

Branicks

Leading the way in shaping sustainability

Efficient. Successful. Genuine.

2023 Sustainability Report



A low-angle photograph of a modern, multi-story building with a glass and metal facade. The building features large windows and balconies with glass railings. Green trees are visible in the foreground and background, framing the building. A white diagonal line runs across the image, separating the sky from the building. The text 'green buildings' is overlaid on the left side of the image.

green buildings

Logistics and office properties with a green outlook.



renewable energy

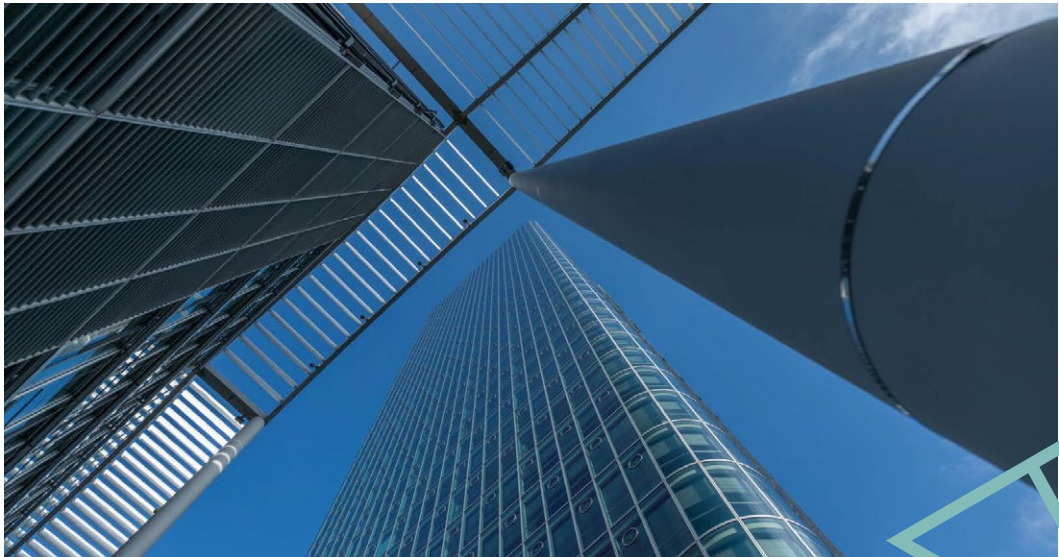
At the forefront of transformation.

A man and a woman are walking outdoors, smiling and engaged in conversation. The man is wearing a blue blazer over a light blue shirt and light-colored trousers. The woman is wearing a dark blue blazer over a white top and dark trousers. They are walking on a paved path with a modern building and lush green trees in the background. A large, stylized number '24' is visible in the upper left corner of the image.

smart people

An agile team with world-class expertise.

Contents



This interactive PDF file of our sustainability report has been optimised for use with Adobe Acrobat. Linked tables of contents ensure easy navigation. The following function buttons are available:

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Editorial

Sonja Wärntges, Chief Executive Officer



■ GRI 2-22

Dear Readers,

By reading this report, you are expressing an interest in the sustainable development of our company – and we are delighted and grateful for that! We have plenty of news to share with you from the past financial year, as you will discover in the following chapters and sections. This is partly due to the new business and social environment in which we find ourselves, one that is rapidly changing and making new demands of us. Yet we are also working hard to develop ourselves and our organisation to ensure we can fully exploit our innovation potential.

Sustainability is a wide-ranging and much-quoted term these days. At times, it seems as though it is compulsory to use it to justify every possible development and decision. Yet as usual, Branicks is following a different path. We published our first report on sustainable developments within our business more than ten years ago. Even back then, something that has since become crystal clear was already true: you can only report authentically on what you have seen – and lived through – yourself. With this in mind, we use this report to tell the outside world about what we “on the inside” have already done.

Sustainability is an integral part of our corporate strategy

Branicks is aware of its responsibility as the owner and manager of a large property portfolio. We also employ around 300 staff and,

last but not least, have an obligation to our shareholders as an incorporated company. This means our business touches on every aspect of sustainability – environmental, social and governance. We see this as a clear call to action to take active responsibility for the future. These sustainability issues are enshrined at the heart of our overall strategy. Our ESG profile provides a detailed review of our ESG organisation and established reporting channels. Each and every one of our employees is now well aware of the vital role that sustainability plays in our company’s success. Sustainable criteria are incorporated into almost every decision, affecting everything from individual LED lightbulbs to entire high-rise buildings. Sustainability is also a key factor in the performance of our properties. We see ourselves as a catalyst, trend-setter and driver of innovative ideas in our industry.

ESG at Branicks: analytical, methodical, verifiably successful

We have firmly embedded sustainability in our overall strategy, combining the three main aspects of sustainability – environment (E), social (S) and governance (G) – with digitalisation (D) to create our “ESG+D” approach. Among other things, this means using intelligent building technology such as heating and lighting management systems to optimise our energy consumption. Green and smart technologies go hand-in-hand here. Projects like this enable Branicks to play a leading role in the sustainable

“We see ourselves as a catalyst, trend-setter and driver of innovative ideas in our industry.”

transformation of our sector. All of these developments have been verified by our auditor in the first full audit of this report, underlining the value and authenticity of our commitment to sustainability. The audit report can be found in this report.

Our vision: huge opportunities from a tiny environmental footprint

Branicks is keen to make its environmental footprint as small as possible. To this end, we are particularly focused on reducing our energy consumption and emissions. Switching to renewable ways of generating heat and electricity is a key part of these efforts, as we look to move to district heating and expand the use of photovoltaic systems at our logistics properties wherever possible. We have also introduced an entirely new asset class called “renewables” in a bid to expand the use of renewable energy while at the same time offering the capital markets an attractive investment product. At the

same time, we have also broadened our horizons to include ecology by addressing biodiversity and conservation issues. We have also begun to examine our supply chain for potential weak points and violations of our principles.

A clear strategic course

We have clearly stated our strategic priorities, all of which revolve around preserving and enhancing the value of our properties. This includes a vast array of individual initiatives such as optimising our operations, structural and technical refurbishments and expanding the use of renewable energy. By following our climate pathway and implementing our digitalisation measures, we are safeguarding the intrinsic value and future viability of our properties. This also means applying modern utilisation models (such as New Work) to meet the needs of different customer groups and create flexible workspaces.

European real estate market in flux

The European logistics and office property markets changed markedly during the year under review. After a longer phase of growth, all indicators now suggest that the market is now dominated by an approach to hold properties. For Branicks, this means a sharp decline in our traditionally strong transaction business. Although we have started to turn the corner, it is likely to be some time before we see a return to the constant buying and selling that constitutes “normal” transaction activity. Although we only have a limited influence on market trends, we are free to choose how we react to the changes unfolding before us – thanks in no small part to the rapid adaptability that has always set our organisation apart.

Rebranding successfully completed

One major event during the year under review was the successful rebranding of our group. Our company has been named Branicks Group AG since October 2023. After 25 years of DIC Asset AG and its unparalleled track record of success, this new name not only marks the start of a new era but also pays homage to the skills of our employees.

Bridging loan extended, action plan kickstarted

Another significant development was the restructuring of our finances. We completed proceedings under the German Act on the Stabilisation and Restructuring Framework for Businesses (StaRUG) as part of negotiations with our promissory note lenders. Our restructuring plan, which is based on a fully financed and independently reviewed three-year business plan, has since been confirmed. As a result, our bridging loan has been extended until the end of 2024 and the promissory note loans previously set to mature in 2024 have been extended until mid-2025. In summer 2023, we also kickstarted our “Performance 2024” action plan to strengthen our liquidity for the long term and reduce our liabilities more quickly.

Enhancing efficiency in asset management

We are bundling our asset management expertise under Branicks Onsite GmbH. Few other participants in this market are able to cover the entire scope of the value chain while providing the kind of proximity and customer focus we offer. We adjusted structures within Branicks Onsite during the year under review. As part of their enhanced role, our asset managers now take a holistic view of properties, develop them methodically and thus enhance their value – paying close attention to our ESG criteria in the process.

Clear focus on KPI targets

We have developed a framework for measuring and reporting our sustainable transformation, including a complete set of KPIs. The examples in this report highlight the progress we have made, such as increasing the share of Green Buildings to 43.6% and reducing carbon emissions by 36% since 2018. As you browse this report, you will discover that our list of KPIs encompasses everything from the proportion of female employees to improved ESG ratings.

Further challenges await as we move forward

We are on an exciting journey that leads us to new destinations all the time. Some initiatives are about to be or have only recently been introduced and have not yet reached their full potential. What’s more, the market and society as a whole continues to evolve. One major challenge will be to meet all of the reporting requirements arising from the EU Green Deal, while expanding the share of Green Buildings to our target of 60% will not be a walk in the park. As in the past, we will accept this challenge, focus on our strengths and stick to our ESG roadmap. I very much hope you will continue to accompany us on this journey and find our 2023 Sustainability Report to be a stimulating read!

Sonja Wärntges
Chief Executive Officer

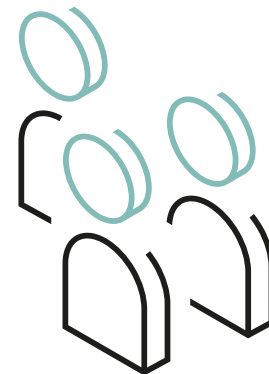
Branicks at a glance

As at: 31 December 2023

25
years of success in the market



300
bright minds




9
offices



351
properties managed



EUR 13.2 billion
in assets under management (AuM)
on our platform



Optimising efficiently

Sustainability is a natural part of our success



Sonja Wärntges
CEO and CFO

“We are focused on improving the quality and sustainability of our portfolio within the office and logistics asset classes and expanding into our new renewables asset class. We will keep moving forward with our transformation to become profitable and ESG-focused real estate experts that create value.”



Johannes v. Mutius
CIO

“We keep pushing to increase our Green Building ratio, with the share of sustainable assets already reaching 43.6% at the end of 2023. At the same time, we are investing in energy-efficient properties and reducing our own energy requirements.”



Christian Fritzsche
COO

“Branicks is setting new standards in data collection and analysis, and in the development and operation of sustainable buildings. Energy efficiency and decarbonisation are becoming increasingly significant focus areas for investors and users alike, and all of this now forms an integral part of our corporate strategy.”



Torsten Doyen
CIBO

“We are making great strides in establishing our new renewables asset class. This enables us to offer investors attractive investment opportunities in this dynamic market and expand the scope of our business with profitable ESG products.”

Sustainability enhances the value of our assets

Branicks has always focused its attention on the long-term impact of the measures it takes. This is why we coordinate the sustainable optimisation of our portfolio based on our 360-degree management approach. By taking this comprehensive approach that integrates all players and phases of real estate

management, we optimise the use of human, capital and knowledge resources while effectively networking properties, occupiers and investors on our platform. Our business model is unique because it turns previously linear value chains into a dynamic, circular process.



Leading the way in shaping sustainability

Efficient. Successful. Genuine.

E

S

G

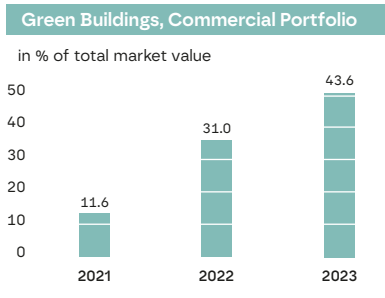
Target: **reduce greenhouse gas** (GHG) emissions per square metre in its Commercial Portfolio by 40% by 2030, compared to the 2018 baseline year

– 36%

t CO₂/sqm 2023 vs. 2018

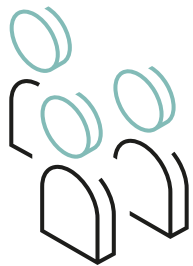
7%

year-on-year reduction



Green Building ratio increased by 32 percentage points in just three years

[to target overview](#)



52%
women

48%
men

Number of employees by gender and age category

14%
≤ 30 years

57%
31 – 50 years

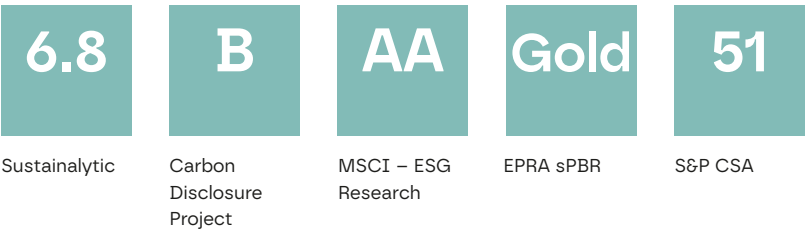
29%
≥ 51 years

Share of women at extended executive level

37.5% → +6.5%

[to target overview](#)

Maintain or improve performance in relevant ESG ratings



Training hours of all employees

3,563 → +78.5%

[to target overview](#)

Transforming the real estate sector

Reporting obligations, values and sustainable transformation

Our sector is at the start of a comprehensive transformation that will affect almost every industry player and every aspect of the sector. Yet while many are still trying to define their role, Branicks saw the writing on the wall at an early stage and is not only part of this transformation but is actively helping to shape it. The sustainability of our business means we are playing a leading role in these efforts and setting new standards for a sustainable real estate sector.

Requirement catalogues and reporting obligations: stakeholder groups are changing. Branicks was one of the first real estate companies to prepare its own sustainability report, and we have been highlighting our progress in this area annually since March 2012. The world has changed considerably since then. Sustainability has become a central issue in our society, which has also caused our stakeholders' requirements to change. Reporting standards have become much more wide-ranging and legislation has become significantly stricter, with ESG now an integral part of corporate governance.

Experience and expertise for a long-term outlook. Our approach to corporate governance is guided by our enshrined compass of values, which has grown over many years and provides us with a long-term perspective. From investment decisions to strategic moves or changes in personnel, Branicks always focuses on what makes us successful – the balance between economic profitability, environmental footprint and fair treatment of all of our stakeholders.

Pioneering transformation. With almost every industry player, including the capital markets, becoming increasingly aware of ESG issues, we now see an opportunity to implement our initiatives and programmes more rapidly than ever before. From Green Buildings to renewable energy, reducing emissions to analysing our supply chain, Branicks is ready to move to the next level on our transformation pathway.

Using investment efficiently. Yet Branicks does not operate in a vacuum, and is subject to the same economic and environmental environment

as any other company. That is why it is important for us to make efficient use of the resources available to us, a principle that applies as much to our investments as to our employees. We focus on issues with the greatest leverage and make progress where it matters.

Measurable success on the path to sustainability. Our stakeholders expect a lot from us, and this also applies to the progress we make in our sustainable transformation. Fine words alone no longer suffice – our partners expect tangible, verifiable results. With this in mind, we now record key performance indicators that did not previously exist. From carbon emissions and pay gaps to the amount of parental leave taken, we are expanding our system of key performance indicators so that we can measure and credibly communicate milestones in our transformation. This report marks the first time that our performance in this area has been comprehensively and independently audited. It also helps us prepare for new reporting obligations in Europe, a challenge that we at Branicks are eager to take on.

“We are mastering the complexity of acting sustainably.”

Sonja Wärntges,
Chief Executive Officer

Green Buildings

Following the climate pathway to a sustainable portfolio

Branicks has set itself measurable targets for carbon reduction and the transformation towards a green portfolio. Our climate pathway for the Commercial Portfolio is our way to achieve our targets and comprises various ESG action programmes. In doing so, we are making our contribution to fighting climate change – and improving the value and sustainability of our properties.

Green Buildings portfolio strategy

Getting tenants and Facility Management involved

Managing energy use and optimising operations

Implementing technical and structural measures to reduce energy consumption and switch to renewable energy



As at 2023:

36%

Reduction of carbon emissions in the Commercial Portfolio since 2018

In 2023, the share of Green Buildings already stood at over

43%

Renewable energy

Renewable capacity in Germany must be added at a much faster rate if the country is to make the vital switch to zero-carbon energy as part of its transition to renewable energy sources. Expanding the use of renewable energy is one of the biggest challenges of our age. Our strategy in this area consists of three pillars: convert, expand and enable.

Convert the supply of energy. Having seen the writing on the wall at an early stage, Branicks assessed the potential for green electricity supplies in its own portfolio. In recent years, we built on this by gradually switching the supply of communal-area electricity in our properties to green electricity. At the same time, we are engaged in a dialogue with our most important tenants and creating incentives to increase the proportion of green energy they use.

convert

Where technically and economically viable, we are also converting our properties' heating supply to environmentally-friendly technologies. This also involves getting in touch with relevant authorities and energy providers to accelerate the expansion of district heating systems. Our efforts are bearing fruit, as the Environment chapter demonstrates. → [page 39](#)

93.5%
of communal-area electricity and
20.6%
of tenant electricity in the
Commercial Portfolio are already
generated from renewable energies

Expand photovoltaics. Being able to produce renewable energy on-site is a key factor in the sustainable transformation of our properties. Our subsidiary VIB is leading the way in this area by exclusively building modern logistics properties that incorporate the latest PV technology on mostly large roof spaces that would otherwise remain unused. We have projected PV systems with a nominal output of 16.5 MWp for our RLI I logistics fund during the year under review

expand


that are currently in the implementation phase. This successful model is being rolled out across the entire portfolio. To do this, we are collaborating with leading technology providers, attracting interested tenants and modernising our building technology. → [page 48](#)

Installed photovoltaics capacity
19.7 MWp VIB
16.5 MWp RLI I

Invest for financial and environmental success. Branicks has begun establishing its own renewables asset class. Our aim is to develop and offer investment vehicles relating to solar and wind turbine technologies in Germany and Europe, and we are currently setting up our first fund in this area with a target volume of EUR 300 million. Branicks is working with skilled network partners on this project and incorporating our existing experience

enable

in areas such as structuring investment vehicles. In the solar segment in particular, the use of spaces and buildings within the existing office and logistics asset classes creates additional return potential. → [page 48](#)


Renewable fund with target volume of
EUR 300 million

Smart People

Sustainability requires brilliant minds and agile teams

We are facing a huge transformation task that we can only accomplish together. Sustainability is teamwork. Our employees and our ability to adapt are the basis for our success. We tackle these challenges with brilliant minds and agile teams to shape a sustainable future.



Teamspirit. The knowledge, skills – and not least, great commitment – of our employees are the foundation of our success. We therefore value and encourage an entrepreneurial mindset and behaviour, accountability, flexibility and expertise. As an attractive employer, we support our employees in many different ways. Collaboration and mutual support are essential if we are to achieve our goals. We place a strong emphasis on communicating openly and sharing knowledge and experience. Every team member contributes their individual strengths to make our entire company more successful. Together, we are creating a working environment in which our employees can develop and perform to the best of their abilities. As we believe a strong team can achieve more than the sum of its parts, we actively promote team spirit and collaboration across all seniority levels and departments. → [page 66](#)



Empowerment. The Group has a highly agile and efficient asset management business in Branicks Onsite GmbH. Our specialists are also able to enhance the intrinsic value and capitalised value of our properties, even in a challenging market environment. By reorganising our internal team, we reacted to changes in the market that particularly require short decision-making pathways and efficient leadership. Going forward, we are bundling more of our real estate management expertise in one place and promoting an entrepreneurial spirit. We have strengthened the role of our asset managers so that they can make much clearer statements about a property's status, their strategy and their business plan. Our holistic approach continues to set us apart from the rest of the market. We oversee all aspects of asset management in line with our “one face to the customer” philosophy. → [page 32 and 59](#)



Engagement. We shape our business with and for the people. As an active part of the community, we are dedicated to fostering in-person social interaction at the local level. Our projects and initiatives foster a sense of community and cohesion – both internally and externally. We support local events, partner with not-for-profit organisations and promote sustainable projects. Our engagement is also evident in how we promote education, culture and environmental responsibility, as we believe that establishing a strong social fabric is the key to a successful future. → [page 60](#)

ESG Profile

Branicks is one of the most active players in the German office and logistics real estate market. Active participation means identifying trends in the market at an early stage and viewing them as opportunities. Sustainable transformation of the real estate sector is a crucial part of this approach. Branicks has identified key sustainability issues and is working on the resulting action areas in a focused way. Regulation in this area is also becoming increasingly wide-ranging, sometimes resulting in considerable ESG reporting requirements. Branicks has recognised the challenges of implementing the European Green Deal and is preparing corresponding internal reporting processes. Our stakeholders remain the focus of our activities in this area, and we remain in constant contact with them via all communication platforms and technologies, and using our extensive industry network. The outcome of these interactions is outlined in the following section. This chapter also includes everything you need to know to understand our organisation, leadership structure and dynamic business model.

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Company profile

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Business segments

Branicks Group AG is Germany’s leading listed specialist for commercial real estate, with 25 years of experience in the property market and access to a broad network of investors. Our business is based on a regional and inter-regional real estate platform with nine offices on the ground in all major German markets (incl. VIB Vermögen AG). As of 31 December 2023, we managed 351 assets with a combined market value of EUR 13.2 billion on site, always close to our properties and their tenants.

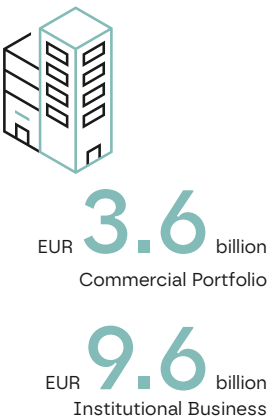
As of the 31 December 2023 reporting date, Branicks employed a total of 300 people at its headquarters in Frankfurt am Main and eight other locations: Berlin, Cologne, Düsseldorf, Hamburg, Mannheim, Munich, Neuburg and Stuttgart.

Our business model combines several sources of income. One source is the sustainable income generated by managing our Commercial Portfolio, with a second source being current management income generated by a wide range of services for third parties (Institutional Business). The Group also generates investment income from structured investments.

- The **Commercial Portfolio** segment (real estate assets under management: EUR 3.6 billion; previous year: EUR 4.5 billion) comprises Branicks’ own properties. In this segment, the Group generates steady cash flows from rental income, optimises the value of its portfolio assets, and realises gains from sales. Further income is generated through targeted investments. Through its subsidiary VIB, Branicks also acts as project developer for new logistics properties.
- The **Institutional Business** segment (real estate assets under management: EUR 9.6 billion (previous year: EUR 10.2 billion)) comprises the services related to property investments of institutional investors. The managed vehicles mainly include real estate funds investing in European office and logistics properties. Branicks receives management fees for various elements of its active management service provided during the term of the funds.

Group entities

Branicks Group AG is the central management holding company in charge of all of the corporate governance duties. Branicks uses various subsidiaries in its operational business, not all of which employ their own staff. The data and figures of all subsidiaries are included in this report unless explicitly stated otherwise. Branicks acquired a majority stake in VIB Vermögen AG (VIB) in 2022. As a result, it is reported as a consolidated subsidiary. VIB is the logistics real estate specialist within the Group, handling project development for new logistics properties and launching new investment vehicles. A complete list of consolidated subsidiaries is available on → [page 171 et seq.](#) of the 2023 Annual Report. The graphic on the next page shows the Group’s strategic structure at the end of 2023.



Strategic Group structure as of year-end 2023

Active 360-degree real estate management with 300 highly motivated employees¹

Employees	Management Board											
	Sonja Wärntges (CEO/CFO)		Christian Fritzsche (COO) ²		Torsten Doyen (CIBO) ²		Johannes von Mutius (CIO)					
76	Management											
	Corporate Development & Strategy		Communication & Marketing		Investor Relations		ESG		Finance, Accounting, Treasury & Controlling		Administration (HR, IT)	
39	Segments											
	Commercial Portfolio (Balance Sheet Investments)						Institutional Business (Managed Accounts)					
185	Investment		Valuemanagment		Investment Management		Real Estate Management		Development			
	<ul style="list-style-type: none">■ Acquisitions and sales■ Due diligence■ Business plan modelling■ Legal structuring		<ul style="list-style-type: none">■ Portfolio analysis■ Value creation strategy■ Valuation controlling		<ul style="list-style-type: none">■ Structuring of new vehicles■ Implementing investment structures■ Sales■ Investor relations		<ul style="list-style-type: none">■ Property accounting■ Quality management■ Legal (rental contract law)■ Letting		<ul style="list-style-type: none">■ Planning of developments and refurbishments■ Key contact for awarding construction contracts			
Asset and technical management & development ³ (eight branches with nationwide operations and regional heads, and VIB headquarters in Neuburg)												
185	Berlin		Cologne		Düsseldorf		Frankfurt		Neuburg (VIB)			
	Hamburg		Mannheim		Munich		Stuttgart		External services			

¹ Employees as of 31 December 2023.
² Effective from 1 January 2023.
³ See "New structures within Asset Management" → [page 32](#)

Ownership and legal form

Branicks Group AG is a stock corporation within the meaning of the German Stock Corporation Act (AktG). It was initially listed in 2003 as DIC Asset AG on the open market on the Stuttgart and Munich stock exchanges. In 2006, this was followed by the IPO, with the shares being listed in the Prime Standard of the Frankfurt stock exchange.

The RAG-Stiftung, a foundation, has been a major Branicks shareholder since 2014 and holds around 10.0% of the company’s shares. Anchor shareholder Deutsche Immobilien Chancen Group currently holds around 32.7% of the shares, of which 8.2% are attributed via TTL Real Estate GmbH. In February 2021, Mr Yannick Patrick Heller held an equity interest of around 10.1%, thus exceeding the 10% threshold. A total of around 47.2% of shares were in free float as of the reporting date.

Forms of investment

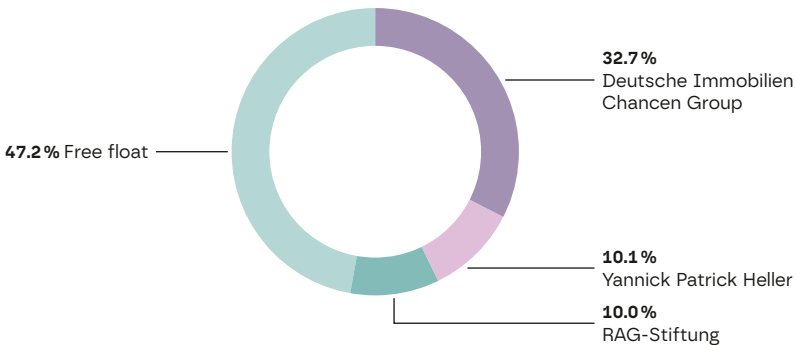
The table on the right lists all the different forms of investment made by Branicks. The form of investment depends on the purpose or intent Branicks is pursuing with the investment in question. The table also contains references to sections in the 2023 Annual Report providing further detail about the forms and values of these investments. Unless explicitly stated otherwise, all information and figures in this report relate to Branicks and its consolidated subsidiaries.

Branicks’ business relationships with entities and individuals classified as related parties are disclosed in detail from [→ page 165](#) of the 2023 Annual Report.

Forms of investment

Form of investment	Measurement method in the Annual Report	Explanation in the 2023 Annual Report
Consolidated subsidiaries	Consolidated subsidiaries	→ page 126 and → page 171
Associates	Equity method	→ page 120 , → page 127 and → page 175
Other equity investments	Equity instruments as defined by IAS 32: fair value through other comprehensive income	→ page 128 and → page 175

Shareholder structure



As at: February 2024

Dynamic market environment

■ GRI 2-2 | 2-6

Markets, investment locations and local presence

Branicks primarily operates in the German commercial and logistics property market, and has divided this market into five regional sub-markets. The graphic on the right shows the breakdown of the market values of managed real estate assets by geographical region. Assets under management (AuM) fell from EUR 14.7 billion in the previous year to EUR 13.2 billion during the year under review due to sales completed during the year as well as moderate decreases in asset value within the portfolio.

Branicks' → [market environment](#) was affected by significant external factors during the year under review, especially global uncertainty and rapidly rising interest and inflation rates. The transaction market experienced a major slowdown in 2023 that we could not avoid. According to data from JLL, the German real estate market recorded transaction volumes of just under EUR 32 billion for the full 2023 financial year, a drop of around 22% compared to the previous year.¹ Branicks reacted quickly to wider market developments, with the Management Board launching the “Performance 2024” action plan in the first half of the year under review. This action plan consists of the following five points:

1. Reducing liabilities and boosting liquidity

We are working closely with our long-standing capital providers to restructure our loans and renew the existing bridging loan that we have already reduced from originally EUR 500 million to EUR 160 million. At the same time, we want to make that we repay the corporate bond issued to us in full.

¹ Source: Investment Market Overview – Q4 2023|JLL.

2. Transactions

Despite a challenging market environment, we continue to execute sales and use the liquidity generated by these sales proceeds to steadily reduce our loan-to-value ratio (LTV). As an established player in this market, we were able to agree the first few sales on attractive terms and are currently preparing additional transactions.

3. Focus on the operational portfolio business

Our letting business remains robust, and there is still considerable demand for our properties – particularly in the logistics segment. Our portfolio of high-quality office space with strong ESG credentials is also attracting significant attention in the market. One example of this is the fact that we have now fully let the DGNB-certified Global Tower in Frankfurt’s banking district.

4. Attractive investment ideas

We continue to develop our range of real estate services for German and international institutional investors, and have created a new product in the Institutional Business that allows investors to participate in the “green revolution” unfolding in the energy and real estate sectors. Our new investment product Branicks Renewable Energy Fund enables investment in established photovoltaic and onshore wind turbine technologies as well as supplementary investments in trending technologies such as charging points, roof-mounted systems and storage technology. The Fund provides the basis for a long-term, sustainable and non-cyclical green impact investment in accordance with Article 9 of the Sustainable Finance Disclosure Regulation (SFDR).

5. Reducing operating expenses

As part of our aim to become more agile, efficient and focused, we are optimising our operating processes and are planning to save operating expenses in addition to making the structure of our real estate platform more flexible.

Assets under management

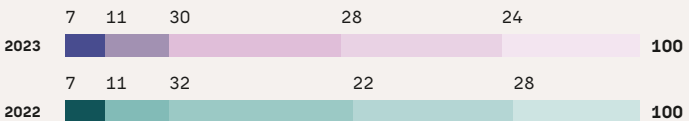
in EUR billion



● Commercial Portfolio ● Institutional Business

Regional structure of overall portfolio

Basis: Market value of assets under management in %



● North ● East ● Central ● South ● West

Supply chain

■ GRI 2-6 | 2-24

Significant amount of in-house products and services, strong network, collaboration on equal terms

Our business model is only marginally dependent on global supply chains, and most of our direct suppliers are located in Germany. The majority of our value chain is managed internally due to the significant degree of in-house products and services.

Our supply chain in the real estate sector

Branicks' supply chain primarily consists of service companies in the areas of real estate management, facility management and legal advice, as well as heating and energy providers and construction companies.

Our real estate consultants and service providers specialise in managing, marketing and selling properties. Together we pursue a far-sighted and capable approach that incorporates property-specific ESG analysis (manage-to-ESG).

Facility management service providers are responsible for the day-to-day operations of the properties. Their duties range from meeting various security and hygiene standards and inspecting technical systems to organising and monitoring maintenance activities. As they are also often the first point of contact for a property's tenants, tradespeople and owners, they are an essential pillar of our day-to-day business.

Our legal advisors play a supporting role, helping us to draft contracts, settle disputes and comply with legal requirements. Increasingly stringent regulation in the European real estate sector means the importance of proficient advice cannot be underestimated when it comes to smoothly processing the often-complex transactions in our industry. Ultimately, it is also about limiting the legal risks for Branicks as much as possible.

Energy providers and construction companies: the key to transformation

Heating and energy providers have a considerable influence on the sustainability of our properties. We work continuously to increase the share of green electricity at our properties and create incentives for our tenants to play their part in transforming energy supplies. Where available and economically viable, we supply our properties with district heating that is ideally obtained from renewable sources.

Construction companies, particularly building services firms, complement this process by installing, maintaining and repairing facilities and carrying out renovation work. Intelligent building management systems are also being introduced that are designed to not only provide comfort and security but also meet increasingly strict requirements for the energy efficiency of buildings.

Planners and construction companies play a key role in ensuring that buildings are constructed on schedule, taking responsibility not only for planning and construction but also for using sustainable building materials and integrating environmentally-friendly energy systems. Although Branicks only undertakes little new-build activity of its own (less than 10% of the entire portfolio) and instead takes on and manages properties from corresponding project partners, usually on a turnkey basis, collaborating effectively with real estate developers is extremely important to us.

Sustainable procurement at Branickss

Sustainable procurement also plays an increasingly important role in our supply chain. We see this as a vital tool for minimising environmental impacts and taking our social responsibility seriously. We conducted a comprehensive analysis of our most important suppliers during the past reporting year. We outline the results of this "Critical Supplier Identification" (CSI) in the Governance section on → [page 86](#) of this report.

