

# DLE

DLE Group AG

# 2022

# ESG

# REPORT

# About This Report

This first sustainability report of DLE Group AG provides information on our sustainability strategies, our actions and our performance in the calendar year 2022. By publishing this report, we aim to increase transparency and accountability of our corporate actions in relation to social, environmental and governance issues.

The terms "DLE" and "group" are used when describing data and activities relating to the entire company, including all of the group companies under operational control. This includes the following companies: DLE Land Development GmbH, DLE Invest GmbH, DLE Institutional GmbH, DLE Capital AG, DLE Living GmbH, DLE Logistics GmbH, DLE Poland, WertSicht Valuation GmbH, DLE Hong Kong Limited and DLE AG Asia Pte. Ltd. Where the report refers to activities of individual business units or sites, this is explicitly stated.

DLE and its subsidiaries do not manage funds but develop the investment strategies and advise and support the funds in their implementation. Where this report refers to "DLE funds" for ease of reading, this refers to funds initiated and advised by DLE. The terms "we", "our" or the like refer to DLE Group AG, its affiliates and any fund, sub-fund or affiliate of such fund advised by DLE Group AG or its affiliates.

This report has been prepared by our sustainability department with reference to the Global Reporting Initiative (GRI) Standards and checked for accuracy by the relevant departments. It has not been externally verified.

Reporting period: 1.1.-31.12.2022

Publication date: July 2023

Expected date of next report: 2024

Contact:

For queries and feedback on our report please contact us at [mail@dle.ag](mailto:mail@dle.ag)

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# Message from our Leadership

Dear stakeholders,

We are delighted to present to you the inaugural Environmental, Social, and Governance (ESG) Report of DLE Group AG, showcasing our commitment to sustainability in our company and in our investments across the diverse asset classes. This report marks an important step in our journey towards a more sustainable future.

In the last years, we have put in place robust sustainability management structures within our operations. We have introduced policies to guide our actions, established responsibilities and governance processes, and set up systems to collect and analyse relevant data. We have made significant progress in 2022 but know that there is still much to be done.

We recognise that our business activities have an impact on the environment and society. As a leading asset management platform, we embrace our role in driving positive change and ensuring the long-term success of investments across our asset classes, which encompass land development, senior living, logistics, and capital. In our asset class land development, we seek to be a reliable partner to municipalities, contributing to easing Germany's acute housing shortage. Our aim is to create vibrant, environmentally friendly developments that integrate seamlessly with their surroundings. In the senior living sector, we are aware of the social impact that our investments can have on the elderly and we partner with senior living operators to provide comfortable senior homes that foster a comfortable and caring environment. Our logistics investments focus on value-added assets. With measures such as green leases and photovoltaics, we can improve the assets' sustainability performance. When providing financing, we take ESG factors into account to identify future-proof building projects, for example with high energy efficiency and social value.

In 2022, our team experienced significant growth as we welcomed several talented new members to our organisation, bringing valuable skills and expertise to our team. As we move forward, we remain committed to fostering a positive working environment and providing our employees with the resources they need to thrive. We express our gratitude to our dedicated team, whose expertise and passion drive our business forward, and to our investors, partners and communities, whose insights and engagement contribute to our collective success.

Yours sincerely,

Yolanda Schmidtke & Alexander Fröse

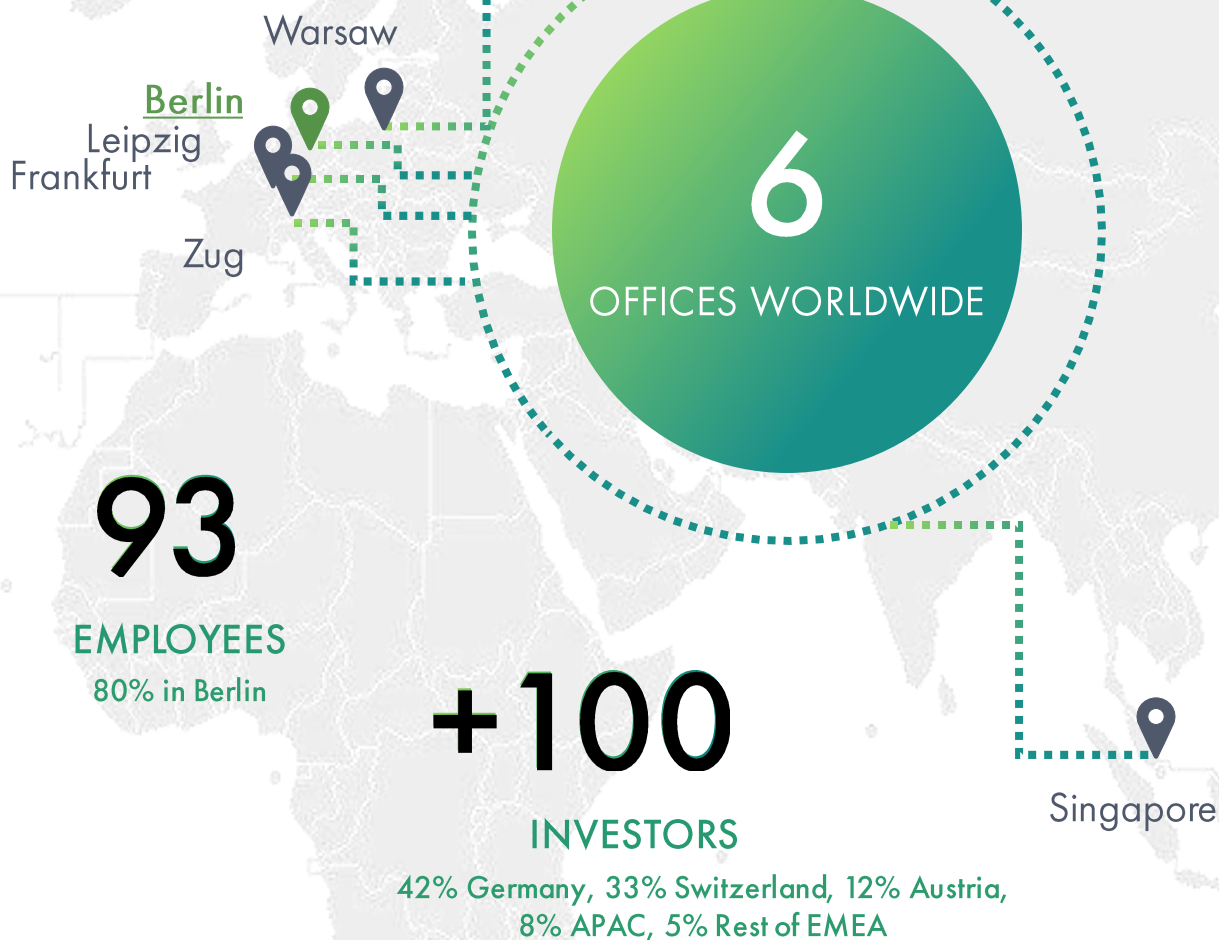


Yolanda Schmidtke  
Co-CEO  
DLE Group AG



Alexander Fröse  
COO  
DLE Group AG

# DLE at a Glance



## Our Business

DLE Group AG is an international investment manager based in Berlin with expertise across the real estate value chain. DLE initiates and advises investment funds managed by third-party alternative investment fund managers (AIFMs). DLE develops individual solutions

and concepts for projects and for the funds' shareholders, who are usually institutional investors, including many pension funds and pension schemes in the DACH region. The Group's income is largely generated from advisory fees.

# Our Business Lines



## LAND DEVELOPMENT

### DLE LAND DEVELOPMENT GmbH

Specialised in land development, advising on the acquisition and development of land to meet the growing demand for viable residential and commercial buildings in and around Germany's major cities. The business line has considerable expertise in obtaining building rights and permits.

### DLE POLAND sp. z o.o.

Land development with focus on Poland.



## DEVELOPMENT FINANCING

### DLE CAPITAL AG

Provider of mezzanine and senior financing for real estate developments in Germany, Austria and Switzerland.



## SPECIALTY REAL ESTATE

### DLE LIVING GmbH

Specialised in senior living and healthcare real estate products primarily in Germany.

### DLE LOGISTICS GmbH

Specialised in light industrial and logistics real estate primarily located in Germany.

**3** closed funds

**5** open funds

**3** funds to be launched in 2023

## Memberships

Through participation in business organisations, DLE has the opportunity to network with other companies, share knowledge and expertise, and keep up to date with industry trends and regulations. By engaging with other industry professionals, we gain valuable insights and

collaborate on projects, leading to increased visibility and growth opportunities for our business. In addition, our membership in these associations allows us to advocate for policies that benefit our industry and our business.

Signatory of:



**PRI**

A UN-supported network of investors and financial institutions that promotes sustainable investment through the incorporation of ESG factors in investment decisions and ownership practices.



**INREV**

INREV is the European Association for Investors in Non-Listed Real Estate Vehicles.



**Förderverein  
Bundesstiftung Baukultur**

The federal foundation of building culture promotes the quality of the built living environment in Germany.



**Brownfield24**

A platform that promotes net zero land use by 2050 by revitalizing brownfield areas.



**GiF**

A platform that connects business and science and promotes research on real estate solutions.



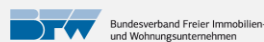
**Airport Region Berlin  
Brandenburg**

Brand alliance of the Berlin airport operator, local communities, project developers and institutions.



**Frauen In Führung (F!F)**

A diversity network of the German real estate sector promoting women in leadership positions.



**BFW**

Real estate industry association with focus on medium-sized enterprises.



**Liberales  
Immobilienrunde**

Network of real estate players with a liberal mindset.



**Interessengemeinschaft  
Umfeld BER**

Interest group of investors for the development of the region around the Berlin airport.

