environmental impact	[2] Corporate governance, compliance, risk management [3] Business model and economic stability [4] Customer satisfaction
High importance			[1] Employees and employer attractiveness [8] Composition, Quality, Integrity of Corporate Supervision [9] Transition Risks
Less high importance			
Environmental and social impacts and requirements on business activities	Less high importance	High importance	Very high importance
[1] Motivation, satisfaction, well-being of employees: working atmosphere, conditions of the employment contract, corporate culture and a sustainable incentive system. [2] Efficiency of control, reporting and sanction mechanisms: Good corporate governance and an efficient compliance and risk management system. [3] Business model and economic stability: Competitiveness and future viability, resilience, financial structure. [4] Customer satisfaction: product quality and policy, sales strategy and market reputation. [5] Life cycle analysis: sustainability analyses over the entire period of creation, use and recycling, market practices and customer expectations. [6] Innovations for environmental and climate protection: Importance of innovations for market position and competitiveness, improvements for the environment and for customer benefits. [7] Environmental impact: Impact of the positive ecological effect of products, customers’ perception of sustainability. [8] Composition, quality, integrity of corporate oversight: quality of GATEWAY’s board work. [9] Transition Risks: Possible impairment of assets due to new regulatory requirements or permanent price changes on the way to climate-neutral economies.			

The result of this multi-stage process is shown in the table below. In principle, sustainability plays a role at GATEWAY with regard to all facets. However, aspects that are classified in the table in the fields with very high and high importance are under special observation. This process is repeated every two years.

As part of this materiality analysis, GATEWAY has identified those issues that are of paramount importance in terms of business success and impact. These topics will be given appropriate weight within the framework of ESG relevance within the corporate strategy. If this has not already been done, GATEWAY will successively develop concepts, goals and management approaches for these topics. Appropriate and meaningful key figures are to show the development.

Material reporting topics according to the German Commercial Code (HGB)

Non-financial aspect	Material field of action	Chapter
Environmental Issues § 289c par. 2 No. 1	[5] Life cycle analysis	4
	[6] Innovations for environmental and climate protection	4
	[7] Environmental impact	3 + 4
Social Issues § 289c par. 2 No. 3	[4] Customer satisfaction	6
Employee Issues § 289c par. 2 No. 2	[1] Motivation, satisfaction, well-being of employees	6
Combating corruption and bribery § 289c par. 2 No. 5	[2] Performance of control, reporting and sanction mechanisms	7
	[8] Composition, quality, integrity of corporate supervision	8
	[3] Business model and economic stability	1
Respect for human rights § 289c par. 2 No. 4	Not a significant field of action for Gateway Real Estate within the meaning of the CSR Directive Implementation Act.	-

GATEWAY REAL ESTATE’S KEY SUSTAINABILITY GOALS

On the basis of the strategic preliminary work, the following goals and contents were defined, which are gradually backed up with targets and key figures. The measures aimed at achieving the goals are described in the following chapters.

- Sustainability aspects are considered comprehensively for all projects, regardless of size. A life cycle analysis is prepared for each building.
- GATEWAY has set itself the goal of being climate neutral by 2030. These targets cover both office operations (kg CO₂eq on a net basis) and the realisation of real estate projects (kg CO₂eq/m² floor area on a net basis).
- The projects are to be operated with the highest degree of energy efficiency and renewable energies after completion.
- By 2030, the average energy consumption of the buildings per square metre is 20 percent lower than in 2020.
- From 2025 onwards, all properties in the company’s own portfolio obtain 100 percent green electricity.
- All locations are environmentally certified and directly connected to public transport. They are easily accessible by bicycle, on foot and with electric vehicles.
- Planting in neighbourhoods is not only done in accordance with the building plan, but is also designed to maximise biodiversity.
- All material purchases will be fully assessed based on a sustainable supply chain policy by 2024.

STRATEGY COMPONENT CLIMATE

- GATEWAY considers all categories of greenhouse gas emissions (Scope 1, 2 and 3 emissions).
- Since 2021, GATEWAY has sourced 100 per cent of its electricity as green electricity (Scope 2). This will be maintained.
- GATEWAY's properties successively consume less energy and generate more renewable energy themselves. All projects are equipped with their own photovoltaic (PV) system for the electrical supply of heat pumps or the generation of so-called tenant electricity. Other essential components are district heating, heat pump, ice storage, geothermal energy, KfW40 standard, sustainability seals such as "DNGB Gold".
- The negative climate impact of new buildings is continuously being reduced.
- Buildings are becoming more sustainable during operation, especially through investments in new technological solutions.
- New buildings have a net energy consumption of close to zero during construction and operation.
- Preference for products and services with high energy efficiency and low CO₂ intensity (Scope 3).

RESOURCE AND ENERGY EFFICIENCY STRATEGY COMPONENTS

- In the "sustainable" city, GATEWAY takes a resource-efficient and circular approach.
- Materials are consistently reused and recycled.
- New buildings integrate waste and recycling systems that help residents behave sustainably.
- All projects are also designed with "sponge city" in mind, meaning that rainfall that falls should be largely captured and stored on the site.

STRATEGY COMPONENTS SOCIETY AND SOCIAL AFFAIRS

- GATEWAY's sustainably designed projects make a positive contribution to the quality of life of local residents.
- The design of buildings and neighbourhoods – including the choice of materials, ventilation, acoustic environment and daylighting – is instrumental to the safety, health and comfort of living in the developments.
- GATEWAY carefully selects materials and products to ensure they do not pose environmental or health risks to occupants or those involved in production.

STRATEGY COMPONENT ARCHITECTURE

- High-quality and aesthetic architecture with integrated green spaces contributes greatly to a healthy living environment, enhances the quality of life and makes a neighbourhood more attractive and environmentally sustainable.
- Good architecture is based on a balance of form, function, economy and sustainability.
- Properties optimised in form and function ensure a long service life.

STRATEGY COMPONENTS EMPLOYEES AND EMPLOYER ATTRACTIVENESS

- GATEWAY places great importance on ensuring that employees feel comfortable, develop and are committed to their work.
- There should be a balance between work and private life.
- Health and well-being at work are a top priority; work environment issues play an important role.

COMPREHENSIVE STRATEGIC APPROACH

- Climate neutrality in real estate construction
- Above-average living comfort
- Use of renewable and environmentally friendly materials
- Lower energy consumption, higher energy efficiency
- Good separability and recyclability of materials used
- Life cycle consideration with the aim of reducing CO₂ emissions
- Energy from renewable sources
- Improved circular economy
- Transparency and documented reliability
- Timeless architecture
- High employee satisfaction and employer attractiveness

Success factors in the implementation of the sustainability strategy are transparency and reliability. GATEWAY uses (environmental) certification as a confidence-building tool and ensures defined qualities in terms of environmental and social sustainability in the buildings. The fulfilment of customer requirements is documented. GATEWAY makes the reduction of unfavourable climate impacts traceable.

Profitability, responsible handling of finances and efficiency in processes are important prerequisites for sustainable action. Both provide scope for investments and technological innovations, which are particularly needed for the ecological transformation. Being a financially stable business partner has a positive impact on the relationship with customers, residents, suppliers and lenders, and is also an important factor in retaining and attracting competent employees.

GATEWAY currently sees risks for business and sustainability development less on the product side, the construction of (predominantly residential) properties in timber hybrid construction, and more in the factors that determine the overall market. These include, for example, still high construction costs, increased and possibly further increasing (mortgage) interest rates, decreasing public subsidies also for sustainable real estate and varying state aid in the federal states.

Not least against the background of the current market requirements, GATEWAY favours a so-called modular construction method, which means that only seven different type houses are available for the respective projects. This standardisation has several decisive advantages: The industrial prefabrication of the comparatively few different components and the well-rehearsed work processes lead to construction times that are two-thirds shorter, to less waste and thus to an overall significant reduction in the need for materials and raw materials, to better quality and, as a consequence, to significantly lower production costs.

SUCCESSFUL IMPLEMENTATION OF THE SUSTAINABILITY STRATEGY

The basis of sustainability management are the goals of GATEWAY's sustainability strategy described above. Measures to achieve them are integrated into the daily processes and standard practices of real estate project development. An essential tool for managing and implementing the sustainability strategy is the life cycle analysis.

KEY DATA FOR GATEWAY PROJECT DEVELOPMENTS

- Construction that is as climate-friendly as possible.
- Comprehensive planning and sustainability assessment for all projects, regardless of size.
- Preparation of a GEG verification (GEG = Law for the Saving of Energy and the Use of Renewable Energies for Heating and Cooling in Buildings).
- Preparation of a life cycle analysis for each building.
- Material testing of all materials used, including the respective packaging, by a renowned external service provider.
- Designing the buildings in accordance with the so-called KfW-40 standard (energy efficiency).
- Achievement of DGNB seal of approval for sustainability (German Sustainable Building Council).
- Achieving a better indoor climate for the occupants through timber construction.
- Sufficient vapour diffusion through exterior walls.
- Constant reduction of composite material and thus significant contribution to improving the circular economy.