Only by maintaining an collaborative dialogue with everyone in our supply chain can we ensure that all aspects of construction, equipment, operations and management run smoothly and effectively, taking all legal criteria and reporting obligations into account.

Initiatives and memberships

■ GRI 2-23 | 2-28

Commitment and responsibility

Branicks participates actively in national and international sustainability initiatives in the real estate sector. In this context, we are pursuing the aim of embedding sustainability topics even more firmly within our organisation, and encouraging the sharing of experience and information within our industry.

At national level, Branicks is a member of the German Property Federation (ZIA). Our CEO Sonja Wärntges contributes her experience and expertise as a member of the ZIA Executive Committee. As regards the Federal government's energy and climate policy, the ZIA has put forward the position that it should be left to industry participants to choose the resources they will use to achieve the climate goals. Beyond that, ZIA calls for the prompt creation of political parameters that support the sector's path to decarbonisation and enable real estate companies to make rapid progress with carbon savings using existing technologies.

The German Corporate Governance Code (GCGC) sets out key statutory regulations for the management and supervision of German listed companies and contains internationally and nationally recognised standards of good and responsible corporate governance in the form of recommendations and suggestions. Branicks not only meets the legal minimum requirements as defined in Section 161 of the German Stock Corporation Act (AktG), but has also taken the recommendations of the German Corporate Governance Code into account in its internal policies, such as the Code of Conduct or our Business Partner Code of Conduct.

At European level, we are involved in the European Public Real Estate Association (EPRA). EPRA contributes to developing new ESG performance indicators and reporting formats for the European Real Estate sector. This includes the first ESG database of the property sector, which since 2011 has been continuously populated with data that comply with sustainability Best Practices Recommendations (sBPR).

Branicks is also part of the ESG Circle of Real Estate (ECORE), an initiative to make sustainability in real estate portfolios transparent, measurable and comparable. This standard forms the basis of our work to continuously optimise our carbon footprint on the path to achieving carbon neutrality.

Besides our work at institutional level, our employees invest a great deal of effort in contributing to other initiatives and associations, such as the Institute for Corporate Governance in the German Real Estate Industry (ICG), the Deutsche Investor Relations Verband (DIRK), the German Sustainable Building Council (DGNB), the Wirtschaftsinitiative FrankfurtRheinMain, and the Association of Friends and Supporters of Goethe-Universität Frankfurt.

Branicks pays ongoing → [membership fees](#) to a number of industry and professional associations. In addition to the aforementioned associations, these include the Deutsches Aktieninstitut (DAI), the European Association of Investors in Non-Listed Real Estate Vehicles (INREV), and the Logistics Real Estate Initiative (Logix). Expenses for association memberships in the past financial year came to around EUR 152 thousand (2022: around EUR 144 thousand). Donations for charitable purposes, sponsorships and other expenses in the context of "corporate citizenship" amounted to around EUR 35 thousand in the financial year ended (previous year: around EUR 74 thousand). We will continue to be actively involved in trade associations and collaborate in initiatives outside Branicks, maintaining an interdisciplinary dialogue with stakeholders and encouraging the development of standardised best practices in the sector.

Corporate governance and sustainability strategy

■ GRI 2-9 | 2-10 | 2-11 | 2-12 |
2-15 | 2-19 | 2-20 | 2-25

Management structure

As a listed stock corporation domiciled in Germany, Branicks has a dual management structure. In accordance with the statutory provisions, the company's governance is divided into two strictly separate bodies in terms of organisation and personnel: Management Board and Supervisory Board.

Management Board

The Management Board is responsible for managing the company. Management Board members take collective responsibility for the overall management of the company. Notwithstanding their overall responsibility, the individual Management Board members are each responsible for managing the division allocated to them by Management Board resolution. The Chief Executive Officer (CEO), Sonja Wärntges, also acts as Chief Financial Officer (CFO) and is responsible for sustainability/ESG. In addition to the CEO, the Management Board had three other members as of 31 December 2023: Torsten Doyen (Chief Institutional Business Officer, CIBO), Christian Fritzsche (Chief Operation Officer, COO) and Johannes von Mutius (Chief Investment Officer, CIO).

Supervisory Board

The Supervisory Board is the highest governance body of Branicks. It may appoint and remove members of the Management Board. The Supervisory Board also takes on certain auditing and reporting obligations, and represents the company vis-à-vis the Management Board (section 112 AktG). The Supervisory Board had six members as of 31 December 2023, including its Chair, Prof. Dr. Gerhard Schmidt. Prof. Dr. Ulrich Reuter left the Supervisory Board at year-end 2023. Further information on the composition of the bodies and the independence, professional experience and qualifications of the Supervisory Board members can be found in the 2023 Annual Report, from → [page 103](#). None of the Supervisory Board's members has a management role at Branicks.

The nomination and selection procedures applicable to the Supervisory Board and its committees are set out in Branicks' Articles of Association. Among other things, the Articles of Association also include provisions on convening Supervisory Board meetings and adopting resolutions. The Supervisory Board most recently addressed the targets regarding its composition and their implementation on 14 December 2022. The targets, which take the recommendations of the DCGK into account in accordance with the Declaration of Compliance (especially as regards sustainability expertise), also include the skills profile for the Supervisory Board as a whole as well as the diversity policy it pursues for its composition. Further details on the targets set and their implementation can be found in the management report of the 2023 Annual Report → [page 100 et seq.](#)

Remuneration of the Management Board and Supervisory Board

The remuneration policy for members of the Supervisory Board and Management Board is subject to our comprehensive → [corporate governance systems](#). In particular, this includes the → [remuneration system for Supervisory Board members](#) and the → [remuneration system for Management Board members](#), which was approved by the General Shareholders' Meeting in March 2021. Further information about the remuneration of the Group's highest governance body and senior executives as set out in GRI 2-19 can be found in our → [remuneration report](#).

German Corporate Governance Code (DCGK)

Supervisory Board members declare conflicts of interest that arise while carrying out their duties in accordance with the DCGK. No conflicts of interest arose in financial year 2023. The Supervisory Board, in conjunction with the Management Board, in December 2023 issued the annual → [Declaration of Compliance](#) in accordance with section 161 of the AktG on the recommendations of the DCGK, taking into account its amendments. It was published on the company's website in the Corporate Governance section, including the applicable exceptions. These include, among others, a matter relating to the independence of the Chair of the Supervisory Board pursuant to clause C.10 sentence 1 in conjunction with clauses C.7 and C.8 of the Code.

Further criteria for the composition of the management structure, such as terms of office, gender quotas, CPD programmes carried out or existing skills, are set out in the Supervisory Board report published in the → [2023 Annual Report \(page 25 et seq.\)](#).

Sustainability strategy

The real estate sector occupies a key position when it comes to sustainability and achieving national and international climate targets. Buildings are responsible for about 37%¹ of carbon emissions while requiring huge amounts of resources – especially fossil fuels – during construction and operation.

Since the EU published its Sustainable Finance Action Plan in March 2018, ESG has become a defining issue for capital markets. It ambitious climate targets have not yet been fully integrated into the mechanisms of the real estate sector. Irrespective of the regulatory requirements, we identified the sector transformation that lies ahead as an opportunity and made important strategic decisions during the past reporting year.

As one of Germany's leading listed real estate companies, Branicks is actively helping to achieve these targets. To ensure that the company can remain commercially successful in the long term, management therefore attaches considerable significance to both economic issues and ESG aspects. When dealing with these issues, we focus on identifying, monitoring, mitigating where possible and avoiding any adverse consequences of our business activities on the environment (“inside-out view”). At the same time, we analyse the potential impact of climate change on our business model and commercial real estate business as part of our efforts to manage risks and opportunities (“outside-in view”).

As a result, sustainability and all related ESG action areas form a fundamental and integral part of our corporate strategy. In addition to the long-term commercial success that forms the basis for our activities, we are also striving to take a leading role in the sustainable transformation of our industry. For us, that means pursuing the ESG targets set out in this report with the same meticulous care and passion we take in reaching our commercial milestones. More than anything else, long-term success at Branicks means combining all environmental, social, governance and digitalisation aspects in one integrated management model.

Environment

The approach taken by Branicks consists of developing our proprietary portfolio based on Branicks-specific environmental and governance criteria (MATCH), acquiring suitable properties and disposing of unsuitable ones (TRANSACT), sustainable letting and management (OPERATE) and further developing the property portfolio under management by implementing innovative structural and technical measures (DEVELOP).

In our Institutional Business, we design innovative products and, in close cooperation with our AIF management companies (German “KVG”), inspire investors with these designs (MATCH). At the same time, we acquire suitable properties to sell them at the right time at a higher value (TRANSACT). We also actively manage the respective (fund) products based on our investment strategy (OPERATE) and develop individual investments and properties with the approval of the investors (DEVELOP). The RLI-GEG Logistics & Light Industrial III special fund launched in 2021 is Branicks’ first “green” investment product in accordance with Article 8 of the EU Sustainable Finance Disclosure Regulation. This is now followed by the newly developed Branicks Renewable Energy Fund, which marks Branicks launch of a third independent asset class, renewables. Our aim is to develop and offer investment vehicles relating to solar and wind turbine technologies. The Fund provides the basis for a long-term, sustainable and non-cyclical green impact investment in accordance with Article 9 of the Sustainable Finance Disclosure Regulation (SFDR).

¹ Source: UN Environment Programme, 2022 Global Status Report for Buildings and Construction, page 37.

Sustainable operations: full service with 360-degree expertise

Our business model is built around our management platform. ESG has become an essential and integral part of our corporate strategy, our management approach and our business activities. Combining it with our digital and IT strategy represents an important foundation.

Match

Matching properties, users, investors

Investment strategy determines the ESG criteria

Develop

Developing, maintaining and optimising the property portfolio we manage

Initiating and implementing ESG measures in accordance with our investment strategy



Transact

Initiating and structuring transactions to achieve growth and realise the added value created

ESG due diligence in the acquisition process incl. preparation of ESG action plans based on the investment strategy

Operate

Comprehensively operating properties based on an active and sustainable management approach

Managing, controlling and reporting ESG in line with our investment strategy

Social

Our conduct focuses on responsible, inclusive and always fair interaction with our employees, tenants, occupiers and business partners, and this ties in with our ambition to make a sustainable contribution to society. We encourage and enable a healthy work environment, and maintain a culture of open and honest communication at all levels of our organisation, which we consciously structure “with and for the people”. As an employer, we embrace the responsibility to provide a positive corporate culture and to promote a safe, socially fair and healthy work environment. We also contribute to the well-being of our employees. Appropriate and fair remuneration across all levels of the hierarchy is part of our corporate culture. Apart from that, we invest significant resources unlocking the full potential of talented employees. Branicks will not provide a breeding ground for discrimination in any shape or form. We welcome variety, equal opportunity and diversity. As an established player in the German commercial real estate market, we consider the interests of all stakeholders as well as the challenges faced by society and the requirements resulting from this for the real estate sector. The satisfaction of our tenants with our properties and range of services is therefore of key importance to us. As a member of society, we want to make a commitment that benefits society and actively support, shape and develop our industry by working with institutions and industry bodies.

Governance

We attach great importance to corporate governance along the lines of our sustainability approach. To fulfil this commitment, we want to enhance greater transparency and consistently integrate ESG across all levels of our organisation.

Financial performance and sustainability are not incompatible issues for us. By creating the relevant skills along the entire value chain, we embed ESG issues at the heart of our corporate DNA. We are part of society – successful and sustainable.

By regularly reviewing (and adjusting) our ESG targets enables we want to ensure that all our ESG measures are coordinated, effective and meaningful, and in line with our corporate strategy. This also includes creating frameworks and policies that are binding on all our internal or external stakeholders: Compliance Policy, Code of Conduct, Business Partner Code of Conduct, etc.

Digital transformation

ESG and digital transformation are future focus areas for our company. Digitalisation is a fundamental building block of our ESG strategy. Branicks views itself as a long-term stakeholder which is harnessing the synergies that emerge from standardising and automating operational and administrative processes. Digitalisation has become a natural part of our daily business, and we consider a secure and flexible IT working environment to be very important – including in the context of mobile working. This is why we are continuously working on integrating digitalisation into our ESG routines and work streams. There is also the issue of data security, for which we are rolling out Group-wide minimum standards. The future viability of our business model also is contingent on the introduction and use of smart building technology. We use digital tools to better network previously existing data silos. This will give us not only improved data oversight and increase our control options but also boost communication addressing all stakeholders.

■ GRI 2-12 | 2-13 | 2-14

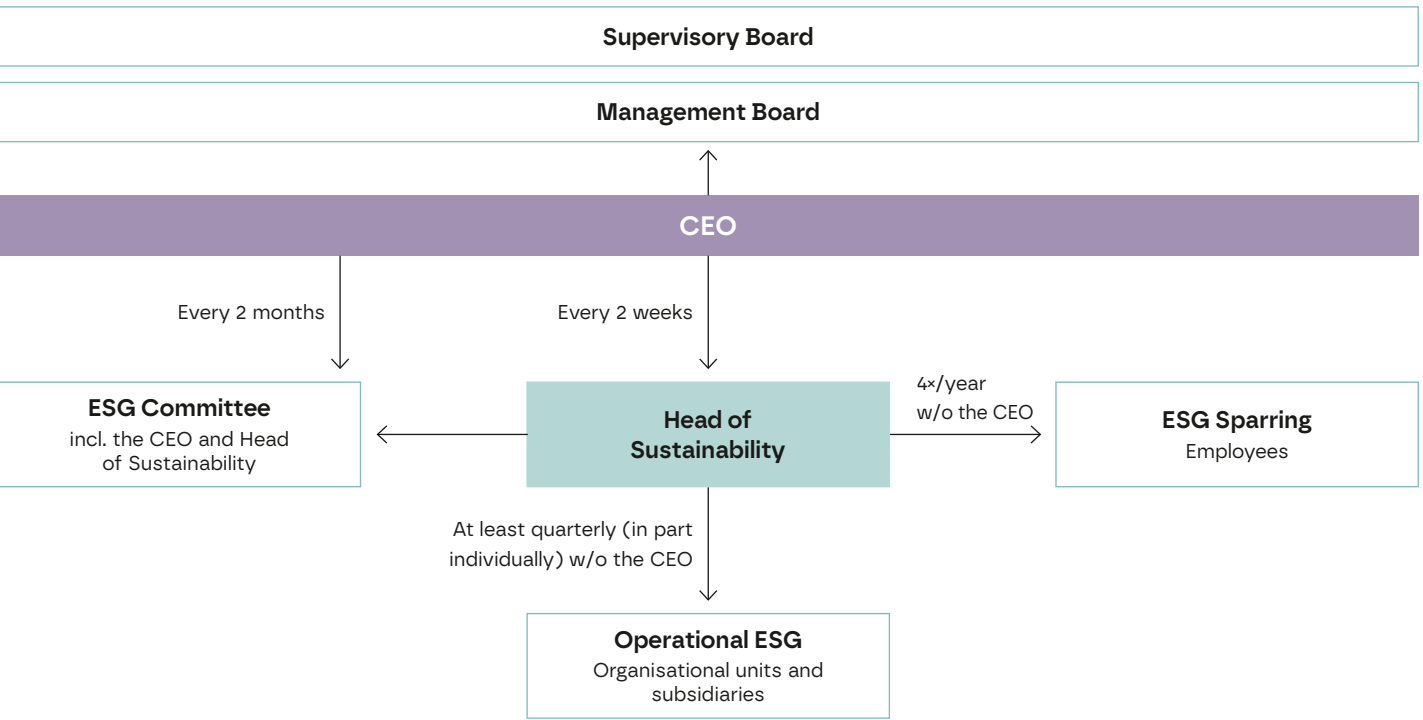
Sustainability organisation

Embedding sustainability in our organisation and working with all stakeholders and organisational entities will be key for the success of Branicks.

The CEO is responsible for sustainability and regularly discusses this topic with the Supervisory Board in the context of the business strategy. The Head of Sustainability reports directly to the CEO and is closely involved in the company’s ESG-related decision-making processes. The Head of Sustainability is responsible for developing the ESG strategy on an ongoing basis and working with Branicks’ administrative and operating areas to step up their ESG activities. This includes identifying, setting targets and centrally managing strategic and economically viable ESG projects along the value chain, managing the implementation of governance issues, ESG reporting and sustainability communications.

We have set up an ESG Committee consisting of the CEO, Head of Sustainability and executives from Investor Relations & Corporate Communications, Human Resources, Investment, Asset Strategy & Valuation, Development, Corporate Finance, and Accounting/ Compliance to make key decisions on the focus of ESG strategy and targets. The ESG Committee’s role is to set ESG priorities, launch ESG initiatives and manage ESG risks. This is to ensure that ESG strategy, targets and risk management are integrated and implemented across all business units.

Branicks organisational structure (operational ESG)



ESG topics and projects are operationally managed, implemented and processed by the organisational units in accordance with Branicks’ organisational structure (operational ESG). The organisational units also appoint ESG project managers who are responsible for implementing initiatives and setting targets as part of day-to-day business and reporting to the Head of Sustainability on a regular basis.

Stakeholder dialogue

■ GRI 2-29

Our key stakeholders

Branicks Group AG and its subsidiaries maintain an ongoing dialogue with a large number of different stakeholders whose expectations of the company are not always identical, or in some cases, may even be conflicting. Branicks has carried out a comprehensive stakeholder analysis to identify its key stakeholders (stakeholder groups) and set up its work streams in a way that enables transparent and fair dialogue with all stakeholders to complement the actual business relationships.

As a listed company and one of around 300 companies listed in the Prime Standard – the stock-market segment of the Frankfurt Stock Exchange which is legally regulated and subject to the highest transparency standards – Branicks is of great interest to the general public. In addition to the actors on the capital markets who help us finance our business activities (equity and debt providers, such as shareholders, bond investors and banks), the most important stakeholders in our third-party business are institutional investors whom we assist with their investment decisions to invest directly in real estate and support with their ongoing real estate management. Tenants in our managed real estate portfolio represent another key stakeholder group to whom we offer attractive commercial premises for rent on our entire Branicks platform. We frequently engage in dialogue with cities and municipalities (body politic), the local general public and neighbouring communities to discuss the implementation of developments in the portfolio and larger building modernisations, and to take their interests into account early on, incorporating their feedback when planning our measures.

Branicks offers a wide range of services along the real estate value chain, cooperating with a large number of business partners whom we regard as key stakeholder groups. The same applies to our employees who form the bedrock of our success and are the first point of contact for all external stakeholders.

Our goal is to reconcile the various interests of all our stakeholders in the best way possible. This also fits into our understanding of corporate citizenship. Following the guiding principle of “shaping our business with and for the people”, we find ways to stimulate the development and intrinsic value of properties as well as their urban environment.

Branicks sees itself as part of a vibrant, diverse and dynamic society. Meeting the demands of all stakeholder groups is an ongoing task whose success depends crucially on open and honest dialogue with them. We place great importance on regular and systematic stakeholder dialogue to further develop our vision of sustainability and communicate internally as well as externally. We use entire bandwidth of our communication platform for this purpose: talks, panel discussions, digital workshops and internal in-person meetings.

A holistic stakeholder approach

Stakeholders are defined by the GRI Standards for Sustainability Reporting (“GRI”) as “individuals or groups that have interests that are affected or could be affected by an organisation’s activities”. The extent to which stakeholder interests are affected is assessed using the “inside-out perspective”, which focuses on a company’s impact on its immediate or indirect environment and society. For sustainability reporting purposes, Branicks also incorporates the “outside-in perspective”, which takes into account the external influences of stakeholders that have or could have an impact on the company.

Key topics and concerns raised

All stakeholder groups have the opportunity to express individual demands or raise concerns at any time. The dialogue formats outlined above have been developed for this purpose. As soon as we receive any relevant input, it will be analysed and assigned to the correct part of our organisation. If necessary, it will be escalated to the Management Board headed by our CEO. At the same time, we actively approach our most important stakeholders to stay in touch with them.

In November 2023, for example, we carried out a tenant satisfaction survey. Out of approximately 1,660 tenants in our Commercial Portfolio and Institutional Business, we invited the top 50 revenue contributors from each segment to participate in the survey. In total, 22 of the 100 people invited took part in the survey, answering questions on communication with the landlord, the property and its services, advice on New Work, and new work and space concepts, and renewable energy and ESG issues. Tenant satisfaction was measured on a scale from 1 (highly satisfied) to 5 (dissatisfied).

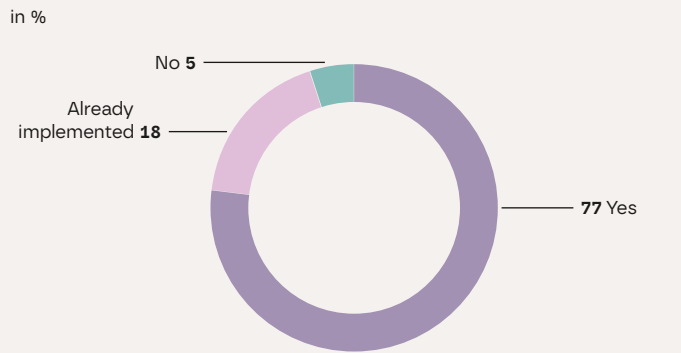
The average of all answers across all question categories was 2.3 (compared with 2.7 in the previous year). We achieved the greatest improvement in tenant satisfaction in connection with the location of the rented property (public transport connections, parking spaces, neighbours, etc.). In this category, our result improved from 2.3 in the previous year to 1.6. We are delighted about the improvement in customer satisfaction, as it is also a validation of our strategic portfolio management.

The survey showed us that our tenants are very interested in issues such as New Work and further ESG topics (e.g. renewable energies), and we will continue this dialogue with our tenants in the year ahead. Our next survey is scheduled for the third quarter of 2024.

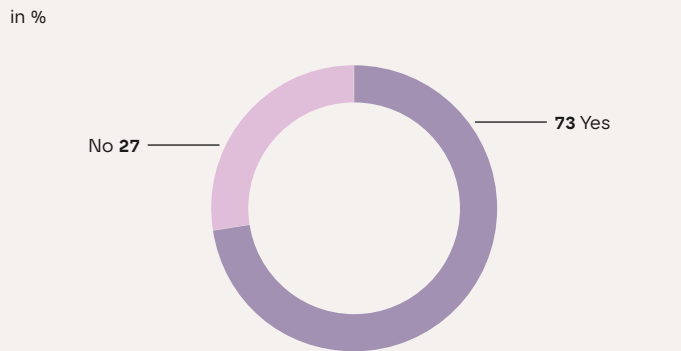
2023 tenant satisfaction survey

Stakeholder dialogue: Results of our 2023 survey among key tenants.

Are you interested in principle in obtaining energy from renewable sources?

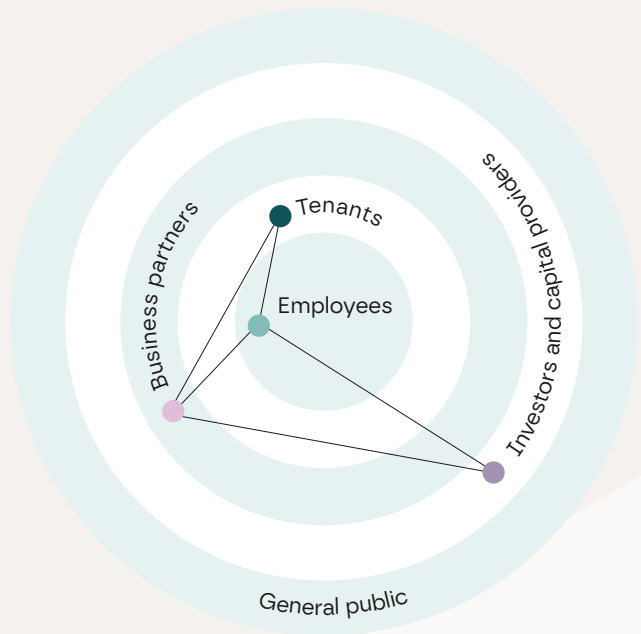


Would you be interested in implementing new work and space concepts ("New Work") and additional services such as smart building applications or e-charging stations?



Committed to dialogue with our stakeholders

Branicks has identified its key stakeholders/stakeholder groups and set up its work streams in a way that enables transparent and fair dialogue with all stakeholders to complement the actual business relationships.



We have identified six suitable dialogue formats for our stakeholders/stakeholder groups:

Institutional Business investors

Based on discussions with our business development and fund management teams, we regularly provide our institutional investors with information about the performance of investment vehicles and properties. We also deliver monthly reports via our digital investor cockpit. Twice a year, we report in detail on our investment strategy, capex measures, and acquisition and disposal plans.

Tenants

Firmly embedded in the regional market, our teams provide both tenants and properties with on-site support. We prioritise the service quality, reliability and assured accessibility of our asset and technical managers. Going forward, this will be supported by carrying out regular tenant surveys. We see it as our responsibility to keep a close and sensitive eye on developments in various sectors and subsectors, right down to the level of individual tenants. This will enable us to play a part in shaping the wishes and requirements of our tenants and attend to them promptly.

Capital providers and analysts

Our investor relations work is based on the principles of openness, transparency and fairness to all financial market participants. We provide a regular flow of meaningful information about our business performance and strategy in the form of (virtual) roadshows, investor and telephone conferences, trade fairs and analyst events. We also use our General Shareholders' Meeting to engage in dialogue with our capital providers.

General public

Given its size, its listing in the Prime Standard segment of the Frankfurt Stock Exchange and the growing importance of (commercial) real estate as an important issue for society, Branicks is increasingly the focus of the general public's attention. Branicks regularly informs the general public about the progress made in its financial and non-financial performance indicators. This occurs in the form of press releases, interviews, network and industry events, and via our social media channels. In local real estate projects, we seek dialogue with local residents and municipal governments.

Business partners

Our goal is to have business relationships with our business partners that endure not only for one project but for the long term. Collaboration is based on trust and mutual respect. For larger projects, we schedule regular "jour fixe" meetings to maintain an ongoing dialogue with all stakeholders to ensure the implementation goes according to plan, thus enabling us to respond to any material changes to the project planning. We are also open to new business relationships, collaborative models and technologies.

Employees

Our employees form the bedrock of our success. We place great value on a positive work environment in which our team members feel at ease and can perform to their full potential. We maintain a policy of open and honest communication across hierarchies and areas of expertise. This also includes handling feedback fairly.

Notable examples of this communication culture are our internal information event "Branicks Insights" and our "Welcome Day" with employees from all Group areas. All employees have the opportunity to talk to their line manager and/or Human Resources at any time. Employees can express their needs or wishes within the context of their annual feedback interview. Our employees can discover information about ongoing developments from the Branicks Office Hub and have permanent access to the policies that apply to their day-to-day work flows. Branicks also encourages collaboration in working groups and project teams. Material changes are communicated promptly in-house by the Management Board and/or Corporate Communications.

Materiality analysis

■ GRI 3-1 | 3-2

Identification of material sustainability topics

As it operates throughout all of Germany, Branicks enjoys a network comprising all relevant stakeholders and service providers of Germany’s real estate sector. Our decisions and actions impact investors and capital providers, around 300 employees, some 1,660 commercial tenants in both business segments, over 3,400 business partners and the entire range of properties we manage, either in our proprietary portfolio or on behalf of third parties. Our key stakeholders are capital providers, employees, tenants, business partners and the general public, with investors in third-party business (Institutional Business) having become increasingly important since 2019 (stakeholder dialogue). To identify the sustainability topics significant for Branicks, we conducted a materiality analysis in 2021 in the form of a comprehensive stakeholder survey. This materiality analysis serves as a guideline for our sustainability targets and reporting.

At the time the materiality analysis was carried out, VIB was not yet a subsidiary of Branicks Group AG and was not considered when its method was chosen. However, after the takeover of VIB in 2022, it was determined that there would be no changes with regard to the material topics due to the similarity of the two business models.

In light of the upcoming reporting obligations associated with EU Green Deal regulation (particularly the CSRD and EU Taxonomy Regulation for sustainable activities), we are currently working to update our materiality analysis. In doing so, we are particularly focused on incorporating aspects into the materiality analysis that will be triggered by future requirements for an ESRS-compliant sustainability report. This includes the principle of double materiality in particular, which takes into account both impact and financial materiality. At the same time, we are expanding our reporting processes to ensure that we can meet the very extensive data collection requirements under ESRS. The aim of the updated materiality analysis is to meet constantly changing regulatory requirements without losing sight of its practical use for our reporting processes.

Material action areas

Based on their relevance to stakeholders, sustainability and the company as determined in the materiality analysis, the Management Board has identified the following material action areas:

- Emissions and decarbonisation
- Energy and energy efficiency
- Sustainable products and portfolio performance
- Innovative modernisation concepts
- Economic performance
- Compliance
- Attractive employer
- Diversity and equal opportunity

The material environmental action areas (A to D) have been grouped together under the general heading of “emissions and energy”. The description of the “attractive employer” topic follows the requirements of GRI 401 whereas all compliance aspects follow the requirements of GRI 2 and GRI 205. As part of our materiality analysis, we identified the sustainability topics shown in this chart and defined the strategic action areas as being material topics for Branicks Group AG:

Branicks Group AG materiality matrix

Strategic action areas

- A Emissions and decarbonisation
- B Energy and energy efficiency
- C Sustainable products and portfolio performance
- D Innovative modernisation concepts
- E Economic performance
- F Compliance
- G Attractive employer
- H Diversity and equal opportunity

Governance

- 16 Risk management
- 17 Data protection and IT security
- 18 Client satisfaction
- 19 Supply chain
- 20 Attractiveness in the capital markets

Environment

- 3 Biodiversity
- 4 Water and waste
- 6 Environmental stewardship

Social

- 10 Real estate quality to suit the local market
- 11 Training and skill building
- 12 Urban development and local communities
- 13 Occupational health and safety

Stakeholder relevance

- Important
- Very important



Report profile

■ GRI 2-3 | 2-4 | 2-5

Sustainability reporting

As a commercial enterprise, we feel committed to preserving the long-term viability of both our company and our environment, which is why we have been reporting on our sustainability activities continuously since 2009.

Since March 2012 this has taken the form of a stand-alone Sustainability Report, to give adequate scope to the growing importance of sustainability within our company.

The reporting period is the same as our financial year, and begins on 1 January 2023 and ends on the balance sheet date of 31 December 2023. The most recent sustainability report prepared by Branicks (formerly DIC Asset AG) was published in May 2023 and covered the reporting period from 1 January 2022 to 31 December 2022.

Contacts

Lukas Brunert
Head of Sustainability

Jasmin Dentz
Investor Relations

Stephan Heimbach
Press Relations



Our Head of Sustainability is continually working on refining the content of our sustainability reporting. Since 2021, this function has been leading the coordination of sustainability activities as well as ESG reporting processes and content, reporting directly to the CEO. He is also responsible for preparing the sustainability report with reference to the GRI 2021 reporting standard. The Management Board sets targets and measures that best match our sustainability principles (ESG at Branicks). Investor Relations, working closely with other Branicks divisions, coordinates our internal and external corporate communications including capital market reporting.

Significant changes to the organisation

Branicks' business model remains fundamentally unchanged from the previous year, although we have shifted our focus further towards generating recurring cash flows, making us less dependent on pure transaction business.

Company name changed to Branicks Group AG

One significant event during the year under review was the corporation's change of name from DIC Asset AG to Branicks Group AG. Branicks is a play on words using the words 'Brains' – the unique expertise and dedication of our teams – and the term 'Bricks' – in reference to the property value we create for our clients. A completely new corporate design was developed as part of the name change. The Branicks 'B' is the main symbol we use to confidently present our new brand to the world.

Change of subsidiary names

Subsidiaries within the Group also changed their names as part of this process, with DIC Onsite GmbH becoming Branicks Onsite GmbH and GEG German Estate Group GmbH changing its name to Branicks Institutional GmbH. Although VIB Vermögen AG is not affected by the name change after being acquired in 2022, it has been part of the consolidated Group since the 2022 financial year.

New structures within Asset Management

As part of the name change, new structures were also created within the subsidiaries. This particularly affects Branicks Onsite GmbH (formerly "DIC Onsite GmbH"), which still carries out important core operational tasks within the Group. The company's organisational chart was also rearranged as part of the internal adjustment of our operating structures, which also includes redistributing previously defined roles. Going forward, teams at Branicks Onsite GmbH will comprise four reorganised roles: branch manager, asset manager, technical manager and letting manager. The roles of asset manager (AM) and technical manager (TM) have been redefined as part of this process. The AM performs the ownership function and therefore has overall responsibility for the respective property. In addition to handling strategic and commercial issues, he manages the roles and service providers involved. The TM develops property-specific action strategies within the framework of the properties' business plan and implements Capex, TI and ESG measures. Reorganising our defined roles enables us to manage our properties in an integrated way and actively implement our corporate strategy in our day-to-day operating business.