# Sustainability Management

## Organisational Structures

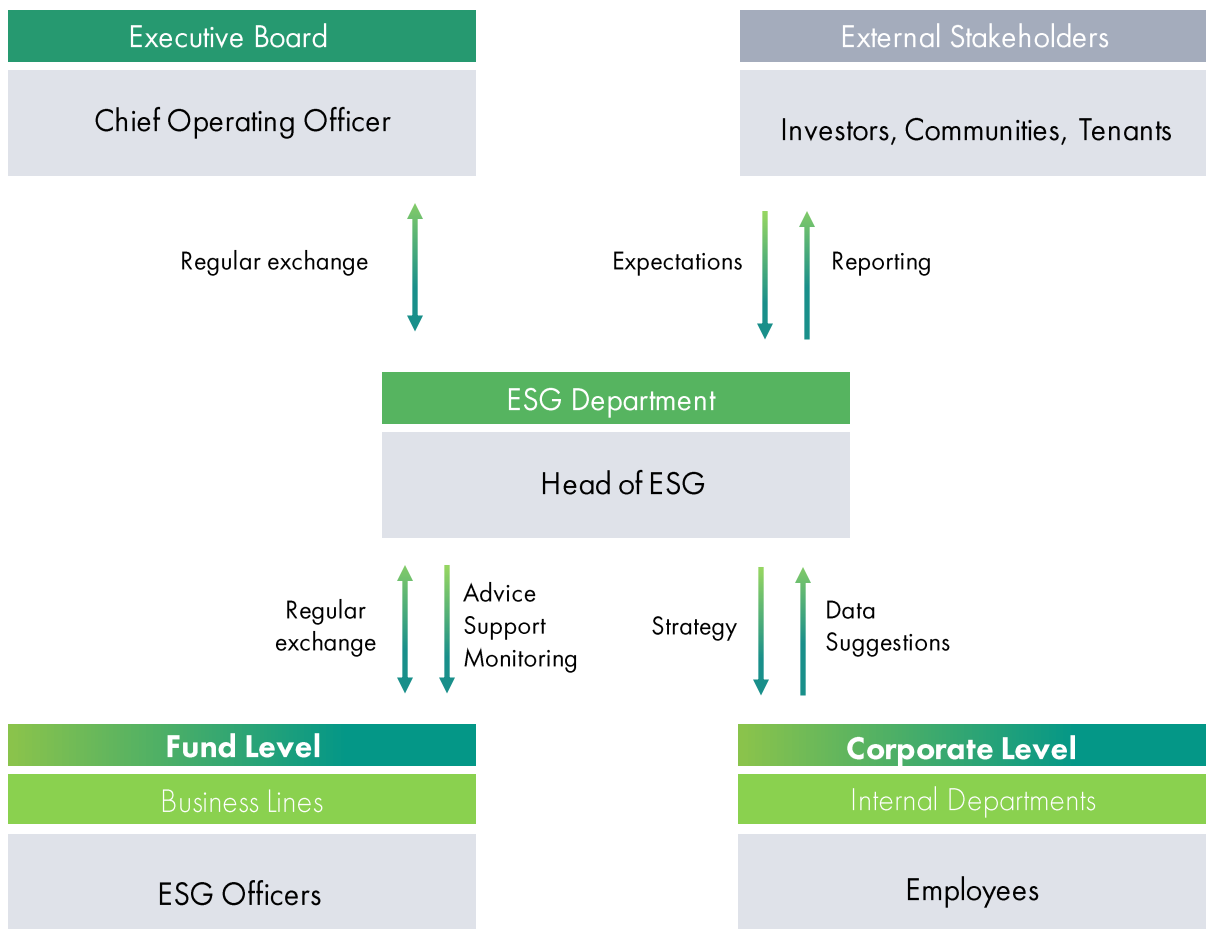
At DLE, sustainability is integrated at all levels of the organisation. At executive board level, responsibility for sustainability lies with our Chief Operating Officer. On a monthly basis, the COO and Head of ESG discuss the strategic direction of DLE Group and the current sustainability activities. When core issues are at stake, the entire executive board becomes involved. In 2022, this included the assessment of ESG risks and the approval of the group's revised ESG policy.

The Head of ESG leads DLE's sustainability strategy and coordinates its implementation across the business lines and departments. An important part of this is continuously improving our data collection so that we can measure the effectiveness of our actions and use the data to

plan and prioritise future actions.

The ESG department also guides our businesses on their fund related ESG strategies and provides advice throughout the implementation phase. Relevant business units have at least one ESG officer who assists the funds in conducting pre-deal ESG due diligence, collecting ESG data and preparing the funds' ESG reporting to investors. The ESG department organises regular bimonthly meetings with the ESG officers to discuss current issues, prioritise actions and share information on regulatory developments.

DLE's ESG department also monitors compliance with regulatory requirements.





## KEY RESPONSIBILITIES OF OUR ESG DEPARTMENT



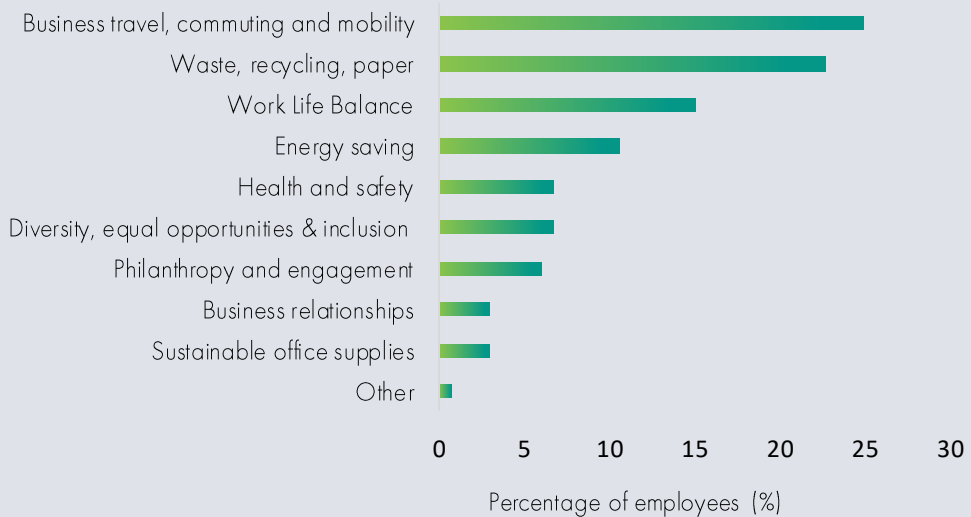
## Our Sustainability Agenda

Our understanding of sustainability and our guiding principles are reflected in two key guidelines: in our [ESG Policy](#) and in our [Responsible Investment Policy](#). Our ESG Policy, which was revised in 2022, is a one-page summary of the most important principles that guide us in the day-to-day business. We strive to combine economic success with positive

environmental and social impact to create long-term value. We recognise our responsibilities to employees, the environment and society, and are challenging ourselves to develop a robust roadmap to become carbon neutral by 2045.

In 2022, we asked our employees where they would like to see more sustainability activities.

### Employee survey 2022 - Focus areas for sustainability action



As a result, we have identified five areas of action for our offices that we are going to address.

**Key areas of action for our offices:**

- Work life balance
- Paper use
- Waste reduction & recycling
- Energy saving
- Green mobility

At the investment fund level, our Responsible Investment Policy outlines DLE's approach to sustainable investment. It requires all fund products to conduct an ESG risk analysis to identify and rank material risks and opportunities related to sustainability issues. New funds are expected to put in place binding mechanisms to take ESG characteristics into account, while older funds take discretionary action based on the results of the ESG risk analysis, always with the aim of preserving and enhancing value.

At corporate level, we have laid the foundations for our ESG roadmap, which will guide us in the coming years.

## Looking Ahead: Our ESG Roadmap

We are in the process of setting strategic, measurable targets for 2023 and beyond. The selection is based on our analysis of our 2022 performance data and takes into account factors such as materiality, stakeholder expectations and expected regulatory and market developments.



- E** Reduction of our CO<sub>2</sub> footprint
- S** Employee retention
- G** Integrating ESG into compensation
- Funds** Sustainable fund portfolio strategy

## Identification of key issues for sustainability reporting

In 2022, we conducted a materiality analysis in order to identify key themes for our sustainability reporting. Material issues are those topics and concerns that are important to us and our stakeholders and that have a

significant impact on society, the environment and the economy. Among our key stakeholders are our employees, shareholders, investors, local communities and tenants.

As a first step, our ESG department compiled a list of relevant topics. The selection was informed by the GRI reporting standards, a review of what our peers consider to be material issues and our own ESG risk analysis, which identifies factors that could potentially affect our financial performance. Next, senior managers from departments that work closely with our stakeholders, such as Investor Relations, Human Resources and Project Development, reviewed the list and ranked the topics in terms of relevance. Responses were averaged across four stakeholder categories: employees, investors, management and communities. To broaden our internal perspective, we included the results from our

