

Doric Group Sustainability Report 2020



**INVESTING
RESPONSIBLY**

FOREWORD



The year 2020 was an extraordinary year in every respect. The COVID-19 pandemic and its aftermath have demonstrated that to avoid future crises, the pandemic can and must be used as an opportunity and starting point to drive global change toward greater environmental, economic and social sustainability.

The worldwide market for sustainable investments is growing more rapidly than ever. While sustainable investment products were only a niche product just a few years ago, they are now very much centre stage. As the market has grown, so has the range of investment strategies and the variety of sustainable investment options. The Doric Group actively supports this trend and has been offering sustainable investment products for several years.

The aim of both private and institutional investors is to make a positive contribution to the environment and society with sustainability-orientated investment products. At the same time, the aim is to optimize the return on the capital invested.

Sustainable investments differ from "classic" investment products in that additional assessment of the asset in question is necessary with regard to ecological, social and ethical criteria in addition to profitability, liquidity and security. Furthermore, exclusion criteria, e.g. in relation to nuclear energy or armaments, also play an important role. Sustainability criteria are effectively used in risk management. Sustainable investments often do not have fundamentally higher costs than conventional products. For a long time, it was assumed that performance would suffer if sustainability criteria were taken into account. However, this is not the case. On the contrary, by adding sustainability criteria to an investment, the risks and opportunities can be evaluated even more effectively. In turn this reduces investment risk. From the investor's point of view, it is important to compare the sustainability concept of an investment with their own values and principles. This requires transparency of the investment concept.

We at the Doric Group take ecological and social principles into account whilst striving for ethical corporate governance. The responsible use of resources, openness, transparency and tolerance are key characteristics of our company in the daily interaction with our employees, business partners and investors.

Bernd Reber

A stylized, handwritten signature in blue ink that reads "Bernd Reber". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Managing Director and Shareholder of Doric GmbH

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OUR ASPIRATION

DEFINITION OF SUSTAINABILITY

For the Doric Group, sustainability encompasses the areas of environment, social and corporate governance. We are aware of our economic, ecological and social responsibility and are guided by the United Nations Sustainable Development Goals (SDGs) and the Principles for Responsible Investment (UN PRI).

ESG STRATEGY

ESG stands for Environment (E), Social (S) and Corporate Governance (G). Through stakeholder surveys in connection with the SDGs and UN PRI, we have created a strategy that includes measures in the areas of environment, social and corporate governance at both the product and company level. These measures are reviewed and expanded upon regularly, and implemented accordingly. An internal ESG team, composed of employees from all specialist departments, reviews the continuous optimization of our sustainability, the evaluation of ESG-relevant data and the implementation of appropriate measures.

TARGETS

The Doric Group's sustainability goals are defined in our ESG strategy and are continuously reviewed and evaluated.



Klaus Kämpf, Managing Director of Sustainable Real Estate AG and sustainability advisor:

"Today, it goes without saying that buildings should be as energy-efficient as possible. But sustainability is much more than energy efficiency. After all, buildings are our living spaces."

HIGHLIGHTS 2020

COMPANY LEVEL

ENVIRONMENT

- Regular sustainability training for employees
- Environmental project in Offenbach: Doric waters park
- Updating sustainability rating of open-ended real estate funds
- Expansion of renewable energy use
- Reduction of business trips
- Optimization of office climate in cooperation with landlord

SOCIAL

- Employee survey to optimize sustainability
- Team building events, e.g. for the 15th anniversary of the Doric Group
- Internal company events to strengthen communication: management briefings, Doric lunches for networking between departments, breakfast events
- Development of training concept
- Regular sports programmes offered, i.e. "Fitness After Work" and "Lunch Break Fitness"
- Regular first-aid courses
- Successful hiring of new employees through employee recruitment programme
- Introduction of corporate benefits programme for employees

CORPORATE GOVERNANCE

- Implementation of working-from-home programme
- Regular employee appraisals
- Expansion of ESG team
- Expansion of team for renewable energies
- Establishment of ESG interface between management and employees
- Transparent bonus payments thanks to a discretionary compensation scheme
- Active member of Forum Nachhaltige Geldanlagen (FNG)/Eurosif
- Annual compliance training
- Active participation in conferences on sustainability
- Definition of a corporate and investment philosophy