Changes on the Management Board

The two Management Board members Christian Bock (CIBO) and Patrick Weiden (CCMO) left the Management Board of Branicks at the end of 2022. Torsten Doyen, who is responsible for the Institutional Business segment as CIBO, and Christian Fritzsche, who is responsible for the new Operations division as COO, joined our Management Board team at the start of 2023. This means that the Management Board comprised four members as of 31 December 2023: Sonja Wärntges (CEO and CFO), Torsten Doyen (CIBO), Christian Fritzsche (COO) and Johannes von Mutius (CIO).

Changes on the Supervisory Board

The composition of our Supervisory Board has also changed compared to the previous year. In addition to its Chairman, Prof. Dr. Gerhard Schmidt, the Supervisory Board had five members as of 31 December 2023: Michael Zahn (Vice Chairman), Dr. Angela Geerling, Eberhard Vetter, René Zahnd and Prof. Dr. Ulrich Reuter. The term of office of Prof. Dr. Ulrich Reuter ended following his resignation effective 31 December 2023. After the end of the reporting period, the Supervisory Board elected Dr. Angela Geerling as its new Chairwoman on 13 April 2024. The previous Supervisory Board Chairman, Prof Dr Gerhard Schmidt, continues to be a member of the Supervisory Board.

Auditor's report

Branicks Group AG is currently not required to have its sustainability report reviewed by an independent auditor. As in the previous year, Branicks nevertheless decided to have an independent auditor conduct voluntary limited assurance on its 2023 Sustainability Report. In the previous year, this voluntary limited assurance engagement focused on Targets, KPIs and Status tables in the 2022 Sustainability Report. Given the increasingly stricter audit requirements imposed by EU regulations (CSRD, EU environmental taxonomy, etc.) in the coming years, a complete voluntary limited assurance of our 2023 Sustainability Report was conducted for the first time. The EPRA key figures shown on pages 93 – 99 in the appendix to the Sustainability Report, which are labelled as unaudited, are not part of the audit.

The internal procedure for the appointment of the independent auditor for the consolidated financial statements is described in the 2023 Annual Report (→ [page 106](#)). Hamburg-based audit firm BDO AG, which was already responsible for the audit of the 2023 consolidated financial statements, was engaged to carry out the voluntary audit of the 2023 Sustainability Report. The voluntary audit of the Sustainability Report was performed as part of a simplified engagement. The German Public Auditor responsible for the audit of the 2023 consolidated financial statements is Christoph Hyckel. The partner responsible for the voluntary audit of the 2023 Sustainability Report is Carmen Auer. Please refer to the → [appendix](#) to this report for the audit opinion and the statements made about the independence of the audit firm and the quality management system in place there.

Environment

Addressing climate change and its impacts and reducing our environmental footprint will be some of our biggest challenges in the years ahead. Branicks has set itself a climate target and is on track to reach it within the designated timeframe. At the same time, we are defining appropriate key performance indicators to measure our progress and create transparency and traceability. Branicks is helping to decarbonise the building sector. At the same time, we are raising the proportion of Green Buildings in our portfolios and are switching to green electricity. New opportunities and innovations such as our new renewables asset class also continue to emerge. Read on to learn more about where we are up to on the path to a “green” transformation.

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Targets and status at a glance

UN Sustainable Development Goals



Targets, KPIs, status, 2023 Sustainability Report			
Targets	KPI	Status	Year-on-year change
Establish a science-based climate pathway for our German business by 2023 or earlier	Climate pathway	Climate pathway implemented at property and portfolio level ¹	Climate pathway created at portfolio level
Reduce greenhouse gas emissions per square metre in the Commercial Portfolio by 2030 by at least 40% compared to the 2018 baseline year	Δ t CO ₂ e/sqm Commercial Portfolio in %	– 36%	– 7%
Further expand the supply/purchase of renewable energy	Percentage of renewable energy in the communal-area electricity supply for the company's office premises owned by Branicks itself, and for the tenant electricity in the company's office spaces	100% renewable energy for the company's office premises owned by Branicks itself; 91% for the tenant electricity in the company's office premises	+/- 0% renewable energy for the company's office premises owned by Branicks itself; +8 percentage points for the tenant electricity in the company's office premises
	Number of buildings supplied with district heating or green gas in the Commercial Portfolio	87 of 158 properties (55%)	95 of 195 properties (49%)
	Number of buildings supplied with green electricity in the Commercial Portfolio ³	64 of 86 multi tenant properties (74%)	66 of 103 multi tenant properties (64%)
Increase the share of Green Buildings to at least 20% by 2023 (Commercial Portfolio)	Share of Green Buildings in GFA ² , based on the market value of the Commercial Portfolio	43.6%, target achieved	+12.6 pp
Increase the share of Green Buildings to at least 60% by 2027 (Commercial Portfolio)	Share of Green Buildings in GFA, based on the market value of the Commercial Portfolio	43.6%	New target

¹ Climate pathway for VIB properties to be implemented by mid-2024.
² Green Bond Framework
³ 93.5% of communal-area electricity in the Commercial Portfolio from renewable energies (previous year: 89.5%).

Climate action – our shared responsibility

■ GRI 3-3 | 302-5 | 305-5

Environmental protection in the building sector

The rise in global average temperatures due to climate change caused by human activity has far-reaching consequences for the world’s ecosystems.¹ Carbon dioxide (CO₂) is the largest contributor to greenhouse gas emissions (GHG) at 89.4%.² In particular, generating energy by burning fossil fuels (e.g. oil or natural gas) causes around 85%³ of GHG emissions in Germany. The building sector alone is responsible for roughly 15% of all greenhouse gas emissions.⁴ The German building sector has reduced greenhouse gas emissions by more than 50% since 1990.⁵

The federal government is committed to lowering these emissions further. The Federal Climate Change Act amended in April 2024 aims to reduce greenhouse gas emissions in Germany by at least 65% compared to 1990 by 2030.⁶ It has also begun amending the Building Energy Act (GEG). The heart of this reform is the 65% renewable energy target, which states that newly installed heating systems must generate at least 65% of the heat provided from renewable energy sources. At the same time, the federal govern-

ment fundamentally reorganised its Federal Funding for Efficient Buildings scheme. These initiatives are designed to drive the “heat transition” – heating without the use of fossil fuels.

New legislative initiatives for the building sector are also emerging at European level. In autumn 2022, the EU Council presented a proposal for the revision of the Energy Performance of Buildings Directive.⁷ This proposal is based on the “Fit for 55”⁸ package published by the European Commission at the end of 2021, which combines measures in areas including improving the energy performance of Europe’s buildings. The proposed legislation would establish overall minimum energy efficiency standards for existing buildings based on the maximum amount of primary energy that buildings could use. This provision aims to trigger renovations and lead to the continuous improvement of building stock in EU member states. As regards new buildings, the European Council proposal envisages that all new buildings from 2030 onwards will be zero-emission buildings. In December 2023, the EU Council and the EU Parliament agreed on a proposal for the revision of the Energy Performance of Buildings Directive.⁹ Formal approval of the initiative is still pending at the time this report is published.

Against this backdrop, the reduction in energy consumption – and therefore carbon emissions – along the entire real-estate value chain is an important building block in the implementation of our ESG road map. In our comprehensive materiality analysis carried out in 2016, we had already noticed that energy and emissions were very important both to the company itself and to its stakeholders. The huge significance of these aspects was confirmed in the 2021 materiality survey. Two further strategic action areas were added to this: sustainable portfolio performance and sustainable products as well as innovative modernisation concepts. Green Buildings play a crucial role in this context. Reducing emissions is a top priority in all material categories. Our Smart Buildings focus topic shows how automating building technology helps to mitigate climate change. In the “Green Buildings and certified buildings” section, you can learn how we are making sustainable portfolio performance a top priority. In the article “Expanding photovoltaics: environmentally sound, economically attractive”, we set out our strategy to expand our photovoltaic capacity and introduce our new renewables asset class.

¹ Sources: → <https://www.umweltbundesamt.de/themen/ipcc-bericht-klimawandel-verlaeuft-schneller>; on ecosystems: <https://www.bundesregierung.de/breg-de/schwerpunkte/klimaschutz/klimaanpassung-land-1948660>

² Source: → <https://www.umweltbundesamt.de/daten/klima/treibhausgas-emissionen-in-deutschland/kohlendioxid-emissionen#kohlendioxid-emissionen-im-vergleich-zu-anderen-treibhausgasen>

³ Source: → <https://www.umweltbundesamt.de/daten/klima/treibhausgas-emissionen-in-deutschland#treibhausgas-emissionen-nach-kategorien>

⁴ Source: → Umweltbundesamt; Emissionsübersichten nach Sektoren des Bundesklimaschutzgesetzes 1990-2022

⁵ Source: → Umweltbundesamt; Emissionsübersichten KSG-Sektoren 1990-2023

⁶ Source: → <https://www.bundesregierung.de/breg-de/themen/tipps-fuer-verbraucher/klimaschutzgesetz-2197410>

⁷ Source: → <https://www.consilium.europa.eu/de/press/press-releases/2022/10/25/fit-for-55-council-agrees-on-stricter-rules-for-energy-performance-of-buildings/>

⁸ Source: → https://ec.europa.eu/commission/presscorner/detail/de/IP_21_3541

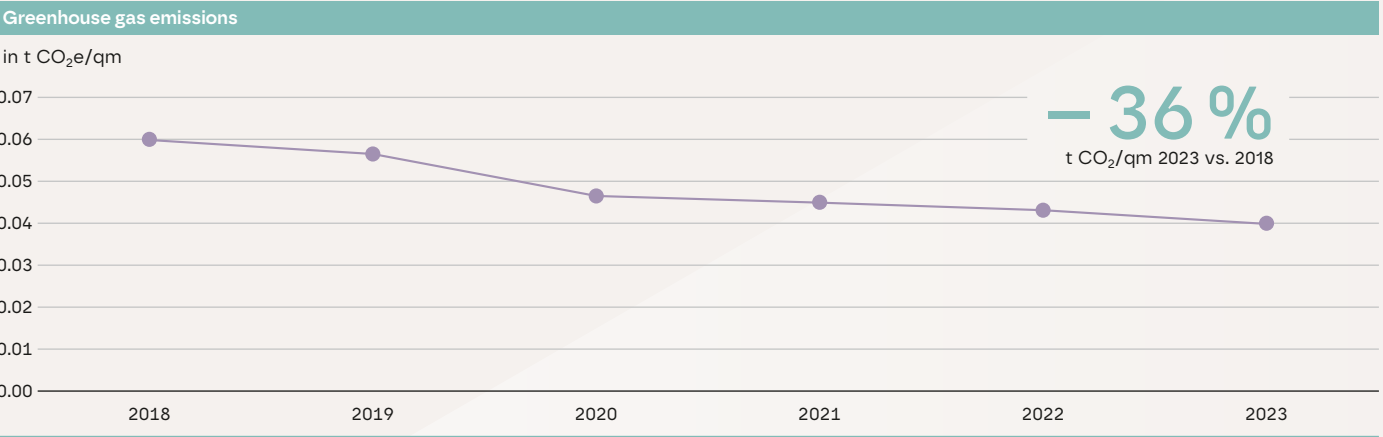
⁹ Source: → <https://www.consilium.europa.eu/de/press/press-releases/2023/12/07/fit-for-55-council-and-parliament-reach-deal-on-proposal-to-revise-energy-performance-of-buildings-directive/>

Carbon emissions and energy consumption

At 67.61% (2022: 72.10%) of total emissions, the supply of energy (heating and tenant electricity) and water of rented properties in the Commercial Portfolio represented the largest source of Branicks Group AG's carbon emissions. Our capital goods, which at Branicks include emissions from project developments and capex measures for the portfolio as well as associated planning and services, account for 23.32% (2022: 21.83%) of total emissions. Other emissions totalling 9.02% (2022: 6.07%) resulted from using the company's car fleet, procuring materials and services, purchasing fuel and energy, disposing of waste, travelling for business, commuting by employees, supplying communal-area electricity, water and heating to Branicks' offices, supplying communal-area energy for the Commercial Portfolio and supplying energy – based on the percentage of our equity investments' market value – to properties in the Institutional Business segment. Since supplying energy to the Commercial Portfolio makes up such a large share of total emissions, this was the starting point for the company's targeted decarbonisation measures. However, property owners can only indirectly influence a building's energy consumption. The success of such measures therefore depends on successful collaboration with our tenants. ESG means teamwork – it is only by working together that we can achieve our sustainability targets.



Assessability and comparability
To enable readers to assess and compare Branicks' figures, we present KPIs over the last three years and from the 2018 baseline year.



Intensity of greenhouse gas emissions per sqm in the Commercial Portfolio excluding the Institutional Business						
in t CO ₂ e	2018	2021	2022	2023	Δ 2022 – 2023	Δ 2018 – 2023
Total greenhouse gas emissions in the Commercial Portfolio	105.529	80.326	76.186	57.756	– 24%	– 45%
plus 20% safety margin	21.106	16.065	15.237	11.551	– 24%	– 45%
Total incl. 20% safety margin	126.635	96.391	91.423	69.308	– 24%	– 45%
Greenhouse gas emissions per sqm in the Commercial Portfolio	0,0628	0,0458	0,0437	0,0405	– 7%	– 36%

Our targets			
Targets	KPI	Status	Year-on-year change
Establish a science-based climate pathway for our German business by 2023 or earlier	Climate pathway	Climate pathway implemented at property and portfolio level	Climate pathway created at portfolio level
Reduce greenhouse gas emissions (GHG) per sqm in the Commercial Portfolio by 2030 by at least 40% compared to the 2018 baseline year	Δ t CO ₂ e/sqm Commercial Portfolio in %	– 36%	– 7%

Our target

Branicks is one of the leading players in the German market for logistics and office properties. As a listed company, we are also subject to close scrutiny by our shareholders, the capital market and the supervisory authorities. Not least, we have a great responsibility towards our tenants to conduct ourselves as a viable and reliable business partner. Branicks recognises that its leading role entails taking responsibility – including for climate action. In 2022, it has therefore set itself the target of reducing greenhouse gas (GHG) emissions per sqm for its Commercial Portfolio by an average of 40% by 2030 compared to the 2018 baseline year. To calculate GHG emissions per square metre in the Commercial Portfolio, we include only the emissions generated by our buildings during the occupation phase. These include communal-area electricity, tenant electricity, water consumption and the energy required for heating. Emissions from Scope 3.2 (Capital Goods) of the GHG Protocol are not currently included in the target. However, we are planning to expand our target to include these emissions. We used 2018 as the baseline year for our current calculations because we had access to an adjusted portfolio base starting from that year, which provided a clean benchmark for our calculations and enabled us to avoid larger-scale adjustments and/or conversions.

This means that we have set a transparent and measurable climate target based on current knowledge of globally available environmental parameters, scientific analysis and our own market knowledge. We are committed to this target as a top priority for our organisation. As a dynamic organisation, we are accustomed to responding to new market demands or scientific discoveries by realigning our targets and measures. Should such findings make it necessary to adjust our climate targets in a later reporting period, we will disclose this in a transparent and clear manner, including any reasons for doing so.

Greenhouse gas emissions per square metre of our Commercial Portfolio have decreased from 0.0628 t CO₂e/m² to 0.0405 t CO₂e/m² compared with the 2018 baseline year. This represents a decrease of 36%. Emissions from communal-area electricity consumption in the Commercial Portfolio (Scope 2.1: 478 t CO₂e) and emissions from tenant electricity and heating consumption (56,813 t CO₂e) fell sharply compared to the baseline year. Targeted ESG measures to improve energy efficiency and convert the power supply at our properties to renewable energy sources are crucial factors in reducing our greenhouse gas emissions. We also adjusted our energy-related emissions factors, which also helped to reduce emissions slightly. A detailed explanation of this change can be found in the → [methodology section](#) of this chapter.

Developing a climate pathway

We regularly record and analyse the electricity and heating energy consumption of our properties, and report on the relevant data in a transparent manner. Constant, transparent monitoring of our energy consumption enables us to monitor and analyse the resulting greenhouse gas emissions in the properties we manage. We perform carbon and energy due diligence for all properties. Taking the property's carbon emissions and energy consumption as the basis, we develop a customised climate pathway that includes measures to achieve the climate target. We can therefore identify low-performing properties, reveal the optimisation potential (LCA approach) and initiate the appropriate action. On top of this, we are gradually closing any data gaps in buildings' consumption figures. The climate pathway is intended to form a framework for the upcoming measures and serve as guidance for the essential prioritising of the various activities to meet our 2030 climate target. It determines which measures will have the greatest possible impact

on achieving the climate target, and when. It also includes the implementation of organisational, contractual and technical programmes of ESG measures. Along with contractual and organisational measures, the climate pathway also specifies purposeful renovation measures for each property. It helps us to cluster upcoming measures into programmes and roll them out into our portfolio in a targeted manner. We are also trying to learn lessons with innovative modernisation concepts and deploy them on site. In 2022, property-specific ESG action plans were developed for all properties in the Commercial Portfolio. In the reporting year, these action plans were continuously updated in the reporting year, each property was evaluated in relation to the climate target and opportunities and risks for achieving the target by 2030 were identified. These property-specific pathways were aggregated in the reporting year to create an overall pathway at portfolio level and the timing of upcoming measures will be coordinated. The VIB properties that we acquired will follow this process by the middle of 2024.

Climate pathways at property and portfolio level

Category	Measures
1. Contracts	Green leases Green facility management (FM)
2. Organisation	Managing energy use, optimising operations FM
3. Technical (design) matters	Programmes of ESG measures: <ul style="list-style-type: none">■ Photovoltaics■ Optimising heating, ventilation, cooling■ LED lighting■ Conversion to district heating■ Insulation of envelope, roof
4. Strategy	Portfolio strategy Green Building

1. Contracts

Green leases: Involving our tenants

Our tenants play a particularly crucial role, especially for saving heating and electricity. Often, small changes in behaviour can lead to large leaps forward in efficiency. To leverage this potential, we systematically surveyed tenants' consumption data in the year under review and engaged in a dialogue with selected tenants on sustainability issues. At the same time, we use green leases to involve our tenants more closely in our energy-saving measures such as facilitating the easy transition to green energy contracts.

Green FM: Involving our facility management providers

We forged a strategic partnership on green FM with the four most important facility management service providers and defined a new standard. The standard service specification for facility managers was expanded to include regulations focusing on sustainable building operations and is already being applied in a large portion of our portfolio.

2. Organisation

Managing energy use and optimising operations

Our top priority in our energy management is to use digital tools to improve energy efficiency. To achieve this, we are establishing energy and sustainability platforms as well as smart data and smart metering. In our "Smart Buildings" articles, we demonstrate the potential this technology can offer. Our aim is to implement a tool to be used for data management as well as for reporting and monitoring the ESG performance of the portfolio and individual assets.

We want to continue to reduce our emissions by using smart energy efficiency strategies.

We strive to supply the communal areas in all of our multi-tenant properties – and especially the newly acquired ones – as best we can with renewable energy on the basis of the relevant framework agreements with energy suppliers.

Since 2010, the share of green electricity in the communal-area electricity used in the multi-tenant buildings in our Commercial Portfolio has been at least 80% (2023: 93.5% of total consumption), with 64 of 86 multi-tenant properties sourcing their communal-area electricity in the form of green electricity. This enables us to gradually reduce the share of fossil energy sources and shrink our carbon footprint. We are also switching to green alternatives to heat our properties. We switched a significant proportion of our existing gas supply contracts over to green gas tariffs in 2023 by acquiring certificates for supply contracts that qualify as green gas.¹ In 2023, we also analysed additional potential for switching to district heating and will continuously expand our use of this option in the years ahead. As a result, 87 out of 158 properties in our Commercial Portfolio are supplied with district heating and green gas.

Professional energy management is also a firm part of the range of services provided by our facility management partners and part of our strategic partnership. Our partners are catalysts for using technological and digital solutions to improve energy efficiency and know our buildings better than anyone else. To this end, we have worked with our strategic partners to develop standard measures to optimise building operation and are gradually examining their

application. Such measures include performing hydraulic calibration of the heating system, regulating and adjusting the running time of ventilation systems and reducing the temperatures at night.

3. Technical (design) matters

Programmes of ESG measures: Reducing energy consumption and switching to renewable energy

Energy consumption is Branicks' biggest source of emissions. That's why we strive to constantly reduce energy consumption through refurbishment measures, especially where they are still necessary after contractual and organisational measures have been implemented to achieve the climate target and improve energy efficiency in general. Technical design work might include retrofitting cooling systems or switching to LED lighting. The acquisition of VIB provides us with access to considerable expertise in photovoltaics → [2022 Sustainability Report, p. 75](#). Another priority is to cluster individual measures into programmes. For example, we checked all properties in the Commercial Portfolio to find out whether district heating was available. In the process, we identified a whole series of suitable properties and integrated implementation of this step into the climate pathway.

4. Strategy

Green Building portfolio strategy

We strive to reduce our portfolio's energy requirements and our carbon emissions by investing in sustainable and energy-efficient real estate.

¹ According to the GHG protocol, green gas must not be included separately when accounting for greenhouse gas emissions. Accordingly, green gas is considered as natural gas as per the GHG protocol.

360-degree strategy

Branicks has always focused its attention on the long-term impact of the measures it takes. This is why we coordinate steps to optimise our carbon footprint based on our [→ 360-degree management approach \(Match – Transact – Operate – Develop\)](#).

By taking this comprehensive approach that integrates all players and phases of real estate management, we optimise the use of human, capital and knowledge resources while effectively networking properties, occupiers and investors on the platform. Investing in real estate and its ongoing management is the focus of our activity. Our business model is unique because it turns previously linear value chains into a dynamic, circular process. This enables us to deliver 360-degree value creation for our investors and shareholders and take advantage of strong synergy effects, disclosing the environmental impact of our properties in all phases of our business model. To analyse the (potential) environmental impacts of our real estate, Branicks applied the following lifecycle analysis (LCA) which is described in more detail below:

Portfolio properties (Operate & Develop)

We initiate and implement ESG measures to further develop, maintain and optimise portfolio properties (Develop). In our view, comprehensively operating properties with an active and sustainable management approach also includes managing, controlling and reporting ESG-relevant KPIs for our properties (Operate).

Branicks records and analyses energy consumption and the resulting greenhouse gas emissions to identify the general optimisation potential for the Commercial Portfolio take appropriate action ranging from carbon emission and energy due diligences to energy refurbishment measures. Based on this data, an individual climate pathway containing measures to achieve the climate target is created for each property. The section [→ Developing a climate pathway](#) describes progress made in implementing specific measures in our portfolio properties.

If we look at the life cycle of a building, the largest share of environmental impacts occurs during the new construction phase associated with choosing the site (locked-in carbon) and the resulting use of the surface area. Although Branicks only engages in its own new construction activity to a limited extent, it is one of the largest owners of buildings on the German commercial property market. Bearing this in mind, the group is concentrating on energy retrofits and improving energy efficiency as it operates portfolio properties. New construction projects planned by our subsidiary VIB consistently meet high environmental and energy standards for logistics properties. Branicks manages real estate where energy consumption and energy procurement during the occupation phase make up a significant proportion of the environmental impact. Additional environmental impact occurs as part of maintenance, replacement and renovation measures, as well as energy refurbishments. When we acquire new properties, our due ESG diligence requires us to apply high standards to a building's lifecycle analysis.

Acquisition of portfolio buildings and new builds (Match & Transact)

Branicks invests in sustainable and energy-efficient buildings where possible as well as in assets with a [→ Green Building certification](#) under DGNB, LEED and BREEAM (Transact). This enables us to meet the standards we ourselves specified in the ESG-linked promissory note we placed in 2021 and in our Branicks Green Bond.

In our Institutional Business segment, we are designing fund products – including with ESG aspects – and matching the relevant fund investment strategy and the specific ESG features included (Match).

Before approving an acquisition, Branicks carries out ESG due diligence where it analyses the building's energy efficiency and other energy parameters as well as the resulting environmental impacts (e.g. carbon emissions). It also determines the potential for achieving green-building certification or possessing ESG features, and this is confirmed by external experts.

Where individual assets do not meet our ESG standards, we prepare action plans and take account of the corresponding investment costs in the business plan. We believe that making sustainable investments and expecting high returns is not a contradiction but in fact complements each other. Our real estate teams possess the necessary skills and experience to be able to create specific solutions for each building or office and use innovative approaches.

Method used to calculate the environment data

Organisational boundaries

Three organisational boundaries were set for the calculation of emissions, and energy and water consumption:

- The data and information presented in the Environment section (GRI 300) relate to the business activities of Branicks and hence solely to the Commercial Portfolio properties held directly by the Group (168 properties as of 31 December 2023). The presentation of consumption data covers 158 properties, as the remaining properties are project developments, parking lots and undeveloped land.
- The analysis presented does not include consumption disclosures for third-party properties (Institutional Business). This was based on the fact that the fund strategy and decisions regarding individual measures are determined jointly by all investors and owners. Branicks, in its role as real estate manager and, in some cases, co-investor, only has a limited influence over such decisions. To calculate the environmental footprint of our own investment in the vehicles, we have been taking the carbon emissions in the Commercial Portfolio caused by us as a reference since 2020. This reference was then used for projections in the Institutional Business segment. In the previous year, the share of co-investments in the Institutional Business amounted to around 5% of the

Commercial Portfolio's market value. This share grew to 10% in 2023. These emissions are classified as Scope 3 according to the GHG Protocol used to calculate the carbon footprint.

- EPRA disclosures are reported in a separate document, taking into consideration the reporting requirements under the EPRA sBPRs. Within these organisational boundaries, we report on the energy consumption in the Commercial Portfolio for the past three calendar years from 2021 to 2023 and our 2018 baseline year with reference to the applicable requirements contained in the 2021 GRI Standards. The consumption data for 2018 to 2020 reflects our disclosures in the 2020 Sustainability Report¹, supplemented by the VIB data. Due to our constantly changing portfolio, our data does not fully cover all consumption. This explains why the total energy consumption shown for the Commercial Portfolio has been based on extrapolated data. The method used to determine total energy consumption was optimised in 2021. The main difference was that the extrapolations for the previous years were based on an analysis of the portfolio. For a property to be included in the analysis portfolio, at least seven of the nine consumption data points had to be available over a three-year period. Since 2021, energy consumption for the relevant calendar year has been extrapolated for each energy source using the key indicators identified on the basis of the consumption data available.

Inclusion of VIB

Figures from VIB, which was acquired in the 2022 reporting year, are fully accounted for in all of the energy and emissions data published in this report, as was the case in the previous year. To retrospectively supplement the energy and emissions data from our Commercial Portfolio for the years 2018 to 2021 with consumption figures for VIB, a recalculation was made when preparing the 2022 Sustainability Report based on the actual consumption data from VIB for the year 2022, with other external factors also being accounted for. This involved applying consumption data for the VIB portfolio for previous years, consumption data for the former Commercial Portfolio ("pre-VIB"), annual portfolio figures and an intensity factor. This retrospective adjustment to the reported emissions data guarantees the transparency and continuity of our reporting in this area.

No neutralisation of non-recurring effects

As our emissions data shows, we have refrained from methodically neutralising non-recurring effects which may arise as a result of changed occupations of rental space or vacancy rates, variations in the properties of construction materials, the age of buildings and external influences (e.g. weather anomalies). When comparing the consumption of heating energy for the various reporting years, it should be noted that the heating periods in the years analysed are naturally subject to fluctuations. The reported values have not been adjusted to reflect this, however.

¹ See → [DIC 2020 Sustainability Report, page 84.](#)

Energy and water consumption

Electricity, heating and water consumption has been collected by an external service provider in collaboration with our ESG team applying the dual-control principle since the 2019 reporting year, with the support of our local asset management team (and the facility management service provider on site).

The data is always gathered at the start of the year for the last calendar year. For multi-tenant properties, the meter reading of consumption data for heating energy, communal-area electricity and water is taken by our facility management service provider. Our asset management team or external service provider transmits this reading to our energy supplier who then provides us with consumption statements. Consumption data is primarily extracted from meter lists. We increasingly get meter readings from energy management systems or directly from smart meters. We use billing data and what in Germany is known as the “Liegenschaftsmodell” (property model) for plausibility and completion purposes.

If necessary, projections/estimates are made at property level on the basis of our own portfolio benchmarks per asset class, energy performance certificates or previous year’s figures. To determine the amount of tenant electricity, we also rely on the consumption figures transmitted by the tenants. Information on the share of green electricity in tenant electricity is usually based on information

provided by tenants as well. For single-tenant properties, where direct supply contracts are in place between the tenant and the supplier, we rely on the cooperation of the tenant to pass on the data, complying strictly with all data-protection requirements. In 2023, we obtained actual communal-area electricity consumption data for 62 out of a total of 86 multi-tenant properties. For tenant electricity, this figure was 120 out of 158 properties. In addition, we obtained heating energy data for 112 properties and water consumption data for 142 properties.

In total, around 97% of the required data is collected or reliably estimated at property level. We calculated the total consumption of the Commercial Portfolio based on the properties’ energy consumption determined. To calculate the specific energy and water consumption for our Commercial Portfolio, we added up the consumption figures available for each energy source (broken down into communal-area and tenant consumption) and compared them as a proportion of the relevant rental space (in sqm) of the properties. The data was normalised and the indicators were determined based on the rental space (sqm). The baseline data obtained was tested for plausibility as part of our internal controls and quality assurance. This revealed that 93.5% of communal-area electricity and 20.6% of tenant electricity came from renewable energies, with 36.6% of the consumption in 2022 provided by district heating (natural gas: 59.5%; fuel oil: 1.2%; liquefied gas: 1.4%; other: 1.3%).

Data for electricity, heating and water consumption as well as waste for our company’s office premises was gathered – as in the past – via Branicks’ local branch offices. Plausibility tests were carried out by our asset management team, external service providers and our own ESG team.

Emissions

The emissions detailed in this report were calculated in accordance with the provisions of the GHG Protocol. This standard differentiates between three scopes of emissions: Scope 1 includes all greenhouse gas emissions incurred directly within the organisation, e.g. greenhouse gases from the combustion of fuel in fixed or mobile facilities. Scope 2 includes all indirect greenhouse gas emissions incurred as a result of energy being supplied by energy suppliers outside of the organisation. Scope 3 includes all other material upstream or downstream greenhouse gas emissions caused by the organisation’s business activities.

93.5%

Communal-area electricity and

20.6%

Tenant electricity in the
Commercial Portfolio from
renewable energies

The greenhouse gas emission calculation includes all of the greenhouse gases specified by the Intergovernmental Panel on Climate Change (IPCC) and set out in the Kyoto Protocol. To simplify matters and provide an improved overview, we have converted the various greenhouse gases into carbon dioxide equivalents (CO₂e) and presented them using the relevant global warming potential. The consumption data obtained (e.g. electricity consumption) was converted using emissions factors to give the GHG emissions per unit. The data benchmark for emissions factors comes from the German Environment Agency, the British Department for Energy Security and Net Zero (DESNZ), Exiobase and other relevant studies. As part of this Sustainability Report, we also decided to switch from Carbon Risk Real Estate Monitor (CRREM) energy-related emissions factors to those provided by the German Environment Agency. We made this decision after it became apparent from the publication of the CRREM's updated methods paper that its emissions factors do not include the upstream chain. However, this should definitely be included in our planned SBTi commitment. In addition, the updated CRREM factors only go back as far as 2020; the CRREM does not provide any

up-to-date factors for our 2018 baseline year. The GHG Protocol, CRREM and SBTi also recommend using country-specific factors where available.

Branicks is working continuously to improve the data benchmark for our greenhouse gas balance. We once again succeeded in making improvements for the 2023 reporting year. In addition to switching to country-specific emissions factors, we added another emissions source, Scope 3.2 emissions. According to the GHG Protocol, emissions from real estate project development activities, capex measures for portfolio properties and associated planning and other services are recognised in this category. We made these adjustments not only for the year under review but also retrospectively all the way back to our 2018 baseline year. The changes mean that the greenhouse gas balances published in previous years can no longer be used as a direct basis for comparison.

The baseline year for reporting GHG emissions was 2018. To adjust for any inaccuracies in collecting and calculating GHG emissions, we added a safety margin of 20% to our total emissions for the years 2018 to 2021. We reduced this safety margin by 3 percentage

points in 2022 and 2023. This reduction is mainly due to the fact that we were able to accurately record emissions in Scope 3.2 for project development, as precise expenditure was available for these years. Only a portion of this data was available for previous years. Other factors contributing to the reduction in the safety margin are the change in the emissions factor for the German electricity mix from forecasts (CRREM) to historical values provided by the German Environment Agency (UBA), the higher proportion of actual consumption figures in tenant electricity compared to the years 2018 to 2021 and other minor adjustments and improvements in the data sets.

