



# **SUSTAINABILITY REPORT**

2022/2023



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**Sustainability is an issue that concerns everyone. We therefore see it as one of our foremost tasks to use essential resources in a careful and well-planned manner. We want to act as a role model with a clearly defined position in ESG matters. Both dedicated and highly qualified, our team is keen to face the ever-growing daily challenges in the area of sustainability.**

Annegret Sittner,  
Sustainability  
Management Officer



# Content

|   |       |
|---|-------|
| Foreword .....  | 4     |
| GPEP at a glance .....  | 5     |
| The GPEP Sustainability Team .....                                      | 6     |
| Stakeholder dialogue & engagement .....                                 | 7     |
| Environment .....   | 8-9   |
| Social .....  | 10-11 |
| Governance .....  | 12    |
| Climate protection alliance between tenants, investors and managers ... | 13    |





# Foreword

Against the background of the ever-increasing challenges posed by the climate crisis, we at GPEP are committed to contributing to the decarbonisation of the real estate industry. Accounting for almost 40 per cent of all global CO<sub>2</sub> emissions, this sector – including food-anchored retail properties – represents an enormous potential for the reduction of harmful emissions. Since its establishment in 2014, GPEP has been committed to its mission of creating sustainable value through our investments. What's more, we have been consistently exceeding regulatory transparency requirements.

The strong performance of our real estate assets over many years confirms that we are on the right track.

In future, economy and ecology must go hand in hand to form an integral part of the future strategy of our industry, even in the face of changing markets with higher interest rates and falling property prices. As an asset and investment manager, we are no longer judged solely on our financial successes but also by the contributions we make to the synergies between business, environment and society. As management, we see great potential in the realisation of the energy system transformation. We take part in both national and international climate initiatives, continually track our ecological footprint and invest in the continuing education of our employees and ourselves.

Efficient regulatory framework conditions for the further expansion of photovoltaic installations for small and medium-

size real estate companies, along with the resulting energy efficiency gains, entail a huge potential for achieving climate neutrality. This brochure outlines the status quo of our sustainability activities and our understanding of corporate citizenship and, most importantly, how we put our responsibilities into practice. Environmental, social and governance (ESG) factors form an integral part of our corporate strategy, which is geared towards the needs and requirements of our stakeholders.

Our employees are our most important resource and are the decisive factor in achieving a sustainable future. With this in mind, we do everything in our power to create a working environment that is highly innovative, motivating and empowers our employees while at the same time investing in systematic ongoing development.

## **Our understanding of sustainability**

GPEP's values and our understanding of a holistic approach that covers the entire life cycle as well as all levels of the value chain of sustainable long-term real estate investments, together with our responsibilities as a corporate citizen, form the foundation of everything we do. ESG is an integral part of our thinking. This means that we set ourselves systematic targets as part of our sustainability commitment. As a result, we are optimally positioned to take all necessary steps in the years to come to ensure that GPEP is an increasingly vital part of the solution for climate change.