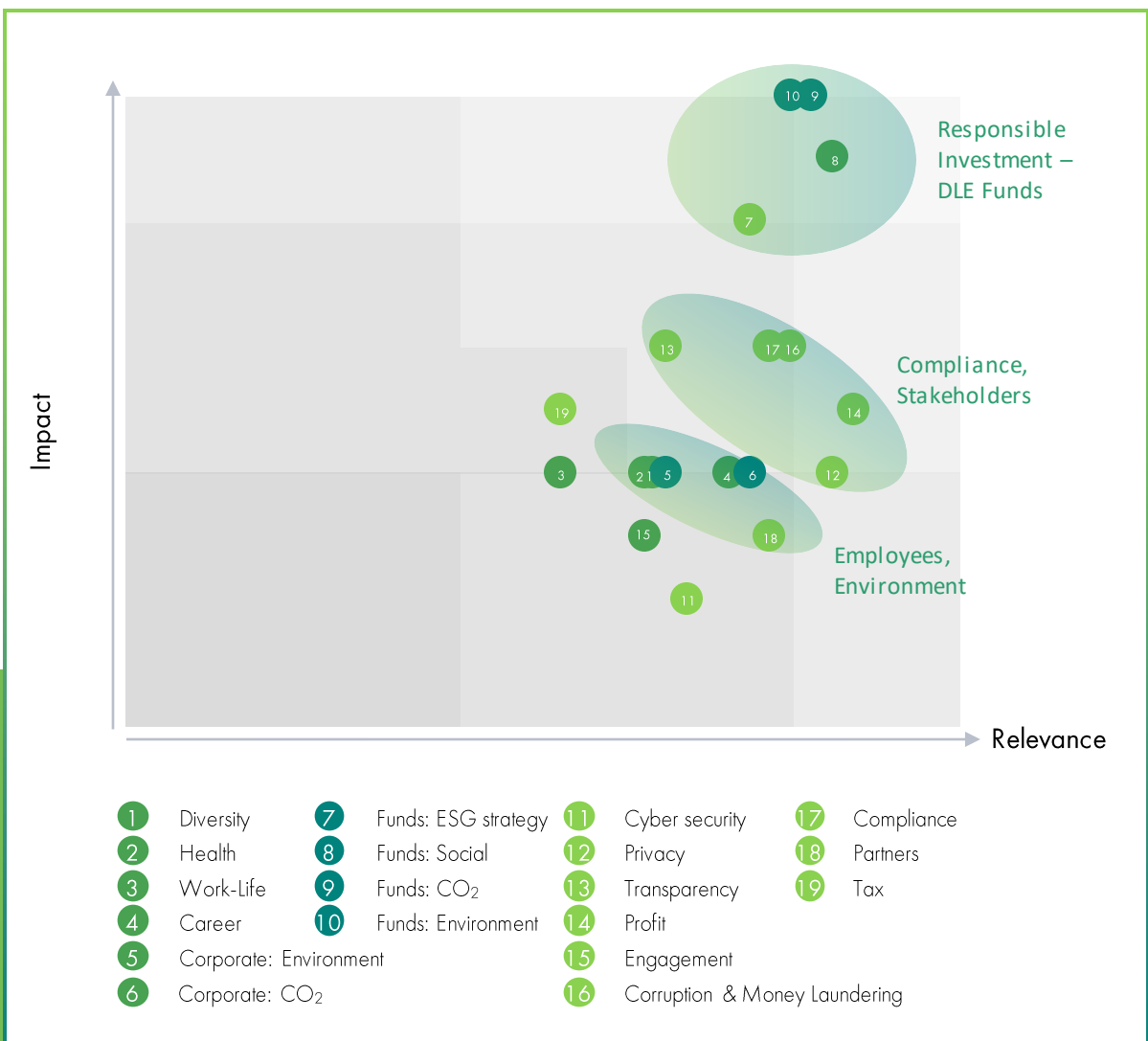
employee survey sustainability priorities.

The impact assessment, which evaluates the scope and severity of the impacts, is based on several studies on the real estate sector's environmental footprint and on expert knowledge.

Putting all the findings together resulted in a materiality matrix. Based on this materiality analysis, we have selected the topics we cover in this report, taking into account the degree of control we have over each topic.

A more detailed materiality analysis that will include a wider range of stakeholder views, is planned for next year.

### Materiality Matrix



# Responsible Investment

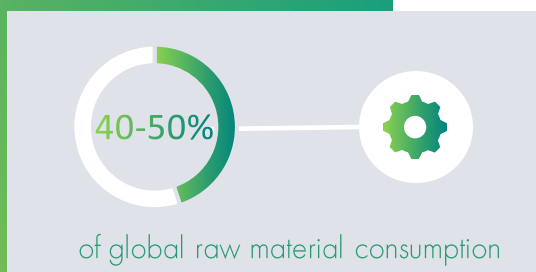
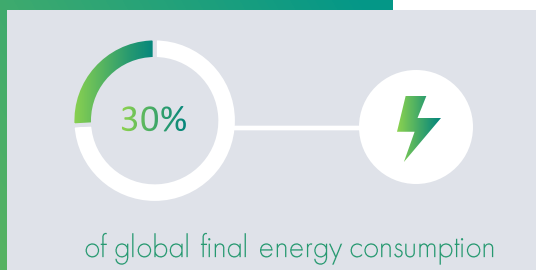
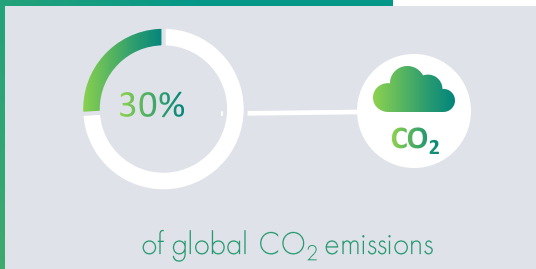
## Sustainability Challenges in the Real Estate Sector

The real estate sector faces a number of sustainability challenges. First, the sector is very resource intensive: the construction of buildings requires scarce land and large quantities of building materials such as steel and cement. Over the subsequent decades of use, energy and water consumption add up. Real estate funds also have a social responsibility: as we spend almost 90% of our lives indoors, our well-being is strongly influenced by the lighting, temperature and noise levels in our homes and workplaces. Buildings also shape the character of our communities.

Due to its large carbon footprint, the sector is increasingly coming under the spotlight of climate policy, especially as the German building sector has exceeded its emissions target set in the Climate Protection Act by approximately 4% for the second year in a row.

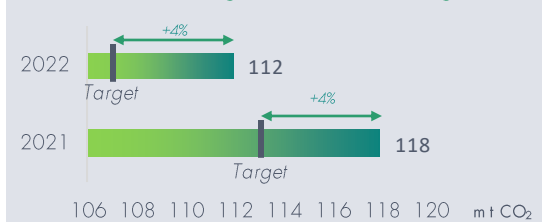
Long-established market structures are now changing under the impact of carbon regulation. Stricter requirements for energy efficiency and the use of renewable energies are likely to reduce the value of and demand

### Buildings are responsible for:

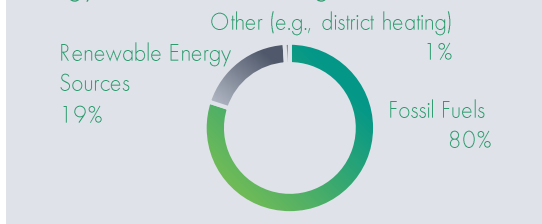


### Spotlight on Germany

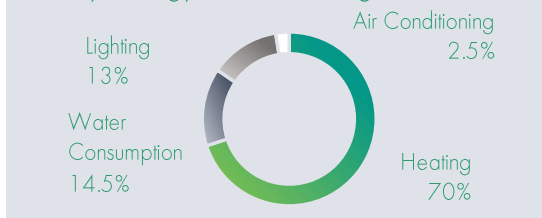
#### CO<sub>2</sub> emission targets for the building sector



#### Energy sources for heating



#### Primary energy use in buildings:



#### Sources:

- IEA (2022), *World Energy Outlook 2022*, IEA, Paris
- United Nations Environment Programme (2020). *2020 Global Status Report for Buildings and Construction: Towards a Zero-emission, Efficient and Resilient Buildings and Construction Sector*. Nairobi

#### Sources:

- Umweltbundesamt: *Berechnung der Treibhausgasemissionsdaten für das Jahr 2022 gemäß Bundesklimaschutzgesetz. Begleitender Bericht*. 15.3.2023
- German Energy Agency (ed.) (dena, 2022) "DENA-GEBÄUDEREPORT 2023. Zahlen, Daten, Fakten zum Klimaschutz im Gebäudebestand"
- Agora Energiewende | *Die Energiewende in Deutschland: Stand der Dinge 2022*

for properties that do not meet future requirements. The energy crisis triggered by the war in Ukraine has further increased the focus of tenants and investors on energy efficiency and self-sufficiency through locally generated energy. Also at the municipal level, decision-makers increasingly expect new neighbourhoods to support local climate strategies and mobility concepts. All of these factors can have a positive or negative impact on the performance of real estate funds.

As an advisor to the funds, DLE's role is to analyse these factors carefully, to anticipate social needs and developments over the long term, and to incorporate them into the decision-making process. Because different sustainability goals do not necessarily coincide - for example, affordable housing and maximum climate protection - our approach is pragmatic and local. We believe the best solution comes from careful consideration of local factors and needs.

## Our Approach to Responsible Investment

In October 2021, we signed the United Nations-backed Principles for Responsible Investment (PRI) to institutionalise our commitment to sustainable investment.

Our approach is described in our group-wide [Responsible Investment Policy](#). The minimum requirement for all existing and new DLE funds is the systematic consideration of sustainability risks and opportunities. For this purpose, we use scorecards that map the key sustainability

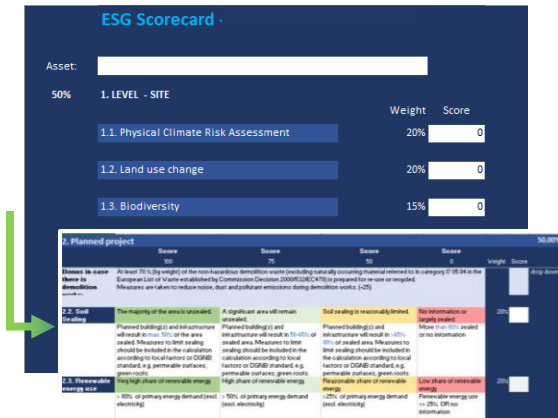
challenges of each asset class. The selection of topics and their weighting are based on relevant standards. These include the DGNB, BNB and BREEAM building certification systems, the EU regulatory framework with the EU Taxonomy and Sustainable Finance Disclosure Regulation (SFDR) and the social standards of the OECD Guidelines for Multinational Enterprises.

### PRI – The 6 Principles for Responsible Investment

The Principles for Responsible Investment were developed by an international group of institutional investors reflecting the increasing relevance of environmental, social and corporate governance issues to investment practices.

-  We will incorporate ESG issues into investment analysis and decision-making processes.
-  We will be active owners and incorporate ESG issues into our ownership policies and practices.
-  We will seek appropriate disclosure on ESG issues by the entities in which we invest.
-  We will promote acceptance and implementation of the Principles within the investment industry.
-  We will work together to increase our effectiveness in implementing the Principles.
-  We will report on our activities and progress towards implementing the Principles.

Each scorecard is made up of up to 20 indicators covering the key issues of the asset class. For example, land use and biodiversity are key issues for new developments, while water and energy consumption and the involvement of tenants in sustainable building operations are central topics for investments in existing properties.