The reduction target for the Branicks Group's Commercial Portfolio only takes into account the energy consumption of the Commercial Portfolio. Reducing the safety margin by including Scope 3.2 therefore has no significant impact on the reduction target's data quality. Accordingly, the safety margin for this partial consideration of GHG emissions will remain at 20% in 2022 and 2023.

Our energy and water consumption trends and the development of GHG over time are explained in more detail below.

Energy

■ GRI 302-1 | 302-2 | 302-3 | CRE 1

Energy consumption

Within the organisation

The reported energy consumption within the organisation¹ comprises the communal-area electricity supplied to properties in the Commercial Portfolio (88.58% of total energy consumption; 2022: 89.38%) and the company's office premises owned by Branicks (1.65%; 2022: 1.25%). It also includes the electricity generated by Branicks from photovoltaic systems and its consumption (0.20%; 2022: 0.14%). Further energy consumption was attributable to the fuel consumption of the company's car fleet (6.24%; 2022: 6.77%), tenant electricity for the company's office premises (both owned by Branicks and rented) (2.52%; 2022: 1.72%) and the district heating supplied to the company's office premises owned by Branicks Group AG (0.82%; 2022: 0.73%).

Compared with the 2018 baseline year, total energy consumption fell by 35%. This positive trend can largely be attributed to a reduction in communal-area electricity consumption in the Commercial Portfolio as a result of ESG measures plus a shift in the portfolio towards more single-tenant properties. In the latter case, Branicks does not normally agree contracts for communal-area electricity provision. The smaller size of the portfolio was another factor contributing to this trend. Year-on-year, total energy consumption within Branicks as an organisation declined by 19.5%.

Energy consumption for communal-area electricity provision to properties in the Commercial Portfolio represents the largest single item in our energy reporting. Year-on-year, this figure decreased by around 20% to around 13.3 million kWh. This is a reduction of around 38% compared with the 2018 baseline year.

Since 2021, all of the communal-area electricity (100%) obtained by the company's office premises comes from renewable energy sources. A total of 91% of the tenant electricity consumed at the company's office premises was green electricity. Compared with the baseline year, this communal-area electricity consumption has fallen by 22% (+6% year-on-year). The total energy consumed in supplying these locations with district heating declined by 29% (–10% year-on-year). We attribute this significant improvement to the results of our Energy Challenge that we initiated in 2022 and continued in the reporting year. The aim of this company-internal challenge was to raise awareness about the handling of heating and electricity as energy-intensive utilities.

Outside the organisation

Energy consumption outside of the organisation included the supply of heat (48.40% of total energy consumption; 2022: 54.40%) and tenant electricity for the Commercial Portfolio (42.53%; 2022: 41.22%) as well as – pro rata by market value of our equity investments – the supply of heat (4.60%; 2022: 2.51%) and electricity (4.04%; 2022: 1.57%) for the Institutional Business segment.

Communal-area electricity supplied in the real estate rented by Branicks Group AG (0.18%; 2022: 0.14%) as well as supplying these areas with heating (0.25%; 2022: 0.16%) also fed into this. Further energy consumption results from business trips made by employees as well as their daily commutes. As no valid data was available at the time for these types of consumption and it was impossible to allocate them pro rata to the Commercial Portfolio and Institutional Business, Branicks was unable to systematically record them at that point.

Compared with the previous year, energy consumption outside the organisation declined by around 46.9 million kWh (–20%). Compared with the 2018 baseline year, energy consumption outside the organisation has fallen by almost 109.3 million kWh (–37%). Both tenant electricity and heating supply in the Institutional Business rose sharply year-on-year. We attribute this to the increase in our co-investments, with investments as a proportion of the Commercial Portfolio market value rising from around 5% in the previous year to approximately 10% at the end of 2023.

1 Energy consumption within the organisation relates to assets (including the car fleet) which Branicks owns or otherwise directly controls.

Energy consumption within the organisation								
in kWh	2018	2021	2022	2023	Δ 2022 – 2023		Δ 2018 – 2023	
Communal-area electricity for proprietary offices	318,733	267,469	233,078	247,734	14,656	6%	–70,999	–22%
of which, from renewable energy	217,330	267,469	233,078	247,734				
of which, from conventional sources	101,403	0	0	0				
Electricity from own generation of proprietary offices	30,689	25,454	26,838	29,581	2,743	10%	–1,108	–4%
of which, from photovoltaic	30,689	25,454	26,838	29,581				
Communal-area electricity supply for properties in the Commercial Portfolio	21,350,551	14,342,064	16,659,425	13,285,908	–3,373,517	–20%	–8,064,643	–38%
of which, from renewable energy	19,829,551	11,461,222	15,231,042	12,422,416				
of which, from conventional sources	1,521,000	2,880,842	1,428,383	863,492				
Tenant electricity for the company's offices¹	327,089	324,963	321,238	377,491	56,253	18%	50,402	15%
of which, from renewable energy	319,843	255,615	266,628	342,119				
of which, from conventional sources	7,245	69,348	54,611	35,372				
District heating for proprietary offices	172,832	178,097	136,312	122,581	–13,731	–10%	–50,251	–29%
Fuel for the company's car fleet²	982,154	1,146,181	1,261,056	935,597	–325,459	–26%	–46,557	–5%
Petrol	137,919	526,668	386,778	113,688				
Diesel	844,235	619,513	874,279	821,909				
Total	23,182,048	16,284,228	18,637,948	14,998,892	–3,639,055	–19.5%	–8,183,156	–35%

¹ Rented and proprietary offices.

² Energy conversion figures taken from the Federal Office for Economic Affairs and Export Control (BAFA) were used as conversion factors for the various energy sources.

Energy consumption percentages within the organisation							
in %	2018	2021	2022	2023	Δ 2022 – 2023		Δ 2018 – 2023
Communal-area electricity for proprietary offices	1.37	1.64	1.25	1.65	0.40		0.28
Electricity from own generation of proprietary offices	0.13	0.16	0.14	0.20	0.05		0.06
Communal-area electricity supply for properties in the Commercial Portfolio	92.10	88.07	89.38	88.58	–0.81		–3.52
Tenant electricity for the company's offices ¹	1.41	2.00	1.72	2.52	0.79		1.11
District heating for proprietary offices	0.75	1.09	0.73	0.82	0.09		0.07
Fuel for the company's car fleet ²	4.24	7.04	6.77	6.24	–0.53		2.00
Total	100.00	100.00	100.00	100.00			

¹ Rented and proprietary offices.

² Energy conversion figures taken from the Federal Office for Economic Affairs and Export Control (BAFA) were used as conversion factors for the various energy sources.

Energy consumption outside of the organisation

in kWh	2018	2021	2022	2023	Δ 2022 – 2023		Δ 2018 – 2023	
Communal-area electricity in properties rented by Branicks Group AG	232,069	310,783	320,723	343,081	22,358	7%	111,012	48%
Heating supply in properties rented by Branicks Group AG	245,494	484,684	377,816	471,647	93,831	25%	226,153	92%
Commercial Portfolio tenant electricity	107,962,574	72,749,429	97,143,843	80,295,329	-16,848,514	-17%	-27,667,245	-26%
Commercial Portfolio heating supply	176,730,206	168,633,653	128,204,348	91,365,927	-36,838,421	-29%	-85,364,279	-48%
District heating	47,602,349	49,857,805	42,277,417	33,397,468				
Natural gas	117,097,707	104,661,430	76,684,193	54,400,834				
Liquefied Petroleum Gas	2,976,374	3,084,734	1,772,439	1,280,036				
Fuel oil	557,050	2,223,617	1,005,536	1,085,479				
Mix	8,496,727	8,806,067	6,464,763	1,202,110				
Institutional Business tenant electricity	4,991,028	3,556,023	3,701,103	7,624,041	3,922,938	106%	2,633,014	53%
Institutional Business heating supply	7,958,031	8,117,064	5,912,785	8,675,195	2,762,410	47%	717,163	9%
District heating	2,883,751	3,296,815	1,949,834	3,171,090				
Natural gas	5,056,389	4,746,992	3,536,675	5,165,359				
Liquefied Petroleum Gas	0	0	81,745	121,539				
Fuel oil	17,891	73,256	46,375	103,066				
Mix	0	0	298,155	114,140				
Total	298,119,403	253,851,636	235,660,618	188,775,220	-46,885,398	-20%	-109,344,182	-37%

Energy consumption percentages outside of the organisation

in %	2018	2021	2022	2023	Δ 2022 – 2023		Δ 2018 – 2023	
Communal-area electricity in properties rented by Branicks Group AG	0.08	0.12	0.14	0.18	0.05		0.10	
Heating supply in properties rented by Branicks Group AG	0.08	0.19	0.16	0.25	0.09		0.17	
Commercial Portfolio tenant electricity	36.21	28.66	41.22	42.53	1.31		6.32	
Commercial Portfolio heating supply	59.28	66.43	54.40	48.40	-6.00		-10.88	
Institutional Business tenant electricity	1.67	1.40	1.57	4.04	2.47		2.36	
Institutional Business heating supply	2.67	3.20	2.51	4.60	2.09		1.93	
Total	100.00	100.00	100.00	100.00				

Energy intensity

The energy intensity (kWh per sqm) within the organisation includes the consumption of communal-area electricity at the company's office premises owned by Branicks, tenant electricity¹ for the company's offices, the self-generation of electricity from photo-voltaics and its consumption, district heating of the proprietary offices, the car fleet and the communal-area electricity supply for leased properties in the Commercial Portfolio. Branicks Group AG records its energy intensity based on a property's space (per sqm) and reports this separately for the company's office premises (including the car fleet) and for the Commercial Portfolio. An analysis of the year under review reveals that energy consumption per square metre for the company's office premises saw a year-on-year

decrease of 54.28 kWh/sqm (– 30%). Compared to the 2018 baseline year, energy consumption per square metre for the company's offices also decreased by 92.32 kWh/sqm (– 43%).

Energy consumption per square metre in the Commercial Portfolio in 2023 (here, communal-area electricity) fell slightly by 0.21kWh/sqm (– 2.6%) year-on-year. Even compared to the 2018 baseline year, consumption of communal-area electricity per square metre in the Commercial Portfolio improved by 2.83kWh/sqm (– 27%).

The energy intensity outside of the organisation includes the common-area electricity and heating supply for the company's rented office premises as well as the tenant electricity and heating supply for the Commercial Portfolio. Besides the energy consumption

per square metre for the company's rented offices, Branicks also reported the energy consumption for the Commercial Portfolio. Compared to the previous year, energy consumption for communal-area electricity and heating supply per sqm of rented company office decreased by 18.89 kWh/sqm (– 17.51%). Compared to the 2018 baseline line, the energy intensity per sqm of rented company office fell by 23 kWh/sqm (– 21%).

Energy intensity for the Commercial Portfolio (tenant electricity and heating supply) declined by 7.5kWh/sqm (– 7%) compared to the previous year and by 41kWh/sqm (– 29%) compared to the 2018 baseline year.

Energy intensity within the organisation per sqm in the company's offices								
in kWh	2018	2021	2022	2023	Δ 2022 – 2023		Δ 2018 – 2023	
Total energy consumption in the company's offices	1,831,497	1,942,164	1,978,523	1,712,984	–265,538	–13%	–118,512	–6%
Energy consumption per sqm in the company's offices	216	183.63	178	124	–54.28	–30%	–92.32	–43%

Energy intensity within the organisation per sqm in the Commercial Portfolio								
in kWh	2018	2021	2022	2023	Δ 2022 – 2023		Δ 2018 – 2023	
Total energy consumption in the Commercial Portfolio	21,350,551	14,342,064	16,659,425	13,285,908	–3,373,517	–20%	–8,064,643	–38%
Energy consumption per sqm in the Commercial Portfolio	10.6	6.8	8.0	7.8	–0.21	–2.6%	–2.83	–27%

Energy intensity outside of the organisation per sqm in the company's offices								
in kWh	2018	2021	2022	2023	Δ 2022 – 2023		Δ 2018 – 2023	
Total energy consumption in the company's offices	477,564	795,467	698,539	814,728	116,189	17%	337,164	71%
Energy consumption per sqm in the company's offices	112	134	108	89	–18.89	–18%	–23.05	–21%

Energy intensity outside of the organisation per sqm in the Commercial Portfolio								
in kWh	2018	2021	2022	2023	Δ 2022 – 2023		Δ 2018 – 2023	
Total energy consumption in the Commercial Portfolio	284,692,780	241,383,081	225,348,191	171,661,256	–53,686,935	–24%	–113,031,524	–40%
Energy consumption per sqm in the Commercial Portfolio	141	115	108	100	–7.50	–7%	–40.91	–29%

¹ Includes rented and owned office premises.

Expanding photovoltaics: environmentally sound, economically attractive

Over the course of the last two decades, renewable energy has risen steadily as a proportion of total German electricity consumption – from just 6.3% in the year 2000 to more than 50% in 2023.¹ The German Federal Government has set itself the target of increasing the proportion of renewable energy in gross electricity consumption to 80% by 2030.² For this purpose, an amendment to the Renewable Energy Sources Act (EEG) was passed in 2022 and came into force at the beginning of 2023.³ With this legislation, German lawmakers have prioritised renewable energy, removed the EEG levy from consumer electricity prices, defined clear expansion pathways for wind and solar power, and increased subsidies for solar panel systems.⁴

Prior to this legislative initiative, Branicks was already involved in the systematic expansion of photovoltaic systems. The project developments of our subsidiary VIB in the logistics asset class include photovoltaic systems wherever it makes sense technically and financially. We usually do not install the facilities ourselves but instead cooperate with a service provider specialising in the setup and operation of PV systems. By 2020, the total annual photovoltaic capacity from systems installed at VIB sites stood at 4,000 kWp. Since then, this green electricity capacity generated by in-house PV systems has virtually doubled every year, reaching some 19,700 kWp in 2023. This growth trend is set to continue, With plans to expand PV capacity at VIB to 30,000 kWp by the end of 2025.

New-build projects in the logistics asset class are especially suitable for expanding PV capacities, since key factors such as roof load capacity can be taken into account as early as the planning

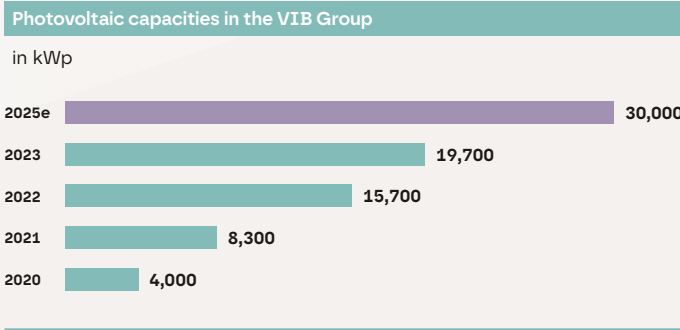
stage and large rooftop areas are typically available. However, photovoltaics will play a role not only in new construction projects. As a result of the advances made in module technology, especially in terms of weight reduction, solar modules can now also be installed on roofs with lower load capacities. We therefore also look at portfolio properties in the office and logistics asset classes to see where solar retrofits are a technically feasible and economically sound option.

To this end, the first pilot projects for office properties were launched in 2023; these will be continued and expanded. In the Institutional Business, we signed contracts during the reporting year for a logistics fund to build PV systems with an output of around 16.5 MWp. Installation of these system is scheduled for 2024.

In this way, we are contributing to the decarbonisation of the building sector and supporting the German Government’s climate targets.

VIB’s head office, constructed by the company itself, also makes a contribution to ecological sustainability. A rooftop photovoltaic system is installed on the building. With a nominal annual output of 30kWp, this has achieved theoretical savings of around 69 t CO₂e since it was brought online. Constructed according to the latest standards for cooling and A/C systems, the building is heated solely by a heat pump. Fossil fuel combustion is not used in any part of the building. The building also features a ventilation system with waste heat recovery, LED lighting and charging stations for electric vehicles, as well as a planted carport roof. As well as designing the head office’s green spaces to be as natural as possible, we also promoted biodiversity in 2023.

We also combined the achievement of our environmental targets with our expertise as a fund manager, expanding the Branicks business model by introducing the new renewables asset class in 2024 and entering into a partnership with Encavis AM. Our aim is to develop and offer investment vehicles relating to solar and wind turbine technologies in Germany and other European countries. We are currently setting up our first fund in this area with a target volume of EUR 300 million that will come to the market shortly. Encavis AM’s expertise as an independent asset manager and advisor on solar and wind power and Branicks’ experience in structuring investment vehicles complement each other perfectly. In the solar segment in particular, the use of spaces and buildings within the existing office and logistics asset classes creates additional return potential. As a result, Branicks is ideally positioned to help shape the upcoming transformation of the building sector. For us, there is no doubt that expanding into photovoltaics is an environmentally sound and economically attractive strategy.



¹ Source: → <https://www.bundesregierung.de/breg-de/schwerpunkte/klimaschutz/faq-energiewende-2067498>
² Same source
³ Source: → https://www.gesetze-im-internet.de/eeg_2014/EEG_2023.pdf
⁴ Source: → <https://www.bundesregierung.de/breg-de/schwerpunkte/klimaschutz/novelle-eeg-gesetz-2023-2023972>

Emissions

■ GRI 305-1 | 305-2 | 305-3 | 305-4 | 305-5 | CRE3 |

Greenhouse gas emissions

Branicks Group AG's total emissions according to the GHG Protocol decreased by 19.1% year-on-year and by 45.9% compared to the 2018 baseline year to 98,319 tCO₂e (incl. 17% safety margin) (see → [table on page 50](#)). This significant improvement in emissions from the Commercial Portfolio is attributable to the specific ESG measures introduced to improve energy efficiency as well as the shift in energy supplies. Absolute emissions also fell due to shrinkage in the portfolio as well as a reduction in project development activities (Scope 3.2 – Capital Goods). Tenant consumption of electricity and heating energy in the Commercial Portfolio segment remained the largest source of emissions in 2023 at 56,813 t CO₂e (2022: 74,865 t CO₂e).

At present, 6.5% (863,492 kWh) of the communal-area electricity supplied to our Commercial Portfolio is not yet sourced from renewable energy. Year-on-year, we were able to increase the proportion of renewable energy sources by 2.1 percentage points. Since it has not yet been possible to supply some of the properties acquired from VIB with renewable electricity, its proportion of the communal-area electricity supplied to the Commercial Portfolio was again less than 100% in the reporting year. This is due to factors such as the long terms of the properties' current energy contracts, which cannot be readily terminated. As soon as a commercially viable opportunity presents itself, we will take further action to achieve our 100% target quickly.

The intensity of greenhouse gas emissions (tCO₂e/sqm) within the Branicks Group AG includes the emissions per square metre in the Commercial Portfolio (excluding the Institutional Business, but including the safety margin of 20%) generated by our buildings

during the occupation phase. This includes communal-area electricity (478 t CO₂e), tenant electricity and heating consumption (56,813 t CO₂e) and the share of upstream emissions from energy supply (466 t CO₂e). Compared to the previous year, greenhouse gas emissions per square metre for the Commercial Portfolio dropped by 7% in the year under review and by 36% compared to the 2018 baseline year. This resulted in a greenhouse gas intensity of 0.0405 t CO₂e/sqm in the Commercial Portfolio for 2022.

We set ourselves the target of cutting our greenhouse gas emissions per square metre in our Commercial Portfolio by an average of 40% by the end of 2030 compared to the 2018 baseline year. This ambitious target demonstrates our commitment to climate action. We will achieve this target by implementing our sustainability strategy and the concrete actions derived from it. We already succeeded in reducing our GHG emissions per square metre for the Commercial Portfolio by around 36% since 2018.

Intensity of greenhouse gas emissions per sqm in the Commercial Portfolio excluding the Institutional Business						
in t CO ₂ e	2018	2021	2022	2023	Δ 2022 – 2023	Δ 2018 – 2023
Total greenhouse gas emissions in the Commercial Portfolio	105,529	80,837	76,186	57,756	–24%	–45%
plus 20% safety margin	21,106	16,167	15,237	11,551	–24%	–45%
Total incl. 20% safety margin	126,635	97,005	91,423	69,308	–24%	–45%
Greenhouse gas emissions per sqm in the Commercial Portfolio	0.0628	0.0461	0.0437	0.0405	–7%	–36%

Carbon footprint under the GHG Protocol						
in t CO ₂ e	2018	2021	2022	2023	Δ 2022 – 2023	Δ 2018 – 2023
Scope 1						
Car fleet	256	284	347	269		
Scope 1 subtotal	256	284	347	269	–22.2%	5.1%
Scope 2						
Branicks Group AG, tenant electricity consumption ¹	6	31	26	18		
Branicks Group AG, district heating consumption	45	46	36	32		
Branicks Group AG, communal-area electricity consumption ²	50	2	2	2		
Commercial Portfolio communal-area electricity	883	1,292	749	478		
Scope 2 subtotal	984	1,371	813	530	–34.8%	–46.1%
Scope 3						
Materials/services purchased	45	148	105	94		
Capital goods	39,930	18,205	22,672	19,599		
Upstream emissions from purchasing fuel and energy	920	696	766	611		
Waste	134	144	210	165		
Business travel	64	6	49	51		
Employee commuting ³	277	232	318	279		
Communal-area electricity in properties rented by Branicks Group AG	125	148	160	81		
Heating supply in properties rented by Branicks Group AG	75	149	116	145		
Water supply in properties rented by Branicks Group AG	3	1	1	1		
Tenant consumption of electricity, water and heating energy, Commercial Portfolio segment (based on a portfolio extrapolation)	103,908	79,118	74,865	56,813		
Scope 3						
Tenant consumption of electricity and heating energy, Institutional Business segment (based on the extrapolation of the Commercial Portfolio segment and the share of co-investments)	4,779	3,853	3,418	5,394		
Scope 3 subtotal	150,261	102,699	102,680	83,233	–18.9%	–44.6%
Total	151,501	104,355	103,839	84,033	–19.1%	–44.5%
plus safety margin	20%	20%	17%	17%		
plus safety margin	30,300	20,871	17,653	14,286		
Total incl. safety margin	181,802	125,226	121,492	98,319	–19.1%	–45.9%

¹ Rented and proprietary offices.

² Branicks Group AG, communal-area electricity supply (to the company's proprietary offices only) was 100% sourced from green electricity).

³ Employees' commuting was calculated using modelling based on German Federal Transport Authority statt Government (Bundesverkehrsamt) figures.

Loss of biodiversity threatens the basis of our existence

Biodiversity, which encompasses the diversity of ecosystems, habitats and animal and plant species as well as genetic variance, is crucial to human existence, as it provides us with food, drinking water, raw materials and protection against natural disasters. However, a growing number of studies such as the “Krefeld Study” show an alarming decline in biodiversity, underscoring the importance of protecting it. Biodiversity is also becoming increasingly relevant in the real estate sector.

Biodiversity at Branicks

Branicks is aware of its responsibility towards biodiversity and is keen to play its part in preserving it. In 2022, we introduced our Environmental Protection Policy, which contains our unequivocal pledge to protect and promote biodiversity wherever possible.

Most of the real estate sector’s impact on biodiversity occurs during a building’s construction phase as a result of land sealing and resource consumption. Although only a small amount of our new-build activity takes place on greenfield sites, we have developed guidelines for protecting and promoting biodiversity. We strive to keep land usage and sealing to a minimum, create areas of flowering plants on our properties and implement the measures set out in our service specification for natural areas when creating outdoor facilities. We conducted an internal assessment of the properties in our portfolio during the year under review that will provide the basis for our future biodiversity strategy. This analysis included taking an inventory of all roof spaces with greenery and using an online database to calculate the assessed portfolio’s impact on biodiversity.

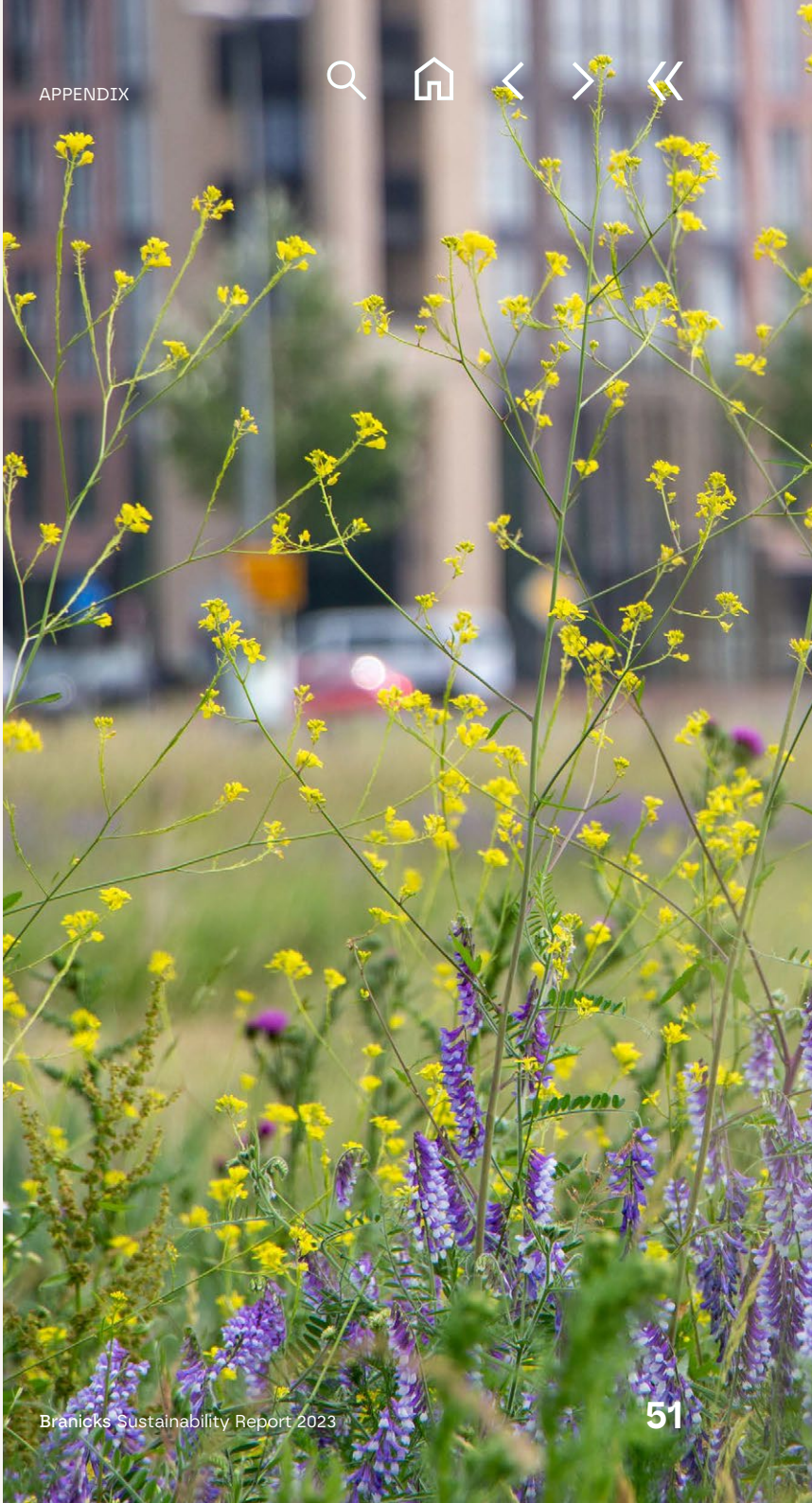
In doing so, we established that none of our properties are located in protected areas such as conservation areas or Natura 2000 areas and that the majority are not situated directly next to such areas.

A more in-depth analysis was carried out and management plans drafted for properties situated directly next to protected areas and key areas of biodiversity.

VIB leading the way in promoting biodiversity on company premises

Our subsidiary VIB Vermögen AG has transformed the grounds of its head office in Neuburg in line with biodiversity criteria, using deadwood, piled-up stones and water basins to create habitat structures for lizards and various insects, while areas of open ground also provide nesting opportunities for wild bees. Footpaths and access roads around the building have been built as unsealed gravel-based grassed areas or covered with a layer of crushed stone. A mixture of wildflower and wild grass seeds has been planted on embankments and in meadows on the site, with one-third of each of these spaces mown according to a plan. The old existing tree stock has been retained and the roof of the carport has been enhanced with greenery. The aim of this redesign was to create as many insect habitats as possible when developing the space.

After completing the redesign of its company premises, VIB Vermögen AG received the “Blühende Betriebe” (“Blossoming Businesses”) award. This accolade is presented by the State of Bavaria to businesses that make a valuable contribution to Bavaria’s biodiversity by creating company premises that are in tune with nature.



Green Buildings and certified buildings

■ CRE 8

Sustainable portfolio performance

Branicks is increasingly focused on operating improvements and additional yield potential related to sustainability. Investors and users are more interested than ever in decarbonisation and ESG criteria, making these issues integral elements of Branicks’ corporate strategy and business activities. We renovate properties according to the latest sustainability and energy efficiency best practice and use certification to highlight our progress in these areas. By investing in energy-efficient and sustainable buildings, we are contributing to sustainable development and carbon reduction within our portfolio.

This is why buildings with sustainability certificates now make up a significant proportion of our property portfolio. In our sustainability reports, we regularly report on the performance of our Green Building sub-portfolio, for both our Commercial Portfolio and the Institutional Business (since 2022 including VIB). In accordance with our Green Bond Framework (GBF), we define Green Buildings as buildings that meet high energy efficiency standards (e.g. ENEC 2009) or have a defined minimum sustainability certification level such as “LEED Gold”, “BREEAM Very Good” or “DGNB Gold”. We report regularly on the progress made in expanding our stock of green buildings in the Green Bond Impact Reporting section of our annual reports. The aim of our Green Bond Framework (GBF) is to increase the share of Green Buildings in our Commercial Portfolio to at least 20% by the end of 2023.

In financial year 2022, Green Buildings as a proportion of the Commercial Portfolio market value rose from 11.6% to 31.0%. In 2023, Green Buildings as a proportion of the Commercial Portfolio market value rose to 43.6% and the number of Green Buildings increased to 36 due to the certification of properties at Taubenstraße Berlin, Zeppelinstraße Kösching and Podbielski-straße Hanover, as well as by selling selected low-performing assets. Thanks to our targeted certification and portfolio strategy, our goal of achieving a Green Building proportion of at least 20% in the Commercial Portfolio by the end of 2023 was achieved ahead of time.

In addition to our climate target, the Green Building ratio is a key indicator of sustainable transformation within our portfolio. That is why we have set ourselves a new target for increasing our Green Building ratio after meeting the previous target in 2023. We are now aiming to raise the Green Building ratio based on the market value of the Commercial Portfolio to 60% by the end of 2027.

Our target			
Targets	KPI	Status	Year-on-year change
Increase the share of Green Buildings to at least 20% by 2023 (Commercial Portfolio)	Share of Green Buildings in GFA, based on the market value of the Commercial Portfolio	43.6%, target achieved	+12.6 pp
Increase the share of Green Buildings to at least 60% by 2027 (Commercial Portfolio)	Share of Green Buildings in GFA, based on the market value of the Commercial Portfolio	43.6%	New target

Green Buildings ¹										
	31.12.2022					31.12.2023 ¹				
	DGNB Gold	LEED Gold	BREEAM Very Good	ENEV 2009	Total	DGNB Gold	LEED Gold	BREEAM Very Good	ENEV 2009	Total
Number	6	1	3	22	32	8	1	6	21	36
In % of rental space	3.0%	0.4%	3.6%	19.9%	27.0%	6.9%	0.5%	12.3%	17.7%	37.4%
– of which new construction and major renovations	3.0%	0.4%	0.0%	0%	3.5%	6.9%	0.5%	0.0%	0.0%	7.4%
– of which existing building	0%	0%	3.6%	19.9%	23.5%	0.0%	0.0%	12.3%	17.7%	30.0%
In % of market value	5.8%	1.7%	5.0%	18.4%	31.0%	9.8%	1.9%	16.4%	15.5%	43.6%
– of which new construction and major renovations	5.8%	1.7%	0%	0%	7.6%	9.8%	1.9%	0.0%	0.0%	11.7%
– of which existing building	0%	0%	5.0%	18.4%	23.4%	0.0%	0.0%	16.4%	15.5%	31.9%

¹ All figures were calculated excluding project developments and repositioning properties/precertificates.

As a result of differences in reporting categories, small deviations may be found between the presentation of the sustainability-certified buildings in our sustainability reports on the one hand and the Green Buildings as per the definition given in our Green Bond Framework on the other (including the regular Green Bond Impact Reporting section in our annual reports). These deviations can be explained by the fact that our Green Bond Framework sets high standards for the classification of a building as a “Green Building”. In contrast, the GRI takes a different approach, whereby reporting on certification received in the reporting period should be as complete as possible, regardless of the applicable definition in our Green Bond Framework.