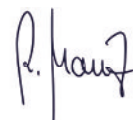
Jörn Burghardt



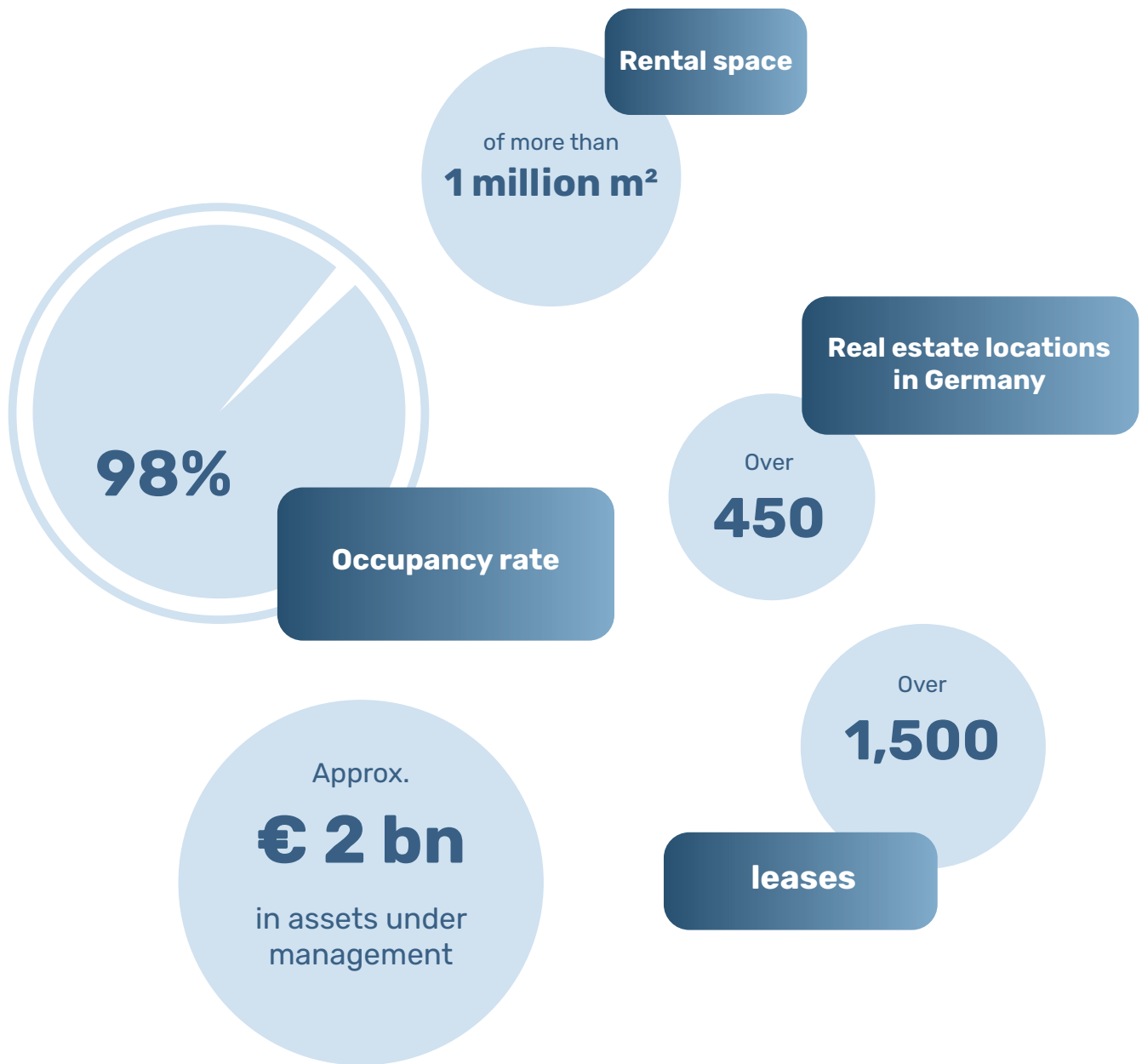
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Herwart W. Reip



Ralf Mauz



## GPEP at a glance

GPEP GmbH focuses on the asset and investment management of supermarkets as well as retail parks with food retailers as anchor tenants. The real estate properties we manage, and their tenants, are an essential element of Germany's economy, as they ensure the provision of basic food supplies. As an independent owner-operated real estate management company with a dedicated team of around 90 real estate and investment specialists,

GPEP offers a wide range of services across the entire value chain of retail property investments. Our integrative management approach covers acquisition and transaction management, financing, research, fund management, asset management, property management, risk management and sales. Close cooperation and cross-departmental collaboration increase efficiency and optimise our investment success. Since its establishment in 2014, GPEP has created a portfolio of 450 real estate properties, currently valued at around EUR 2.0 billion.

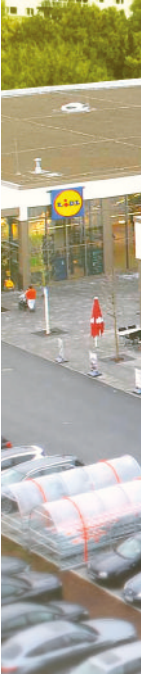
GPEP's senior management is responsible for the company's sustainable development, with ESG topics falling under the portfolio of our Managing Director, Jörn Burghardt.

Sustainability Management Officer Annegret Sittner oversees the Group's ESG projects and reports to senior management. Meeting on a regular basis, ESG working groups define both the strategic orientation and sustainable goals in consultation with senior management. Progress is regularly tracked and our goals are adjusted whenever necessary.