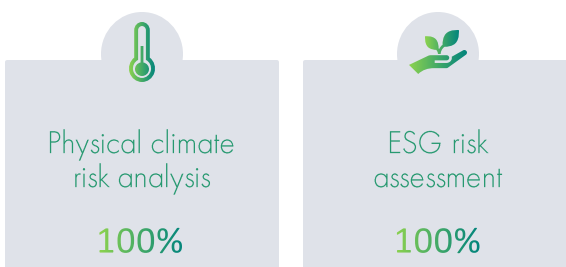
ESG Scorecard

The scoring system ranges from 0 points, which indicates no sustainability activities or lacking information, to 100 points, which represents best practice. The scorecards allow us to quantify and compare the sustainability profiles of assets prior to purchase. After purchase, they help us to develop and document the sustainability performance of the assets over the life of the fund. Particularly for funds with a value-add strategy, the analysis and integration of ESG elements is an important contributor to the value of the properties.

A standard part of our ESG risk analysis is an assessment of the physical climate risk exposure of the location, i.e., the potential threat to the site from flooding and the increase in extreme weather events such as storms or heavy rainfall.

### Assets in DLE fund portfolios

31.12.2022



## Developments in DLE Funds 2022

The land development funds refined their approach to ESG risk management by replacing checklists with more comprehensive scorecards that enable fund managers and investors to track performance during the development of building projects.

The funds investing in existing properties negotiated green clauses in leases to facilitate the sharing of resource consumption data and to integrate more sustainability aspects into property management. One fund began installing meters in all properties to collect and share monthly resource consumption data to help tenants better manage their consumption.

The pipeline of new funds consists entirely of ESG funds, which incorporate binding ESG criteria into their investment strategies. These include a low-carbon fund that will exclusively finance renovation and construction projects in line with the 1.5° C global warming target of the Paris Agreement.

## ESG Strategies of DLE Funds

Since March 2021, the EU's Sustainable Finance Disclosure Regulation (SFDR) requires all funds to be categorised as either

- 1) mainstream funds (under Article 6),
- 2) ESG funds that incorporate binding environmental and/or social criteria (under Article 8) or
- 3) sustainable funds that pursue an environmental or social objective and meet the EU's definition of sustainable investments (under Article 9).

### 1) Mainstream Funds (Article 6)

As at 31 December 2022, the DLE fund portfolio includes four land development funds which have not defined binding sustainability criteria, but which use an ESG scorecard to assess relevant ESG risks and opportunities and manage them in project development. Three of these funds have already been closed and only one is still being marketed.

## Carbon Net Zero in Bad Vilbel

Also mainstream funds are seizing the opportunity to create value opportunities offered by embracing sustainable development. For example, one DLE fund is invested in a plot in Bad Vilbel, where the new development strives for 100% fossil-free heating and cooling supply. This contributes to climate protection and also offers low energy costs and immunity to rising CO<sub>2</sub> prices.



Project Phyll, Bad Vilbel

### 2) ESG Funds (Article 8)

Our business lines have launched and now advise four ESG funds under Article 8 SFDR. The funds invest in the asset classes logistics, senior living, land development and mezzanine financing for real estate projects.

Formal exclusion criteria give investors the assurance that investments are not made in socially or environmentally controversial assets such as petrol stations, casinos, tobacco or arms factories. As part of the investment screening process, potential fund investments are assessed against an ESG scorecard and must meet a minimum score as defined in the investment strategy. Value-add funds, which seek to add value to properties over the life of the investment, typically have an additional portfolio level target to be achieved over the life of the investment.

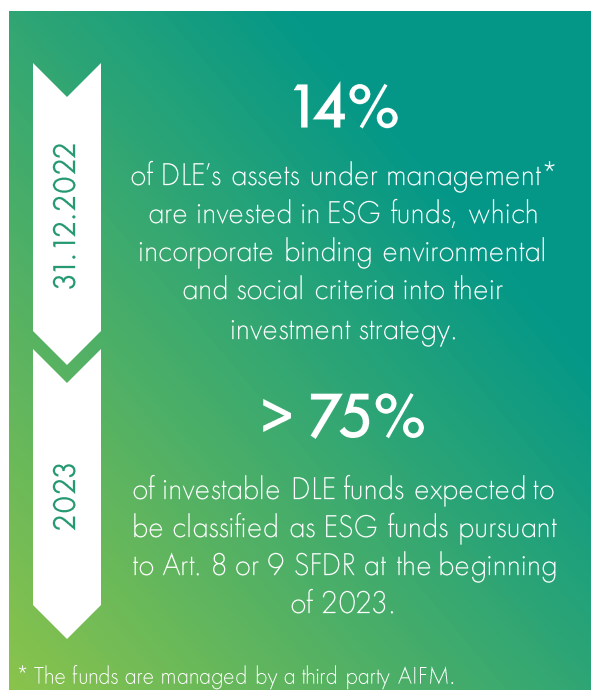
Third parties linked to the investments such as loan recipients, senior home operators and property managers are continuously

monitored for violations of fair business practices, environmental regulations, and labour and human rights. Should an incident occur during the term of the fund, the funds are committed to working towards minimising damage or avoiding similar violations.

New DLE funds already have incorporated the concept of Principal Adverse Impacts (PAI), which was introduced by the EU Disclosure Regulation 2021 and specified in the course of 2022. These funds collect performance data on certain specified risk factors (PAIs) in order to identify potential adverse impacts of their investments and, where possible, take action to mitigate actual adverse impacts. Older funds collect central PAI data internally on a voluntary basis in order to be able to make the data available to investors.

### 3) Sustainable Funds (Article 9)

In 2022, DLE Capital has been working on a sustainable fund which will commence in 2023 to finance real estate projects that are consistent with the 1.5° C target of the Paris Climate Agreement and fulfil additional requirements regarding energy efficiency and embodied carbon. The fund will provide senior financing for major renovations of existing buildings and construction of new buildings.



## Overview of DLE ESG funds

The ESG funds according to Art. 8 or 9 SFDR invest primarily within Germany and are not aimed at retail investors but at institutional investors and family offices. The funds are managed and administered by an Alternative Investment Fund Manager (AIFM) and are advised and supported by DLE business units.

DLE Business Unit	DLE Capital	DLE Living	DLE Logistics	DLE Land Development	DLE Capital
Asset class	Mezzanine Debt	Senior Living	Logistics & Light Industrial	Land Development	Senior Debt (from 2023)
Investment focus	Mezzanine financing for construction/ real estate projects	Properties for senior care and assisted living	Logistics properties including light manufacturing	Land for real estate projects in Germany	Senior financing for real estate projects in Germany
Classification (SFDR)	Art. 8	Art. 8	Art. 8	Art. 8	Art. 9

## Transparent ESG Reporting

The quarterly reports of the ESG funds pursuant to Art. 8 include detailed evaluations of the ESG scorecards as well as the results of the quarterly controversy check on potential violations of human and labour rights, fair business practices and environmental standards. The reports also provide information on actions taken to improve the sustainability profile of investments.

The EU Sustainable Finance Disclosure Regulation requires all annual reports from the

2022 reporting year onwards to include an ESG annex showing the extent to which the objectives set out in the investment strategy have been achieved. Our Art. 8 funds have already published datasets for 2021 on some of the planned topics to enable year-on-year comparisons.

In addition to the regular reports, Investors can find details of the investment strategies, the scorecard methodology and underlying data sources on the investor portal.

**PORTFOLIO – ESG SCORECARD**

**RESULTS OF THE ESG ANALYSIS PER INVESTMENT\***

INVESTMENT DATA	LEVEL OF THE PROJECT DEVELOPMENT / COMPANY STATUS*	LEVEL OF THE BUSINESS / OPERATING SECTOR*	CONFLICT AND VIOLATION**
ENVIRONMENTAL	MEASUREMENT OF ENVIRONMENTAL	MEASUREMENT OF SOCIAL AND GOVERNANCE	ENVIRONMENTAL PERFORMANCE
SCORE	SCORE	SCORE	SCORE

\* The controversy screening did not reveal any indications of violations or possible violations of international minimum standards in the areas of labor rights, human rights, the environment and good corporate governance in connection with the projects financed.

**NOTES**

1. Sustainability based on the ESG Scorecard

2. Evaluation of indicators related to the project development companies or company group

3. Assessment of indicators related to the project or investment project

4. Assessment of ESG projects on specific criteria (e.g. climate change, human rights, labor law, human resources, health and safety, sustainability in production) (where relevant) is supplemented by a separate score that is not included in the ESG Scorecard. (S) is assigned a score of 0-3, (M) is assigned a score of 4-6, (H) is assigned a score of 7-9.

NOTE: THE REPORTS REQUIRE ARE UNCLASSIFIED

**Annex**

**Periodic disclosure for the financial products referred to in Article 8**

**Environmental and/or social characteristics**

**Did this financial product have a sustainable investment objective?**

**Yes** / **No**

**What extent were the environmental and/or social characteristics promoted by the financial product used?**

The fund applied an ESG screening of all equities and restricted cash flows and to the extent of the fund's assets. The screening of equities of the assets is based on certain criteria. Negative and positive screening criteria are set out in the ESG, SRI, PRI and in the green building standards by GBC and BREEAM for the reporting period.

Indicator	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	
Carbon footprint	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

ESG scorecard results in the quarterly report

ESG annex in the annual report



# Stakeholders & Society

## Involving local communities and stakeholders

DLE Land Development advises funds on the acquisition of undeveloped land and the creation of value through the acquisition of planning rights and permits for new residential and commercial developments. As there is no one-size-fits-all approach to sustainability, planners regularly have to balance conflicting sustainability objectives: do we want to curb land use and conversion or better prepare cities for the impacts of climate change? Should urban residents move closer together to preserve ecosystems elsewhere? Is social housing or climate protection more urgent? The answers will differ from place to place. That is why it is important to work with local stakeholders to find sustainable solutions.

DLE Land Development seeks constructive dialogue with municipalities in the early planning stages, beyond the legal requirements. The planning team engages and involves residents and citizens in tailor-made participatory processes and workshops to identify local needs and lay the foundations for sustainable and attractive neighbourhoods.