To fulfil our GRI reporting duties, the following table includes ratings for the three most widely used labels – DGNB, LEED and BREEAM – and buildings meeting the ENEV 2009 energy efficiency standard as of 31 December 2023, with properties from the Institutional Business also being included here. Year-on-year, the number of buildings with sustainability certification in our Commercial Portfolio and Institutional Business has risen from 33 to 37 and 26 to 30, respectively. Across the Branicks platform as a whole, this corresponds to a year-on-year increase from 59 to 67 certified properties. This equates to 29.2% of rental space or 35.6% of the market value of our entire platform.

Sustainably certified buildings ¹												
	Commercial Portfolio				Institutional Business				Total			
in %	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	Total
DGNB Platin (properties)	0	0	0	0	0	0	0	1	0	0	0	1
Rental space in %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.8%	0.0%	0.0%	0.0%	1.1%
Market values in %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.1%	0.0%	0.0%	0.0%	3.0%
DGNB Gold (properties)	2	3	6	8	2	12	13	15	4	15	19	23
Rental space in %	3.4%	4.1%	3.0%	6.9%	2.5%	10.0%	9.6%	9.7%	2.8%	8.5%	6.8%	8.7%
Market values in %	5.9%	6.4%	5.8%	9.8%	2.9%	4.7%	4.9%	5.6%	3.5%	5.0%	5.2%	6.7%
DGNB Silber (properties)	0	0	0	0	0	3	3	3	0	3	3	3
Rental space in %	0.0%	0.0%	0.0%	0.0%	0.0%	2.4%	2.1%	1.9%	0.0%	1.8%	1.2%	1.2%
Market values in %	0.0%	0.0%	0.0%	0.0%	0.0%	0.8%	0.7%	0.8%	0.0%	0.6%	0.5%	0.6%
LEED Platinum (properties)	0	0	0	0	0	0	0	2	0	0	0	2
Rental space in %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.6%	0.0%	0.0%	0.0%	1.0%
Market values in %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.6%	0.0%	0.0%	0.0%	1.9%
LEED Gold (Anzahl)	1	1	1	1	5	5	5	2	6	6	6	3
Rental space in %	1.2%	1.2%	0.4%	0.5%	9.5%	5.8%	5.5%	2.6%	6.6%	4.6%	3.3%	1.8%
Market values in %	3.7%	3.4%	1.7%	1.9%	14.4%	11.8%	10.7%	5.3%	12.2%	11.8%	8.1%	4.4%
BREEAM Very Good (properties)	1	1	3	6	0	0	2	4	1	1	5	10
Rental space in %	1.5%	1.4%	3.6%	12.3%	0.0%	0.0%	2.6%	3.7%	0.5%	0.4%	3.0%	6.9%
Market values in %	2.3%	2.1%	5.0%	16.4%	0.0%	0.0%	7.3%	11.3%	0.5%	0.4%	6.6%	12.6%
BREEAM Good (properties)	0	1	1	2	0	0	2	2	0	1	3	4
Rental space in %	0.0%	3.0%	1.1%	1.7%	0.0%	0.0%	1.5%	1.3%	0.0%	0.8%	1.3%	1.5%
Market values in %	0.0%	3.3%	1.7%	2.2%	0.0%	0.0%	1.9%	1.9%	0.0%	0.6%	1.8%	2.0%
BREEAM Pass (properties)	0	0	0	0	0	0	1	1	0	0	1	1
Rental space in %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.9%	0.9%	0.0%	0.0%	0.5%	0.5%
Market values in %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	0.6%	0.0%	0.0%	0.4%	0.4%
ENEV 2009 (properties)	0	0	22	20	0 ²	0	0	0	0	0	22	20
Rental space in %	0.0%	0.0%	19.9%	17.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.7%	6.5%
Market values in %	0.0%	0.0%	18.4%	15.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.4%	4.0%
Total (properties)	4	6	33	37	7	20	26	30	11	26	59	67
Rental space in %	6.1%	9.7%	28.1%	38.8%	12.0%	18.2%	22.2%	23.5%	9.9%	16.0%	24.8%	29.2%
Market values in %	11.9%	15.1%	32.7%	45.4%	17.3%	17.2%	26.1%	32.1%	16.2%	18.4%	28.0%	35.6%

¹ All figures were calculated excluding project developments and repositioning properties/precertificates.

² ENEV 2009 status not yet systematically recorded in Institutional Business.

Smart Buildings

For many of our tenants, access to efficient, easy-to-use digital infrastructure is a vital prerequisite for processing their core business processes smoothly. The enhanced connectivity of our buildings is the backbone of our “Smart Building” concept, which not only improves user comfort but also provides powerful bandwidth, robust protection and fail safety. As a result, expanding the use of smart building services and management is an important part of our digitalisation capabilities and at the heart of our → [“ESG+D” sustainability strategy](#).

Branicks’ strategic focus is on exploiting the potential for efficiency by introducing “smart” building technology. Data analysis and the fine-tuning of building component energy requirements is also part of our “Smart Building” strategy. This includes the installation of easy-to-retrofit sensor systems for the automated collection of consumption data the introduction of energy management systems. To do this, we rely heavily on collaboration with our strategic facility management partners. During the year under review, we consistently pushed ahead with the rollout of energy management systems at our properties, creating vital transparency around consumption data in the process. By doing this, we are laying a foundation for optimising our building operations and resource consumption. We firmly believe that its targeted and appropriate use in suitable properties offers significant potential for achieving savings. In the medium term, smart building technology will be rolled out across our entire portfolio wherever the technical and business requirements can be met.

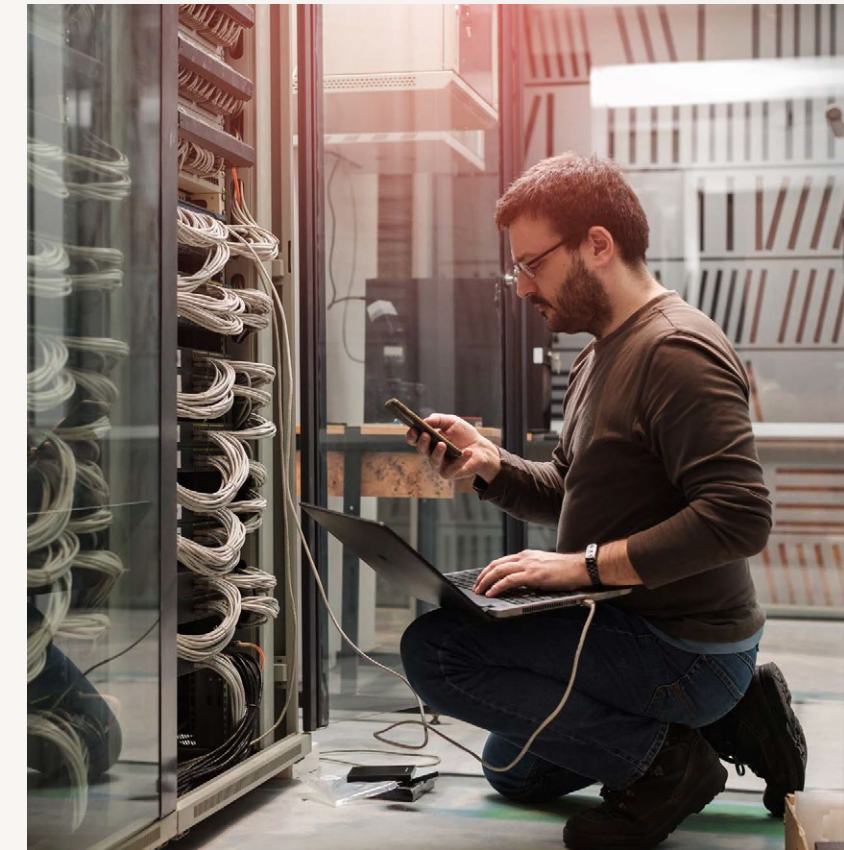
The smart property of the future will be equipped with a network of building sensors allowing the situational control of energy consumers, and will be highly efficient, climate-friendly and adaptable to the needs of its users. These modern building automation systems also benefit our tenants, not only reducing annual service charges but also allowing office space to be redesigned in line with contemporary “New Work” models. One example of this is a dedicated app for booking office and meeting spaces. By introducing these measures, Branicks is adopting a forward-looking stance and pursuing its strategy of using digitalisation to both simplify and accelerate sustainable change (“ESG+D”).

Exceptional connectivity

WiredScore is a global ratings agency that certifies and enhances digital connectivity and smart technology. The company works with landlords and developers throughout the entire property life-cycle to understand, improve and promote digital interconnectivity in buildings and construction projects.¹ WiredScore has already certified 2,645 buildings around the world, 299 of which alone are in German-speaking markets.²

Branicks has recognised the potential of digital connectivity in relation to sustainable transformation in the building sector. Examples of how we are successfully implementing our digitalisation strategy include our WiredScore-certified International Business Campus (IBC) and the Global Tower in Frankfurt, which allow tenants to adapt their working environment to meet constantly changing requirements. In addition to this flexible utilisation planning, our strategy also incorporates modern concepts such as New Work – and, of course, digital infrastructure. WiredScore assessed the quality and fail safety of the digital infrastructure at the IBC and Global Tower. The assessment included criteria such

as the number and quality of fibre-optic connections, the amount of redundancy available in the building, the condition of telecommunication spaces, the quality of rising points/shafts, mobile network coverage and the capacity for individual technical components to adapt to future technologies. WiredScore ultimately awarded the IBC and Global Tower Platinum certification, making them trailblazers within the city of Frankfurt and giving them another unique selling point compared to their neighbours.



¹ Source: → <https://wiredscore.com/de/>

² Source: → [WiredScore – Büromarktbericht; Zahlen, Daten, Fakten zu digitaler Konnektivität und Smart Buildings in der DACH-Region; Oktober 2023](#)

Other topics

■ GRI 303-3 | 306-3 | CRE2

Water and waste

Total water consumption (company premises including Commercial Portfolio) amounted to 387,186 cbm in 2023, falling year-on-year by 19.2%. Compared with the 2018 baseline year, this corresponds to a decrease of 9.6%.

Total waste generated fell by 24.7% compared with the previous year. Compared with the 2018 baseline year, this corresponds to a rise of 41%. This absolute increase compared to the base-line year can be attributed to the newly opened branch offices. The waste intensity per square metre of company office premise decreased by 40% year-on-year and by 14% compared to the 2018 baseline year.

Disclosures on the type and quantity of waste materials have been estimated using the underlying data provided by waste disposal companies at our offices. Waste disposal is communal at all Branicks offices for all property tenants. The estimated volume of waste attributable to Branicks was calculated using the total volume of waste for each type of waste in an entire property, multiplied by the percentage of rental space leased by Branicks.

Water consumption of Branicks Group AG						
in m³	2018	2021	2022	2023	Δ 2022 – 2023	Δ 2018 – 2023
Water consumption in the company's offices	2,963	1,901	2,246	2,953	31.5%	–0.3%
Commercial Portfolio water consumption	425,389	288,011	476,871	384,233	–19.4%	–9.7%
Total	428,352	289,912	479,117	387,186	–19.2%	–9.6%

Water consumption per sqm in the company's offices	0.35	0.18	0.20	0.21	5.6%	–39.0%
Water consumption per sqm in the Commercial Portfolio	0.21	0.14	0.23	0.22	–1.6%	6.4%

Volume of waste in the company's offices Branicks Group AG						
in litres	2018	2021	2022	2023	Δ 2022 – 2023	Δ 2018 – 2023
Non-recyclable waste	96,679	141,389	148,255	136,699	–7.8%	41.4%
Paper (paper/cardboard)	253,282	274,901	535,190	331,561	–38.0%	30.9%
Recyclable waste (per the Waste Water Assoc., AzV)	47,371	51,659	97,934	122,276	24.9%	158.1%
Recyclable (reusable) material	117,151	107,716	181,834	134,995	–25.8%	15.2%
Total	514,483	575,665	963,213	725,531	–24.7%	41.0%

in litres/sqm	2018	2021	2022	2023	Δ 2022 – 2023	Δ 2018 – 2023
Volume of waste per sqm in the company's offices	60.71	54.43	86.70	52.44	–40%	–14%

Social

Branicks takes its responsibility as an employer seriously. We foster respectful relationships with the people in our organisation and treat each and every individual with tolerance, open-mindedness and mutual respect. We incorporate entrepreneurial thinking and action into our day-to-day activities – even during difficult market phases. Our staff enjoy a significant degree of personal responsibility when tackling complex assignments, something that is more important now than ever before. The many challenges facing our industry – from rising interest rates and sustainability requirements to the shortage of skilled workers – constantly throw up new challenges that we can only overcome by working as part of a strong team. As an active part of the community, we are dedicated to fostering in-person social interaction at the local level. Learn more about our commitment in the following chapter.

- 58 **Targets and status at a glance**
- 59 **Shaping change together**
- 61 **One team: our employees**
- 62 **Attractive employer**
- 64 **Diversity and equal opportunity**
- 66 **Our commitment to strong collaboration**

Targets and status at a glance

UN Sustainable Development Goals



Overview – Social			
Targets (Branicks incl. VIB)	KPI	Status	Year-on-year change
Maintain current level of male/female quotas below Management Board level	Number of employees by gender category (m/f/d) below Management Board level ¹	52% women 48% men	– 1 pp women + 1 pp men
Maintain current age structure	Number of employees by age category	14% ≤ 30 years 57% 31 – 50 years 29% ≥ 51 years	+ 1 pp ≤ 30 years – 7 pp 31 – 50 years + 6 pp ≥ 51 years
Targets (Branicks incl. VIB)	KPI	Status	Year-on-year change
Increase the proportion of women at executive level 1 (extended executive level including regional managers) by 30 June 2027 to 28.125% (9/32)	Overall proportion of women at executive level 1 (extended executive level including regional managers)	37.5%, target achieved ahead of schedule	+ 6.5% pp
Increase the proportion of women on the Management Board by 30 June 2027 to 25% (1/4)	Overall proportion of women on the Management Board	25%, target achieved ahead of schedule	+ / – 0%
Increase the proportion of women on the Supervisory Board by 30 June 2027 to 16.66% (1/6) ²	Overall proportion of women on the Supervisory Board	16.66%, target achieved ahead of schedule	+ / – 0%

¹ At present, Branicks Group AG is unable to provide information on the “diverse” gender identity.
² Prof. Dr. Ulrich Reuter left the Supervisory Board as at 31 December 2023. Since then, the Supervisory Board has consisted of five members (one woman, four men). This has raised the proportion of women on the control body to 20%.

Shaping change together

■ GRI 3-3

A positive work environment

We continuously strive to create an environment in which our employees can reach their full potential, one in which their background, skin colour, age group, sexual orientation and other extraneous factors should not and must not play a part. This is part of our mission statement. In the 2021 materiality analysis, Branicks identified two material social topics. Its profile as an attractive employer, and all aspects of diversity and equal opportunity.

Above all, being an attractive employer means responding to the needs of our people. Providing stable working conditions is another part of this. For Branicks, the fact that all of our employees have permanent employment contracts shows how much we value them. By doing this, we provide stability and certainty and create a firm foundation of trust.

New roles, new responsibilities

As a listed corporation, our shareholders are among our most important stakeholders. We have a duty to them to manage the resources available to us as efficiently as possible. Branicks encourages and requires each of our employees to show plenty of initiative and entrepreneurial spirit. We are particularly keen for our employees to understand their responsibility and role in helping us to achieve our targets and results.

In keeping with this principle, we constantly examine our structures and work processes and quickly harness any potential efficiencies we identify. For example, we optimised the allocation of responsibilities within our subsidiary Branicks Onsite GmbH during the year under review by reorganising teams that were previously split into five distinct roles. In addition to branch managers, only the asset manager, technical manager and letting manager roles now remain. While this reorganisation required some employees to take on new responsibilities, it also significantly strengthened their degree of personal responsibility, made day-to-day business more agile, and redistributed approval and decision-making powers. In short, we have improved our asset management performance while encouraging our team members to develop their entrepreneurial skills.

Performance-based remuneration, flexible working models

Salaries paid at Branicks are based on a dynamic remuneration system that consists of basic income, fringe benefits and performance-related components. We base our salaries on customary industry standards. The performance-related part of the salary depends on achieving individual goals and meeting strategic and operating targets, all of which are set annually with supervisors. To ensure that its salary payments are appropriate, Branicks participates in the Real Estate Compensation Clubbenchmark. The results of this benchmark study are taken into account when calculating appropriate salary and bonus rules. There is also an incentive for executives by linking remuneration to the

Group's existing ESG targets. The remuneration of executives increases based on the personal and joint achievement of targets in four sustainable fields of action. At the same time, we continue to address our employees' needs by introducing flexible working arrangements, modernising workspaces, providing opportunities for continuing professional development and rolling out our internal team building projects.

Integrity, respect and appreciation

As an employer, we are actively committed to diversity and equal opportunity. We firmly believe that diverse, interdisciplinary teams produce better results. We promote an inclusive working environment and corporate culture. Our aim is to create an open and people-focused atmosphere at work in which every employee can unlock their full potential. Our core values of integrity, respect and appreciation are firmly embedded in our everyday interactions. We have enshrined these core values and other rules of conduct in our policies, including the Code of Conduct, Compliance Policy and Business Partner Code of Conduct.

Branicks updated its internal compliance policy during the reporting year. In this policy, we expressly commit ourselves to ensuring equal pay for equal work or work of equal value, regardless of the employee's gender, and to eliminating the gender pay gap. Branicks does not tolerate discrimination in any form. Our Head of People and Culture is responsible for running regular training sessions to communicate our core values and Code of Conduct. Our Compliance Officer is the first point of contact for reporting any unusual behaviour or breaches of our Code of Conduct. The Compliance Officer (and his deputy) has a wide range of competencies for protecting diversity and equal opportunity and reports directly to the CEO. Any such breaches are dealt with via our own compliance management system, which includes corresponding process guidelines. Branicks also has a whistleblower system that allows employees to submit anonymous complaints regarding particularly sensitive issues.

We want to ensure that our initiatives relating to our material topics are effective and up to date by regularly communicating with relevant stakeholders. At the same time, we want to ensure that our initiatives reflect the latest developments in the labour market.

True team spirit builds strong cohesion

During the 2023 financial year, Branicks once again showed that its social commitment extends beyond its office doors. True to our mission statement of “we shape our business with and for the people”, Branicks hosted three Social Impact Days in 2023. These gave the entire team the opportunity to help vulnerable people outside of their professional activities.

Social Impact Day: raising money for earthquake victims

In February 2023, our employees organised a donation drive to support those affected by the devastating earthquake in Turkey and Syria. The donations primarily consisted of urgently needed items such as clothes for children, blankets, winter clothes, baby food and non-perishable food. They were collected and sorted by a group of volunteers from among our staff and passed on to international aid organisations.

Social Impact Day: Praunheim Workshops

As in the previous year, “lending a hand for a good cause” was the theme of our visit to Praunheim Workshops in Frankfurt in

June 2023, where a team of volunteers helped to renovate various communal areas and living spaces. The team also tended the herb beds and planted new seedlings to create a “snack garden” filled with berry bushes. Praunheim Workshops work tirelessly to tackle discrimination towards people with disabilities by giving them a place to live, a job tailored to their skills and abilities, and a community where they can feel at ease with their limitations and lead independent lives.

Social Impact Day: Christmas trees on wheels

For many years now, the Frankfurt Citizens’ Institute has been organising a campaign called “Christmas trees on Wheels” (“Tannenbäumchen auf Rädern”). The initiative delivers little Christmas trees festooned with lights as well as a small gift with a handwritten card to senior citizens living alone in the run-up to Christmas. Overall, volunteers prepared around 1,000 little Christmas trees and handed them over to elderly people in Frankfurt and the surrounding area during Advent as part of the campaign.



Branicks in action at the Praunheim Workshops.



Handwritten cards for the “Christmas trees on wheels” campaign.

One team: our employees

■ GRI 2-7 | 2-8

Branicks employees

The knowledge, skills – and not least, great commitment – of our employees are a prerequisite of our success. We therefore value and encourage an entrepreneurial mindset and behaviour, accountability, flexibility and expertise. Our personnel policy aims to strengthen our employees on the ground so we can provide all our real estate services close to our clients.

The number of employees in the Group fell from 341 at the start of 2023 to 300 at the end of the year. Overall, 155 women and 145 men worked for Branicks as of the reporting date. As a rule, all employees are on permanent employment contracts. This helps significantly to create a secure working environment and allows staff to plan ahead in their own lives. In 2023, the proportion of active, permanent employment contracts stood at 100%. No employees were hired on contracts with no guaranteed working hours (e.g. zero-hours contracts) during the year under review. A total of 127 of our female colleagues and 141 of our male colleagues work full-time, with 28 women and four men employed on a part-time basis. Thirty-nine people worked in

Valuemanagement, Investment and Funds, 185 in Asset and Technical Management & Development, and 76 colleagues in Group Management and Administration.

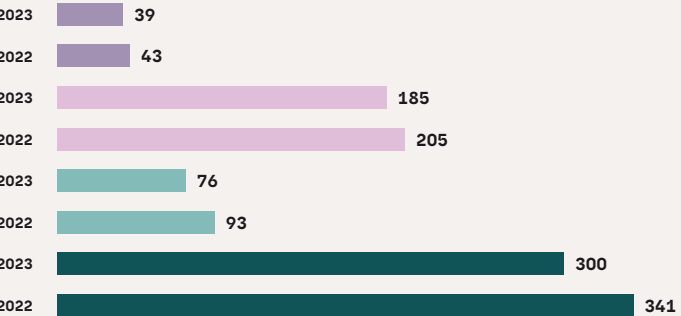
The above information was generated by our internal HR management system as of 31 December 2023.

Other employees

Branicks is supported by further specialists. We define apprentices including trainees, interns, working students, external workers and people in marginal employment as ‘other employees’ and enter them into the HR management system as such. In the reporting year, 13 trainees (including a trainee in the field of Business Development/Institutional Business), 16 external staff and 3 interns, 17 working students and two people in marginal employment supported the day-to-day business or project work of Branicks Group AG. All individuals identified as ‘other employees’ were on an employment or project contract.

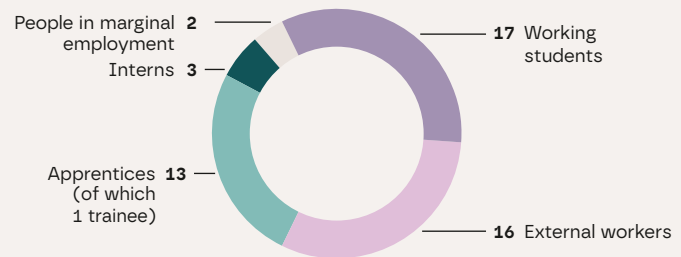
Number of employees

by group area



- Valuemanagement, investment and funds
- Asset and property management & development
- Group management and administration
- Total

Other employees



Attractive employer

■ GRI 2-20 | 2-30 | 401-1 |
| 401-3 | 405-2

Our goal: achieving a healthy work-life balance

At Branicks, we believe that a good collaboration can only be completely successful if there is a healthy work-life balance. This includes family-friendly work models. Of our 300 employees, 155 women and 145 men had a statutory entitlement to parental leave in 2023, and 23 women and one man made use of this entitlement during the reporting period. In addition, ten female employees and one male employee returned to the workplace after their parental leave ended. Overall, of the 15 employees who completed their parental leave in 2022, three women and three men were still employed at the Group 12 months after returning from parental leave. During the year under review, the return rate after the end of parental leave was 77% among female staff and 100% among male employees.

Rise in staff turnover

While the staff turnover rate at Branicks Group AG has remained stable at between 18% and 20% in past years, it rose to approximately 23% during the year under review. However, the previous year had already been characterised by an increased willingness to change jobs not only at Branicks but across the German real estate sector, with an average staff turnover rate of 27.8% in 2022.¹ Various jobs were either re-staffed or reconfigured as part of the aforementioned reorganisation during the reporting year. Overall, 85 employees joined the company and 112 left during the year under review.

The resulting fluctuation rate was 23%, an increase of 3 percentage points compared to the previous year. The majority of joiners (41) and leavers (80) were aged between 31 and 50. In terms of gender mix, there was slightly higher turnover among female employees, with joiners consisting of 49 women and 36 men while leavers comprised 59 women and 53 men. At present, we do not systematically record other genders (e.g. non-binary, transgender).

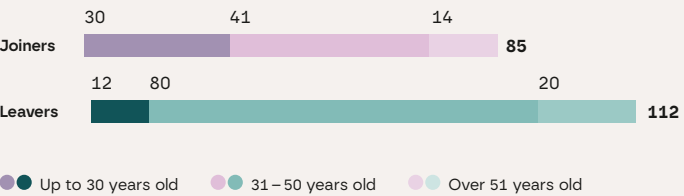
The number of staff employed by Branicks as of 31 December 2023 declined from 341 in the previous year to 300 people.

Appropriate remuneration

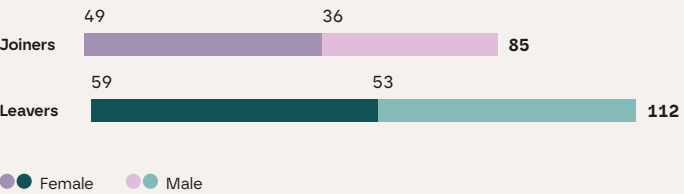
An attractive employer ensures that its top performers receive appropriate remuneration. Competitive remuneration for all employees is set out in our Policy Statement on Respecting Human Rights. The principles of freedom of assembly and freedom of association enshrined in fundamental law also apply throughout the Group.

Salaries consist of a basic income, supplementary benefits and performance-related components. We base our salaries on customary industry standards. Salaries are not governed by any collective bargaining agreements. The performance-related component is based on achieving individual goals as well as strategic and operating targets, which are set annually together with supervisors.

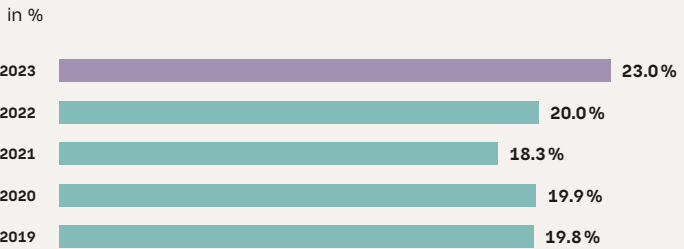
Leavers and joiners by age group



Leavers and joiners by gender group



Staff turnover rate



¹ Source: → <https://de.statista.com/statistik/daten/studie/664601/umfrage/fluktuation-dersozialversicherungspflichtigen-beschaeftigung-in-deutschland-nach-wirtschaftszweigen/>

Salaries: balanced, fair, transparent

We have set ourselves the target of bringing the basic salary and remuneration of women and men into balance overall in every employee category. In our Compliance Policy, we commit ourselves to ensuring equal pay for equal work or work of equal value. We firmly believe that equal work should be rewarded equally, regardless of gender, background or other social factors. We are steadily working to improve our internal controlling tools. These should pave the way for us to identify the reasons for any pay gaps and, where needed, remove them. As well as making these operational adjustments, we have participated since 2022 in the Real Estate Compensation Clubbenchmark run by Heuer, Kienbaum and the ZIA to gain an overview of market remuneration and assess our own competitiveness. This study analyses the remuneration level and structure of approximately 90 specialist and management roles within the real estate sector. The results of this benchmark study help our HR department to make appropriate decisions when deciding salaries and awarding bonuses.

Gender pay gap

Branicks systematically records the salaries of all of its staff and evaluates them in three employee categories. While considering gender-specific salary differences plays an important role in this process, it is not the only consideration. Branicks calculates the gender pay gap based on the average gender-specific gross annual salary per staff member in each respective employee category.

The gender pay gap in the “executive level” employee category, which includes 33 individuals, was –8%, a reduction of around three percentage points compared to the previous year.

The gender pay gap in the “employees in non-executive roles” category, which includes 267 individuals, rose to -31%, equivalent to a year-on-year increase of around 6 percentage points. This trend is due to the staff turnover.

The gender pay gap in the “employees with similar duties” category, which includes 28 individuals (subset of the “employees in non-executive roles” category), was +1%, an improvement of around 3 percentage points compared to the previous year.

Gender pay gap by employment category				
Employee category ¹	Gender	Salary in EUR	Pay gap	Year-on-year change
Executive level	Male	148,713		
	Female	137,465	– 8%	+ 3% pp
Non-executive role	Male	84,964		
	Female	58,295	– 31%	– 6% pp
Employees with similar duties	Male	44,000		
	Female	44,612	1%	+ 3% pp

¹ Branicks uses the following categories of staff for disclosing the gender pay gap: Executive level: employees with supervisory responsibilities. Non-executive role: employees without supervisory responsibilities. Employees with similar duties: specialists and assistants.

Personnel expenses include the wages and salaries of employees of Branicks Group AG, Branicks Onsite GmbH, DIC Fund Balance GmbH, VIB Vermögen AG, Branicks Institutional Real Estate Management GmbH and Branicks Institutional GmbH as well as the related social security contributions in the total amount of EUR 35,553 thousand (previous year: EUR 35,093 thousand). The social security contributions totalling EUR 4,713 thousand (previous year: EUR 4,329 thousand) include EUR 2,168 thousand (previous year: EUR 2,070 thousand) in contributions to the statutory pension fund. The employees received additional performance-related remuneration of EUR 1,760 thousand (previous year: EUR 4,362 thousand). At EUR 40,101 thousand (previous year: EUR 42,581 thousand), personnel expenses are EUR 2,480 thousand lower than in the previous year.

The average number of employees rose dropped from 341 to 300 in 2023. As of the 31 December 2023 reporting date, Branicks Group AG had 83 employees (previous year: 95), while Branicks Onsite GmbH had 164 employees (190), DIC Fund Balance GmbH had 0 employees (2), VIB Vermögen AG had 32 employees (34) and the GEG Group entities had 21 employees (20).

All Branicks employees are eligible to participate in an Employee share purchase program, with which the company aims to offer employees a long-term remuneration component in addition to their standard pay package. For this purpose, Branicks Group AG buys own shares on the market for the employees every year in December and holds them in a securities account. Payouts under the scheme can be made after four years at the company. The amount paid reflects the share price performance during this period.

Diversity and equal opportunity

■ GRI 405-1

Employee categories and proportion of women in the workforce

The overall proportion of female employees below Management Board level at Branicks Group AG in the 2023 reporting period was 52% (previous year: 53%). During the 2023 financial year, the age structure among all Group employees was as follows: 14% of staff (previous year: 13%) were 30 or younger, employees aged 31 to 50 made up the largest share at 57% (previous year: 64%), while 29% of colleagues (previous year: 23%) were 51 or older. In the 2023 reporting year, we once again succeeded in maintaining a good gender balance in employee categories below the Management Board, while at the same time preserving the current age structure.

As a listed company not subject to co-determination, Branicks Group AG is required by law to stipulate targets for the share of women on the Supervisory Board, on the Management Board and at the two executive levels below the Management Board, to the extent that these exist. The following figures therefore only refer to Branicks Group AG and its subsidiaries and do not include VIB Vermögen AG.

Branicks Group AG has set itself the target of achieving or maintaining a balanced proportion of men and women in all employee categories. At the extended executive level (including regional managers) a target of 28.125% (9/32) was set, to be achieved by the end of June 2027. This target was also reached ahead of schedule as of 31 December 2023 with a reported figure of 37.5%.

The Supervisory Board of Branicks Group AG is the company's control body. Dr. Angela Geerling was elected as a new Supervisory Board member at the General Shareholders' Meeting that took place on 24 March 2022. This means that Branicks Group AG has met the target it set itself in 2021 of increasing the proportion of women on the Supervisory Board to 16.66% (1/6) by 30 June 2022. As of 31 December 2023, it consisted of six members (one woman, five men). This equates to a proportion of women on the control body of 16.66%. Prof. Dr. Ulrich Reuter left the Supervisory Board as at 31 December 2023. Since 1 January 2024, the Supervisory Board has consisted of five members (one woman, four men). This has raised the proportion of women on the control body to 20%.

Targets for employee categories and the proportion of women in the workforce			
Targets (Branicks incl. VIB)	KPI	Status	Year-on-year change
Maintain current level of male/female quotas below Management Board level	Number of employees by gender category (m/f/d) below Management Board level ¹	52% women 48% men	– 1% pp women + 1% pp men
Maintain current age structure	Number of employees by age category	14% ≤ 30 years 57% 31 – 50 years 29% ≥ 51 years	+ 1% pp ≤ 30 years – 7% pp 31 – 50 years + 6% pp ≥ 51 years

¹ At present, Branicks Group AG is unable to provide information on the "diverse" gender identity.