An interdisciplinary ESG Task Force assists in the operative implementation of sustainability projects. This task force is comprised of five employees from

different departments who share the responsibility of working on ESG topics. Our Sustainability Management Officer is responsible for fund-related ESG monitoring and reporting. We monitor the ecological, social and economic implications of our actions across the entire value chain.

We are continuously looking for new ways to further develop our sustainability strategy. To this end, we maintain a regular dialogue with our stakeholders – tenants and investors in particular. Our goal is to operate our business in a way that minimises impact on the environment and maximises positive effects on society.



## GPEP Sustainability Team

### The Team's key tasks:

Development of sustainability strategy

Definition and review of ESG goals

Management and implementation of ESG projects

Stakeholder dialogue, monitoring and reporting



**Jörn Burghardt**  
Managing Director



**Annegret Sittner**  
Sustainability Management Officer



**ESG Task Force**  
(5 employees from different departments)



## Stakeholder dialogue & engagement

Controlling ESG risks and improving the ESG performance of real estate properties is a long-term process that requires close interaction between our internal and external stakeholders. We rely on an open dialogue with investors, tenants, business partners, society at large as well as many other stakeholders to develop feasible sustainable solutions and overcome future challenges.

Our commitment and the exchange with stakeholders largely take place in the form of industry initiatives to identify best practice standards for ESG management and ESG reporting and to jointly work on developing these standards further.

Since 2021, we have been taking part in the Global Real Estate Sustainability Benchmark (GRESB) by including some of the real estate assets we manage. GRESB is the leading real estate and development benchmark for the assessment of the sustainability performance of real estate companies and real estate funds. This enables us to measure our ESG performance against accepted standards as well as our competitors and to derive optimisation measures.

Our membership in the ECORE (ESG Circle of Real Estate) initiative is an important platform for both exchange and dialogue. ECORE has 150 member companies from the areas of fund and asset management, project development and the banking industry, all of which are committed to developing a uniform industry standard to measure the sustainability performance of real estate portfolios. Our ECORE activities include active participation in working groups for local amenities and ESG due diligence to share our experiences and create new sector standards.

Our membership in the United Nations' PRI initiative (UN PRI) goes one step further: As a signatory, we are committed to the six principles for responsible investments. These principles entail the active implementation of ESG factors in the investment analysis and decision-making process. This also requires stakeholder dialogue to achieve greater sustainability in cooperation with our external stakeholders, such as tenants and service providers.

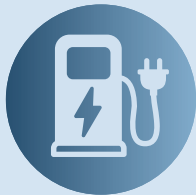


# Environment



## Climate-friendly corporate headquarters

In 2022, we re-located to the new office premises of our corporate headquarters, constructed from environmentally friendly building materials and fitted out with climate-friendly heating and ventilation as well as e- charging stations.



## Vehicle fleet with e-mobility

Our company car fleet is gradually being replaced with electric vehicles. We also offer e-bike leasing.



## Green energy for company headquarters

The energy needed to operate our company headquarters comes from renewable energy sources.



## ESG due diligence

Whenever we acquire new real estate, we perform an ESG due diligence and determine a minimum ESG scoring based on international benchmarking standards (GRESB/ECORE).





### **Data collection and data management**

Since 2021, a task force has been working on the collection of relevant ESG property data for our GRESB/ECORE benchmarking, e.g. regarding consumption of electricity, water and gas, as well as waste generation. We maintain a close dialogue with our tenants to obtain data for a substantial share of our portfolio.



### **ESG monitoring of managed real estate**

We continuously perform ESG scoring and benchmarking for the properties we manage, with the goal of developing recommendations for actions that gradually improve ESG conformity.



### **Climate protection embedded in our business plan**

The business plans for our fund properties systematically incorporate climate-improving maintenance and modernisation measures in consultation with our investors.



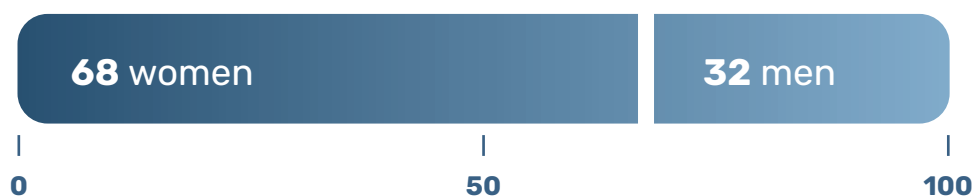
### **Sustainable investment funds**

GPEP's special AIF launched in 2022 was designed as an Article 8 Fund in accordance with the EU Sustainable Finance Disclosure Regulation. As such, this fund incorporates sustainability aspects in its investment strategy.