RESIDENTIAL REAL ESTATE

GATEWAY plans “green quarters” as a matter of principle. This includes not only the buildings and building services themselves, but also their integration into existing and yet to be developed infrastructure. This includes, for example, freedom from cars on the site and sufficient (covered) bicycle parking as well as direct public transport connections.

In the medium term, GATEWAY will expand its capacity to realise about 50 projects per year, which corresponds to about 5,000 flats. Of these, a significant proportion will consist of publicly subsidised flats for lower-income households, in which there is considerable market interest.

NEIGHBOURHOOD MANAGEMENT

In its neighbourhood planning, GATEWAY attaches importance to a balanced relationship between the framework conditions for living and working. While the mobility options offered for commuting between home and work are equally important, bringing “living” and “working” together in the neighbourhoods is becoming increasingly important.

Further tasks of the neighbourhood management are, for example, the digital recording of the different types of consumption in the buildings, covered bicycle parking also for visitors, bike sharing concepts or the establishment of parking pools for the residents.

COMMERCIAL REAL ESTATE

GATEWAY also takes special sustainable requirements into account in the development of commercial properties. For example, the requirements of the Building Energy Act (GEG) are met for all newly constructed commercial and industrial buildings that are heated above a minimum temperature, such as offices, warehouses, supermarkets. For this purpose, proof must be provided to the building authority, which includes a calculation of the energy quality of the building envelope as well as the system technology for heating, air conditioning, hot water and lighting according to DIN 18599. In addition, the minimum thermal insulation and the summer thermal insulation must be proven. These points also apply to extensions and annexes. GATEWAY calculates and prepares these verifications for all non-residential buildings, which is also the basis for possible funding of non-residential buildings as KfW efficiency buildings.

SUSTAINABILITY IN THE REAL ESTATE SECTOR

The certificates provide an important indication of the future theoretical energy consumption of the building with normal use without further production processes – the basis for a reliable prediction of the annual consumption and an estimate of the economic viability of alternative designs of the building envelope or the systems engineering. This enables optimisation before construction begins, because subsequent changes to the envelope or building services are possible but often uneconomical due to high conversion costs and the associated loss of investments already made.

- In a dynamic technological and regulatory environment, sustainability also requires a constant focus on new technologies and processes and their integration into new projects. This requires an eye for the big picture as well as for details and a trusting and respectful relationship with all stakeholders, as the following examples show. GATEWAY calculates the energy consumption of real estate projects and constantly examines the possibilities to reduce this consumption even further. The construction of residential buildings in the KfW categories 40, 40 Plus and 40 EE/NH significantly reduces the primary energy demand compared to conventional construction methods, i.e. by at least 60 percent, significantly increases the share of energy obtained from renewable sources and consequently drastically reduces the emission of greenhouse gases. Action plans are developed for each project to ensure that the sustainability requirements are met in planning and implementation.
- All projects are also designed with “sponge city” in mind, meaning that rainfall is largely captured and stored on the site rather than discharged into the public sewerage system. GATEWAY acquires land at a very early planning stage and can therefore develop appropriate measures with almost no external restrictions. The ability to absorb sufficient moisture already plays an important role in the area design.

- Biodiversity studies for each project lead to individually optimised solutions. For example, in a project in Mannheim, a generous biotope was created that is fed by the discharge of rainwater. And in order to be able to plant tall and deep-rooted trees in the neighbourhoods, basements such as ice cellars or underground garages are planned with recesses for planting.
- Other fields of action are water and waste management. GATEWAY is working to reduce the amount of water used through various initiatives, such as installing low-flush toilets or flow-limited taps in sinks and shower jets. In particular, the transparent daily recording of the amount of water used for property users creates incentives to reduce water use.
- For future properties, GATEWAY will offer framework waste management contracts to subsequent purchasers, where the waste contractor will provide statistics on all projects. In this way, targets can be set to reduce the amount of waste; for example, recycling becomes more efficient. Waste collection is organised together with the service provider to minimise driving distances – another contribution to reduced carbon dioxide emissions.
- Another strategy component is integrated transport planning. The use of hybrid and electric vehicles is increasing. GATEWAY accompanies this trend with the provision of high-performance charging infrastructure in new projects. In cases where power draw capacities are limited, GATEWAY at least remedies the situation with flexible charging systems that measure the output power in the charging columns and distribute the available power between the draw points. In addition, GATEWAY is planning covered bicycle parking for visitors as well, integrating bike-sharing concepts or planning parking pools for residents.
- GATEWAY takes advantage of the involvement of local communities as well as their local engagement and involves local actors and institutions in real estate planning. Residents, visitors, business and associations thus gain a broad and genuine understanding of the location and the neighbourhood. The dialogues range from the question of how land, buildings and infrastructure can be used to the question of which cultural activities are suitable for the location.
- GATEWAY is continuously working on establishing new strategic partnerships with suppliers and other stakeholders in the field of sustainable conceptions in order to achieve own and societal sustainability goals as well as to meet the increasing demands and expectations of customers.
- All technical developments are tested and only solutions that work well are installed in the buildings. GATEWAY does not try things out on the object for customers but relies on proven techniques. Over the years, GATEWAY has started new promising collaborations and successfully strengthened existing collaborations to find more sustainable solutions for high performing properties.
- Finally, GATEWAY always acts ethically and responsibly by consistently following its self-drafted code of conduct and making every effort to ensure that its business and cooperation partners also follow this code or similarly high ethical standards.

3 — NATURE IN CONSTRUCTION

WOOD, CLAY AND STONE WERE PREDOMINANT BUILDING MATERIALS FOR CENTURIES. FROM THE 19TH CENTURY ONWARDS, BRICK DOMINATED HOUSE CONSTRUCTION, FOLLOWED BY STEEL, CONCRETE AND GLASS IN THE 20TH CENTURY. WITH THE BEGINNING OF THE 21ST CENTURY, WOOD IS ENJOYING A PROMISING RENAISSANCE. ABOVE ALL, ECOLOGICAL CONSIDERATIONS LED TO THIS TURNAROUND. WOOD IS A RENEWABLE RAW MATERIAL AND CAN BE RECYCLED COMPLETELY WITHOUT WASTE. IN ADDITION, WOOD AS A MATERIAL HAS OTHER POSITIVE PROPERTIES. FOR EXAMPLE, IT HAS A POSITIVE INFLUENCE ON INDOOR HUMIDITY, ENSURES A HEALTHY LIVING CLIMATE AND THUS A HIGH QUALITY OF LIVING.

SUSTAINABLE REASONS FOR TIMBER CONSTRUCTION

Gateway Real Estate has consciously chosen wood – almost exclusively from German forestry – as the dominant construction material for its buildings. Wood is a renewable resource: every minute, wood for a single-family house grows in Germany, which means that raw material for around half a million wooden houses is created every year. Wood has a very long lifespan and requires relatively little energy to extract and process. Wood is completely recyclable – either as a building material or as a raw material for new wood products or for thermal recycling. Wood meets high building physics requirements and at the same time has a wide range of systems and designs. Wood also enables the building to be erected quickly (also due to often prefabricated modules), does not require any drying times after construction and enables the interior to be fitted out immediately.

Trees convert carbon dioxide and water into glucose and oxygen with light energy, i.e. carbon dioxide is taken from the atmosphere and stored in the wood, oxygen is released into the atmosphere. By processing and using wood in durable products, carbon is sequestered for at least decades (sometimes centuries), which contributes to the reduction of greenhouse gases. Just one cubic metre of wood binds one tonne of CO₂. The contribution to the climate balance is so great that even after all processing steps have been completed, each wooden component has bound more greenhouse gases than it has caused.

Wood already has good insulating properties even without the addition of other materials. Because of the air cells enclosed inside, wood is a good insulator that can be optimised with other materials. As a result, wood keeps rooms cool in summer and warm in winter. Thus, timber construction not only provides a healthy living climate, a pleasant atmosphere, a relaxed feeling of living and working, but also helps to reduce heating costs and increase the energy efficiency of buildings. Wood allows for a fast and design-flexible construction method. Thanks to industrial prefabrication of wall and ceiling elements, timber houses can be built much faster than cast concrete buildings, for example.