PRODUCT LEVEL

ENVIRONMENT

- Heightened consideration of and budgeting for sustainability measures when purchasing properties
- Digital evaluation of CO₂ emissions for all properties in the sustainable funds
- Catalogue of measures in cooperation with external sustainability consultants to optimize fund sustainability
- Inventory of CO₂ consumption and optimization of cooling and heating set-ups in fund properties



SOCIAL

- Exchange with investors institutionalised
- Acquisition of care home properties
- Transaction management: the responsible team has been expanded to research the market for new investment opportunities in renewable energies

CORPORATE GOVERNANCE

- Close cooperation with an external sustainability consultant
- Regular sustainability analyses of our open-ended funds
- Avoidance of reputational risks by excluding tenants from certain business fields

OUR APPROACH

DORIC GROUP

A specialist in real estate, renewable energies and transport, the Doric Group offers a broad spectrum of services. These range from portfolio management and property management to tailored investments and fund solutions. Our active asset management allows for the constant optimisation of investments thus contributing to their success. We also advise operators, investors and lenders.

The Doric Group has offices in Asia, Europe and North America. Our staff includes engineers, technicians, financing specialists as well as legal and tax experts. Our teams have extensive experience and expertise in cross-border transactions.



THE DORIC GROUP CORPORATE PHILOSOPHY

Our objective is to provide investment opportunities for our clients. Being abreast of the market and market positioning are key factors in achieving these goals.

We manage the entire lifecycle of an investment, from the initial investment decision and its implementation to its management and sale.

Sustainable investments form the focal point of our business.

We ensure the success of our clients' investments – and therefore our own success – by closely collaborating within our company and with third parties.

OUR APPROACH

- We get right down to business
- We concentrate on our strengths
- We contribute to our partners' success
- We innovate solutions
- We take responsibility
- We create transparent procedures
- We take customer concerns seriously

OUR VALUES

The Doric Group acts strictly in accordance with the guidelines of the investment fund industry.

Furthermore, we consider the following values to be of paramount importance:

- Honesty
- Competence
- Compassion
- Sustainability
- Prudence
- Independence
- Responsibility
- Trust

THE DORIC GROUP INVESTMENT PHILOSOPHY

The Doric Group's strategy for success is to provide sustainable investments which offer predictable cash flows and capital protection. We offer a comprehensive range of investment structures: our focus is on open and closed-ended alternative investment funds that invest in real assets from the transport, real estate and renewable energy sectors. As required, we develop individual, customised investment solutions for our clients.

Our investment philosophy focuses on active asset and portfolio management with complete transparency. Our engineers and technicians work hand-in-hand with business economists and financial mathematicians.

STRATEGIC AND ORGANISATIONAL INTEGRATION OF SUSTAINABILITY

The Doric Group's sustainability strategy is firmly anchored in its business strategy.

It has a sustainability team made up of various specialist departments. These successively examine, promote and develop sustainability within the Doric Group.

STAKEHOLDER DIALOGUE AND MATERIALITY ANALYSIS

Doric Group stakeholders include investors, business partners, cooperation partners and employees. Through regular interaction via various channels, the Doric Group analyses the impact of its business activities along with the issues and concerns of its various stakeholders. Active participation in conferences, involvement in initiatives and associations, personal interaction and our regular employee surveys all feed into the Group's overall strategy.

COMMUNICATION

We regularly publish articles on the topic of sustainability and routinely train all company employees on new developments in this area. Furthermore, we are a member of the professional association for sustainable investments. Active contributions on the topic of sustainability at conferences are also part of our sustainability communication.

OUR APPROACH

RULES AND STANDARDS

We are aware of our economic, ecological and social responsibility and are guided by the United Nations Sustainable Development Goals (SDGs) and the Principles for Responsible Investment (UN PRI). For our open-ended real estate funds, we also apply our own sustainability analysis in cooperation with the Swiss firm Sustainable Real Estate AG.