As of the 31 December 2023 reporting date, the Management Board of Branicks Group AG comprised one woman and three men. This equates to a proportion of women on the Management Board of 25%. Torsten Doyen (CIBO) and Christian Fritzsche (COO) have been part of our Management Board team since the start of 2023. Since their immediate predecessors were also men, this did not have any impact on the share of women on the Management Board, which remained unchanged at 25%.

With effect from 1 July 2022, the Supervisory Board maintained its target of 25% for the share of women on the Management Board and 1/6 for the share of women on the Supervisory Board. A deadline of 30 June 2027 has been set for achieving each of these targets.

Proportion of employees, by employee category			
Employee category (Branicks excl. VIB)	Gender	Total	in %
Management Board	Female	1	16.7
	Male	5	83.3
Supervisory Board	Female	1	25
	Male	3	75
Employees below the Management Board	Female	158	52
	Male	147	48
of which extended executive level	Female	12	37.5
	Male	20	62.5
of which employees in non-executive roles	Female	146	53
	Male	127	47

Diversity and equal opportunity targets			
Targets (Branicks excl. VIB)	KPI	Status	Year-on-year change
Increase the proportion of women at executive level 1 (extended executive level including regional managers) by 30 June 2027 to 28.125% (9/32)	Overall proportion of women at executive level 1 (extended executive level including regional managers)	37.5%	+6.5% pp
Increase the proportion of women on the Management Board by 30 June 2027 to 25% (1/4)	Overall proportion of women on the Management Board	25%	+/- 0% pp
Increase the proportion of women on the Supervisory Board by 30 June 2027 to 16.66% (1/6)	Overall proportion of women on the Supervisory Board	16.66%	+/- 0% pp

Our commitment to strong collaboration

■ GRI 3-3 | 401-2 | 404-1 |
| 404-2 | 404-3

Employee loyalty and satisfaction

The shortage of skilled workers in Germany and the consequences of this trend are becoming increasingly apparent. In an ifo Institute survey of German HR managers conducted in December 2023, 87% of respondents cited the shortage of skilled workers as the biggest challenge they currently face.¹ According to the German Confederation of Skilled Crafts, 20,459 apprenticeships for skilled crafts in Germany remained vacant during the year under review.² The construction and real estate industry is not immune to this trend, either. To counteract this, we have identified employee satisfaction as a valuable asset and have firmly embedded it within our strategic agenda. In 2021, we created the role of Head of People and Culture, who is responsible for developing a consistent corporate culture and strategically addressing key personnel issues. These issues primarily include reconciling work and family life, particularly for employees with small children or relatives needing care.

Welcome Day and regular feedback

Performance pays off. We place great value on fostering individual performance and supporting the development potential of our employees. We communicate this “spirit to create excellence” to all new employees as part of our Welcome Days, when our CEO, Sonja Wärtges, and executives from other departments introduce

the work they do and explain how teamwork works at Branicks. The event also gives new joiners the chance to interact with colleagues across all departments and seniority levels.

To improve our onboarding process, we conduct anonymous employee surveys two months after new staff join us. By evaluating these surveys, we learned that some of our new employees have difficulties with our sometimes extensive IT landscape. With this in mind, we decided to incorporate IT directly into our onboarding process so that we can work with new employees to configure their equipment and answer any initial questions. At the same time, we revised certain documents on the intranet (“Branicks Hub”) for our new colleagues and added helpful guides containing practical advice, tips and tricks for their day-to-day routine to make it easier for them to settle in.

All employees receive a regular and transparent assessment of their performance and career progress from their line manager within the framework of the annual feedback interview (2023: 100%). To ensure that we can handle errors openly and fairly and ensure the positive development of both the organisation as a whole and individual employees, we introduced an HR tool that helps executives to prepare, carry out and follow up on staff appraisals. This ensures that everyone within our organisation receives regular feedback that is clear, transparent and easily verifiable.

Focusing on people

We support our colleagues as part of a holistic approach. Since 2022, Branicks has been helping its employees to strike a better balance between their professional and personal lives with pme Familienservice, a private service available for free to the families of Branicks staff. We receive professional support in the areas of child and family time (e.g. childcare, home help, advice) as well as homecare and caring for the elderly (e.g. provision for old age, pension scheme, caring for older family members). pme Familienservice also offers coaching programmes (e.g. occupational health, running training, back exercises) and workshops on a wide range of social and health-related topics (e.g. yoga, work-life academy, dealing with periods of stress). Where necessary, employees can also access free, anonymous advice in personal crisis situations, either via telephone or in person. A total of 80 events were booked in the first year after this service was launched. In 2023, 129 events were booked and 15 consulting services used, for which we received plenty of positive feedback.

¹ Source: → <https://www.ifo.de/en/publications/2023/article-journal/fachkraftermangel-pragt-hr-strategie-von-unternehmen>

² Source: → www.deutsche-handwerks-zeitung.de/das-sind-die-ausbildungszahlen-2023-324367/



New Work at Branicks – the world of work is changing

The use of the office workplace has been undergoing fundamental change – and not just since the coronavirus pandemic. Digitalisation of the world of work and the movement of persons have created different requirements for a modern working environment than 20 years ago. Branicks has recognised the sign of the times – New Work has long been a part of our success story.

Transformation of the office

New Work needs new worlds of work. The solutions for this are as varied as the companies that focus on this topic. Departments of one and the same company even create different solutions. No longer just places of work, modern offices are meeting places for innovative solutions and commercial success.

This has prompted a transformation of traditional office space. The uniform unimaginativeness of the open-plan or cell layout has had its day. Innovative models tailored to the needs of office users are gaining traction. This entails giving more space to individual workstations and making the available rooms suitable for multiple functions. Larger offices are frequently divided into areas for carrying out different activities. Every employee will find the right environment for their purposes, be it silent work at a desk, group meetings or interactive teleconferences. Activity working instead of monotonous 9-to-5 office work.

New expectations

As the world of work changes, so too do the expectations and requirements of office users in relation to their working environment. These start with the office location. Younger staff in particular frequently don't own a car and tend to prefer urban locations that are easy to access by public transport. Another aspect of

importance is the amenity value created by smart temperature, lighting and noise management. Ergonomic aspects and health benefits also feature on employees' wish lists. Musty basement offices are definitely a thing of the past.

Seamless integration of digital technology is now a fundamental prerequisite for a modern office environment. The same goes for spaces that encourage social interaction. Not only is this explicitly requested, but it is now considered an important driver of a healthy corporate culture. Where remote working falls short is in creative development, team-building and collaboration across all departments and levels of the company.

Fit for future – leading the way rather than copying

Branicks has long recognised the potential of state-of-the-art office models. We designed our own office space in Frankfurt's Global Tower, which we acquired at the end of 2023, in line with state-of-the-art New Work concepts. This DGNB Platinum-certified building boasts over 8,000 sqm of office space over five floors. Around half of the space is used as conventional workspace, while the remainder provides interactive collaboration space as well as meeting rooms and retreat areas.

The insights that we incorporate into our own facilities are put to direct use in the advice we give to our customers and tenants. Our success has proven us right: When developing plans for new buildings, redesigning existing spaces of prominent anchor tenants or refurbishing landmark properties, we design office work environments in accordance with the latest New Work and ESG insights. For us this means being "fit for future". We look forward to the offices of tomorrow.



Greater flexibility allows staff to balance work and family life

Another element of our employee support is developing working time models tailored to the individual needs of our colleagues. This is particularly helpful for staff returning from parental leave, as it gives them significant flexibility and a large degree of independence in planning their working hours. Flexible working time models promote a healthy work-life balance. This benefits all of our employees, allowing them to stay healthy, productive, focused – and be more successful. As women often bear much of the burden of childcare, housework and caring for elderly family members, they are much more reliant on flexible working time than their male colleagues. We firmly believe that developing a workplace culture that promotes flexible working for both men and women makes a major contribution to increasing employee satisfaction and productivity.

We updated our working time arrangements in recent years. This was partly done out of necessity to maintain business continuity during the pandemic. Some of our employees managed the switch to working from home well and quickly created a productive working environment within their homes. Others found the transition much more challenging, reporting a lack of human interaction, the difficulties of communicating entirely via online media, and an erosion of the team spirit that was always integral to our culture

of success. While we now know that working from home will be a permanent fixture in tomorrow’s world of work, it will only ever be part of that world. We have now made our working time arrangements much more flexible, with each employee spending an average of one day a week working from home.

The continuing digitalisation of various areas of work and life and the growing significance of ESG criteria are driving lasting change in the world of work. For Branicks, there are four factors that will be key for our future success:

- closer links between employees
- cooperation across multiple locations
- interdepartmental teamwork
- social interaction, both virtually and in person

At Branicks, we generally agree that the office of the future will be not just a workplace but also a meeting place for entrepreneurial thinking and innovative collaboration. This has prompted us to transform our traditional office space. We are moving away from homogeneous, one-size-fits-all models and instead creating more space per workstation and introducing flexible zones that can be used creatively for different purposes. Implementing these New Work models into our own office space allows us to gain valuable experience that we use to provide our tenants and clients with

targeted advice. One example of this is the redesign of our headquarters in the Global Tower in Frankfurt, where on a space of 8,000 sqm we meet the requirements of the modern world of work, facilitating social team interactions and focused desk work and while also creating quiet retreat areas.

Branicks Insights, #oneteam

We regularly organise “Branicks Insights” to increase touch points and improve communication between our specialist departments and their employees. This format offers an excellent opportunity to network across departmental lines and share knowledge within our organisation. In the reporting year, we used it to provide information about the upcoming rebranding and the move to the Global Tower in Frankfurt. The HR and Marketing teams also create the #oneteam employee magazine to report on important events and team news. The magazine is published internally and then remains available in the news archive. The magazine collects information about the company’s most exciting projects, reveals the brains behind various initiatives and shares stories from the professional and personal lives of our employees.

Energy fasts – fasting done differently

In 2023, our employees introduced an internal company initiative dedicated to energy conservation. Those who signed up to the initiative received weekly tips on how to save energy and resources in their personal and professional lives, encouraging them to rethink their usual behaviour and act in a responsible, climate-friendly way. Inspired by the traditional concept of fasting, various “energy topics” were presented and discussed within groups over a seven-week period. Our staff are aiming to continue this initiative and expand it where possible over the next few years.

Follow your ambitions – fostering talent at Branicks

As a forward-looking company, we are constantly on the lookout for the brightest minds to supplement our team. To keep up with increasing competition for the best talent, we rely on a variety of approaches to recruitment. Our HR department provides an overview of all vacancies and uses state-of-the-art recruiting channels as well as university marketing. As part of our strategy for assuring the availability of well-qualified junior staff for our company, we hired three new apprentices in 2023. Branicks employs a total of 13 apprentices, including one trainee. Our training programmes focus on commercial roles such as real estate specialists, while the majority of our technical apprentices are learning to become IT specialists.

One of the ways we recruit our young staff is through our HR marketing at the IZ Careers Forum held by Goethe University Frankfurt. Offering three scholarships in 2022 also bore fruit, with two of the beneficiaries ultimately joining Branicks as a working student and intern. The Group continued to award scholarships in cooperation with the Frankfurt School of Applied Sciences during 2023.

In June 2023, we welcomed a group of students from the University of Applied Sciences and Arts (HAWK) to our Frankfurt office. After getting an introduction to the company, the students were treated to an on-site tour of several different projects. The 25-person group included our Head of People and Culture as well as our COO, Christian Fritzsche.

Our commitment to universities paid off during the year under review as we employed 17 working students who gained their first practical experience at Branicks as part of their study programmes. We remain in contact with most of our working students for the remainder of their studies, as this often provides them with a pertinent thesis topic or gives them a headstart in their professional lives. For example, one of our employees started out as a beneficiary of the Branicks scholarship programme some time ago. She is now an integral part of our asset management team – and a highly esteemed colleague.

Team Building: JP Morgan Corporate Challenge

Branicks once again participated in the renowned → [JP Morgan Corporate Challenge](#) in 2023. This major annual event brings together runners from around the globe. Events are held at 16 locations across eight countries with one shared objective: to bring work and wellness together. The money raised by the run goes to good causes such as Deutsche Sporthilfe, which provides funding for grassroots and professional athletes, or Deutsche Behindertensportjugend, the German Paralympic Association’s youth organisation.

Branicks was represented by more than 50 runners at the Challenge in Frankfurt. Whether walking, jogging or sprinting, all of our participants completed the 5.6km route through Frankfurt city centre and were rewarded with a communal barbecue at the finish. All in all, it gave us a wonderful opportunity to combine team building with community engagement.



We also offer our employees numerous opportunities to undertake training and skill building to steadily expand their know-how. In 2023, our employees undertook a total of 3,563 hours (3,019 hours excl. VIB; previous year: 1,996 hours excl. VIB) of training, including continuing professional development. That equates to 11.88 hours of training per employee based on the average number of employees in 2023 (previous year excl. VIB: 6.50). We invested EUR 57,475.60 in continuing professional development programmes during the year under review (previous year: EUR 108,998.18), which equates to training and professional development costs of EUR 191.59 per full-time position (previous year: EUR 355.04). The significant year-on-year reduction in these expenses, coupled with an increase in training hours, is due to the strengthening of our internal training system.

Diversity and equal opportunity

Branicks strives to achieve a balanced age structure and mix of genders. Our experience shows that achieving the right mix of employees from a range of different age groups ultimately yields better results. We specifically promote collaboration between different age and gender groups in order to combine the practical experience of older employees with the methodological knowledge of younger staff. We have observed that collaboration across generations and genders helps people to find common ground. Our work environment benefits just as much as the social skills of all employees and executives. The proportion of female employees below Management Board level at Branicks Group AG in the reporting period was 52%. The largest age group is made up of employees between 31 and 50 years (57%). This social cohesion is one of our company's most important resources and is crucial in dealing with stress peaks and their consequences more effectively. The diversity of nations also enriches our everyday working lives. We currently employ people

from 20 nations (incl. dual citizenships), which only serves to underline our openness to all cultural backgrounds. Other cultures are no reason to exclude someone. On the contrary, they are explicitly welcomed as a way to expand our knowledge and skills.

Healthcare and prevention

We continuously strive to improve health protection for our employees based on the Occupational Safety Policy set out in 2021. In addition to offering preventative healthcare services through our company doctor (e.g. eye tests), we take regular steps to prevent work-related ailments. To support this, Branicks joined forces with a statutory health insurance fund for the third time to organise our hybrid health days on "bioelectrical impedance analysis" and "correct sitting posture at work". As part of online seminars, employees can undergo a "resource check", learn more about restorative sleep habits and learn relaxation techniques. pme Familienservice also offers a comprehensive range of coaching programmes.

The Branicks pension

At Branicks, we want our employees to have a healthy work-life balance. Part of this means helping them to optimise their pension income. As a result of demographic change in Germany, we expect the pension system to be comprehensively overhauled in the long term. The system of making pension payments from ongoing member contributions alone urgently needs reform given the aging population. We also expect the rules around partial retirement to be made significantly more flexible to counteract increasing labour shortages. In light of this, we offer our employees the Branicks pension. We have teamed up with a private pension

provider to develop a range of pension products that can be tailored to the options and needs of each employee and are intended as additional pension insurance (third pillar). In addition to tax and duty exemption, Branicks subsidises its pensions by up to 15%. The pension scheme gives our employees the option to participate in the return opportunities presented by the capital markets and shape the direction of their own individual investments.

Absences and accidents

We strive to keep sickness absence days to a minimum. We sit down with employees returning to work after lengthy illness-related absences to discuss how their working environment can be optimally adapted to suit their needs. Despite our best efforts, the absence rate rose slightly from 11.46 to 11.59 days compared to the previous year. Nevertheless, Branicks remained well below the nationwide average of 20 absence days during the year under review.¹ In the 2023 reporting year, there was a total of 27,820 hours of absence due to illness (previous year: 31,264). As a percentage of target working hours, this gives an absentee rate of 4.59% (previous year: 4.53%).

Our healthcare and employee benefits enable us to create a safe working environment in which accidents can be prevented. During the reporting year, Branicks recorded three occupational accidents (none of them fatal) within the Group, resulting in 56 hours lost and equating to an injury rate of 1.23 (previous year: 0.0), lost day rate of 2.88 (previous year: 0.0) and lost time injury frequency rate of 4.11 (previous year: 0.0). In order to prevent accidents at work in the future, we took several measures including adapting our occupational health and safety policy and setting a quantitative target for improving occupational health and safety.

¹ Source: → <https://www.dak.de/presse/bundesthemen/gesundheitsreport/krankenstand-2023-weiter-auf-rekordniveau-56842>

Governance

Corporate governance plays an important role at Branicks. We are committed to respecting the principles of ethics and integrity, And are continually developing our internal rules and policies in order to incorporate these principles into our day-to-day business and operating routines. We want to ensure that all statutory provisions are observed by clearly allocating responsibilities at all levels of the company and introducing systematic compliance processes. The following chapter provides insights into how we incorporate our values into our everyday work and the progress we have made during the period under review.

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Targets and status at a glance

UN Sustainable Development Goals



Governance overview			
Targets	KPI	Status	Year-on-year change
Continuous increase in FFO	FFO (after minority interests) compared to previous year	EUR 51.9 million	– 55%
Increase the share of green financial instruments to around 40 – 50% by 2027	Overall share of green instruments on the financing side as a proportion of total assets	16% ¹	+1% pp
Maintain or improve performance in relevant ESG ratings	ESG rating results	Sustainalytics: Improvement to 6.8 S&P CSA: Improvement to 51 CDP: Improvement to B MSCI ESG: Improvement to AA ISS ESG: D+ EPRA sBPR: Gold	Sustainalytics: 9.2 S&P CSA: 38 Carbon Disclosure Project (CDP): C MSCI ESG: A ISS ESG: D+ EPRA sBPR: Gold
Continue to prevent misconduct by taking appropriate preventive action	Number of reported compliance violations as well as actions taken	Zero reported compliance violations; Zero actions taken	Zero reported compliance violations; Zero actions taken
	Number of training hours: employees incl. Management Board members	3.563 hours	+78.5%

¹ Absolute share remained at EUR 772 million.

Cornerstone of Branicks corporate strategy

■ GRI 3-3

More important than ever: reconciling the economy and the environment

The real estate market was significantly hampered by several factors during the year under review – most notably material shortages, rising prices and interest rates, and the subsequent slump in transaction volumes. As one of the leading players in the market, Branicks was unable to distance itself from these developments. We have described their impact on our operating business and the financing of our sustainable growth trajectory in detail in the → [2023 Annual Report](#). Our “Performance 2024” action plan sets out the five key action areas we are using to deal with the current phase of the market: reducing liabilities and boosting liquidity; reducing debt with funds from the transaction business; focusing on the operational portfolio business; innovative investment ideas; and increasing productivity and lowering operating costs.

Despite the challenging market environment, Branicks is sticking to its philosophy of “reconciling the economy and the environment”. After all, sustainability also means long-term viability, and that means that we refuse to let short-term turbulence stop us from implementing our ESG strategy. The sustainable transformation of our organisation has become an integral pillar of our corporate strategy, and is more important than ever.

The corporate strategy of Branicks Group AG observes the → [principles of ethical conduct and integrity](#) and focuses on generating secure, steady, long-term income via our highly productive proprietary real-estate management platform. Our aim is to steadily grow recurring cash flows that offer reliable predictability and create a high level of resilience during difficult market phases.

By expanding our investments into the logistics asset class, we have created a logical complement to our traditionally strong presence in the German office property market. Indeed, logistics properties have proven relatively resistant to the recent market upheaval. At the same time, we have increased our proprietary portfolio of properties to become more independent from the often highly volatile transaction market. As a result, we have increased the proportion of recurring cash flow within our FFO. We are now using these changes as the basis for continuing to develop our business model.

This is demonstrated by the encouraging development of the proportion of “Green Buildings” within our portfolio, which include buildings with sustainability certification that meet high energy efficiency standards. We were able to increase the proportion of these properties within our proprietary portfolio to over 40% – a trend we are keen to continue.

The increasing use of digital building services also has both economic and environmental benefits. Digital interfaces make efficient facility management simpler and cheaper, while the data collected by these interfaces can be used to uncover additional potential improvements. This ultimately results in considerable cost savings for us and our tenants. As a result, technological change is becoming a key part of the “green transition” across the entire building sector.

The Green Bond placed in 2021 was fully allocated by the end of 2022, as the proportion of Green Buildings within our own portfolio rose even higher after the VIB acquisition. Our Green Bond Framework (GBF) sets the parameters under which Branicks can issue such bonds. The framework has been subjected to an independent external review (second party opinion). Branicks recognised the opportunities presented by “green” financing and will grow this share further over the next few years. Branicks has underlined its ambitious commitment by setting itself a target to increase the overall volume of sustainable financing to 40–50% of total assets by 2027.

Following intensive preparations – not least to meet the regulatory requirements set out in Article 9 of the EU Sustainable Finance Disclosure Regulation (SFDR) – we are now introducing our new renewables asset class. This asset class offers investment in established photovoltaic and onshore wind turbine technologies as well as supplementary investments in trending technologies such as charging points, roof-mounted systems and storage technology. For us, this represents the next logical step in our “green” strategy. Growth can only be sustainable if it meets the environmental criteria of our times. This requires clever approaches that combine both ecological and economical considerations.

Branicks fully supports Principle 15 of the Rio Declaration on Environment and Development, which sets out the precautionary approach that a lack of full scientific certainty must not be a reason for postponing cost-effective measures to prevent environmental degradation. This approach is reflected in risk management strategies in which companies proactively identify, assess and address potential risks instead of waiting for absolute certainty. Branicks

began expanding its Group-wide risk management system to incorporate environmental and other sustainability-related factors back in 2020. Since the 2022 reporting year, we have also explicitly distinguished between physical and transitional climate risks and outline their potential effects on our business model.

Our risk management approach also includes a systematic physical risk assessment that incorporated databases of climate threats and natural hazards. This assessment provides the basis for carrying out further analysis and developing any mitigation measures that may be required. The aim of this assessment is to ensure that any risks (and opportunities) arising from changes to the global climate are enshrined at the heart of our business model. This forms the basis for a holistic approach to corporate governance in which equal consideration is given to both economic and environmental considerations.

Our ESG Committee ensures that these shifting parameters are constantly reviewed, and any necessary adjustments are embedded within our operating processes. This means that Branicks has the expertise required to manage the risks and opportunities that arise from the transition to a decarbonised economy.

While we are pleased that the strategic decisions we have taken in recent years are bearing fruit, we also see this as an additional incentive to pave the way for a successful transformation, something that we believe to be more important now than ever before. Although the wider environment is changing considerably, particularly with regard to the ecological (energy-based) demands being placed on commercial properties, the driving force behind our success is the same as ever: using our agility, vision, extensive expertise and resilient network of innovative partners to create sustainable added value for all of our stakeholders.



State-of-the-art building services in Frankfurt's Lyon Quarter

The Deka Hub in Frankfurt's Niederrad district was developed by Lang & Cie. Real Estate AG and Wentz & Co. GmbH based on an innovative and sustainable building design and was completed in March 2022. The design includes a connection to the district heating network, highly efficient ventilation and heat recovery systems, use of green electricity and a photovoltaic system on top of the technical centre. The property also stands out for its unusually generous bicycle parking, electric charging stations for bicycles and green roof spaces. Branicks acquired the office property in December 2020 as part of the start-up portfolio of a public real estate special AIF. Its single tenant, Deka Investments, benefits from the building's sustainable construction by consuming less energy.

The building saved more than 20,000 additional tonnes of CO₂ by acquiring carbon certificates during the construction phase as well as for the first ten years of operation. These carbon emission savings are being used to support various climate action projects.

In February 2023, the DGNB awarded the property its sought-after Platinum certificate and recognised the building's compelling architectural and design qualities. We are delighted to have received these accolades and believe that they confirm our philosophy of "reconciling the economy and the environment".



Corporate Governance

Our commitment to ethics and integrity

Branicks monitors the compliance environment closely and maintains a corporate culture that is committed to the principles of ethics and integrity and promotes mutual appreciation, responsibility and respect within the workforce. In addition to constantly expanding and updating our regulatory frameworks, we are realising our commitment to ensuring seamless compliance along the entire value chain by running regular training sessions for all of our employees. We have also introduced and enshrined all of our Group-wide policies at VIB. We are in compliance with the recommendations of the DCGK as described in its annual Declaration of Compliance. The Management Board regularly informs the Supervisory Board of any existing risks and their development. The company’s internal control, reporting and compliance structures are continuously reviewed, enhanced and adjusted to changes in the general environment.

Award-winning rebranding

One Team, One Brand

After a period of strong growth in which Branicks evolved from an office space specialist to a diversified group with a unique 360-degree focus on real estate, the company formerly known as DIC Asset AG brought several brands under one roof in its role as parent company. In 2023, the company underwent a complete → [rebranding](#) to take account of this new corporate profile and cover the entire scope of its business model. A new brand identity that reflects our successful 25-year history was created

under the tagline “One Team, One Brand”. We also refreshed our corporate design and found a name that acknowledges the Group’s international outlook. The new name Branicks is a play on words using the words ‘Brains’ – the unique expertise and dedication of our teams – and the term ‘Bricks’ – in reference to the property value we create for our clients.

German Design Award

Branicks received two awards for its new brand identity and corporate design: the 2024 German Design Award in the “Excellent Communications Design – Corporate Identity” category, and the Corporate Design Award in the “Corporate Design – Redesign” category.

Rating scores

Objective evaluation, strong results

The rating scores in the reporting year also impressively demonstrate the continuous improvement of our “sustainable performance” and show that sustainability is firmly anchored in our company’s DNA.

One particular highlight during the year under review was Branicks double gold at the annual EPRA (European Public Real Estate Association) Awards. In addition to our Annual Report, our Sustainability Report has also received a Gold Award from the European industry association. We are grateful for the award and believe that this justifies the transparent communication of our sustainability targets.

Branicks achieved excellent results in 2022 as it successfully completed its initial ESG rating with internationally renowned provider Sustainalytics. An overall result of 9.2 prompted Sustainalytics to

ESG ratings

Carbon Disclosure Project (CDP) – Climate Change

C → B

MSCI – ESG Research

A → AA

ISS ESG

D+ → D+

S&P CSA

38 → 51

EPRA sBPR

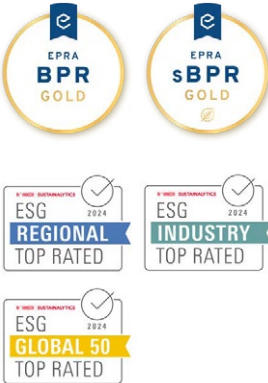
Gold → Gold

Sustainalytics

9.2 → 6.8

● 2022 ratings ● 2023 ratings

Multiple top awards



present Branicks Group AG with the “ESG Industry Top Rated” and “Region Top Rated” awards in January 2023 for its outstanding results in the ESG Risk Rating.

Global 50 Top Rated

With an overall result of 6.8, Branicks even improved its score year-on-year on 25 April 2023. In addition to the “ESG Industry Top Rated” and “Regional Top Rated” awards, Branicks received the “Global 50 Top Rated” award in January 2024, making it one of the top 50 companies rated worldwide. Sustainalytics measures the most important sector-specific ESG risks and evaluates how well a company manages these risks.

We also received a Category AA grade in the MSCI – ESG Research rating in January 2023. This places Branicks among the best 20% of evaluated companies in its peer group of “Real Estate Development & Diversified Activities”.

In February 2024, Branicks also improved its CSA (Corporate Sustainable Assessment) rating from S&P by an impressive 13 points to 51 points.

Carbon Disclosure Project

At the beginning of February 2024, we received the result for participating in the Carbon Disclosure Project (CDP) in 2023, where we were able to improve our score from C to B. The improvement is due in particular to a higher rating in the categories “Emissions reduction initiatives” (from C– to A) and “Energy” (from C to A–). We are delighted that our measures to reduce emissions and increase energy efficiency have been recognised and feel that this validates our course.

Future EU regulation of ratings

At the end of June 2022, the European Securities and Markets Authority (ESMA) published the results of its investigation (→ [Call for Evidence](#)) into ESG rating providers and market developments within the European Union. This investigation showed that the range of ESG ratings is divided among a small number of very large non-European ratings providers and a large number of significantly smaller European providers. It also established that ratings are generally commissioned by investors (“investor-pays basis”).

There appear to be significant differences when it comes to the collection of data and methodology used by each ratings agency. Due to the lack of transparency and inconsistency in the ESG ratings market within the EU, ESMA urged the European Commission to introduce regulatory measures in an → [official letter](#) back in 2021. The aim is to create binding rules for all providers and thus help provide greater market transparency – and ultimately better ratings processes.

In June 2023, the EU Commission published its → [proposal for a regulation](#) “on the transparency and integrity of ESG rating activities”, which asserts that the rating market suffers from deficiencies and is not functioning properly.

In February 2024, the EU Parliament and EU Council reached an agreement on the most important elements of a → [future EU Regulation](#). The Regulation was yet to be approved and formally adopted by the time this report went to press. In the future, we expect ratings providers to be required to publish the methods they use, explain in more detail how they calculate their scores, and formally register with the ESMA as the responsible supervisory authority.

We expressly welcome the ESMA's initiative and will take into account its results and the implications for our own ratings. Branicks cooperates openly with ESG ratings agencies at all times in their efforts to collect data and exchange information. We draw on the expertise of our specialist departments as required when gathering data and qualifying our information. Our IR team and Head of Sustainability are available to contact at any time, and we appreciate being able to exchange information honestly and on equal terms in accordance with our core values. To meet the (potential) requirements of rating providers, in our Sustainability Report we expressly refer to our → [2023 Annual Report](#) as well as to further relevant ESG publications and documents on our → [website](#).

Economic performance

Group results

■ GRI 201-1

The entire real estate sector was under enormous pressure in the year under review, triggered in particular by rapid interest rate rises, the increase in construction costs and the associated significant slowdown in transaction business throughout Germany. In our [→ 2023 Annual Report](#) we explain the development of the industry and the resulting effects for Branicks in detail.

Branicks generated gross rental income of EUR 188.3 million in the 2023 reporting year. This corresponds to an increase of 6.9% year-on-year. Due to the high volume of sales recognised on the balance sheet in the past financial year, we generated net proceeds from sales of EUR 558.6 million (previous year: EUR 51.5 million). A key individual item in net proceeds was the sale of a retail portfolio to VIB Retail Balance I in the amount of EUR 308.0 million, which had taken place in the first quarter of 2023. Although income from real estate management fell to EUR 50.9 million (previous year: EUR 88.4 million) due to the challenging transaction environment, it mainly consists of recurring management fees (asset and property management as well as development fees) and only a small percentage of transaction and performance fees. This makes our business model less dependent on transaction-based payments. Total income from the Commercial Portfolio and Institutional Business rose to EUR 833.1 million during the year under review, mainly as a result of the higher sales volume compared to 2022.

Macroeconomic environment in 2023

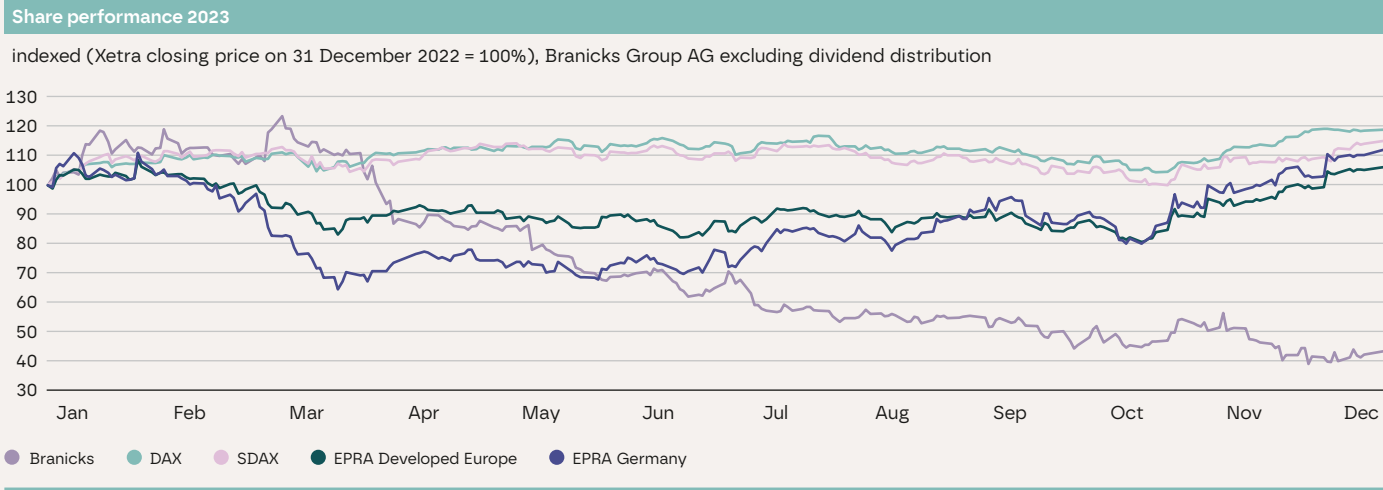
The interest rate environment, implications of an array of geopolitical crises and persistent uncertainty in the real estate market all shaped the 2023 financial year. This environment weighed heavily on transaction volumes in particular due to a lack of transaction activity. Despite this, the Company recorded notarised sales volumes of EUR 287 million, thus almost reaching the lower end of its target range for the year of EUR 300 to 600 million.