Furthermore, wood has advantages in terms of building physics. The material is significantly lighter than steel with the same load-bearing capacity and has almost the same compressive strength as concrete, but unlike concrete it can also absorb tensile forces. The various timber construction methods represent very flexible systems that adapt very well to the conditions of use and the wishes of the building owner.

Wood has both economic and ecological advantages, and in Germany it brings with it around 1,000 years of experience in its use as a building material through half-timbered houses. Wood ensures faster construction processes, less noise on the building site and shorter transport routes. Parallel to the environmental benefits, there are also health benefits of timber houses in terms of indoor climate and sound insulation. As a real estate developer and owner, GATEWAY has the opportunity and incentive to be active and shape many relevant sustainability areas at the same time: Energy demand, choice of materials, waste management, living and working environment for the users.

Advantages of building with wood

Renewable raw material: Every day, wood grows in Germany for around 2,000 (single-family) houses.

Many building styles possible: Both conventional and avant-garde architecture are equally feasible.

Short construction times: On average, one storey can be completed per week.

Lower weight: wooden buildings are comparatively easy to achieve even on softer ground.

Self-regulating insulating properties: Wood creates a good indoor climate and thus a high level of living comfort.

For additional insulation, GATEWAY uses cellulose, which is obtained from wood, and rock wool, which is mainly made from rock such as basalt or spar. Rock wool has a low thermal conductivity, so summer heat radiated during the day is released to the underlying building fabric with a long delay. Rock wool does not burn, only loses its shape at temperatures of over 1,000° Celsius and is therefore also used for fire protection of supporting structures. Stone wool is also resistant to mould, rot and vermin. Stone wool from today's production is rcofriendly therefore does not pose a health hazard.



4 ENVIRONMENT

GATEWAY REAL ESTATE HAS ORGANISED ALL ITS ECONOMIC ACTIVITIES IN SUCH A WAY THAT HARMFUL EFFECTS ON THE ENVIRONMENT AND NATURAL RESOURCES ARE MITIGATED, SIGNIFICANTLY REDUCED OR EVEN AVOIDED. GATEWAY'S CORE BUSINESS IS SUSTAINABLE CONSTRUCTION. ENVIRONMENTAL PROTECTION IS THEREFORE A DECLARED CORPORATE GOAL AND, SINCE 2019, ALSO AN EXPLICIT ENVIRONMENTAL POLICY PROGRAMME. WITH BUILDINGS AND CONSTRUCTION METHODS, GATEWAY WANTS TO SENSITISE CUSTOMERS AND BUSINESS PARTNERS – IN ADDITION TO THE POSITIVE CHARACTERISTICS OF THE REAL ESTATE PROPERTIES THEMSELVES – TO MORE ENVIRONMENTAL AWARENESS IN THE REAL ESTATE SECTOR. AS A CONSEQUENCE, GATEWAY REAL HAS ESTABLISHED AN ACTIVE ENVIRONMENTAL MANAGEMENT SYSTEM.

ENVIRONMENTAL POLICY AND MANAGEMENT

Gateway Real Estate uses renewable materials and high energy efficiency in its construction. GATEWAY's sustainability approach emphasises efficient construction, low greenhouse gas emissions and low waste generation. For business reasons alone, this sustainability approach is constantly reviewed and optimised. The Executive Board and Supervisory Board of Gateway Real Estate intensively monitor these processes; suggestions and wishes of the stakeholders are also included.

GATEWAY always prepares an eco-analysis of the construction project over its entire useful life and optimises in possible and necessary areas. GATEWAY increasingly relies on digitalisation and innovation to (1) reduce energy demand, greenhouse gas emissions and material requirements, (2) incorporate the most sustainable technology currently available, and (3) increase the socio-economic utility values of the buildings and related services. Wood construction, resource-saving standardisation and digitalisation of property management are sustainable unique selling points of GATEWAY. All these components are part of Gateway Real Estate's environmental policy.

Gateway Real Estate's environmental management system has recorded all processes, materials and services in the company and assessed them in terms of their sustainability performance. The environmental management system thus covers GATEWAY's activities comprehensively and completely. Gateway Real Estate's investment, planning and realisation processes are also aligned with environmental and social sustainability criteria as well as the requirements of good corporate governance. It goes without saying that GATEWAY complies with all environmental regulations applicable in Germany and the European Union.

GATEWAY takes social concerns into account in neighbourhood development, including the development of mobility and long-term use concepts. Corporate governance is applied at Gateway Real Estate throughout the project development and commissioning phases and also includes information and consultation events for all stakeholders; consensual cooperation with the municipal building authorities is a priority.

All construction projects are constantly monitored and documented, also from a sustainability perspective. After completion of the construction work, auditing and certification is carried out. Gateway Real Estate has integrated a company suggestion scheme into its environmental management. All regulations and work processes for sustainable action have been discussed and approved in a manner consistent with the Gateway Real Estate Board of Directors. The Board of Directors checks the application in accordance with the rules and the results.

FOCUS ON GREENHOUSE GASES

The construction industry is responsible for about one third of all greenhouse gas emissions to date. Here, the approach of effectively reducing negative environmental impacts is particularly effective. One possible way is the massive use of wood. GATEWAY follows its self-defined and demanding sustainability criteria with regard to project development and the purchase of all raw materials, goods and services.

Central to Gateway Real Estate's environmental policy is the drastic reduction of greenhouse gas emissions (CO₂eq) caused by the construction of residential properties. This is achieved through the choice of materials, the appropriate design of the processes used to construct the buildings and through the building design, which ultimately determines the environmental parameters for the subsequent use of the buildings by residents, such as heating energy.

Greenhouse gas emissions vs. amount sequestered CO₂eq

Ø Emissions caused by the production of one tonne	of cement:	500 kg CO ₂ eq
	crude steel:	1,700 kg CO ₂ eq
	of flat glas:	850 kg CO ₂ eq
Amount bound in one tonne of material	of wood:	1,000 kg CO ₂ eq

In order to compensate for the emissions of one tonne each of cement, steel and glass used in construction, around three tonnes of wood must be used to construct the building.

GATEWAY aims to achieve one of the two best sustainability ratings in a renowned certification system with the projected and completed properties, i.e. a sustainability level for all developed buildings that means at least the "Gold" standard, preferably even "Platinum", assessed for example according to LEED or DGNB. GATEWAY also builds so-called plus-energy buildings, which generate more energy than they consume. Through combined heat and power plants, GATEWAY achieves a minimum energy requirement for heating and domestic hot water. Photovoltaics and geothermal energy enable the renewable generation of electricity.

In accordance with Gateway Real Estate's business model, the residential properties are currently built as efficiency houses of the KfW type classes 40 or 40 Plus or 40 EE/NH. These house types may only have a maximum of 40 percent of the primary energy demand of a KfW type house 100 (reference value). In addition, part of the primary energy demand must be covered by energy from renewable sources. In this way, Gateway Real Estate contributes significantly to the reduction of greenhouse gas emissions. GATEWAY works systematically and continuously to further improve energy efficiency and emission intensity.

LIFE CYCLE ANALYSES

Gateway Real Estate prepares both a carbon balance and a life cycle analysis for all of the project developments it manages. In this way, all variables that have an influence on the greenhouse gas situation (CO₂ footprint) in particular and the environment in general (ecological footprint) are recorded and simulated, from the planning stage to the construction and, above all, also the operation of the residential buildings (with an average useful life of 75 years currently assumed for residential buildings), right through to subsequent recycling. These values resulting from the planning are compared with "best practice" values. With the help of this analysis, sustainable optimisation potential can be identified at a comparatively early stage of planning.

BIODIVERSITY

Planting in neighbourhoods is not only carried out in accordance with the building plan but is also designed to maximise biodiversity. Importance is attached to the establishment of additional plant species. In addition, compensatory areas are created, such as parks. Nesting boxes are installed and PV systems are planned on roofs with simultaneous greening. Demolition work on old buildings on newly acquired land is always accompanied by biologists so as not to endanger the preservation of the habitat of any protected animal species.

WASTE AND RESOURCE MANAGEMENT

Gateway Real Estate pursues the goal of using as little material as possible; this simultaneously leads to a minimisation of (construction) waste. As a rule, for example, excavated material resulting from the excavation work for the basement is used for backfilling on the site. This ensures lower material requirements and fewer transport journeys. The material is only replaced if the use of the old material does not ensure sufficient infiltration capacity.

The wood used by GATEWAY for construction, always coniferous, comes mainly from Germany, with additional purchases from Scandinavia in case of increased demand. The use of wood produces no waste at all. An exterior façade made of wood also saves the need for scaffolding. Any remaining materials are either recycled or thermally utilised or disposed of in another professional manner. For waste generated in the course of the subsequent use of the buildings developed by Gateway Real Estate, GATEWAY is already taking into account concepts that enable better waste avoidance, waste separation and waste recycling. Waste in GATEWAY's offices only arises in types and quantities typical for households and is treated accordingly.