### Portfolio advised by DLE Land Development

31.12.2022



#### Berlin I Fund

16 sites  
> 8,600 residential units in planning



#### Germany Fund

14 sites  
> 14,700 residential units in planning



#### Berlin II Fund

8 sites  
> 6,100 residential units in planning



#### Germany II Fund

In the inception phase



#### Geographic focus

Top 7 cities in Germany and the Berlin metropolitan region

A residential unit is equivalent to 70m<sup>2</sup> of gross floor area.



"Our society is facing enormous challenges in terms of climate, housing and social justice. With our core competencies in land and project development, we can successfully manage this comprehensive social transformation process together with the municipalities and create a framework for efficient and sustainable neighbourhoods."

**Dr. Simon Kempf**

Managing Director, DLE Land Development GmbH

"We have had very positive experiences with community dialogues and workshops in many local municipalities. We often set up tailor-made programs to find out where people's shoes pinch, what they would like to see, and where infrastructure is lacking. This includes aspects of traffic law, such as safe routes to school."

**Petra Müller**

Head of Conceptual Development and Communication,  
DLE Land Development GmbH



## EARLY AND TIMELY

### Lenningen

In the municipality of Lenningen, DLE Land Development launched the project development for the Scheufelen project with an open day in November 2022. More than 1,200 people visited the site of the former paper mill and provided valuable input for the development of the area. These will be taken into account in the further planning process.



Guided tour of the old Scheufelen paper mill

## TRANSPARENT AND DIGITAL

### Kerpen and Königs Wusterhausen

In autumn 2022, the citizens of Kerpen were invited to contribute their ideas for the development of a former industrial area and to comment on the concepts. 150 residents and interested parties took part in an on-site workshop, while others participated in an online dialogue. All comments and the results of two previous workshops with political and administrative representatives are available on a website. With online services like this, we are trying to broaden our reach and encourage more citizens to get involved.

In another project in Brandenburg, citizens were able to follow a project presentation via livestream from home and send questions and suggestions by email.



### ...Anregungen

**Grünzonen...Beitrag zum Arten- und Klimaschutz**  
18.10.2022 03:35 Grün- und Freizeum Ude  
Zunächst vielen Dank zu der gelungenen Infoveranstaltung in der Willy Bran...  
mehr lesen  
0 Kommentare 0 Unterstützungen 0 Ablehnungen

**HALLENPLAN SEIT 2015 VORHABENBEZOGENER B PLAN SI 368 SEIT 2018 IN BEARBEITUNG**  
17.10.2022 10:49 Wohnen Arbeiten und Leben: GuerkardbauromobilGmbH  
SEHR GEEHRTE DAMEN UND HERREN, WIR MÖCHTEN BITTEN EINE ERLÄU...  
mehr lesen

Comments posted on the website of the Kerpen project

## BALANCING INTERESTS

### Fürstenfeldbruck

In Fürstenfeldbruck, near Munich, DLE Land Development met with representatives of the administration, the city council and a neighbourhood initiative for planning mediation. In a total of three workshops, the participants examined their views, identified their concerns and agreed on the next steps. Small group discussions focused on traffic and housing concepts. Public participation will continue in 2023 with an online dialogue and other formats.



Workshop in Fürstenfeldbruck

## Empirical Social Research with the DLE Monitor

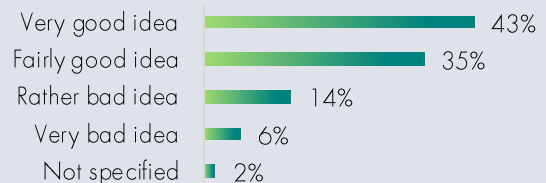
DLE Monitor seeks answers to the question of how Germans would like to live in the future. Using empirical social research methods, it generates reliable data from representative surveys. This allows deficits and undesirable developments to be detected at an early stage and for important impulses to be generated for the housing market. Comprehensive opinion polls on the general needs of the German population are supplemented by snap surveys, which reveal spontaneous reactions to current issues. More than 1,000 people across the country have already been asked about their housing situation and their wishes: whether their home is suitable for their age, where they would like to live in old age, what they think of the idea of a 15-minute city, what measures could help alleviate the housing shortage or what climate policy measures they support in the housing sector. DLE Monitor is carried out by Mentefactum, a company run by former Ennid managing director K.-P. Schöppner.

[www.dle-monitor.de](http://www.dle-monitor.de)

### 15-minute city

To keep distances short, protect the environment and save energy, a new trend in urban planning is emerging: the 15-minute city. Residents should be able to reach all important facilities in their neighbourhood within 15 minutes on foot or by bicycle. The result is less traffic, fewer emissions and more leisure time.

Of the 1002 respondents to the DLE Monitor, this was seen as ...



The 15-minute city concept is part of the planning for the Königsquartier project near Berlin

## Investors

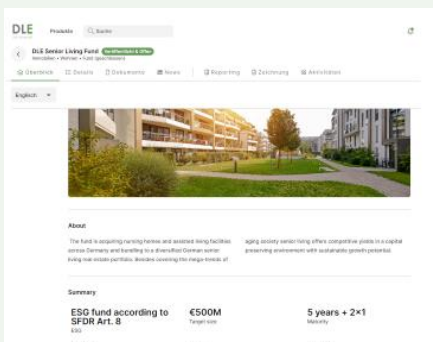
At DLE, we are committed to maintaining strong relationships with fund investors. We have a dedicated investor relations team in place to ensure that investors have all the information they need to make informed decisions.

### Transparent Information

One of the key ways we communicate with fund investors is through quarterly and annual reports, which provide comprehensive information on the funds' financial performance and key developments over the reporting period. In addition to financial information, social, environmental and governance (ESG) information has become much more important. In 2022, the funds expanded their data collection and reporting processes to give fund investors greater transparency into the fund's sustainability practices. We consider the EU Sustainable Finance Disclosure Regulation (SFDR) as a sound basic framework for reporting that we can build on in the future.

To further enhance access to information, we offer a digital investor platform. This platform provides easy access to all the fund information, including performance data, and documents, anytime and anywhere.

The DLE GROUP AG Platform provides high transparency of your investment and allows you to be more involved throughout the entire investment process.



Investor Platform

## Investor Day 2022

In September 2022, we hosted the annual DLE Investor Day in Berlin, giving investors the opportunity to meet face-to-face with the funds' advisory teams and learn more about the funds and their plans for the future. It was a day of good conversations and insightful presentations, including one on climate change.



Investor Day 2022



Investor Day 2022

## Society

DLE is committed to being a responsible corporate citizen that cares for society and supports local initiatives.

### Housing

Our business is addressing a major social challenge, the pressing housing shortage in German metropolitan areas. The funds launched by DLE Land Development are creating building rights for almost 30,000 residential units in and around Germany's largest metropolitan areas, where housing is urgently needed.

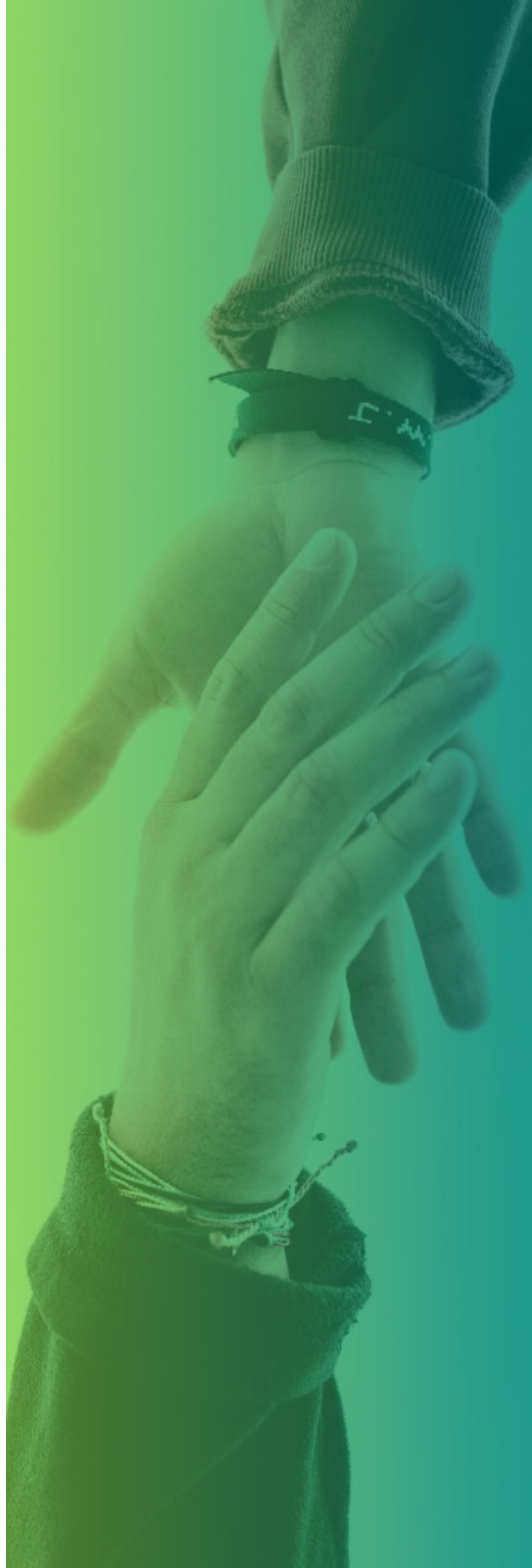
### Education and Qualification

DLE Land Development financially supports the real estate department (IREBS) of the University of Regensburg. As in the previous year, we offered IREBS students the opportunity to gain practical experience by working on a real-life property development as part of their practical seminar. This year, the students developed ideas for a residential development on an industrial brownfield site on the banks of the Rhine in Duisburg

At the Berlin site, we have commissioned the Lichtenberg workshops, which employ and qualify people with disabilities, with the shredding of our documents.

### Donations

In 2022, we donated EUR 4,600 to charity. The largest donation was made to Sonnenstrahl e.V., which supports children and young people suffering from cancer.



# Business Ethics & Compliance

## Code of Conduct

We believe that long-term business success can only be achieved through respect for social rules and fair business practices. This belief is reflected in a comprehensive set of policies that guide all DLE Group employees worldwide in their daily work.