# Social



## Gender ratio among staff



### **Mobile working**

Our hybrid offer of sometimes working from home and sometimes in the office proved to be successful over the course of the pandemic and will continue to be offered in order to promote a good work-life balance.

### **Flexible working**

Our flexible working time models enable our staff to adjust their working hours to their individual personal situation.

### **Diversity and equal opportunities**

We offer our staff fair remuneration and equal opportunities in a respectful and supportive working atmosphere. At GPEP, all employees are encouraged to reach their individual potential, irrespective of age, gender, sexual orientation or other attributes.

### **Idea management**

Our employee suggestion scheme to improve processes and services is an integral part of GPEP's idea management approach.

### **Dialogue & feedback**

Annual anonymised staff surveys enable us to regularly gauge our appeal as an employer and establish action plans where needed.

### **Social engagement**

GPEP supports non-profit social organisations within the local community and close to the real estate properties we invest in. An annual social day for our employees is currently at the planning stage.

### **Health and occupational safety**

Going beyond what is legally required, GPEP is committed to ensuring the health and occupational safety of all its employees by offering courses on nutrition, free wellness food, sport activities and e- bike leasing.

### **Sponsoring and developing talent**

We have an above-average commitment to training and developing our junior employees. We also place great stock in systematically driving the professional and personal qualifications of our employees by offering comprehensive professional education and opportunities for further training.



# Governance

## Dialogue-oriented

We regularly report on our ESG activities, both to internal and external stakeholders. We maintain a regular dialogue with our stakeholders.

## Compliance

As a matter of course, we observe all statutory provisions. Our staff receive ongoing training in the areas of compliance, money laundering and data protection and are under an obligation to comply with all statutory provisions.

## Responsible and reliable

GPEP is a reliable partner. We conduct our business in a transparent and responsible manner.

## Avoidance of conflicts of interest

The interests of our clients are always at the forefront of our actions. We have taken appropriate organisational precautions for the early detection and prevention of any potential conflicts of interest.

## Sustainable finance

GPEP's corporate and fund financing has a conservative bias, with a focus on long-term sustainability.

## Regulated financial products

All investment funds launched by GPEP are subject to BaFin's supervisory rules and regulations regarding the approval of investments, combatting money laundering and the avoidance of conflicts of interest.





# Climate protection – sustained success through collaboration with our tenants

As an asset manager, GPEP focuses on the sustainable management of its real estate.

We define our ESG investment preferences in consultation with our fund investors. But it is, first and foremost, the tenants of our properties that have a major impact on our sustainability performance through their usage and ongoing operation of the buildings they lease.

We can only achieve our goal of improving climate compatibility and the overall ESG performance of all our properties, step by step, in coordination with the large retail groups among our tenants. The Covid-19 pandemic has emphati-

cally demonstrated just how vital the food retail sector is for society. Even during challenging times, the food retail groups fulfilled their role of ensuring the provision of basic food supplies. They were indispensable at all times. These companies and their staff did an amazing job under very difficult conditions and – quite rightly – enjoyed great public recognition.

The food retailing sector is aware of its responsibility and works continuously to increase the sustainability of the products they offer. As demonstrated by a listing of the climate change objectives of our major tenants, their sustainability focus is also on the usage and operation of real estate.



## EDEKA

By 2025, greenhouse gas emissions are to be reduced by 33.6 per cent compared to 2017.

## SCHWARZ



## Schwarz Group

All branch locations now solely use green power. By 2030, Kaufland and LIDL will reduce operations-related greenhouse gas emissions by 80 per cent compared to 2019.



## REWE Group

Reduction of greenhouse gas emissions by 30 per cent over the period from 2019 to 2030. Climate-neutral by 2040.



## ALDI

Green power at all branch locations. By 2025, reduction of operations-related greenhouse gas emissions at all branch locations by 26 per cent compared to 2016 (ALDI Süd) or 40 per cent between 2015 and 2021 (ALDI Nord).

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