GATEWAY takes care to minimise the generation of waste at the planning stage. The main building materials used by GATEWAY are wood, concrete for the basement and staircase, glass, metal and PVC pipes. On the construction sites commissioned by GATEWAY, "hazardous waste" is generated only in extremely small quantities, if at all. In that case, proper disposal by appropriately certified companies is obligatory. Compliance with the relevant legal regulations is a matter of course. Contamination of the soil is to be avoided through mandatory requirements for contractors carrying out construction work.

PROCUREMENT POLICY

In accordance with the purchasing guidelines, GATEWAY pays attention to sustainability when purchasing (building) materials and services. As a matter of principle, preference is given to products and services that have a high energy efficiency and low CO₂ intensity as well as low resource requirements and/or come to a significant extent from renewable sources. Gateway Real Estate cooperates with its suppliers in the development of goods and services in order to jointly improve the degree of sustainability of the input materials used.

However, as GATEWAY is not itself a building contractor, it cannot select all the products and services needed to complete the property but does so where technically or legally possible. The same applies to the procurement of office materials; here, too, sustainable materials are given preference where technically possible. Gateway Real Estate explicitly regulates the corresponding requirements for the purchase of sustainable products and services in its Sustainable Procurement Policy and Supplier Code.

CLIMATE CHANGE RISKS AND OPPORTUNITIES

Physical risks describe risks that extreme weather conditions related to climate change – such as tornadoes, hurricanes, floods, droughts or forest fires – pose to business operations. Gateway Real Estate also assesses risks that could arise from climate change, in particular from extreme weather conditions, in the course of the obligatory site analyses. To date, however, no corresponding risks have been identified that have led or should have led to significant conceptual changes in the properties developed by GATEWAY.

Gateway Real Estate does not acquire properties in particularly flood-prone areas. Residential properties are not planned at street level, but always with a plinth storey raised by 80 centimetres (flood protection). Even increased wind speeds do not overtax the building forms, construction methods and materials used by Gateway Real Estate. Increased temperature fluctuations are taken into account by individual air-conditioning concepts. More pronounced dry or wet phases are compensated for by Gateway Real Estate with appropriate irrigation or drainage systems (innovative roof constructions, appropriately adapted outdoor facilities). The materials used to date are compatible with current and also future changes in weather conditions.

Climate change to date and that to be assumed in the future have not led to a change in real estate concepts or construction methods and materials. Gateway Real Estate has not been able to identify any consequences of climate change in its climate analyses to date that would have required significant changes in construction planning and execution. The physical consequences of climate change, including their main influencing factors, are also part of GATEWAY's risk management. These issues are also regularly discussed at board level and in the supervisory board.

Non-physical risks describe risks that occur as a result of climate change but are usually of a monetary nature. For example, insurance premiums for real estate increase or services related to real estate rise in price. However, Gateway Real Estate has not identified any significant changes in non-physical risks in the context of risk management that would indicate that this risk category has become more important for GATEWAY in the past period and that required adjustments to the business model.

Transition risks describe risks that occur during the transition to a less polluting, greener economy. Such transitions could mean that some sectors of the economy face significant changes in their assets. The primary concern is the speed of the transition to a more sustainable economy – and how this transition will affect certain sectors and their financial stability. For example, there is a risk that if CO₂ prices rise in the future or minimum energy efficiency standards become stricter, the (balance sheet) value of homes with low energy efficiency will drop significantly, resulting in a sharp decline in the value of real estate portfolios.

Gateway Real Estate has identified transition risks as essential, particularly in the wake of climate change triggered by greenhouse gases, and is tracking them as part of its holistic climate and risk management. GATEWAY already takes into account not only the existing restrictions that apply to the construction and real estate industry as a result of climate change, but also anticipates possible future constraints that could apply to the management of buildings as a result of increasing global warming. This reduces price risks or risks to reputation in the market as much as possible.

Gateway Real Estate sees opportunities rather than risks for its own business model in the current climate change. The forward-looking technology of climate-neutral construction promises a tendency towards increasing rather than decreasing demand for the properties projected by GATEWAY. At the same time, the company's own portfolio is not threatened by any risk of value adjustment within the framework of

current and expected developments. Another argument in favour of the attractiveness of the properties developed by GATEWAY is that the increasing use of digital technology in the properties means that the use and control of building processes is and will be far more flexible than has been customary to date. This expands the scope to be able to react at short notice to changing energy supply requirements or emission restrictions.

Gateway Real Estate's properties are characterised by a high ecological benefit for owners and users (inside-out impact). The buildings were constructed in a climate-neutral manner, have excellent energy efficiency and a high level of living comfort. Finally, the buyers acquire a product with a long life horizon and very good recycling properties. Above all, the running costs are far below average.

GATEWAY's standardised construction method results in significantly lower costs and enables sales prices that are below market levels. As a result, GATEWAY offers sustainable housing at prices per square metre that are 20 to 25 per cent below competitors' offers in comparable locations and quality – and are also affordable for lower income groups. GATEWAY thus contributes to solving one of the most urgent social problems of our time – the provision of affordable housing.



5 — RELEVANCE OF THE EU TAXONOMY

THE SO-CALLED EUROPEAN UNION (EU) TAXONOMY IS A CLASSIFICATION SYSTEM FOR ECONOMIC ACTIVITIES. THE DEFINITIONS AND RULES OF THE EU TAXONOMY DETERMINE WHICH ECONOMIC ACTIVITIES ARE ENVIRONMENTALLY SUSTAINABLE. IN ADDITION, THE EU TAXONOMY PRESCRIBES A SET OF INFORMATION THAT COMPANIES FALLING WITHIN THE SCOPE OF THE EU TAXONOMY HAVE TO PUBLISH REGARDING THE DEGREE OF COMPLIANCE OF THEIR ACTIVITIES AND/OR INVESTMENTS WITH THE EU TAXONOMY. THIS INFORMATION DEPENDS ON THE PARTICULAR BUSINESS ACTIVITY OF A COMPANY. RELEVANT FOR GATEWAY REAL ESTATE IS THE SUB-HEADING “CONSTRUCTION OF NEW BUILDINGS” IN THE CATEGORY CONSTRUCTION AND REAL ESTATE ACTIVITIES.

CONSTRUCTION OF NEW BUILDINGS

This heading covers the development of residential and commercial building projects by bringing together financial, technical and material resources to complete the building projects for subsequent sale, and the construction of complete residential or commercial buildings for sale on own account or on a fee or contract basis. The economic activities of this category can be assigned to several NACE classes (NACE = Nomenclature statistique des activités économiques dans la Communauté européenne, system for classifying economic activities in the EU), there in particular to classes F41.1 and F41.2, including the activities under F43.

The focus is on making a significant contribution to mitigating climate change when constructing new buildings:

- The primary energy demand, which defines the energy performance of the building, is at least ten percent below the threshold set for the requirements for a lowest energy building (NZEB) in the national measures implementing Directive 2010/31/EU of the European Parliament and of the Council. The energy performance is demonstrated by an energy performance certificate (EPC).
- For buildings with an area of more than 5,000m², the building is inspected for airtightness and thermal integrity after completion, and any deviations from the performance levels defined in the planning phase or defects in the building envelope are disclosed to investors and customers. If robust and traceable quality control processes are in place during the construction process, this is acceptable as an alternative to thermal integrity testing.
- For buildings larger than 5,000m², the life cycle global warming potential (GWP) of the building has been calculated for each phase of the life cycle and is disclosed to investors and customers upon request.

At the same time, activities must not violate the achievement of the six sustainability goals proclaimed by the EU: (1) mitigation of climate change, (2) adaptation to climate change, (3) sustainable use and protection of water and marine resources, (4) transition to a circular economy, (5) pollution prevention and control, and (6) protection and restoration of biodiversity and ecosystems. On specification of potential impacts, the EU has provided a number of details.

- Adaptation to climate change: The activities meet the criteria listed in Annex A of document (EU) 2020/852.