The DLE Code of Conduct includes principles for dealing with conflicts of interest, confidential and personal data, prevention of money laundering and corruption, and competitive behaviour. Our social responsibility is reflected in our commitment to tax compliance and adherence to the UN Convention on Human Rights and the ILO Core Labour Standards, which prohibit child labour, forced labour and discrimination and ensure the right to freedom of association and collective bargaining.

## Organisational Structures

Organisational processes such as the dual control principle and approval regulations support compliance in day-to-day business to avoid legal and reputational risks.

An external compliance officer is available to employees to answer questions. He ensures that appropriate compliance structures are in place. He further conducts risk analyses, training and audits in conjunction with the relevant corporate units and reports regularly to the executive and supervisory boards.

## Reporting Violations

All employees can raise concerns about potentially illegal behaviour internally with their manager and report it to an external contact by phone, email or via a web portal. Reports are treated in strict confidence and can be made anonymously if desired. Our whistleblowing policy encourages employees to report concerns even if they are unsure whether their initial suspicions are relevant or accurate. Provided they report in good faith, all whistleblowers are protected from adverse treatment or disclosure of their identity.

## Awareness Raising and Training

Every year, our employees confirm, in writing, their compliance with the Code of Conduct and provide information on the value of gifts and entertainment. The response rate was 100% in 2022.

In addition, our external compliance officer conducts regular trainings. In 2022, employees from relevant departments and work areas attended a mandatory anti-money laundering training session, which covered the specific due diligence obligations at DLE in a practical way.

## Audits

In 2022, the Compliance Officer conducted a compliance audit, which included a review of documents, processes and interviews with employees. The audit confirmed the effectiveness of the compliance system. Minor recommendations were implemented in the short term. In addition, the subject of compliance was further emphasised when the executive board and DLE managers intensified the tone-from-the-top approach to raise employees' awareness of compliance in day-to-day business. We are further responding to our employees' requests for more practical support in the design of training and compliance materials.

## Data Privacy

To protect the personal data of investors, business partners and employees from unauthorised access, an external data protection officer assists us in implementing the extensive legal requirements. All employees receive annual e-learning training to refresh their data protection knowledge and must pass a test. In 2022, the training included guidance on how to implement data protection in the home office. Data protection training is also part of the onboarding program for new employees.

# Our guidelines for value-based action

## Core guidelines

1 DLE Code of Conduct

2 ESG Policy

## Thematic policies provide more detailed guidance on

1 Anti-corruption

2 Prevention of Money Laundering

3 Insider Trading

4 Conflicts of Interest

5 Data Privacy

6 Protection of Confidential Information

7 IT Security

8 Diversity and Inclusion

9 Whistleblowing

### Dealing with conflicts of interest

Our policy on conflicts of interest raises employees' awareness by identifying and describing areas of risk. Employees must report possible conflict situations or cases of doubt to the compliance officer who keeps a conflict register and will advise on the appropriate handling of the conflict of interest. Unavoidable conflicts of interest must be disclosed to business partners before business transactions are concluded. In practice, the "four-eyes principle" serves to avoid conflicts of interest, whereby two employees participate in important decisions and document the reasons for the decision.

### Anti-corruption

Our policies set monetary limits on the giving or receiving of non-cash benefits such as gifts, entertainment, invitations to events, or special discounts. A checklist helps employees decide whether a gift or entertainment is permissible. In the case of public officials, the compliance officer must always be involved.

At the Berlin site, incoming Christmas gifts were "depersonalised" by collecting them and entering them in a raffle among all employees.

## Cybersecurity

In the digital age, cyber security is becoming increasingly important. We protect ourselves against cyber threats with an effective technical infrastructure that we keep up to date and expand. We also use real-life examples to make our employees aware of phishing scams. Nevertheless, there was a phishing attack in 2022 which resulted in phishing emails being sent to contacts from a DLE account. DLE's technical security measures contributed to limiting the damage. DLE has

informed those affected and is not aware of any damage.

## Outlook

We plan to extend the compliance module in the onboarding process for new employees in 2023. Also, on our agenda is a review of the ESG and compliance requirements for our business partners, including the underlying implementation procedures.

## Incidents 2022

Area (GRI disclosure)	Number and type
Confirmed incidents of corruption and actions taken (GRI 205-3)	0
Legal actions for anti-competitive behavior, anti-trust, and monopoly practices (GRI 206-1)	0
Incidents of non-compliance concerning marketing communications (GRI 417-3)	0
Substantiated complaints concerning breaches of customer privacy and losses of customer data (GRI 418-1)	Several email-addresses of business contacts were affected by a phishing incident. The incident was reported to the competent authority and did not entail any further consequences.





# Our Employees

## Working at DLE

We prioritise the well-being and development of our employees as key aspects of our sustainability strategy. A motivated and committed workforce is key to our long-term success. We aim to create a positive and supportive environment that promotes productivity, values diversity and treats everyone with respect.

## Health and well-being

Our offices are ergonomically equipped with height-adjustable desks and dual monitors to help prevent musculoskeletal disorders. Prevention was also the focus of a health and safety training session for our German location, which included advice on how to stay healthy while working from home.

As part of our health management, all electrical appliances in Berlin were tested for fire safety in 2022. Trained first-aiders and fire safety assistants are present in the Berlin office in the event of an emergency. To protect our employees from infectious diseases, meeting rooms and many offices are equipped with air filters, disinfectant sprays and masks. Our

sickness rate of 4.7% in Germany in 2022 is in line with the national average for financial services companies. There were no work-related accidents in 2022.

To promote well-being in the workplace, fresh fruit, small snacks, mineral water, fruit juices, various teas, and coffee are always available at the Berlin office. DLE also supports physical activities and provided T-shirts for colleagues taking part in the Berlin company run.

## Work-life balance

Work-life balance and flexibility are important for maintaining a healthy and productive lifestyle, allowing individuals to effectively manage their professional and personal responsibilities. To support our employees, we offer an emergency childcare service in Berlin, for example, when the kindergarten is closed. We do not set standard working hours for everyone, but trust our employees and team leaders to balance the demands of the position with individual needs. 12% of our team work part-time at their own request.



DLE also offers the opportunity to work from home. Furthermore, DLE introduced the option of sabbaticals in 2022, with the length depending on years of employment.

### Fair working conditions

We ensure fair and stable employment by giving preference to permanent contracts and offering part-time employees the same benefits and opportunities as their full-time colleagues. In 2022, there was only one employee on a temporary contract. All employees have guaranteed working hours.

### Career development

The real estate industry is undergoing significant change driven by digitalisation and sustainability, among other factors. We therefore place a high priority on training and development to keep our knowledge up to date. At the end of 2022, at our German locations, we launched a structured process with concrete time and cost budgets for orientation. The new framework emphasises the importance of continuing education at DLE and provides transparent information about the opportunities available. It also provides the basis for monitoring the level of training and development activities in the coming year.

In 2022, team leaders attended a two-day leadership seminar to learn a practical approach to leadership and discuss leadership concepts as well as employee satisfaction and motivation. The participants also had time to share their experiences, which was very well received.

DLE offers paid internships every year. At the end of the year, in addition to the interns, there were two students on cooperative education programmes and one trainee working in various departments in Berlin, from accounting to the funds team.

### Diversity and collaboration

We believe that teams of people with different personalities, backgrounds, experiences, and ages are best suited to meet new work challenges and drive innovation.

Our DLE team is made up of people from 18 different nationalities, with a slight over-

representation of men. Although we are a young company with many young employees, we also regularly hire candidates over 50 (17% of new hires in 2022).

English has meanwhile been established as a second working language at our German sites. But bringing our diverse workforce together successfully requires more than a common language - it requires a value system that promotes mutual respect and teamwork. Our bonus system therefore links bonus payments to adherence to four key values: teamwork, mutual respect and appreciation, trust, and professionalism.

Our employees in numbers				
Headcount as at 31.12.2022				
	Female	Male	Diverse/un-disclosed	Total
Employees	39	54	0	93
Permanent contract, full-time	32	49	0	81
Permanent contract, part-time	9	2	0	11
Fixed-term contract				1
New hires	15	21	0	36
Employees on parental leave	1			1
Self-employed in DLE offices	2	7		9
Trainees and interns	2	5	0	7

Self-employed freelancers and contractors work in administrative areas such as IT administration and project management in the Berlin and Warsaw offices. Trainees and interns are also primarily located in our Berlin office.

## Women at DLE

**40%**

Supervisory Board

**20%**

Executive Board

**44%**

Group

**43%**

Management

**42%**

New Hires

## Employee distribution

Berlin

**74**

Switzerland

**6**

Frankfurt

**5**

Leipzig

**4**

Singapore

**3**

Poland

**1**

Headcount as at 31.12.2022

Another driver for effective cooperation and personal motivation is the perception of equal opportunities. Women in particular are still often disadvantaged in their careers in German companies. As a member of the network for the promotion of women in leadership positions (Frauen in Führung, FIF), DLE is promoting change. At DLE the proportion of women in the workforce is also reflected in management positions. Last but not least, DLE was led by a woman as CEO until we introduced dual leadership with equal gender representation in October 2022.

Our Diversity and Inclusion Policy clearly prohibits discrimination on the basis of personal characteristics and sets out the responsibilities of employees and managers. However, if someone feels harassed or discriminated against on the basis of their personal characteristics, in addition to speaking to their manager, they can contact a confidential or anonymous external whistleblowing hotline.

Our team continued to grow significantly in 2022, which meant that many processes and roles were reorganised or expanded. A challenge in such growth processes is to adapt communication to the new structures and to ensure an effective flow of information. We therefore introduced new formats such as a town hall, where the management informs all employees about current developments and answers questions.

Several company events were held to promote team spirit. For instance, in September, our Berlin colleagues demonstrated their creativity and team spirit by building and racing soapboxes.



Our Berlin team present and test green mobility options at a team event in 2022.



# Environmental Performance

## Berlin

Approximately 80% of our employees work at our headquarters in the city center of Berlin, which has excellent public transport links. DLE contributes to the cost of a public transport ticket to encourage environmentally friendly commuting. At year end, 14% of the Berlin team had taken advantage of the city job ticket.