We successfully extended tenancy agreements and secured new leases once again during 2023. Overall, our teams achieved a letting performance of around 446,600 sqm after 374,900 sqm in the previous year, including approximately 156,600 sqm of new leases (119,600 sqm in the previous year). This meant our letting performance reached record levels. This growth by area was primarily driven by letting performance in the logistics sector, which increased by 41% to 238,000 sqm (2022: 168,900 sqm) in

the year under review. New leases and lease extensions – contributed to this positive performance.

After a challenging year of trading in 2022, 2023 was also dominated by major price fluctuations in both the equity and bond markets primarily caused by central bank interest rate and monetary policy, inflation trends and constantly changing market expectations over the course of the year, particularly with regard to interest rates.

Germany's DAX and SDAX benchmark indices recorded gains of 20% and 17% respectively over the course of 2023. The companies included in the EPRA Germany sector index saw their value increase by 24%. Shares in Branicks (free float of 47.2%) opened trading at EUR 7.65 on 2 January 2023 and ended the year with a Xetra closing price of EUR 3.38, a decline of more than 55%.



Economic value retained in the company

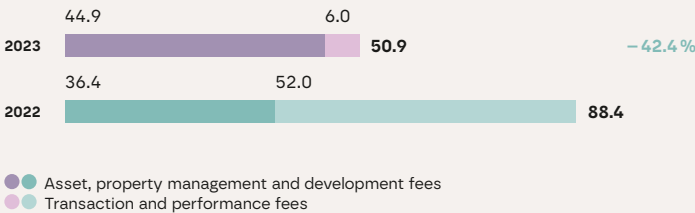
The table below shows how the economic value retained in the company was calculated in accordance with GRI 201-1 in the year under review and the previous year. The effects of the economic slowdown in this industry are also apparent in this calculation. The significantly higher total income of around EUR 833.1 million (previous year: EUR 352.8 million) includes considerable net proceeds from property sales. The share of the profit or loss of associates declined to around EUR 6.4 million. The net interest expense increased from approximately EUR 60.6 million in the previous year to just over EUR 92.8 million due to the interest charges associated with our bridging loan. The dividend payment made in 2023 for the previous year totalling around EUR 62.4 million was slightly higher than in 2022. The issuance of shares through capital increases fell from around EUR 17.9 million in the previous year to approximately EUR 2.7 million. As a result, the economic value retained in the company was around EUR -158.9 million in 2023 (previous year: EUR -13.7 million).

FFO development

The aforementioned cooldown in the sector economy caused a significant slowdown in the transaction business. While net rental income was still 8% higher than the previous year at EUR 164.6 million, profits on property disposals fell from EUR 12.7 million in the previous year to around EUR 8.2 million. At the same time, our efficiency improvements began to take effect. We reduced administrative expenses from EUR 37.9 million in the previous year to EUR 27.2 million during the year under review – an improvement of around 28% – and lowered personnel expenses by 6% to EUR 40.1 million. On the other hand, the weak market environment was reflected in the real estate management fees generated, which slumped by around 42% year-on-year to EUR 50.9 million. However, the higher proportion of recurring management fees means our business model is generally less dependent on transaction-based payments. The share of the profit or loss of associates also fell by around 66% to EUR 6.4 million.

Real estate management fees

in EUR million



Overview of income

in EUR million	2022	2023	Change in %
Gross rental income	176.0	188.3	7.0
Net proceeds from disposal of property	51.5	558.6	984.8
Real estate management fees	88.4	50.9	–42.5
Other income ¹	37.0	35.4	–4.3
Total income	352.8	833.1	136

¹ Service charge income on principal basis and other operating income.

Key earnings figures

in EUR million	2022	2023
Total income (incl. net proceeds from disposal of property)	352.8	833.1
Share of the profit or loss of associates	18.9	6.4
Other comprehensive income	– 12.7	– 1.1
Direct economic value generated	359.0	838.5
Total expenses (incl. carrying amount of disposals) ¹	– 251.3	– 831.1
Net interest expense	– 60.6	– 92.8
Taxes	– 17.1	– 13.6
Dividend distribution for the previous year	– 61.4	– 62.4
Issuance of shares through capital increases	17.9	2.7
Other costs	– 0.2	– 0.2
Economic value distributed	– 372.6	– 997.4
Economic value retained in the company	– 13.6	– 158.9

¹ All expenses in P&L up to interest expense

Net rental income increases by 8% to EUR 164.6 million.

+ 8%

The net interest result is a key figure when calculating funds from operations (FFO). Branicks uses borrowed capital for various operating or strategic purposes. Part of our borrowings consists of interest-bearing loans with different maturities. The interest effects impact the Group's results no later than when follow-up financing is agreed or the loan is repaid. The rapid interest rate hikes announced by the European Central Bank in 2023 as part of its efforts to tackle inflation caused the cost of loans offered by commercial banks to increase sharply. Branicks was unable to avoid these effects. The net interest result deteriorated by around 53% year-on-year to just under EUR -93 million. This is one of the largest – and fastest – increases in interest expense in the company's history. One of the main drivers of this trend was the bridging loan taken out as part of the VIB acquisition, which also had an impact on the calculation of funds from operations (FFO). The average

interest rate across all financial liabilities (not including the bridging loan from the VIB transaction) amounted to 3.0% (previous year: 1.9%) at the end of the year, mainly due to refinancing activities.

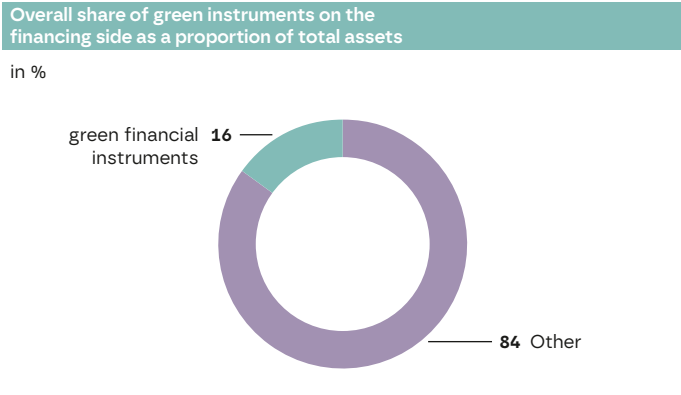
In light of these developments, it was clear from an early stage during the year under review that FFO would be lower than the previous year's figure. It ultimately decreased by around 47% year-on-year to EUR 71.7 million. Funds from operations II (including profits on property disposals/after minority interests) dropped by around 53% to EUR 59.4 million.

Further information on Branicks' operating performance during the year under review can be found in our → [2023 Annual Report \(page 54 et seq.\)](#).

To finance our operating activities, we are also relying increasingly on green financial instruments on the financing side. By 2027, we want to boost their share from their current level of around 16% of total assets to around 40–50% to contribute to financing our ESG targets. During the year under review, the overall share of green financial instruments on the financing side rose slightly from 15% of total assets in the previous year to 16%. This effect is due to a slight decrease in total assets compared to the previous year. Overall, however, the volume of green financial instruments remained at the prior-year level of EUR 772 million.

Transition FFO								
in EUR million	Total			Commercial Portfolio			Institutional Business	
	2022	2023	Δ	2022	2023	Δ	2022	2023
Net rental income	152.5	164.6	8%	152.5	164.6	8%		
Profit on disposals	12.7	8.2	–35%	12.7	8.2	–35%		
Administrative expenses	–37.9	–27.2	–28%	–18.7	–9.9	–47%	–19.2	–17.3
Personnel expenses	–42.6	–40.1	–6%	–10.6	–14.0	32%	–32.0	–26.1
Other operating income/expenses	2.3	1.7	–26%	2.7	1.8	–33%	–0.4	–0.1
Real estate management fees	88.4	50.9	–42%				88.4	50.9
Share of the profit or loss of associates without project developments and sales	18.9	6.4	–66%	12.6	3.2	–75%	6.3	3.2
Net interest income	–60.6	–92.8	53%	–57.0	–91.9	61%	–3.6	–0.9
Other adjustments ¹	13.3	8.2	38%	13.0	7.0	–46%	0.3	1.2
Funds from Operations	134.3	71.7	–47%	94.5	60.8	–36%	39.8	10.9
Non-controlling interest	–20.1	–19.8	–1%	–19.1	–17.3	–9%	–1.0	–2.5
Funds from Operations (excluding non-controlling interest)	114.2	51.9	–55%	75.4	43.5	–42%	38.8	8.4
Funds from Operations II (including profit on disposals)	147.0	79.9	–46%	107.2	69.0	–36%	39.8	10.9
Funds from Operations II (including profit on disposals, excluding non-controlling)	126.9	59.4	–53%	88.1	51.0	–42%	38.8	8.4

¹ The other adjustments include:
– Transaction, legal and consulting costs of EUR 1,899 thousand (previous year: EUR 11,663 thousand).
– One-off refinancing costs of EUR 6,261 thousand (previous year: EUR 1,592 thousand)



Financial implications of climate change

■ GRI 201-2

When it comes to climate and environmental risks, Branicks differentiates between two classes of risk: physical and transitional climate risks.

Physical climate risks

For Branicks, physical risks include acute weather events and natural hazards such as storms, heavy rain, earthquakes, floods and forest fires. Our portfolio is concentrated on the commercial and logistics real estate markets in Germany. Significant and lasting climate change increases the direct and indirect risks to the real estate portfolio's building stock. These events could cause physical damage to a building's structure or envelope, for example.

In such cases, the risk to Branicks mainly consists of the financial cost of any necessary repairs as well as rent defaults that may arise from limited use of a building due to damage. Such events may also result in cost increases or exclusions of liability within building insurance policies. A systematic climate risk and vulnerability analysis including future scenarios SSP1-2.6, SSP2-4.5 and SSP5-8.5 was carried out during the year under review to determine existing and future risk potential in preparation for reporting requirements arising from the EU Taxonomy. An additional review of individual sites and properties will be conducted on this basis in subsequent periods to determine whether any adjustments are required.

All properties already have appropriate insurance cover that encompasses the identified risks.

We tackle physical risks by continually updating our physical risk assessment, ensuring that our properties have sufficient insurance cover against climate threats and natural hazards and, where required, implementing suitable construction and organisational measures within the buildings.

The report on expected developments, risks and opportunities published in our 2023 Annual Report → [from page 72](#) outlines in detail the physical climate risks to Branicks currently arising from climate change, the potential financial impact of these risks, and the steps we are taking to adapt to and mitigate them.

Transitional climate risks

Transitional risks for Branicks result from the transition to a decarbonised economy arising from changes in policy, regulation, technology and consumer preferences.

The amendment of the Federal Climate Change Act (Klimaschutzgesetz) in 2021 tightened national climate targets further. The act now aims to reduce greenhouse gas emissions by 65% (previously 55%) by 2030 compared to 1990 levels and for Germany to achieve greenhouse gas neutrality by as early as 2045 (previously 2050).



New regulations and stricter laws on energy efficiency and emissions requirements may necessitate increased spending on modernisation or directly result in additional costs for tenants and landlords (e.g. carbon cost allocation resulting from the Federal Fuel Emissions Trading Act (BEHG) or the EU Emissions Trading System (EU-ETS)). Future amendments by the legislature, e.g. in the Building Energy Act (GEG) could require significant changes in the construction or conversion of real estate and lead to higher expenses for complying with energy efficiency requirements in the areas of asset and property management.

Global warming and climate change may cause user behaviour to change in the medium to long term. Tenants' consumption of energy and water, and thus their operating costs, could increase. Tenants will place greater emphasis on sustainability-certified or energy-efficient space and buildings in the future due not only to the high energy crisis but also to a general increase in awareness of sustainability issues. Properties that do not meet these more stringent requirements may experience falling demand from tenants and investors and may also suffer losses in value along the entire real estate value chain. There is expected to be increased demand for energy-efficient properties from tenants and investors.

The increasing requirements imposed by ESG criteria within companies' own business activities are also creating opportunities for Branicks. Proactive modernisation of buildings, the consideration of ESG criteria into decision-making processes, and selection of future investments and divestments incorporating ESG criteria may give rise to additional business activity on the existing real estate platform and among institutional investors. This also leads to the expansion of our business model in order to take advantage of the opportunities that arise. The most recent example of this is the introduction of our new renewables asset class, which gives investors the opportunity to participate in the "green transformation" of the real estate sector.

Branicks has the ESG strategy, structures and expertise required to manage the risks and opportunities that arise from the transition to a decarbonised economy.

Our approach is to develop our proprietary portfolio based on → [specific environmental and governance criteria](#), acquire suitable properties and sell unsuitable ones, let and manage properties sustainably, and use construction, technical and innovative techniques to develop the managed real estate portfolio.

The report on expected developments, risks and opportunities published in our 2023 Annual Report → [from page 72](#) outlines in detail the transitional climate risks to Branicks arising from climate change, the potential financial impact of these risks, and the steps we are taking to adapt to and mitigate them.

Values and compliance

■ GRI 2-6 | 2-23 | 2-24 | 2-27 | 205-1 | 205-2 | 205-3 | 406-1

Rules, systems, measures

Branicks maintains a corporate culture that is committed to the principles of ethics and integrity and promotes mutual appreciation, responsibility and respect within the workforce. This is our guideline when creating and implementing all internal rules.

Over the years, Branicks has developed an extensive in-house compliance regulatory framework, whose components are described in detail below. To manage all compliance issues efficiently, we use our own systems which were expressly designed (and certified) for this purpose: EQS Integrity Line and Insider Manager. The aim of these measures and systems, as well as the regulatory framework, is to avoid any form of misconduct by taking consistent preventative action. To this end, we continuously review all rules and regulations to ensure that they are up to date and update them as necessary.

In our → [Policy Statement on Respect for Human Rights](#) we stated that compliance with all locally applicable legal provisions is a matter of course for us and an integral component of our corporate governance policy. This also includes the prohibition of all forms of forced labour, child labour and human trafficking. This also includes treating historically grown neighbourhoods and local communities with respect.

For the purpose of implementing this pledge, we align our corporate action specifically with the following conventions:

- The United Nations Universal Declaration of Human Rights
- The United Nations Guiding Principles on Business and Human Rights
- the Eight Core Labour Standards of the International Labour Organization (ILO)
- the Ten Principles of the UN Global Compact

We consider the values and standards contained therein to be the main foundation of our corporate culture.

Branicks joined the → [UN Global Compact](#) (UNGC) at the start of 2023. This signifies our commitment to integrating the UN Global Compact and its ten principles into our corporate strategy, culture and day-to-day business and participating in related collaborative projects (such as the Sustainable Development Goals – SDGs). From now on, we are also required to submit an annual progress report (Communication on Progress) detailing our efforts to implement the ten principles. Branicks is also a member of → [UN GCD e.V.](#), the UNGC’s national organisation in Germany. The association currently has around 1,200 participants from the business world, civil society, scientific world and political domain who work together to initiate change processes and strategically anchor sustainability within companies.

In parallel with this, Branicks has joined the Principles for Responsible Investment (PRI) investor initiative launched in partnership with the UN Global Compact. Members of the initiative are committed to practically implementing its → [six Principles for Responsible Investment](#).

The UN Sustainable Development Goals

In September 2015, the UN General Assembly adopted the 2030 Agenda for Sustainable Development – an action plan for all member states of the United Nations to carry out a sustainable transformation of society, the economy and the environment by 2030. The → [17 Sustainable Development Goals and their 169 associated targets form part of the 2030 Agenda](#).



The aim of this agenda is to better understand the impact of investment activities on environmental, social and corporate governance issues and help signatories to integrate these issues into their investment decisions. Branicks hopes that joining the PRI will provide a fresh boost to its own fund business and that opening the company up to new reporting perspectives will result in more diverse reporting.

As in the previous year, we classified our sustainability initiatives in accordance with the → [17 Social Development Goals](#) (SDGs) of the United Nations. Graphics representing the SDGs to which the main focus areas of our initiatives or activities contribute are clearly visible in the relevant chapters.

Clear guidelines: policies and frameworks

The → [Code of Conduct](#) guides us in all of our organisation's actions and decisions. It serves as the foundation of our in-house policies and is binding on all employees. Executives especially are under a constant obligation to ensure compliance with this policy by implementing appropriate measures and processes. For whistleblowers who only wish to submit their information anonymously, Branicks operates its own → [whistleblower system](#) reflecting the provisions of the German Whistleblower Protection Act.

Our → [Compliance Policy](#), which we updated again in 2023 with regard to ensuring equal pay, defines comprehensive protection against any form of discrimination, unfairness or harassment, especially on the basis of ethnic identity, gender, religion or belief, or any physical or mental limitation, age or sexual orientation.

Our stated objective is to actively prevent any kind of discrimination, unfairness or undesirable behaviour. The Policy also provide information on reporting misconduct and violations as well as related consequences and points of contact.

In accordance with our → [Anti-corruption Policy](#) our staff are obliged to make all business decisions exclusively in the best interests of Branicks and without any intention of furthering personal interests. The Group has a zero-tolerance policy to corrupt behaviour and the abuse of decision-making powers as granted to individuals.

The → [Lobbying Policy](#) stipulates that the lobbying work of Branicks should be characterised by transparency, fairness, integrity and factual information. The Policy also defines a set of principles that our staff and all advisors acting on behalf of Branicks are obliged to follow and observe. The Lobbying Policy also sets out the obligations of advisors and lobbyists acting on behalf of Branicks. Among other things, this includes the obligation to identify themselves "outwardly" as representatives of Branicks and act transparently in their dealings with third parties and/or public servants.

Our foundation for successful collaboration

The → [Code of Conduct for Business Partners of the Branicks Group](#) lays down rules that serve as the foundation for any collaboration. Branicks business partners must comply with these rules and impose them on their own business partners, such as their suppliers and sub-contractors. This includes, for example, compliance with applicable occupational health and safety laws, other labour-law provisions and the provisions of social security law (including prohibition of harassment, physical or psychological violence, forced labour, undeclared work, child labour, human trafficking).

Branicks Group AG's → [Occupational Health and Safety Policy](#) contains all necessary occupational safety measures, taking into account circumstances that affect the health and safety of employees at work. Branicks regularly reviews the effectiveness of the measures taken in

accordance with this policy and adjusts them to reflect any changes in circumstances. We have set ourselves a quantitative target to improve our occupational health and safety, and are seeking to reduce the number of work-related accidents (fatal or non-fatal) for employees and other staff to zero by 2028.

Environmental protection and sustainable sourcing

Our general principles for and commitment to climate change mitigation and environmental protection are set out in our → [Environmental Protection Policy](#) introduced across the company in 2022. The Environmental Protection Policy applies to our own business activities, our own property portfolio and the properties we manage for third parties.

Since the end of 2022, Branicks has also had a **Sustainable Procurement Policy**. That encourages all employees to incorporate the aspects mentioned in the policy into the tendering and awarding process as well as into all purchasing decisions wherever possible and economically feasible.

In 2022, we also adopted a **Safety Policy for Products, Services and Buildings** to prevent adverse effects on life, health and the assets of our business partners and other people as well as the environment. We have set ourselves the target of reducing the number of regulatory breaches related to the impact of our products and services on the health and safety of our customers to zero by 2028. During the year under review, we analysed 100% of our portfolio of products and services for potential improvements to reduce adverse impacts on the health and safety of our business partners and other people. In 2023, there were no violations of statutory provisions or internal guidelines associated with the impact of our products, services and buildings on the health or safety of our employees, business partners or clients.



Target for 2028:
reduce work-related accidents
to zero

All company policies listed here have been approved at Management Board level and are updated as required.

By consistently expanding our internal regulatory framework, we are realising our commitment to ensuring seamless compliance in everyday business practice along the entire value chain. The updated list of → [Branicks policies](#) is available online at any time.

Risk management system

We continue to assess the potential for internal corruption or compliance breaches as low. Using the Branicks risk management system (“RMS”), five risk classes can be reliably recorded and assessed: (1) strategic risks, (2) financial risks, (3) compliance risks, (4) political, social, legal, regulatory and environmental (ESG) risks, and (5) operational risks.

Our RMS, the identified risks and the measures taken to minimise risks are described in detail in our report on expected developments, risks and opportunities, which is part of the management report published in the 2023 Annual Report → [from page 72](#).

The risk management system extends across all of Branicks Group AG and is binding on all employees. We identified the topics of “accepting undue advantages” and “receiving gifts” in connection with potential compliance violations. The Compliance Officer is responsible for checking compliance with the compliance rules as well as for analysing and deriving measures with regard to compliance risks. The Compliance Officer carries out spot-check based risk assessments on relevant accounts (e.g. gifts, entertaining, invitations) as part of an annual review, and reports any anomalies directly to the CEO.

No cases of corruption or violations of internal compliance policies were reported or confirmed during the reporting period.

All members of the Supervisory Board were made aware of Branicks anti-corruption policy and procedure in 2022. The Supervisory Board also established an Audit Committee, which supports the Supervisory Board in the performance of its duties and regularly reports to it. The Audit Committee is concerned with the tasks set out in section 107 (3) sentence 2 AktG, primarily monitoring the accounting, the financial reporting process, the effectiveness of the internal control system, the risk management system and internal audit system, Group-wide compliance, and the audit of the financial statements. The Audit Committee mainly meets as needed. The Audit Committee regularly consults with the auditor, even without involving the Management Board. All Branicks employees have sufficient awareness to be able to recognise fraudulent conduct. This awareness is based on the principles of ethical conduct and integrity introduced Group-wide and our regular training measures.

Everyone who belongs to our organisation, including the Management Board and the Supervisory Board, is obliged to report any suspected instances to the Compliance Officer (or its permanent deputy). Responsibility for resolving and pursuing all reports submitted in connection with bribery or corruption lies with the CEO.

Corporate Governance Code

The Management Board of Branicks submits an annual Declaration of Compliance stating that it has complied, and will comply, with the recommendations of the German Corporate Governance Code. If any recommendations of the Code have not been complied with, reasons for this will be given accordingly. These recommendations also refer to the broad topic of Compliance. The Management Board ensures that the Supervisory Board receives any relevant information concerning compliance.

Branicks publishes all of the relevant in-house compliance policies on its → [website](#) for any business partners or other stakeholder groups to view. Employees can use the Branicks Office Hub (intranet), introduced in 2021, as a shared location for news and updates and to distribute in-house policies and other documents. We regularly inform all Branicks employees of the applicable company policies, including those on anti-bribery and anti-corruption.

All new Branicks employees are notified about all of our internal policies and sign to confirm receipt of these at the latest when they start their job. During 2022, we introduced a standardised process via our HR tool that ensures that existing employees also sign to confirm receipt of our internal policies. This process restarts each time our policies are updated.

During the year under review, we partnered with an e-learning specialist to offer several training sessions on anti-corruption, cybersecurity, data security and compliance. The seminar on anti-corruption focused on recognising corruption attempts and anti-corruption measures. The cybersecurity training dealt with the phenomenon of phishing, encouraged employees to be aware of scamming attempts sent via email, and provided background information to improve information security. This training session was mandatory for all of the Group's employees. During the year under review, 300 (100%) of Branicks Group AG's employees and 47 other employees such as apprentices and interns took part in this training session. The Management Board members and managing directors also took part in these training courses in 2023. All six members of the Supervisory Board also completed anti-corruption training in 2022.

4

Mandatory compliance training courses for all employees in 2023

ESG+D

Digitalisation is a key element of the sustainability strategy

From 2023 onwards, employees of VIB, which was acquired in 2022, also received regular training on the aforementioned topics. Corresponding Branicks training programmes (including confirmations from employees) have been implemented swiftly after the takeover.

Since the start of 2022, all new employees have attended a training session on data protection and data privacy as part of our on-boarding process. This training programme has also been implemented together with a specialist training provider to ensure the training content is up to date and consistent.

The Compliance Officer checks that these procedures and processes are compliant and receives appropriate training each year. Members of the Management Board also receive training on the topics of data protection and compliance, usually at least once a year. In line with the recommendations of the Government Commission on the Corporate Governance Code, members of the Supervisory Board have the authority to decide on the Board's training and skill building.

Since 2018, all stakeholders in our organisation have had the opportunity to anonymously report any misconduct or breaches of statutory or in-house provisions online via our own dedicated whistleblower system. The system was adapted in the reporting year to meet all requirements of the German Whistleblower Protection Act, which came into force in 2023. No reports of corruption or other misconduct were received in the reporting year. Consequently, no warning letters, terminations or cancellations of contracts with business partners occurred which were attributable to compliance issues.

Furthermore, no criminal or other procedures were brought against Branicks by state or supervisory authorities in connection with compliance issues.

Digital transformation

Branicks considers digitalisation to be a key element of its sustainability strategy. "ESG+D" means that we harness the opportunities presented by digitalisation – particularly the associated efficiency gains – in order to implement the measures adopted. As well as working with AI-supported office applications, this includes systematically using digital building services and protecting our IT infrastructure.

Group & asset management

We use digital tools to improve our management processes. To increase efficiency and quality in real estate management, a document management system and asset management software were introduced. The different systems of the Group's subsidiaries were standardized in the past reporting year. We are also using and continuing to develop a comprehensive HR system to digitalise our existing processes and make them more efficient.

Smart Building

One important element of our digitalisation strategy is to create a transparent source of information about our properties. In particular, we are focusing on introducing energy management systems to record consumption data. On top of this, we are tapping into potential efficiencies in facility management by introducing "smart" building technology.

We explain in detail how we are implementing digital concepts into our properties in the → [Environment](#) chapter and the → [Smart Buildings](#) section.

Cybersecurity

A substantial part of our business activities is now conducted online, which is why it is so important for us to reliably protect all of our IT systems. In addition to policies on IT and cybersecurity, we have also established a suitable security management system. We always use the state-of-the-art network security and endpoint protection technologies and keep all systems and tools up to date with the latest security standards. This enables us to minimise the risks to our IT landscape and their impacts. All Group employees were also obligated to participate in cybersecurity awareness training in 2023. In addition to regular security audits, we carry out both in-house security assessments and external intrusion tests at system, data and network level.

Evaluating our supply chain

Our business model is only marginally dependent on global supply chains, and most of our direct suppliers are located in Germany. Nevertheless, we also critically assess our supply chain, paying particular attention to the following two aspects:

- Not being excessively dependent on individual suppliers
- Ensuring that our business partners align with our values

Branicks has a tool for identifying critical suppliers in its supply chain. The “Critical Supplier Identification” (CSI) process is carried out annually.

The CSI process consists of two steps:

- First, we identify all direct (Tier 1) suppliers whose combined annual sales exceed a certain threshold. The analysis carried out in 2023 is based on the previous year’s ERP figures. The CSI process determined that no single supplier exceeded the critical threshold within overall procurement volumes.
- As a second step, we identify suppliers delivering particularly high volumes in specific categories of products, goods and services. We also carry out a separate analysis of suppliers who make up a particularly high proportion of procurement volumes. Based on this analysis, we have identified a number of direct suppliers that we have divided into groups based on their sector or the product or service they provide.



Systematic survey of the seven largest service providers in Facility Management in 2023

The CSI process resulted in the following sector ranking based on the respective share of procurement volumes:

- Facility management service providers
- Law firms
- Building services companies
- Consulting firms
- Construction companies and energy providers

Volume-critical suppliers

In each category, Branicks rates suppliers with a particularly high share of procurement volumes in the relevant category as High Volume Critical Suppliers. On this basis, we have determined that significantly fewer than 10% of all suppliers are classed as volume-critical. However, the majority of these suppliers provide goods or services for which Branicks receives bulk discounts.

Supplier survey

Our CSI process revealed that facility management service providers are our largest supplier group. As a result, these service providers represent a key pillar of our operations. From a risk management perspective, this could result in compliance risks, particularly when it comes to meeting minimum standards and safeguarding human rights in downstream employment relationships.

With this in mind, Branicks conducted a systematic survey of its seven largest facility management service providers in 2023, which means the survey covers more than 80% of the total procurement volume in this category. The service providers surveyed received

a detailed questionnaire to collect data in the following focus areas: safeguarding human rights, preventing corruption, data protection, environmental protection, supplier management and complaint processing mechanisms.

The aim of the survey was to identify the policies and processes, process descriptions and measures put in place by each service provider. We also wanted to gain an insight into the ethical principles and operating practices of our key suppliers.

The evaluated survey results painted a mixed picture, with some of the respondents already having comprehensive policies and codes of conduct in place for the issues surveyed, while others seemed to regard the issues as uncharted territory. As a result, some of the companies surveyed complied with our Code of Conduct effortlessly, while others only managed to meet the minimum requirements.

We plan to incorporate the CSI findings into future collaboration with our suppliers. By doing this, Branicks aims to foster a fair partnership of equals instead of enforcing unilateral controls on its contractors. This means that every supplier surveyed receives extensive feedback including both praise (for processes and systems already in place) and suggestions for improvement (in cases where potential risks have so far been only moderately recorded).

As a result of the survey, we are able to state that our suppliers currently have no material, specific or potentially negative impacts on Branicks Group AG.

Appendix

This sustainability report is based on the requirements of the 2021 GRI Standards. To ensure transparency and comply with best practices adopted by European listed real estate companies, we also apply the reporting principles established by the European Public Real Estate Association (EPRA).

88 GRI Index

**93 EPRA sustainability
performance measures**

100 Auditor's Report

102 Glossary

105 Legal notice

GRI Index

Branicks Group AG has reported on the information listed in this GRI Index for the period from 1 January 2023 up to and including 31 December 2023 by making reference to the GRI Standards.