- Sustainable use and protection of water and marine resources: the declared water consumption of the following water-using equipment – with the exception of installations in residential buildings – is demonstrated by product data sheets, a building certification or a product label existing in the Union in accordance with the technical specifications in Annex E of document (EU) 2020/852: (a) sink and kitchen faucets have a maximum water flow of 6.0 l/min; (b) showers have a maximum water flow of 8.0 l/min; (c) WCs, including sets, basins and cisterns, have a maximum full flush volume of 6.0 liters and a maximum average flush volume of 3.5 liters; (d) urinals consume a maximum of 2 liters/bowl/hour. Flush urinals have a maximum flush volume of 1 liter. To avoid site disturbance, the activity shall comply with the criteria listed in Appendix B of document (EU) 2020/852.
- Transition to a circular economy: At least 70 percent by weight of the non-hazardous construction and demolition waste generated on a construction site (excluding naturally occurring material as defined in category 17 05 04 of the European Waste List established by Decision 2000/532/EC) shall be prepared for reuse, recycling and other material recovery, including backfilling with waste as a substitute for other materials, in accordance with the waste hierarchy and the EU Protocol on Construction and Demolition Waste Management. Operators shall limit waste generation in processes related to construction and demolition in accordance with the EU Protocol on Construction and Demolition Waste Management and taking into account best available techniques, and through selective demolition to allow for the removal and safe handling of hazardous materials and to facilitate reuse and high quality recycling through selective removal of materials, using available sorting systems for construction and demolition waste. Building design and construction techniques support the circular economy and, with particular reference to ISO standard 20887 or other standards for assessing the dismantling or adaptability of buildings, demonstrate how they are designed to be more resource-efficient, adaptable, flexible, and dismantlable to enable reuse and recycling.
- Pollution prevention and control: The components and materials used in construction comply with the criteria listed in Annex C of document (EU) 2020/852. Components and materials used in construction with which occupants could come into contact release less than 0.06 mg of formaldehyde per m³ of material or component (as determined by testing in accordance with the conditions specified in Regulation (EC) No. 1907/2006) and less than 0.001 mg of other carcinogenic volatile organic compounds of categories 1A and 1B per m³ of material or component (as determined by testing in accordance with the standardized test conditions and determination methods specified in CEN/EN 16516290 or ISO 16000-3:2011291 or other equivalent). If the new building is located on a potentially contaminated site (brownfield), the site has been investigated for potential pollutants, for example in accordance with ISO 18400293. Measures are taken to reduce noise, dust and pollutant emissions during construction or maintenance.
- Protection and restoration of biodiversity and ecosystems: The activity meets the criteria listed in Annex D of document (EU) 2020/852. The new structure will not be constructed on any of the following areas: (a) Arable and cultivated land with moderate to high soil fertility and belowground biodiversity according to the EU LUCAS survey; (b) Greenfield land with recognized high biodiversity value and land serving as habitat for endangered species (flora and fauna) listed in the EU Red List or the IUCN Red List; (c) Land that meets the definition of forest under national law used in the national greenhouse gas inventory or, if not available, meets the FAO definition of forest.

6 — SOCIETY

SOCIAL AND SOCIETAL SUSTAINABILITY ISSUES AT GATEWAY REAL ESTATE RELATE IN PARTICULAR TO CUSTOMER SATISFACTION AND EMPLOYEE SATISFACTION. OTHER STAKEHOLDERS INCLUDE RESIDENTIAL TENANTS AND LOCAL COMMUNITIES. FINALLY, SOCIAL SUSTAINABILITY ASPECTS ALSO INCLUDE ALL REQUIREMENTS AND LEGITIMATE INTERESTS ALONG THE ENTIRE VALUE AND SUPPLY CHAIN, BUT THESE ARE ONLY OF SECONDARY IMPORTANCE AT GATEWAY DUE TO ITS BUSINESS MODEL AND PURCHASING POLICY.

PRODUCT AND USER SAFETY

Gateway Real Estate relies on standardized components and processes. At the same time, this approach has the advantage that in many cases materials are used that have been tested for several years and have sufficiently proven their harmlessness with regard to health and safety risks. In the design and selection of the technical components used, GATEWAY pays attention to ease of use and a high level of user comfort. All components are continuously tested for their health and safety compatibility. Gateway Real Estate's development department always pays attention to a high level of safety throughout the entire planning and development process. It goes without saying that Gateway Real Estate takes all legal requirements into account in the building design and building technology.

CUSTOMER SATISFACTION

Gateway Real Estate is in regular communication with buyers, users and tenants of the properties designed, developed and constructed by GATEWAY. In these discussions, there were no indications that the respective customer groups or even individual customers are or have been dissatisfied with the (service) performance.

GATEWAY maintains an intensive dialog with (potential) purchasers throughout the entire planning and development process. In doing so, the wishes and suggestions of the investors are given due consideration. Even after handover of the properties, GATEWAY provides additional work requested by the investors beyond the original scope of services within the scope of its goodwill. This partnership approach and the transparency of GATEWAY's services result in a high level of satisfaction among buyers.

Even after the handover of properties, GATEWAY maintains frequent and regular communication with buyers. Many points requiring clarification usually only come to light when the property is handed over, so GATEWAY is then approached. In addition, there is a two-year warranty period for builders and installers of real estate in GATEWAY: if defects become apparent after that, the builder must correct them free of charge. In all these discussions, the satisfaction of the buyers is always asked.

INVOLVEMENT OF LOCAL STAKEHOLDERS

Gateway Real Estate engages in intensive and comprehensive neighbourhood planning (community development) as part of the project planning process. The Gateway Real Estate development department is responsible for this. Aspects such as infrastructure (for example, mobility, shopping and delivery facilities, energy supply and waste disposal, incoming and outgoing traffic, integration into existing municipal systems) are taken into account, as are social factors (for example, individual needs of future and surrounding users, schools, daycare centers, leisure facilities) and, finally, ecological aspects (for example, green spaces, biodiversity, air quality).

The basis is again an intensive site analysis. In this neighbourhood planning, Gateway Real Estate maintains a close and intensive exchange with the local authorities and any citizens' associations or other stakeholders. It is also essential to achieve the highest possible degree of "neighbourhood digitization" in order to maximize the overall benefits for future residents and residents with new/optimized services. With further dynamic business development and growing own portfolio, GATEWAY will institutionalize the exchange with local stakeholders more strongly.

In this context, GATEWAY generally involves all stakeholders in the planning and approval process as well as in the development process of new construction projects (community involvement). Through formal consultation processes, regular face-to-face events or digital platforms, GATEWAY provides comprehensive information on the plans and their impact on the environment to all stakeholders directly and indirectly affected by the construction project.

SUSTAINABLE EFFECTS ("IMPACT") OF THE PROPERTIES.

The real estate designed by GATEWAY creates environmentally compatible and affordable living space (social benefit). The design of the buildings and neighbourhoods ensures a high standard of living, as does the use of building materials that are not harmful to health. GATEWAY's projects contribute to the improvement of the cityscape and urban development. The digitalisation of real estate and comprehensive integration into the urban environment, along with optimization of the associated infrastructure, further reduce energy demand, greenhouse gas emissions and resource requirements (mobility and heating concepts). Innovative supply concepts bring comfort improvements and reduce material and energy consumption (ecological benefits).

EMPLOYEE DEVELOPMENT AND EMPLOYEE SATISFACTION

Gateway Real Estate had a total of 29 employees as of June 2023 including board members (and plans to further increase the workforce), of which 11 are women and 18 are men. Against this backdrop, while there is always a requirement formulated by the company's Board of Directors to ensure diversity within the company and to take this into account when hiring new employees, given the small number of employees, a broad diversity spectrum is poorly possible, which is why no specific program has been developed for this purpose.

The central tenet of Gateway Real Estate's human resources policy is equal pay for equal performance regardless of gender. GATEWAY pays identical salaries to women and men in comparable positions. Disclosure of salary figures for very few comparable positions in the company would result in a breach of data protection. In addition, Gateway Real Estate currently gives preference to female employees with the same qualifications in the area of real estate development in order to noticeably increase the quota of women in this area in particular.

Gateway Real Estate strictly rejects discrimination against persons on the grounds of race or ethnic origin, gender, religion or belief, disability, age or sexual identity. Discrimination on the basis of both individual attitudes and collective mentalities is not tolerated. Diversity aspects are a welcome criterion at GATEWAY in the context of employee recruitment, even if *ceteris paribus* the qualifications of the respective applicants – irrespective of other individual personal characteristics – are decisive. There have been no known cases of discrimination among employees in GATEWAY's 20-year history. It goes without saying that GATEWAY complies with the relevant ILO conventions. As a matter of principle, GATEWAY's personnel policy is to

use only the professional qualifications and work performance of its employees as assessment criteria, omitting any personal characteristics.

Gateway Real Estate AG leaves its employees completely free to organise themselves in any form. It goes without saying that Gateway Real Estate complies with all legal regulations applicable in Germany in this regard. This also includes the employees' freedom of association. However, no GATEWAY employee is covered by a collective bargaining agreement. None of the employees are voluntarily unionised and thus affected by collective bargaining. The reason for this is that GATEWAY offers its employees significantly better wages and conditions than would be achieved through collective bargaining in this industry. There is therefore no incentive for employees to join a collective bargaining agreement.