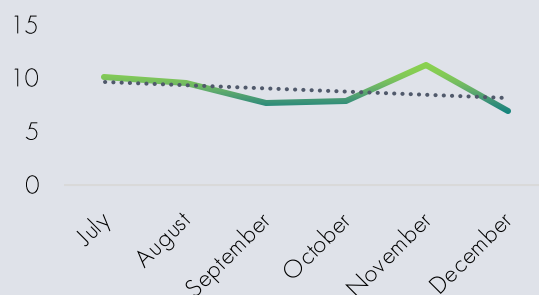
Our office is supplied with district heating, which has significantly lower greenhouse gas emissions (7.1g/kWh in 2021) than natural gas. The certified green electricity for our offices comes from solar and wind farms operated by citizen-owned energy cooperatives.

Our energy and water consumption has increased in absolute terms in recent years due to the expansion of our team, but energy and water consumption per employee have been decreasing. We plan to move to a more energy efficient office building in 2023.

To reduce waste, we minimise the use of disposable products such as paper cups in office kitchens and use reusable items, including returnable bottles. We have also raised awareness of how to recycle waste properly and print less. Our office team is increasingly choosing environmentally friendly alternatives when purchasing office supplies, such as those with organic labels. We aim to continue and increase our efforts in 2023.

Our daily print volume per head decreased slightly since we started tracking our paper use in July 2022. We used slightly more paper in absolute terms as our team continued to grow. Our average monthly consumption was 74kg of paper in the second half of the year. We have identified potential savings from moving to digital tools and multi-page printing. The environmental impact can be further reduced if we succeed in reducing the share of colour printouts (2022: approx. 70%).

Paper prints per head per working day (Sheets A4)



## LEIPZIG

Our Leipzig office is located in a carbon neutral building. In 2022, almost 1.6 tonnes of CO<sub>2</sub> were offset for our Leipzig office.



## ZUG

Our Swiss office uses green electricity from Swiss hydro power and is committed to sustainable purchasing, including glass bottles, fair trade organic coffee and other organic products.



## WARSAW

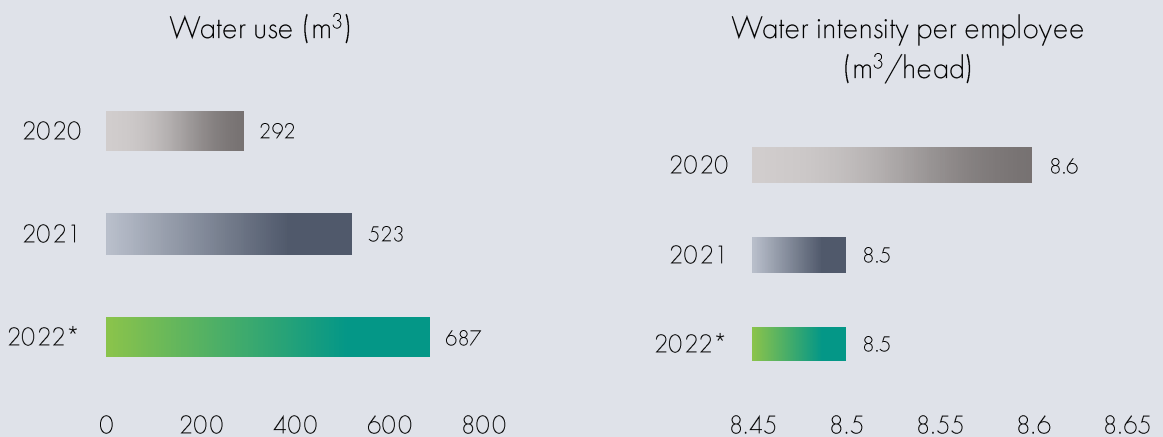
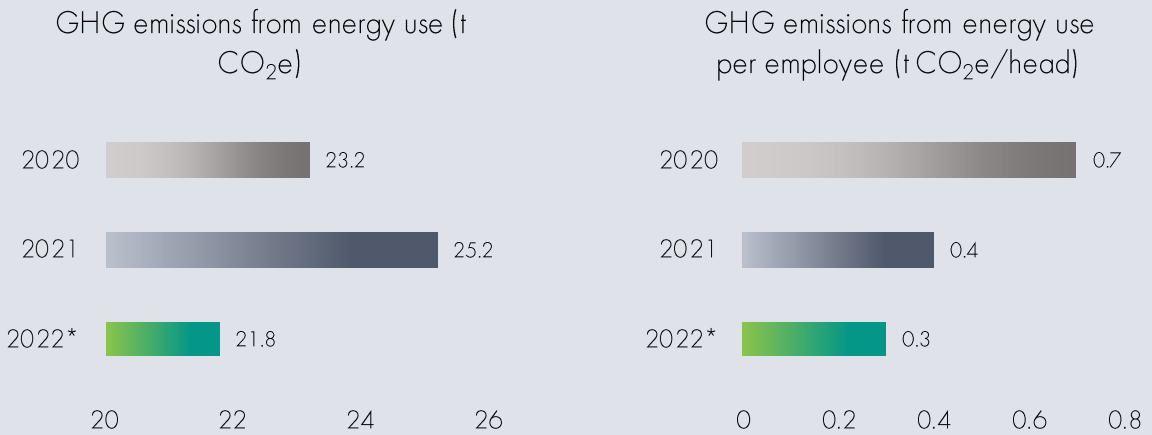
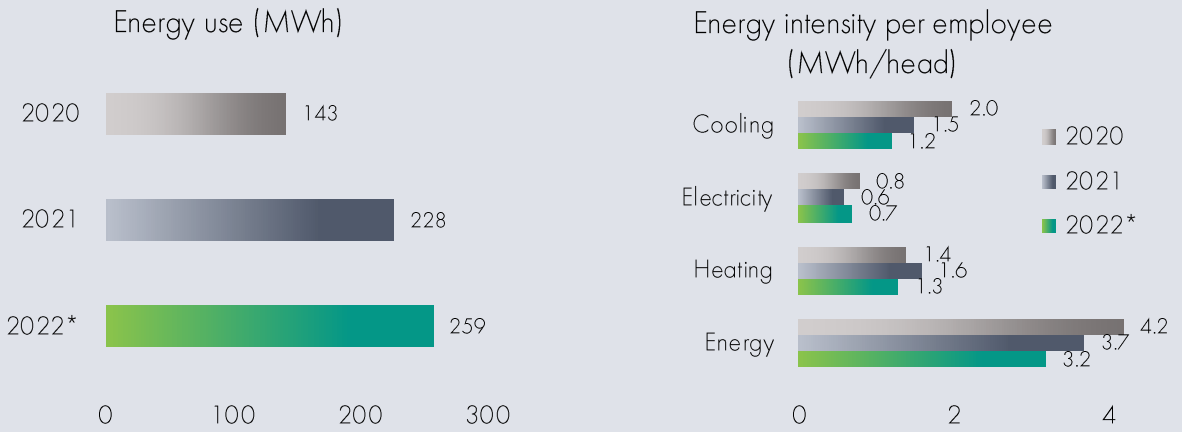
The Polish office is located in a co-working space that is particularly active in the area of waste prevention and recycling. It runs many initiatives, for example on food waste, and offers recycling and repair services.



## SINGAPORE

Our Singapore office is housed in a BCA Singapore Green Mark Platinum certified building. Our team uses public transport for 80% of their commute.

### Resource consumption and emissions (Berlin)



\*Consumption data for 2022 was not available at the time of writing and was estimated based on previous years' consumption data, employee growth and resource consumption patterns.

When interpreting the data, it should be considered that the number of employees and the office space increased significantly at different stages during the period 2020-2022.

# CO<sub>2</sub> Footprint

At the UN Climate Change Conference in Paris in December 2015, 197 countries reached a global climate agreement. They agreed to limit the global temperature rise to well below 2° C, ideally to 1.5° C. The subsequent analyses by the Intergovernmental Panel on Climate Change (IPCC) of the observed and expected changes in the climate system and their consequences for nature and society underline the need for action. The increase in weather and climate extremes is already leading to partially irreversible consequences. DLE supports the Paris Agreement and we will take measures to reduce our greenhouse gas emissions with the aim of becoming carbon neutral by 2045.

As a first step, we started measuring our carbon footprint in 2022. The focus was on our direct business activities, in particular energy and electricity consumption in our offices and business travel. We found that business travel accounts for a large proportion of our greenhouse gas emissions and that our company car fleet also has significant potential for reduction.

As a next step, we plan to refine the carbon footprint using software tool to include other relevant items and fill data gaps. For example, we currently only include travel to work in company cars, but not commuting by private or public transport. We will then use this refined data to set achievable milestones and develop an action plan.

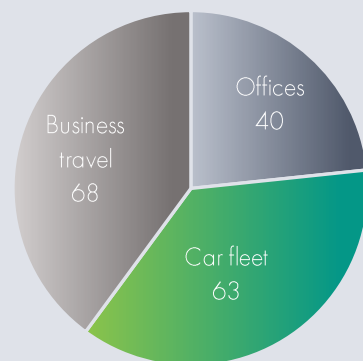
## Business travel

To reduce the environmental impact of business travel, we have revised our travel policy this year to include environmental considerations. This includes a review of travel needs and the use of rail for journeys of less than four hours.

In 2022, 12% of the kilometres travelled by our employees on business trips were by train, causing only 0.1% of the greenhouse gas emissions from business travel, as Deutsche Bahn is almost climate neutral and uses green electricity. Almost all greenhouse gas emissions from business travel stem from air travel (95%).

An analysis of our flight routes shows a reduction potential of up to 10%, e.g., if we use trains to travel to further destinations in Germany.