ESG Profile			
		Page	Comments
GRI 2: General disclosures 2021	2-1 Organisational details	16-18	
	2-2 Entities included in the organisation’s sustainability reporting	16+19	
	2-3 Reporting period, frequency and contact point	32	
	2-4 Restatements of information	32-33	
	2-5 External assurance	33	
	2-6 Activities, value chain and other business relationships	16-17, 19-20, 86	
	2-7 Employees	61	
	2-8 Workers who are not employees	61	
	2-9 Governance structure and composition	22-23	
	2-10 Nomination and selection of the highest governance body	22	
	2-11 Chair of the highest governance body	22-23	
	2-12 Role of the highest governance body in overseeing the management of impacts	22+26	
	2-13 Delegation of responsibility for managing impacts	26	
	2-14 Role of the highest governance body in sustainability reporting	26	
GRI 2: General disclosures 2021	2-15 Conflicts of interest	22-23	
	2-19 Remuneration policies	22	
	2-20 Process to determine remuneration	22, 62-63	
	2-22 Statement on sustainable development strategy	5-6	
	2-23 Policy commitments	21, 82-85	
	2-24 Embedding policy commitments	20, 82-85	
	2-25 Processes to remediate negative impacts	23-25	
	2-27 Compliance with laws and regulations	82-85	
	2-28 Membership associations	21	
	2-29 Approach to stakeholder engagement	27-29	
	2-30 Collective bargaining agreements	62	

ESG Profile		
		Page Comments
GRI 3: Material Topics 2021	3-1 Process to determine material topics	30-31
	3-2 List of material topics	31
Governance		
		Page Comments
GRI 201: Economic Performance 2016	3-3 Management of material topics	72-76
	201-1 Direct economic value generated and distributed	77-79
	201-2 Financial implications and other risks and opportunities due to climate change	80-81
	201-3 Defined benefit plan obligations and other retirement plans	70
	201-4 Financial assistance received from government	Branicks Group AG did not receive any financial assistance from the government in the reporting year.
GRI 205: Anti-corruption 2016	3-3 Management of material topics	72-76
	205-1 Operations assessed for risks related to corruption	82-85
	205-2 Communication and training about anti-corruption policies and procedures	84-85
	205-3 Confirmed incidents of corruption and actions taken	84
Other topics		
		Page Comments
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No such incidents in the 2023 financial year.
	205-1 IT-security	84-85

Environment		
		Page Comments
GRI 302: Energy 2016	3-3 Management of material topics	13, 35-43, 48, 55
	302-1 Energy consumption within the organisation	44-46
	302-2 Energy consumption outside of the organisation	44-46
	302-3 Energy intensity	47
	302-4 Reduction of energy consumption	13, 35-43, 48, 55
	302-5 Reductions in energy requirements of products and services	Branicks Group AG did not systematically collect any data on GRI 302-5. Please refer to GRI 302-1 to GRI 302-4 for details about energy consumption during service delivery.
	CRE1 Building energy intensity	47
GRI 305: Emissions 2016	3-3 Management approach	13, 35-43, 48, 55
	305-1 Direct (Scope 1) GHG emissions	49-50
	305-2 Energy indirect (Scope 2) GHG emissions	49-50
	305-3 Other indirect (Scope 3) GHG emissions	49-50
	305-4 GHG emissions intensity	49-50
	305-5 Reduction of GHG emissions	13, 35-43, 48, 55
	305-6 Emissionen of ozone-depleting substances (ODS)	Branicks Group AG did not systematically collect any data on GRI 305-6.
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Branicks Group AG did not systematically collect any data on GRI 305-7.
CRE8: Sustainable portfolio performance	CRE3 Intensity of GHG emissions from buildings	49-50
	3-3 Management of material topics	12, 35-36, 38-40
	CRE8 Number and type of Green Building certifications	52-54

Other topics

		Page	Comments
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	56	
	CRE2 Building water intensity	56	
GRI 304: Biodiversity 2016	3-3 Management of material topics	51	
GRI 306: Waste 2020	306-3 Waste generated	56	

Social

		Page	Comments
GRI 401: Employment 2016	3-3 Management of material topics	14, 58-60	
	401-1 New employee hires and employee turnover	62	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	66-70	
	401-3 Parental leave	62	
GRI 405: Diversity and Equal Opportunity 2016	3-3 Management of material topics	58-60	
	405-1 Diversity of governance bodies and employees	64-65	
	405-2 Ratio of basic salary and remuneration of women to men	63	

Other topics

		Page	Comments
GRI 402: Labour/Management Relations 2016	402-1 Minimum notice periods regarding operational changes		We proactively inform our employees about organisational changes early on; such information is usually provided by members of the Management Board or other senior executives in person. Any corporate news publicly announced is also separately circulated within the Branicks group.
GRI 403: Occupational Health and Safety 2018	403-2 Hazard identification, risk assessment, and incident investigation	83	
	CRE6 Labour practices and human dignity		Our occupational safety standard is based on the strictest German health and safety standards and complies with the requirements of the ILO Occupational Safety and Health Convention. In addition, internal and external occupational health and safety committees regularly review current practices. Branicks Group AG's Occupational Safety Policy and our Policy Statement on Respect for Human Rights set out our general principles and practices (see https://branicks.com/download/policy/Branicks_Arbeitsschutzrichtlinie_EN_v2.0.pdf , https://branicks.com/download/policy/Branicks_Grundsatzerklärung_Menschenrechte_EN_v3.0.pdf).
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	70	
	404-2 Programs for upgrading employee skills and transition assistance programmes	70	
	404-3 Percentage of employees receiving regular performance and career development reviews	66	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	84	

Other topics			
		Page	Comments
GRI 408:Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour		No child labour risk was identified for any operation or supplier. Branicks Group AG’s Code of Conduct for Business Partners and our Policy Statement on Respect for Human Rights set out our general principles and practices (see https://branicks.com/download/policy/Branicks_Geschäftspartnercodex_EN_v3.0.pdf , https://branicks.com/download/policy/Branicks_Grundsatzerklärung_Menschenrechte_EN_v3.0.pdf).
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour		No risk of forced or compulsory labour was identified for any operation or supplier. Branicks Group AG’s Code of Conduct for Business Partners and our Policy Statement on Respect for Human Rights set out our general principles and practices (see https://branicks.com/download/policy/Branicks_Geschäftspartnercodex_EN_v3.0.pdf , https://branicks.com/download/policy/Branicks_Grundsatzerklärung_Menschenrechte_EN_v3.0.pdf).
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria		Branicks Group AG’s business activities in 2023 were limited exclusively to Germany, where strict labour and human-rights legislative standards apply. We expect seamless compliance with the applicable national and international regulations by our suppliers. A formal assessment of suppliers was carried out for selected existing suppliers in the reporting year (see page 86). Branicks Group business partners are obliged to comply with the rules set out in the Code of Conduct for Business Partners of the Branicks Group and must impose them on their own business partners, such as their suppliers, sub-contractors or similar (see https://branicks.com/download/policy/Branicks_Grundsatzerklärung_Menschenrechte_EN_v3.0.pdf).
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	83	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	83	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		No such incidents in the 2023 financial year.

EPRA sustainability performance measures

EPRA Sustainability Best Practice Recommendations

The indicators and notes on Environmental, Social and Governance (ESG) aspects were prepared in accordance with the Sustainability Best Practice Recommendations (sBPR) Guidelines (third version, 2017) of the European Public Real Estate Association (EPRA) for the 2022 and 2023 financial years of Branicks Group AG. The separate

EPRA disclosures include the overarching recommendations and performance indicators for the relevant sustainability topics. The following EPRA key figures on pages 93 – 99 were not audited by the auditor.

Commercial Portfolio data and Portfolio performance measures – Environmental

Area	EPRA code	Indicator	Unit	Total			Office			Other uses		
				2022	2023	Δ	2022	2023	Δ	2022	2023	Δ
Portfolio		Total number of properties	Number	195	158	–19%	59	57	–3%	136	101	–26%
		Floorspace	sqm	2,091,251	1,712,240	–18%	458,172	455,152	–1%	1,633,079	1,257,088	–23%
		Market value	EUR million	4,335	3,456	–20%	1,215	1,341	10%	3,120	2,115	–32%
Energy	Elec-Abs	Total landlord-obtained electricity consumption	kWh/year	11,960,455	12,632,103	6%	5,124,220	7,754,912	51%	6,836,234	4,877,191	–29%
		of which, renewable energy	%	92%	95%	2%	100%	97%	–3%	87%	91%	4%
		Landlord-obtained electricity consumed in tenant areas	kWh/year	0	0	0%	0	0	0%	0	0	0%
		Total landlord-obtained electricity consumption	kWh/year	11,960,455	12,632,103	6%	5,124,220	7,754,912	51%	6,836,234	4,877,191	–29%
		Number of properties analysed	Number	73	74	1%	36	40	11%	37	34	–8%
		by floorspace	sqm	762,733	790,874	4%	277,097	296,363	7%	485,636	494,511	2%
		Coverage as a % of total floorspace	%	36%	46%	27%	60%	65%	8%	30%	39%	32%

Commercial Portfolio data and Portfolio performance measures – Environmental

Area	EPRA code	Indicator	Unit	Total			Office			Other uses		
				2022	2023	Δ	2022	2023	Δ	2022	2023	Δ
Energy	Elec-Lfl	Like-for-like total landlord-obtained electricity consumption	kWh/year	11,207,394	12,227,676	9%	4,932,995	7,467,095	51%	6,274,398	4,760,581	–24%
		of which, renewable energy	%	97%	95%	–2%	0%	97%	0%	0%	92%	0%
		Landlord-obtained electricity consumed in tenant areas	kWh/year	0	0	0%	0	0	0%	0	0	0%
		Like-for-like landlord-obtained electricity consumption	kWh/year	11,207,394	12,227,676	9%	4,932,995	7,467,095	51%	6,274,398	4,760,581	–24%
		Number of properties analysed	Number	65			35			30		
		by floorspace	sqm	784,451			246,089			538,362		
		Coverage as a % of total floorspace (2023)	%	46%			54%			43%		
	DH&C-Abs	Total landlord-obtained district heating & cooling consumption (consumed in tenant areas)	kWh/year	18,392,076	16,660,005	–9%	9,850,745	9,661,320	–2%	8,541,332	6,998,685	–18%
		of which, renewable energy	%	0%	0%	0%	0%	0%	0%	0%	0%	0%
		Number of properties analysed	Number	34	34	0%	19	22	16%	15	12	–20%
		by floorspace	sqm	260,207	261,641	1%	136,482	158,440	16%	123,724	103,201	–17%
		Coverage as a % of total floorspace	%	12%	15%	23%	30%	35%	17%	7.6%	8.2%	8%
	DH&C-Lfl	Like-for-like landlord-obtained district heating & cooling consumption (consumed in tenant areas)	kWh/year	17,378,081	15,956,693	–8%	9,850,745	8,958,008	–9%	7,527,337	6,998,685	–7%
		of which, renewable energy	%	0%	0%	0%	0%	0%	0%	0%	0%	0%
		Number of properties analysed	Number	31			19			12		
		by floorspace	sqm	239,684			136,482			103,201		
	Fuels-Abs	Total landlord-obtained fuel consumption (consumed in tenant areas)	kWh/year	33,937,968	28,894,247	–15%	12,343,634	11,108,550	–10%	21,594,334	17,785,697	–18%
		of which, renewable energy	%	0%	0%	0%	0%	0%	0%	0%	0%	0%
		Number of properties analysed	Number	39	40	3%	17	18	6%	22	22	0%
		by floorspace	sqm	502,526	529,234	5%	140,614	137,924	–2%	361,911	391,310	8%
		Coverage as a % of total floorspace	%	24%	31%	29%	31%	30%	–1%	22%	31%	40%
	Fuels-Lfl	Like-for-like landlord-obtained fuel consumption (consumed in tenant areas)	kWh/year	30,555,102	24,005,942	–21%	11,844,287	10,655,883	–10%	18,710,815	13,350,059	–29%
		of which, renewable energy		0%	0%	0%	0%	0%	0%	0%	0%	0%
		Number of properties analysed	Number	34			16			18		
		by floorspace	sqm	438,482			126,307			312,175		
		Coverage as a % of total floorspace (2023)	%	26%			28%			25%		
	Energy-Int	Buildings energy intensity (landlord-obtained consumption)	kWh/year	84.3	73.6	–13%	98.6	96.2	–2%	76.1	60.0	–21%

Commercial Portfolio data and Portfolio performance measures – Environmental

Area	EPRA code	Indicator	Unit	Total			Office			Other uses		
				2022	2023	Δ	2022	2023	Δ	2022	2023	Δ
Emissions	GHG-Dir-Abs	Direct scope 1 (total) GHG emissions (location based)	t CO ₂ e/year	0	0	0%	0	0	0%	0	0	0%
	GHG-Indir-Abs	Indirect scope 2 (total) GHG emissions (location based)	t CO ₂ e/year	5,956	6,291	6%	2,552	3,862	51%	3,404	2,429	−29%
		Indirect scope 2 (total) GHG emissions (market based)	t CO ₂ e/year	955	879	−8%	239	450	88%	716	428	−40%
		Other indirect scope 3 (total) GHG emissions (location based)	t CO ₂ e/year	13,766	11,983	−13%	5,983	5,632	−6%	7,752	6,351	−18%
	GHG-Int	Other indirect scope 3 (total) GHG emissions (market based)	t CO ₂ e/year	13,766	11,983	−13%	5,983	5,632	−6%	7,752	6,351	−18%
		Buildings greenhouse gas (GHG) emissions intensity (location based)	kg CO₂e/sqm	25.9	23.1	−11%	30.8	32.0	4%	23.0	17.8	−23%
Water	Water-Abs	Total water consumption	m³	362,486	356,702	−2%	103,788	111,771	8%	258,698	244,931	−5%
		Number of properties analysed	Number	146	142	−3%	57	57	0%	89	85	−4%
		by floorspace	sqm	1,668,389	1,573,804	−6%	455,152	455,152	−0%	1,213,236	1,118,652	−8%
		Coverage as a % of total floorspace	%	80%	92%	15%	99%	100%	1%	74%	89%	20%
	Water-LfL	Like-for-like water consumption	m³	342,910	350,774	2%	103,788	111,771	8%	239,122	239,003	−0%
		Number of properties analysed	Number	131			57			74		
		by floorspace	sqm	1,477,157			455,152			1,022,004		
		Coverage as a % of total floorspace (2023)	%	86%			100%			81%		
	Water-Int	Buildings water intensity	m³/sqm	0.22	0.23	4%	0.23	0.25	8%	0.21	0.22	3%
	Waste	Waste-Abs	Total weight of waste by disposal route	t/year	k.A.	k.A.		k.A.	k.A.		k.A.	k.A.
Waste-LfL		Like-for-like weight of waste by disposal route	t/year	k.A.	k.A.		k.A.	k.A.		k.A.	k.A.	
Certified assets	Cert-Tot	Number of sustainably certified assets	Number	33	37	12%	7	9	29%	26	28	8%
		Number of sustainably certified assets as a % of floorspace	%	28%	39%	38%	4%	21%	473%	24%	45%	85%
		Number of sustainably certified assets as a % of market value	%	33%	45%	39%	10%	38%	288%	23%	50%	120%

A detailed overview of the certificates can be found in the → [Environment](#) chapter.

Branicks Group AG performance measures – Social and Governance

Gender
w = women
m = men

Area	EPRA code	Indicator	Unit	2022	2023
Employees	Diversity-Emp	Employee gender diversity			
		Supervisory Board	%	17f/83m	17f/83m
		Management Board	%	25f/75m	25f/75m
		Executive level	%	31f/69m	38f/62m
		Employees without managerial functions	%	55f/45m	53f/47m
		Employees below Management Board level	%	53f/47m	52f/48m
	Diversity-Pay	Gender-specific pay gap			
		Executive level	%	–11.0	–7.6
		Employees not in executive roles	%	–25.2	–31.4
		Employees with similar duties	%	–1.6	1.40
	Emp-Training	Employee training and development	Hours/employee	6.50	11.88
	Emp-Dev	Employee performance appraisals	%	100	100
	Emp-Turnover	Employee turnover and retention			
		Number of joiners	Number	114	85
		Joiners %	%	33.4	28.3
		Number of leavers	Number	109	112
		Leavers %	%	20	23.5
	H&S-Emp	Health and safety employees			
		Injury rate	Ratio	0	1.23
		Lost day rate	Ratio	0	2.88
		Absentee rate	%	4.5	4.6
		Number of work-related fatalities	Number	0	0
Properties	H&S-Asset	Number of properties with H&S assessments	%	100	100
	H&S-Comp	Number of H&S non-compliance incidents	Number	0	0
	Comty-Eng	Local community engagement programmes or the number of buildings located near public transport hubs	%	79.9	86.7

Branicks Group AG performance measures – Social and Governance

Area	EPRA code	Indicator	Unit	2022	2023
Supervisory Board and Management Board	Gov-Board	Composition of the highest governing boards			
		Number of members of the non-executive board (Supervisory Board)	Number	6	6
		Number of members of the executive board (Management Board)	Number	4	4
		Average term of office of non-executive board (Supervisory Board) members	Years	6.7	7.2
		Average term of office of executive board (Management Board) members	Years	5.5	3.7
		Board members (non-executive and executive boards) with expertise and experience of environmental and social topics	Number	6	6
	Gov-Select	Process used for selecting and appointing the highest governing body	Process description	s. 2022 AR, p. 122-124	s. 2023 AR, p. 100-105
	Gov-Col	Process for resolving conflicts of interest	Process description	s. 2022 AR, p. 27 a. 126	s. 2023 AR, p. 29 a. 104

Additional publications
AR = → [Annual Report](#)

Branicks Group AG regional offices performance measures – Environmental

Area	EPRA code	Indicator	Unit	2022	2023	Δ
Energy		Number of regional offices	Number	9	9	0%
		Floorspace	qm	11,110	13,836	25%
	Elec-Abs	Total electricity consumption	kWh/year	875,039	968,307	11%
		of which, renewable energy	%	93.6	81.1	–13%
		Number of regional offices analysed	Number	9	9	0%
	Elec-LfL	Like-for-like electricity consumption	kWh/year	400,386	403,964	1%
		of which, renewable energy	%	99	99	0%
		Number of regional offices analysed	Number	7		0%
	DH&C-Abs	Total district heating & cooling consumption	kWh/year	514,128	594,228	16%
		of which, renewable energy	%	0	0	0%
		Number of regional offices analysed	Number	9	9	0%
	DH&C-LfL	Like-for-like total district heating and cooling consumption	kWh/year	184,018	178,836	–3%
		of which, renewable energy	%	0	0	0%
		Number of regional offices analysed	Number	7		
Emissions	Energy-Int	Buildings energy intensity	kWh/qm	125	113	–10%
	GHG-Dir-Abs	Direct scope 1 (total) GHG emissions (location based)	t CO ₂ e/year	0	0	0%
	GHG-Indir-Abs	Indirect scope 2 (total) GHG emissions (location based)	t CO ₂ e/year	318	349	10%
		Indirect scope 2 (total) GHG emissions (market based)	t CO ₂ e/year	92	81	–19%
	GHG-Indir-Abs	Other indirect scope 3 (total) GHG emissions (location based)	t CO ₂ e/year	276	316	15%
		Other indirect scope 3 (total) GHG emissions (market based)	t CO ₂ e/year	276	316	15%
	GHG-Int	Buildings greenhouse gas (GHG) emissions intensity (location based)	kg CO₂e/qm	53.5	48.1	–10%
Water	Water-Abs	Total water consumption	m³	2,246	2,953	31%
		Number of regional offices analysed	Number	9	9	0%
	Water-LfL	Like-for-like water consumption	m³	1,057	1,791	69%
		Number of regional offices analysed	Number	7		
	Water-Int	Buildings water intensity	m³/qm	0.20	0.21	6%

Branicks Group AG regional offices performance measures – Environmental						
Area	EPRA code	Indicator	Unit	2022	2023	Δ
Waste	Waste-Abs	Total weight of waste by disposal route	tonnes/year	166.21	117.86	−29%
		of which, recycling	%	85	78	−8%
		of which, composting	%	0	0	0%
		of which, for waste incineration	%	6	10	76%
		of which, for landfill	%	9	12	30%
	Waste-LfL	Like-for-like weight of waste by disposal route	tonnes/year	40.08	38.23	−5%
		of which, recycling	%	65	62	−4%
		of which, composting	%	0	0	0%
		of which, for waste incineration	%	24	23	−4%
		of which, for landfill	%	11	15	34%
Certified assets	Cert-Tot	Number of regional offices with sustainably certified assets	Number	2	2	0%

Auditor's Report

Independent Auditor's Report on a limited assurance engagement on sustainability information¹

To the Branicks Group AG, Frankfurt am Main

We have performed a limited assurance engagement on the sustainability report (also referred to below as "report") of the Branicks Group AG, Frankfurt am Main (also referred to below as "company") for the period from 1 January 2023 to 31 December 2023.

The EPRA key figures on pages 93 – 99, which are labelled as unaudited, are not within the scope of our audit.

Responsibility of the Executive Directors

The executive directors of the company are responsible for the preparation of the sustainability report in reference to the principles stated in the Sustainability Reporting Standards of the Global Reporting Initiative (hereinafter: "GRI criteria") and for the selection of the disclosures to be assessed.

This responsibility of the executive directors includes the selection and application of appropriate sustainability reporting methods and the use of assumptions and estimates for individual non-financial disclosures that are reasonable in the circumstances. In addition, the executive directors are responsible for internal controls they have determined necessary to enable the preparation of the report that is free from material misstatement due to fraudulent behavior (manipulation) or error.

Independence and Quality Management of the Audit Firm

We have complied with the German professional requirements on independence as well as other professional conduct requirements.

Our audit firm applies the national legal requirements and professional pronouncements – in particular the professional statutes (Berufssatzung) for auditors (WP) and certified public accountants (vBP) and the IDW Quality Management Standards issued by the Institute of Public Auditors in Germany (IDW) – and, accordingly, maintains a comprehensive quality management system that includes documented policies and procedures with regard to compliance with professional ethical requirements, professional standards as well as relevant statutory and other legal requirements.

Auditor's Responsibility

Our responsibility is to express a conclusion on the report based on our audit work performed within our limited assurance engagement.

We conducted our audit in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board. This Standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the sustainability report of the Branicks Group for the period from 1 January 2023 to 31 December 2023 has not been prepared, in all material respects, in reference to the relevant GRI criteria.

We do not express an opinion on the EPRA key figures on pages 93 – 99 in the notes to the sustainability report, which are labelled as unaudited.

In a limited assurance engagement, the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly, a significantly lower level of assurance is obtained. The procedures selected depend on the auditor's professional judgement.

¹ We have performed a limited assurance engagement on the German version of the sustainability report and issued an Independent Auditor's Report in the German language, which is authoritative. The following text is a translation of the original German Independent Practitioner's Report.

In the course of our assurance engagement, we have, among other things, performed the following assurance procedures and other activities, particularly:

- Obtaining an understanding of the structure of the sustainability organisation and stakeholder engagement
- Identification of probable risks of material misstatement in the sustainability report based on the GRI criteria
- Enquiries of employees involved in the preparation of the report about the preparation process, the internal control system related to this process, and selected disclosures in the report
- Analytical assessments of selected quantitative disclosures in the sustainability report
- Inspection of selected internal and external documents

- Comparison of selected disclosures with corresponding data in the consolidated financial statements and summarised management report
- Assessment of the presentation of selected disclosures in the sustainability report

Assurance Opinion

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the sustainability report of the Branicks Group, Frankfurt am Main for the period from 1 January 2023 to 31 December 2023 has not been prepared, in all material respects, in reference to the relevant GRI criteria.

We do not express an opinion on the EPRA key figures on pages 93 – 99 in the notes to the sustainability report, which are labelled as unaudited.

Restriction of Use of the Auditor’s Report

We draw attention to the fact that the assurance engagement was conducted for the company’s purposes and that the report is intended solely to inform the company about the result of the assurance engagement. Consequently, it may not be suitable for any other purpose than the aforementioned. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the company alone. We do not accept any responsibility to third parties. Our assurance opinion is not modified in this respect.

General Engagement Terms

This engagement is based on the "Special Engagement Terms and Conditions of BDO AG Wirtschaftsprüfungsgesellschaft" of 1 January 2024, as well as the "General Engagement Terms and Conditions for Auditors and Auditing Firms" of 1 January 2024, issued by the IDW and agreed with the company → <https://www.bdo.de/en-gb/engagement-terms-conditions>.

Hamburg, 28 May 2024

BDO AG Wirtschaftsprüfungsgesellschaft

Tobias Haerle Carmen Auer
Auditor

Glossary

Portfolio analysis

Environmental aspects are analysed for every proprietary real-estate portfolio property (Commercial Portfolio) for which a full set of consumption data is on record as at the reporting date.

Branicks Institutional

Branicks Institutional, formerly GEG (German Estate Group), is a name for subsidiaries of Branicks Group AG, based in Frankfurt am Main. Branicks Institutional is responsible for the Institutional Business segment.

BREEAM

The Building Research Establishment Environmental Assessment Method (BREEAM) was developed in Great Britain by the Building Research Establishment (BRE). BREEAM is an assessment and certification system for the sustainability of buildings and infrastructure, for new constructions and for in-use buildings. The assessment categories are management, energy (and emissions), health and well-being, innovation, land use, materials, water, waste, transport and pollution. There are different excellence ratings grades: Outstanding, Excellent, Very Good, Good and Adequate.

CO₂

Carbon dioxide is a chemical compound made up of carbon and oxygen and is one of the best-known greenhouse gases. Carbon dioxide is produced during the combustion of fuels containing carbon (e.g. coal, natural gas and oil).

CO₂e = CO₂ equivalent

CO₂ equivalent (CO₂e) means the conversion of the climate impact of gases, like methane or nitrous oxide, into carbon dioxide emissions to enable quantification of all greenhouse gas emissions using one single measure.

Commercial Portfolio

The Commercial Portfolio comprises the direct real-estate investments (“investment properties”) of Branicks Group AG. Real estate in this portfolio is recognised in the “Investment property” line item.

Corporate governance

Rules for sound, responsible business management aimed at running a company in line with values and standards in the interest of its investors and other stakeholders.

CRESS

CRESS (Construction and Real Estate Sector Supplement) is a sector-specific supplement to the GRI Standards aimed at companies in the Real Estate and Construction sector.

CRREM

CRREM (Carbon Risk Real Estate Monitor) is an initiative funded by the EU’s “Horizon 2020” research-framework programme which sets out evidence-based decarbonisation pathways for the commercial and residential Real Estate sector in line with the Paris Agreement climate targets.

CSRD

Based on the CSRD (Corporate Sustainability Reporting Directive), the European Commission requires companies to publish information on the sustainability of their business activities.

DGNB

The German Sustainable Building Council (Deutsche Gesellschaft Nachhaltiges Bauen, DGNB) is a not-for-profit, non-governmental organisation which actively deploys sustainability in the construction and real-estate market. At the heart of its work lies the construction and cultivation of a certification system for sustainable buildings and the awarding of the German Sustainable Building Certificate. DGNB assessment criteria include: environmental quality, economic quality, sociocultural and functional quality, technical quality, process quality and site quality.

ECORE

ECORE (ESG Circle of Real Estate) is an initiative for ESG compliance in real-estate portfolios. This initiative developed a European sustainability standard (ESG scoring model) to measure the sustainability performance of commercial real estate and portfolios, taking into account ESG issues, the EU Taxonomy criteria and the Paris Agreement climate targets.

ESG-linked promissory note

An ESG-linked promissory note is a loan placed with capital market investors where the funds raised may be used for general corporate purposes. Linking the financing terms to ESG criteria (ESG-linked) creates an additional incentive for issuers to drive forward green projects.

EPRA

The European Public Real Estate Association (EPRA) is an organisation based in Brussels. It represents the interests of Europe’s major real-estate companies as regards the general public, and supports the performance and market presence of European real-estate stock corporations.

ESG

ESG stands for Environmental, Social and Governance, i.e. environmental and social issues in a company’s area of responsibility as well as sustainability-related corporate governance.

EU Taxonomy

Based on the so-called Taxonomy Regulation (EU) 2020/852, the European Commission requires companies to publish information on the sustainability of their business activities.

FFO (funds from operations)

Funds from operations refers to operating income from property management before depreciation and amortisation and tax as well as before profits from disposals of assets and development projects, and other non-recurring or non-cash income components.

German Energy Conservation Ordinance (EnEV) and Buildings Energy Act (GEG Act)

The German Energy Conservation Ordinance (EnEV) sets out energy requirements for heated or air-conditioned buildings (both new-builds and existing buildings). The Ordinance, together with the German Energy Conservation Act (EnEG) and the German Renewable Energies Heat Act (EEWärmeG), became the new German Buildings Energy Act (GEG Act) which entered into force on 1 November 2020.

Units of measurement

kWh/year
kilowatt-hour per year

kWh/sqm
kilowatt-hour per sqm

m³
cubic metre

m³/sqm
cubic metre per sqm

kg CO₂e
carbon dioxide emission
in kilogram

kg CO₂e/sqm
carbon dioxide emission
in kilogram per sqm

GHG Protocol

The Greenhouse Gas (GHG) Protocol sets out the fundamental principles of relevance, completeness, accuracy, consistency and transparency for the recording of carbon emissions. Emissions can be broken down into three areas (scopes 1 to 3). Scope 1 records all emissions generated directly by the company itself through combustion in its own facilities. Scope 2 covers emissions of purchased energy (e. g. electricity, district heating) and Scope 3 records emissions from services performed by third parties.

Green bond

Green bonds are fixed-rate security where the use of funds is exclusively earmarked for activities that contribute to the reduction or avoidance of climate risks.

Green Bond Framework

Branicks Group AG's Green Bond Framework complies with the globally established Green Bond Principles and enables bond issues with funds used for green purposes that are also in line with the United Nations Sustainable Development Goals 9 and 11. To assess the framework, a second-party opinion was obtained, which is publicly available.

Green Bond Principles

The Green Bond Principles (GBP) established by the International Capital Market Association (ICMA) are a globally established standard for assessing green bond issues. They provide recommendations for the use of the funds raised.

Green Buildings

Green Buildings are defined in DIC Asset AG's Green Bond Framework as buildings that meet very high energy efficiency standards. Branicks follows established market definitions and refers to minimum certification levels like "LEED Gold", "BREEAM Very Good" or "DGNB Gold", among others.

Green lease

A green lease is a lease agreement that is committed to sustainability. It uses special structuring to oblige the tenant to ensure a sustainable occupancy while similarly obliging the landlord to operate sustainable property management.

GRESB

The Global Real Estate Sustainability Benchmark (GRESB) is a standard developed by the Green Building Certification Institute. The Institute sets itself the goal of facilitating a comparison of the sustainability performance of real estate portfolios using a benchmarked score.

GRI (Global Reporting Initiative)

The Global Reporting Initiative (GRI) sees itself as an ongoing international dialogue that includes a large number of stakeholder groups. Set up in 1997, the GRI's vision was to lay the foundation for the transparent, standardised and comparable sustainability reporting of the economic, environmental and social performance of the global economy. Its policies seek to promote sustainable development worldwide while simultaneously supporting companies/organisations with drafting sustainability reports by providing a voluntary reporting framework.

GRI Standards

The internationally recognised Global Reporting Initiative (GRI) standards contribute to an improved ability to compare the economic, environmental and social indicators reported by us.

INREV

The European Association for Investors in Non-Listed Real Estate Vehicles (INREV) is a not-for-profit organisation which aims to protect the interests of investors in unlisted real estate funds. It focuses on enhancing transparency and comparability through best practice.

Institutional Business

The Institutional Business reporting segment combines all income from real estate management services and all income from associates (particularly in connection with co-investments).

LEED

Leadership in Energy and Environmental Design (LEED) is an American Green Building certification process developed by the US Green Building Council (USGBC). A LEED assessment is suitable for any type of building or any construction phase, and assesses eight categories: infrastructural integration of the site, plot quality, water efficiency, energy and global environmental impact, material cycles and resource conservation, indoor environmental quality and design innovation, potentially granting bonuses for criteria that are especially significant for the location. Depending on the degree to which the assessment criteria have been met, the building receives one of four LEED certification levels (Platinum, Gold, Silver, Certified).

PRI

The Principles for Responsible Investment supported by the United Nations (UN PRI), are principles that are intended to serve as guidelines for responsible investment.

Regenerative/renewable energy sources

Regenerative or renewable energy originates from sources that will either self-renew in the short term or will not be depleted by using them. This type of energy is a particularly sustainable energy source and includes hydropower, wind energy, solar energy and geothermal energy.

RLI Investors

RLI Investors GmbH (RLI Investors) is domiciled in Frankfurt am Main, Germany, and is a subsidiary of DIC Asset AG. RLI Investors is Germany's second-largest independent asset manager of logistics real estate, and was acquired by DIC in December 2020. RLI Investors is responsible for the Institutional Business segment.

SDGs

The United Nations 2030 Agenda with its 17 Sustainable Development Goals (SDGs) and its 169 targets is a comprehensive programmatic framework for achieving a global sustainable society.

Smart metering

Smart metering refers to the methods and systems implemented for the automated and digitised gathering and analysis of consumption data. These methods and systems contribute to smart building management and a better management of resources.

Stakeholder

Stakeholder is the term generally used for people or groups having different requirements or interests in a corporate process or result, business sector or project. A distinction can also be made between internal stakeholders (employees, owners) and external stakeholders (business partners, tenants, service providers, the general public).

Sustainability

Sustainability means giving equal consideration to ecological, economic and social issues and, above and beyond that, creating and preserving value and future potential in the interests of all present and future stakeholders and generations.

UNGC

The UN Global Compact (UNGC) is the world's largest and most important initiative for sustainable and responsible corporate governance. Its approximately 1,000 participants from the business world, civil society and the political domain in Germany supported companies in strategically anchoring sustainability on the basis of 10 universal principles and contributing to the implementation of the SDGs.

VIB

VIB Vermögen AG (VIB) develops properties for its own portfolio and acquires existing properties in order to generate rental income. VIB's real estate portfolio includes logistics and industrial properties, shopping centres and retail warehouse parks, and commercial and service centres. In 2022, DIC acquired a majority interest in VIB.

ZIA (Zentraler Immobilien Ausschuss)

The German Property Federation (Zentraler Immobilien Ausschuss, ZIA) represents the entire real estate sector in Germany as regards regulatory and economic policies.

Legal notice

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Design concept and implementation

HGB Hamburger Geschäftsberichte GmbH & Co. KG

Photos

iStock (p. 4, 51, 55)
all other images by Branicks Group AG

Forward-looking statements

This Sustainability Report contains statements that refer to future developments. Such statements constitute assessments that have been taken in the light of the information available. Should the assumptions on which they are based not prove accurate, or should risks actually occur – as specified in the Risk Report section of our latest Annual Report – the actual results may differ from those anticipated.

Note

For computational reasons, rounding differences from the exact mathematical values calculated (in EUR thousand, % etc.) may occur in tables and cross-references.

This report is published in German (original version) and English (non-binding translation).