Gateway Real Estate guarantees its employees the right to freedom of association and collective bargaining: A bargaining process between employers and employees aimed at reaching agreements regulating labor wages, conditions and benefits is absolutely permissible.

GATEWAY wants to be an employer where employees want to stay and grow and that is attractive to new colleagues. An important aspect of this is an attractive salary. GATEWAY also fosters an atmosphere that allows employees to be creative and innovative. This culture is characterized by personal responsibility and a passion for sustainability. Leadership is also important: strong managers who can motivate, develop and support their colleagues are part of GATEWAY's management philosophy.

GATEWAY aims to promote work-life balance, opportunities to exercise, and a long-term focus on health. For example, GATEWAY pays employees for membership in fitness or sports facilities or – for project developers who travel a lot – a “Bahncard 100”.

Gateway Real Estate is expressly committed to respecting, complying with and enforcing the United Nations Universal Declaration of Human Rights and its 30 articles and the ILO's eight fundamental principles (conventions, core labor standards). This commitment applies both to employees in the company's own division – regardless of the nature of their employment contract – and to employees in the value chain.

Gateway Real Estate prohibits discrimination in the workplace and ensures equal opportunities; GATEWAY's human resources policy is in line with the relevant conventions of the International Labour Organization (ILO).

DIVERSITY AND EQUAL OPPORTUNITIES

Diversity and inclusion – for example in terms of gender, age and background – are crucial to GATEWAY's development and competitiveness. GATEWAY's workforce is made up of employees with different backgrounds and ages. GATEWAY continues to strive to increase this diversity by attracting people with different experiences and backgrounds. GATEWAY believes that all people are equal and that everyone, regardless of gender, ethnic and cultural background, and age, should be given the same opportunities for development. GATEWAY has a zero tolerance for harassment and a clear approach to prevention.

Gateway Real Estate is committed to further enhancing diversity in the workplace and fostering the development of a more inclusive workforce. GATEWAY has dedicated diversity intentions to this end. At GATEWAY, the Board of Directors is responsible for all sustainability issues and initiatives, and therefore also for diversity.

EMPLOYER ATTRACTIVENESS

In a highly competitive labor market for skilled workers in the construction and development business, Gateway Real Estate has a high level of employer attractiveness and has so far had no difficulty in recruiting the employees it needs with the necessary qualifications. Another positive factor is that the sustainable nature of the company and the sustainability level of the products it manufactures are becoming increasingly important factors in attracting employees. This is an opportunity that GATEWAY knows how to exploit.

GATEWAY receives applications both in response to public job advertisements and as a result of recommendations from (former) employees or business partners. GATEWAY's comfortable position in the market is due in part to the attractive salary level and in part to GATEWAY's good reputation in the labor market.

The work at GATEWAY is characterized by a good working atmosphere, an appreciative interaction with each other and a very transparent communication within the company. Gateway Real Estate supports employees in the (further) development of their personal qualifications and strengths. The gain in "market value" of an employee is explicitly desired. Regular development meetings between employees and managers with the definition of individual performance and development goals are obligatory. The Executive Board and managers are available for employee discussions at any time.

GATEWAY gives its employees freedom in terms of working hours and work scheduling, as well as in terms of the content of their work, with simultaneous result-oriented performance incentives and comprehensive employee support, including annual employee reviews.

GATEWAY has also set up a so-called grievance box, to which only the Board of Management has access. Employees can use this box in confidence to discuss any dissatisfaction they may have in their day-to-day work or to report suspected compliance violations.

TRAINING AND CONTINUING EDUCATION

Another key requirement is the opportunity for further training and personal development. This is achieved through GATEWAY-funded training on relevant technical topics or measures to enhance general performance, such as language courses.

STAFF TURNOVER

According to the calculation method of the Confederation of German Employers' Associations (BDA formula), Gateway Real Estate AG recorded an employee turnover rate of zero percent in 2020, six percent in 2021, and 14,6 percent in 2022. The average employee turnover rate in the German economy is between 27 percent and 30 percent.

7 — GOVERNANCE

GATEWAY REAL ESTATE HAS ESTABLISHED A REGULATORY FRAMEWORK FOR ITS BUSINESS OPERATIONS THROUGH A SERIES OF CONCEPTS, CODES AND GUIDELINES. THIS IS INTENDED NOT ONLY TO SATISFY LAWS AND PUBLIC REQUIREMENTS, BUT ABOVE ALL TO PREVENT DAMAGE TO THE COMPANY'S REPUTATION AND POSSIBLE CRIMINAL AND LIABILITY CLAIMS.

RISK MANAGEMENT

The risk management system of Gateway Real Estate AG and its subsidiaries comprises framework conditions, processes and structures. The system is documented in the risk management manual applicable throughout the company. As a guideline, the risk management manual assumes a control function for the management and, in addition to the information function, documents the obligation to implement risk management on an ongoing basis and is thus an integral part of corporate governance throughout the company.

Risk management at Gateway Real Estate AG comprises strategy (definition of a uniform risk policy and risk appetite as well as risk principles applicable to all in the company), organization (clear assignment of responsibilities and tasks), risk identification (equal and complete recording of all significant risks of the company's activities and all risk causes), uniform risk assessment with the aid of an efficient model, risk management through control, avoidance, reduction or transfer, and risk monitoring with the aid of a target/actual comparison based on the defined risk tolerance and verification of the effectiveness of the management measures. The risk manager communicates the processes of the analysis and the results to the company's management by means of regular standard reports, ad hoc reports when threshold values in the early warning system are exceeded and reports as required.

ANTI-CORRUPTION MEASURES

Gateway Real Estate is intensely committed to reducing or eliminating any instances of bribery and corruption throughout its operations (including its own operations and supply chain). These cases include any payment made by a person or company to a third party in order to obtain undue economic benefits (bribery), as well as the unfair advantage taking, i.e. accepting money or monetary benefits in order for ittees themselves to obtain undue economic benefits (corruption).

Gateway Real Estate strictly and without exception prohibits its employees from engaging in any form of bribery or corruption. Corresponding definitions and prohibitions are set out in Gateway Real Estate's Anti-Corruption Policy and Code of Conduct, of which all employees are aware; the Anti-Corruption Policy absolutely includes possible "courtesy payments", which are also strictly prohibited.

The Management Board of Gateway Real Estate AG bears responsibility for any incidents regarding bribery and corruption. Relevant business transactions are regularly investigated for possible bribery and corruption. As part of compliance management, employees are encouraged to behave accordingly.

COMPLIANCE MANAGEMENT

Gateway Real Estate has installed an appropriate compliance management system and has adopted a compliance policy to ensure that employees act in accordance with the law as far as possible. All employees have confirmed in writing

that they have received, read and understood this policy. Given the small number of employees, there is a “four-eyes principle” for almost all business processes. In addition, GATEWAY pursues the philosophy of a “lived” compliance culture – independently of the formal, written fixation. Finally, a compliance coordinator monitors compliance-compliant behaviour in so-called borderline cases, such as invitations to soccer matches, and records this in writing.

Gateway Real Estate has added appropriate clauses to its purchasing guidelines and contracts to rule out non-compliant behaviour on the part of suppliers. In addition, GATEWAY has been conducting random audits of larger suppliers since 2021. In this way, GATEWAY additionally wants to take into account the (future) requirements from the so-called Supply Chain Sourcing Obligations Act (“Lieferkettensorgfaltspflichtengesetz”). Online training courses for employees on current compliance topics and on correct ethical behaviour round off Gateway Real Estate’s compliance program.

SUPPLY CHAIN MANAGEMENT

As a matter of principle, Gateway Real Estate takes important sustainability aspects into account in all major purchasing and investment decisions. ESG criteria are integrated into all relevant planning and development processes. Major purchased services include civil engineering services, building construction services, and construction-related services such as biodiversity analyses. By focusing on timber construction, sustainability has become Gateway Real Estate’s brand essence. Key real estate development decisions are made with an eye toward improving the environmental and socio-political performance of these buildings. Ecological compatibility and corporate governance aspects play a central role in the commissioning of third parties to supply goods and services and in construction activities. With regard to the latter criterion, the development of long-term and trusting cooperation with contractors is of particular importance. GATEWAY attempts to obtain sufficient knowledge about the working conditions of employees at suppliers through the intensive exchange of information with business partners.

Gateway Real Estate applies the same high sustainability requirements to the selection and commissioning of its suppliers as it does to itself. The relevant rules, including appropriate checks, are set out in Gateway Real Estate’s Supplier Code of Conduct. Gateway Real Estate regulates the particular (ecological) sustainability of the goods and services it procures with its Sustainable Procurement Policy. GATEWAY procures materials, products and services almost exclusively from Germany or countries of the European Union.