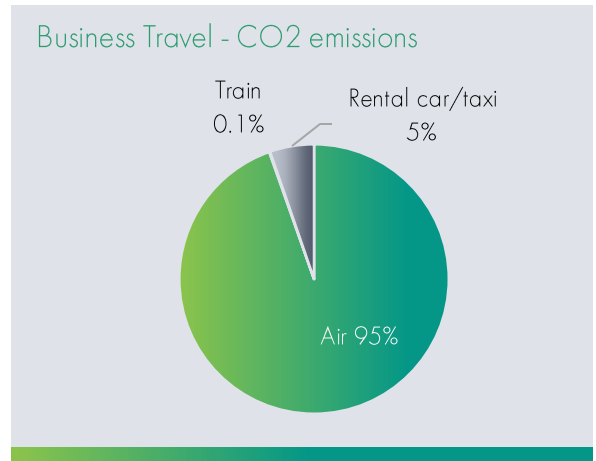
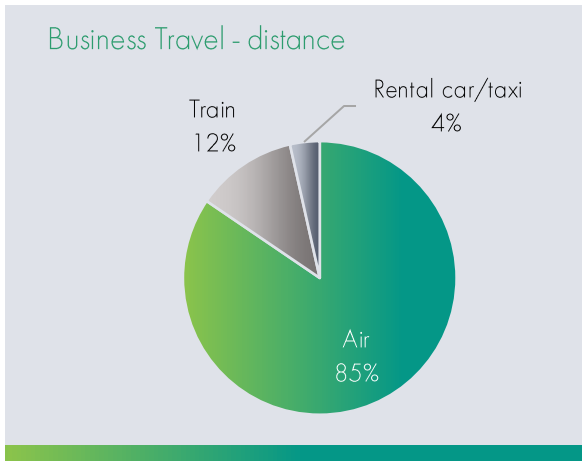
## Our greenhouse gas emissions in 2022 (in t CO<sub>2</sub>e)



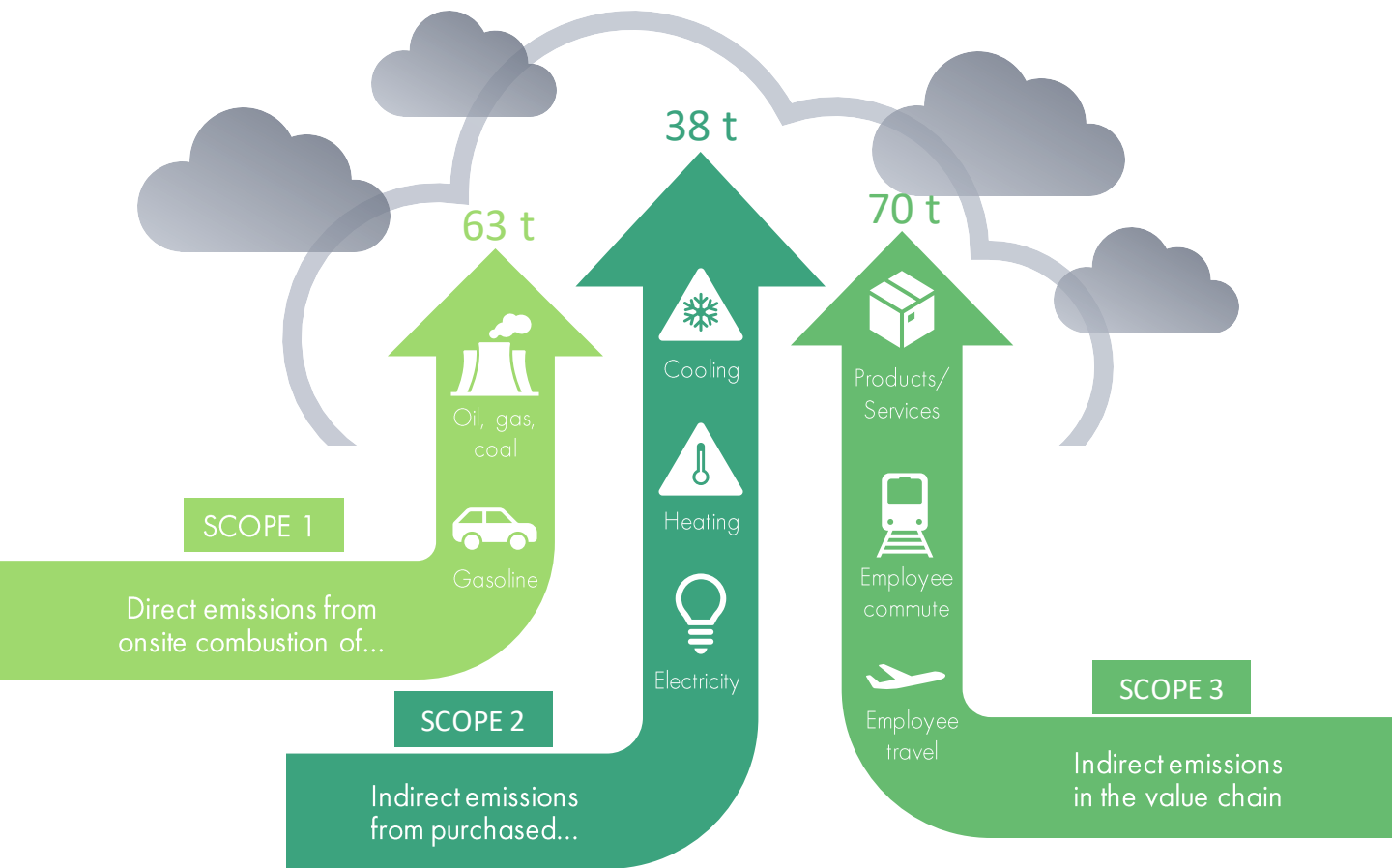
171 t CO<sub>2</sub>e

### Methodological note

Our greenhouse gas emissions were calculated using tools based on the Greenhouse Gas Protocol, applying national emission factors where specific emission factors were not available. The footprint includes Scope 1 emissions from our vehicle fleet in Germany and Scope 2 emissions from purchased heating and electricity for approximately 90% of our office space. Where 2022 data was not yet available or not complete, we made estimates based on data from previous years or projected annual data based on partial records. Our scope 3 emissions are currently limited to business travel excluding commuting. Emissions related to paper consumption have only been calculated for the Berlin office.



## Greenhouse gas emissions – Scope 1, 2 and 3



## Greenhouse gas emissions from DLE-initiated funds

Much larger than our corporate greenhouse gas emissions are those of the funds initiated and advised by the DLE companies. We plan to gradually record these emissions for information purposes from 2023, although they will not formally be part of DLE's greenhouse gas inventory due to the structure of our business. Generally, we would expect the

majority of emissions to come from those funds that invest in properties rented to senior living providers and companies involved in logistics or light industrial activities. Typically, land development funds, which invest mainly in undeveloped or unused land, are by their nature relatively low in greenhouse gas emissions.



# GRI Content Index

Statement of use DLE Group AG has reported the information cited in this GRI content index for the period 1.1. -31.12.2022 with reference to the GRI Standards.

GRI 1 used GRI 1: Foundation 2021

STANDARD	DISCLOSURE	LOCATION
GRI 2: General Dis-closures 2021		
2-1	Organizational details	P. 2, 5-6
2-2	Entities included in the organization's sustainability reporting	P. 2
2-3	Reporting period, frequency and contact point	P. 2
2-4	Restatements of information	This is DLE Group AG's inaugural report.
2-5	External assurance	This report has not been externally audited.
2-6	Activities, value chain and other business relationships	P. 5-6
2-7	Employees	P. 25-28
2-8	Workers who are not employees	P. 26
2-9	Governance structure and composition	<a href="https://www.dle.ag/team/">https://www.dle.ag/team/</a>
2-11	Chair of the highest governance body	<a href="https://www.dle.ag/team/">https://www.dle.ag/team/</a>
2-13	Delegation of responsibility for managing impacts	P. 8
2-22	Statement on sustainable development strategy	P. 8-10, 13, <a href="#">ESG Policy</a> , <a href="#">Responsible Investment Policy</a>
2-23	Policy commitments	S. 22-23, 13, <a href="#">ESG Policy</a> , <a href="#">Responsible Investment Policy</a>
2-24	Embedding policy commitments	P. 9-10, 22-23, <a href="#">ESG Policy</a> , <a href="#">Responsible Investment Policy</a>
2-26	Mechanisms for seeking advice and raising concerns	P. 22
2-27	Compliance with laws and regulations	P. 22-24
2-28	Membership associations	P. 7
2-29	Approach to stakeholder engagement	P. 17-20, 8-12
2-30	Collective bargaining agreements	0%

STANDARD	DISCLOSURE	LOCATION
GRI 3: Material topics 2021		
3-1	Process to determine material topics	P. 10-11
3-2	List of material topics	P. 11
3-3	Management of material topics	P. 8-10
GRI 205: Anti-corruption 2016		
205-2	Communication and training about anti-corruption policies and procedures	P. 22-24
205-3	Confirmed incidents of corruption and actions taken	P. 24
GRI 206: Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	P. 22-24
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	P. 30
302-2	Energy intensity	P. 30
GRI 303: Water and Effluents 2016		
303-5	Water consumption	P. 30
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	P. 30-32
305-2	Energy indirect (Scope 2) GHG emissions	P. 30-32
305-3	Other indirect (Scope 3) GHG emissions	P. 31-32
305-4	GHG emissions intensity	P. 30-32
305-5	Reduction of GHG emissions	P. 31-32, 10
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	P. 26
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	P. 25-26
401-3	Parental leave	P. 26. Return Rate 2022: 100%

STANDARD	DISCLOSURE	LOCATION
GRI 403	Occupational Health and Safety 2018	
403-1	Occupational health and safety management system	P. 25
403-2	Hazard identification, risk assessment, and incident investigation	P. 25
403-3	Worker training on occupational health and safety	P. 25
403-8	Workers covered by an occupational health and safety management system	Germany (> 80% of the workforce), p. 25
403-9	Work-related injuries	No work-related injuries were recorded at our German office locations in 2022.
403-10	Work-related ill health	No work-related illnesses were recorded at our German office locations in 2022.
GRI 405	Diversity and Equal Opportunity 2016	
405-1	Diversity of governance bodies and employees	P. 26-28, <a href="https://www.dle.ag/team/">https://www.dle.ag/team/</a>
GRI 406	Non-discrimination 2016	
406-1	Incidents of discrimination and corrective actions taken	No incidents of discrimination were reported in 2022.
GRI 413	Local Communities 2016	
413-1	Operations with local community engagement, impact assessments, and development programs	P. 17-19
GRI 417	Marketing and Labeling 2016	
417-3	Incidents of non-compliance concerning marketing communications	P. 24
GRI 418	Customer Privacy 2016	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	P. 24

**DLE**

DLE Group AG

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