DEALING WITH BUSINESS PARTNERS

GATEWAY always seeks to deal with business partners in a spirit of partnership, especially when dealing with small companies or medium-sized businesses, even if they should ever run into financial difficulties.

WHISTLEBLOWER SYSTEM

Gateway Real Estate has also established a mechanism for employees and outsiders alike to report legal violations and disregard for the Code of Conduct to the company. However, GATEWAY believes that the current organisation is sufficient to report misconduct and that there is no need to establish a dedicated whistleblower program for this purpose. The Board of Management and the Legal Department are involved in all significant operational processes as part of the compliance management system. Against this background and in view of the size, structure and

business activities of the Company, the Executive Board currently sees no need to establish a formal whistleblower system. However, as Gateway Real Estate grows in size, the issue of establishing a formal whistleblower system is regularly on the agendas of the Management Board and the Supervisory Board.

IT SECURITY AND DATA PROTECTION

Gateway Real Estate has outsourced its information technology (IT) and IT security maintenance to a high-performance service provider. Hacker attacks simulated by third parties regularly test the security of GATEWAY's IT systems. Attacks on Gateway Real Estate's IT systems are registered and documented in terms of their impact. In addition, all Gateway Real Estate employees have been issued with an IT and data protection policy, which they have confirmed in writing that they have received, read and understood. It goes without saying that GATEWAY complies with all legal requirements in this regard, especially with regard to data protection. GATEWAY employees receive training in the areas relevant to them once or twice a year. GATEWAY is therefore not aware of any data protection violations to date.

LOBBYING AND POLITICAL INVOLVEMENT

Gateway Real Estate does not participate in influencing political decision-making. Neither the Supervisory Board, nor the Management Board, nor employees exercise political influence, nor do they intend to do so. GATEWAY has neither lobbied nor made payments to political parties or organizations since the company was founded in 2002. Gateway Real Estate does not exercise any political influence. GATEWAY therefore does not enter into any corresponding financial commitments. In this respect, there is neither a corresponding internal guideline nor a point of contact with corresponding supervisory regulations.

SUPPORT FOR SUSTAINABILITY INITIATIVES

Gateway Real Estate is a member of the German Sustainable Building Council (DGNB), a non-profit organization with 1,300 member organisations. The DGNB is committed to demonstrably good buildings, to neighbourhoods are worth living, in other words, to a sustainable built environment. The aim is to transform the construction and real estate market towards an appropriate understanding of quality as the basis for responsible, sustainable action.

Gateway Real Estate has been a signatory to the Global Compact since 2021 and is committed to complying with the ten principles focusing on human rights, labor standards, the environment and climate, and corruption prevention.

INVOLVEMENT OF SHAREHOLDERS

Currently and in previous years, there have been no cases at Gateway Real Estate AG where the shareholders' meeting did not follow the recommendations of the Supervisory Board or the Management Board in its decisions. Gateway Real Estate AG pursues an active, permanent, committed and open-ended dialogue with its shareholders. Gateway Real Estate employs a staff member exclusively for Investor Relations (IR), also in order to always obtain the opinion of the shareholders.

In addition, Gateway Real Estate regularly participates in capital market conferences such as the German Equity Forum or the Quirin Champions Conference 2021. Shareholders of Gateway Real Estate AG can contact the company by telephone

or via a contact form on the company's website. At the Annual General Meetings, topics relevant to the company are discussed with shareholders and questions answered. Shareholders are informed promptly by e-mail about current developments. Annual and quarterly reports and interim announcements are published in English and German. Shareholders are involved in measures requiring their approval in accordance with the German Stock Corporation Act.

COMPENSATION POLICY

Gateway Real Estate communicates the company's remuneration policy in a very transparent and comprehensible manner. The remuneration of the company's Management Board is clearly regulated and based on performance. The amount of compensation and the determining factors are published in the company's annual reports. The same applies to the compensation of the Supervisory Board members. The compensation of the members of the Supervisory Board takes appropriate account of the higher time commitment of the Chairman and Deputy Chairman of the Supervisory Board.

All members of the Board of Management of Gateway Real Estate AG receive the same salary without performance-related components. In addition, the level of remuneration of the members of the Gateway Real Estate Board of Management – measured in terms of performance and scope of responsibility – is balanced with the remuneration of other executives/employees (non-performance-related pay plus any bonus component).

The compensation system of Gateway Real Estate provides for a comparison with other companies with regard to the determination of the total compensation of the Management Board. Companies listed in the same stock exchange segment (Prime Standard) as the Company and with a comparable EBT are used as a reference group for this purpose. As a matter of principle, the reference companies are not published by the Company in order not to initiate a "feedback loop".

The remuneration of the employees of Gateway Real Estate may include a bonus component, with regard to which no regulations exist concerning a possible re-claim. To date, Gateway Real Estate has not linked any sustainability targets to the calculation of variable salary components for employees. However, it is currently being examined and discussed whether ESG targets should also be a determining factor in the amount of bonus payments from fiscal year 2024.

ESG GOVERNANCE

Gateway Real Estate's Chief Financial Officer (CFO) is responsible for all ESG (sustainability) issues and coordinates this with the responsible member of the Supervisory Board; in individual cases, the CFO delegates responsibility for specific ESG issues to appropriately specialized employees. The Supervisory Board has appointed member Jan Hedding as ESG Officer.

8 — SUPERVISORY BODY

AS A STOCK CORPORATION UNDER GERMAN LAW, GATEWAY REAL ESTATE HAS TWO-TIER CORPORATE GOVERNANCE. THE MANAGEMENT BOARD IS BASICALLY RESPONSIBLE FOR THE OPERATING BUSINESS. THE SUPERVISORY BOARD, AS THE SHAREHOLDER REPRESENTATIVE, APPOINTS, MONITORS AND ADVISES THE MANAGEMENT BOARD AND IS DIRECTLY INVOLVED IN DECISIONS OF FUNDAMENTAL IMPORTANCE TO THE COMPANY.

WORKING METHODS OF THE SUPERVISORY BOARD

The Chairman of the Supervisory Board convenes the meetings, chairs the meetings and signs the minutes of the meetings. The Chairman coordinates the work of the Supervisory Board and represents the interests of the Supervisory Board externally. The Executive Board informs the Supervisory Board regularly and comprehensively, both in writing and verbally, about the business policy, strategy, business development and situation of the company, the resulting opportunities and risks, as well as about corporate planning and risk management.

The cooperation between the two bodies at Gateway Real Estate is characterised by a trusting and constructive atmosphere. The members of the supervisory board, and in particular its chairman, are in contact with the management board also outside the supervisory board meetings in order to exchange views on issues of importance to the company, in particular on its strategy and business development.

Resolutions of the Supervisory Board are usually passed in meetings. By order of the Chairman or with the consent of all members of the Supervisory Board, meetings may also be held in the form of a telephone conference or by means of electronic communication (in particular video conference) and individual members of the Supervisory Board may be connected by telephone or by means of electronic communication (in particular video transmission).

The planning of successors on the Supervisory Board and the Executive Board is regularly discussed by the Supervisory Board and is also regularly the subject of discussions between the Chairpersons of the Executive Board and the Supervisory Board. The terms of the contracts and renewal options for current members of the Management Board are discussed, as well as possible successors. Gateway Real Estate does not find it easy to find suitable female candidates to fill management positions at the company. One possible explanation for this is the increasingly strong competition for female executives. The Supervisory Board and the Board of Directors will continue to work intensively on the question of how to increase the proportion of women in management positions at GATEWAY.

COMPOSITION OF THE SUPERVISORY BOARD

The Supervisory Board of Gateway Real Estate AG comprises five members. These members are all male and were re-elected by the 2021 Annual General Meeting for a period of five years. New members – notwithstanding the departure of individual members in the meantime – cannot join the supervisory board before 2025/2026. Nevertheless, the Supervisory Board is currently working on a concept to increase the proportion of women on the Supervisory Board in the coming years. The target for the proportion of women on the Supervisory Board was set at 20 per cent by 31 December 2024. The election was based exclusively on criteria of professional qualifications in the areas of real estate, finance and law. The members of the

Supervisory Board of Gateway Real Estate AG have extensive and long-standing industry experience as well as excellent specific subject knowledge. The majority of the members of the Supervisory Board of Gateway Real Estate AG are independent.

Norbert Ketterer

Chairman of the Supervisory Board, Member of the Real Estate Committee on the Supervisory Board: Membership of the Board: 13 years.

Norbert Ketterer looks back on more than 25 years of entrepreneurial activity in the real estate industry. The track record of project developments he has developed or financed across all real estate asset classes is more than 20 billion Euro.

In addition, Norbert Ketterer launched the first fund for project developments with mezzanine capital in 2009. He founded the initiator Helvetic Financial Services (HFS) AG in Wollerau, Switzerland, and has since sold it to the Corestate Capital Group.

Over the years, Mr. Ketterer has built up an extensive network of project developers, investors, banks, and local authorities.

Thomas Kunze

Deputy Chairman of the Supervisory Board, member of the Audit Committee and the Real Estate Committee on the Supervisory Board: Membership of the Board: 12 years.

Thomas Kunze is an entrepreneur and consultant in the real estate sector. Mr. Kunze has comprehensive know-how in property and asset management of real estate as well as in property valuation.

In senior management position, he led the commercial property management of a branch of Allianz Immobilien GmbH for 10 years. Thereafter he was responsible for the asset management of the stock listed Alta Fides AG and successfully supported the sale of the company to a Swiss investor. Subsequently, he was managing director of genost Consulting GmbH for more than 10 years. In this position, he was responsible for the due diligence and valuation of real estate and project developments worth more than 60 billion Euro.

As a studied real estate economist and expert for real estate valuation, he prepared a large number of market value reports. For many years he worked for institutional companies in mortgage lending valuation and location analysis.

Ferdinand von Rom

Member of the Audit Committee of the Supervisory Board, Membership of the Board: 5 years.

Ferdinand von Rom is a partner in a renowned law firm in Frankfurt am Main.

He has substantial experience in the areas of stock corporation and group law, in particular with regard to takeovers, mergers and other measures under the German Transformation Act (Umwandlungsgesetz) and cross-border mergers of companies.

In addition, he regularly advises board members of leading German companies with regard to duties and modern corporate governance as well as institutional investors in connection with their investment in listed German stock corporations.

Jan-Hendrik Hedding

Chairman of the Audit Committee on the Supervisory Board, ESG Officer, membership of the Board: 4 years.

Jan Hendrik Hedding is Chief Operating Officer (COO) at a Swiss Family Office, where he is responsible for investment management, M&A and real estate.

Previously, Mr. Hedding was Managing Director and Investment Manager at a Germany-wide operating Real Estate Group for four years. There he worked in the areas of Real Estate Investment Banking and M&A.

Mr. Hedding studied at the University of Mannheim, the University of St. Andrews in Scotland and the Westfälische Wilhelms-Universität Münster. After completing his studies in economics, Mr. Hedding obtained a Master of Law (LL.M.) in the area of real estate law.

Leonhard Heinrich Fischer

Membership of the Board: 3 years.

Leonard Fischer was chief executive officer of BHF Kleinwort Benson Group S.A. (formerly RHJ International S.A.) from January 2009 until April 2016, having been co chief executive officer since May 2007.

Mr. Fischer was chief executive officer of Winterthur Group from 2003 to 2006 and a member of the executive board of Credit Suisse Group from 2003 to March 2007. He joined Credit Suisse Group from Allianz AG, where he had been a member of the management board and head of the Corporates and Markets Division.

Prior to this, Leonard Fischer had been a member of the executive board of Dresdner Bank AG in Frankfurt.

AUDIT COMMITTEE

The Audit Committee of the Supervisory Board of Gateway Real Estate AG deals with the monitoring of the accounting process, the effectiveness of the internal control system, the risk management system, the internal audit system and the audit of the financial statements; with regard to the latter, the selection and independence of the auditor, the quality of the audit and the additional services provided by the auditor are of particular interest. For Supervisory Board meetings at which the balance sheet is adopted, the Audit Committee votes to the full Supervisory Board on the approval of the annual financial statements.

REMUNERATION OF THE MEMBERS OF THE SUPERVISORY BOARD

The Annual General Meeting of Gateway Real Estate AG shall determine the remuneration of the members of the Supervisory Board by resolution. The remuneration shall be commensurate with the duties of the members of the Supervisory Board and the situation of the company. The remuneration shall be payable on the day following the Annual General Meeting at which the actions of the members of the Supervisory Board are ratified. A member of the Supervisory Board who resigns during the fiscal year shall receive the remuneration on a pro rata temporis basis. Gateway Real Estate AG communicates the company's remuneration policy in a very transparent and comprehensible manner. Against this background, the shareholders have at no time expressed any wish for change with regard to the remuneration policy. Nor have the shareholders so far signalled any intentions to change the voting procedure within the framework of the remuneration policy. At the same time, the remuneration policy of Gateway Real Estate AG takes into account the current relevant practices of the (capital) market.

POSSIBLE CONFLICTS OF INTEREST

The Chairman of the Supervisory Board of Gateway Real Estate AG, Norbert Ketterer, is also the majority shareholder of the company. At the same time, there are business and financial relations between Mr Ketterer or the companies controlled by him and Gateway Real Estate (granting of loans to finance the company's activities/real estate transactions). Supervisory Board members who are related parties did not themselves vote on the resolution approving these transactions.

Third-party comparability is always given and is proven for almost all transactions by expert opinions or due diligence processes. In addition, transactions with related parties are described transparently in the annual and semi-annual reports in the section "Related party transactions"; the company publishes the main transactions with related parties on its website.

On 31st of December 2022, the main shareholder and the Chairman of the Supervisory Board of Gateway Real Estate AG held 66 percent of the voting rights de jure and 78 percent de facto. The investor Yannick Patrick Heller held six percent of the shares. The free float amounted to 16 percent of the shares. No other members of the Supervisory Board of Gateway Real Estate AG held any shares in the company.

There are no cross-shareholdings with third parties vis-à-vis Gateway Real Estate. The articles of association of Gateway Real Estate AG do not provide for any special rights for individual shareholders. Thus, all shares have the same (voting) rights. The company statutes of Gateway Real Estate do not provide for any special defence strategies against takeover attempts.

Neither the Supervisory Board nor the Management Board of Gateway Real Estate AG have so far been exposed to accusations from shareholders or employees or other third parties that decisions have not been taken in the interests of the company or its stakeholders. In this respect, there were no “contentious decisions” at Gateway Real Estate.

Neither the Supervisory Board nor the Board of Management of Gateway Real Estate AG have so far been exposed to accusations from shareholders or employees or other third parties that their actions or decisions have violated the principles of good corporate governance or the internal rules and guidelines of good corporate governance.

9 — ABOUT THIS REPORT

To date, Gateway Real Estate has provided information on its sustainable business and responsible action initiatives on its website or at capital market conferences. Now, for the first time in 2023, GATEWAY is publishing a stand-alone sustainability report for fiscal year 2022, primarily focused on outlining its strategic direction through coming years.

The scope of the report includes all Gateway Real Estate locations and business activities. The list of consolidated subsidiaries can be found in the company's Annual Report 2022. The reporting period is the calendar year 2022. There were no material changes in the organization and its supply chain during the reporting period. The content of the Sustainability Report has not been externally audited.

GATEWAY's Sustainability Report informs stakeholders and the interested public about the Group's objectives, activities and progress in the fields of products and services, environment, employees and society, and corporate governance. It supplements and expands on the reporting in the Annual Report.

The reporting structure is based on the German Sustainability Code (Deutscher Nachhaltigkeitskodex, DNK), a cross-sector transparency standard for reporting corporate sustainability performance, which provides a comprehensive framework for reporting on non-financial performance by national and international companies. It is also aligned with the framework described by the Task Force on Climate Related Disclosures (TCFD). Gateway Real Estate is committed to an annual reporting process.

The data contained in this report was collected and processed with the utmost care. Nevertheless, transmission errors can never be completely ruled out. The forward-looking statements and data published in this report are based on currently discernible and available information, facts and expectations; they do not constitute forecasts or estimates and are not definitive facts. Therefore, these statements are for informational purposes only. Forward-looking statements and statements on the development of the company are also dependent on factors that are beyond the company's control. Expected developments are subject to uncertainties and risks. GATEWAY's actual development may therefore deviate positively or negatively from these expected developments.

Gateway Real Estate can look back on 20 years of successful and sustainable corporate history. The focus on innovation and environmental protection strengthens the Group's economic sustainability. It also takes account of corporate responsibility with regard to the negative consequences of current climate change. GATEWAY will seek to make a significant contribution to mitigating this change and has operationalized the measures and targets outlined in this report in an action plan to this end. GATEWAY will provide comprehensive information in the future on the implementation of this plan and the successes achieved.

Gateway Real Estate AG

Hardenbergstr. 28a
10623 Berlin, Germany

Phone +49 30 40 363 47-0
www.gateway-re.de