COMPLIANCE

Compliance plays a key role in ensuring that the Doric Group acts in accordance with the applicable legal regulations. The Compliance department develops group-wide standards and guidelines and supports their implementation by providing training and advice. In addition, the Compliance department conducts annual mandatory training sessions for all employees to inform them about the latest applicable regulations and news.

Doric is committed to acting responsibly, exceeding legal requirements. This is reflected in the Group's business activities and actions in the markets as well as in its relationships with clients, business partners and employees with their social and ethical components. Responsible corporate governance also takes ecological aspects into account in order to protect the environment.

Within the framework of responsible corporate governance or Corporate Social Responsibility (CSR), Doric has set itself the following goals, which are monitored and regularly updated:

- Compliance with high labour and environmental standards
- A working environment free from discrimination
- Fair dealings with business partners
- Highest possible customer satisfaction
- Promotion of local events

Sustainable development must take place in all areas (social, economic, ecological) whereby economic success is the necessary prerequisite for making an appropriate contribution to society.

OUR PRODUCTS

OUR SUSTAINABLE OPEN-ENDED REAL ESTATE FUNDS

Our funds pursue a consistent sustainability approach throughout the entire investment cycle.

The sustainability of real estate is playing an increasingly important role due to its environmental impact and importance for people. For real estate investors, the fund's sustainability approach means risk minimisation with a long-term focus. Furthermore, the sustainability approach helps to identify locations with attractive parameters and good future prospects. The sustainability analysis supports investment decisions regarding the selection of attractive properties. Sustainability-orientated management also helps ensure the quality and desirability of the properties in the long term and thus to maintaining their value.

QUADORO SUSTAINABLE REAL ESTATE EUROPE PRIVATE (SUSTAINABLE EUROPE)

The open-ended mutual property fund Sustainable Europe scores high on its sustainable investment strategy. The fund's goal is stable distributions from current rental income combined with low fluctuations in value. The sustainability strategy and active asset management strive for high quality of both location and property. The fund invests in promising, sustainable metropolitan areas in the European Economic Area. In addition to the classic investment locations, the focus is also on desirable secondary regions. Of course, all properties must meet strict sustainability criteria.

QUADORO SUSTAINABLE REAL ESTATE EUROPE (QSREE)

QSREE is an open-ended real estate special fund for semi-professional and professional investors. The fund invests in sustainable buildings in prosperous and promising European metropolitan regions. The focus is on office and retail properties.

CORNERSTONES OF OUR SUSTAINABILITY APPROACH

Acquisitions	New Construction Projects and Refurbishments	Asset Management
<ul style="list-style-type: none"> Macro-location Sustainability rating of micro-locations and properties Derived measures 	<ul style="list-style-type: none"> Supporting the planning of new construction projects and refurbishments 	<ul style="list-style-type: none"> Annual evaluation of the properties Measures derived Exclusion of tenants from controversial sectors

OUR SUSTAINABILITY CRITERIA

The first step of the sustainability analysis involves selecting sustainable macro-locations with good prospects. The analysis takes into account the country and the metropolitan area.

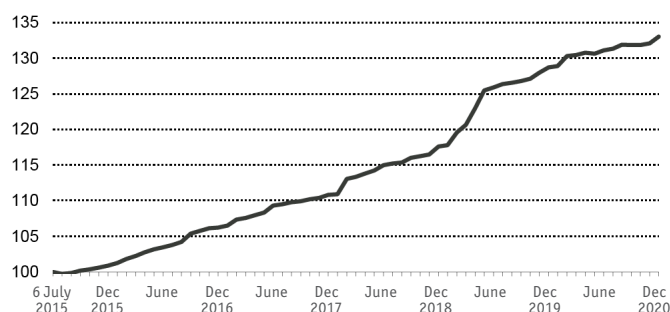
Country Level	Regional/Metropolitan Level
18 criteria including <ul style="list-style-type: none"> Government debt Competitiveness Legal certainty Market transparency 	52 criteria including <ul style="list-style-type: none"> Economy Infrastructure Demographics Quality of life
30% of location rating	70% of location rating

The second step is the analysis of the micro-location and the building. The micro-location analysis is about determining the accessibility by environmentally-friendly means of transport as well as the attractiveness of a building's surroundings. The building analysis aims to assess the building quality from the perspectives of the environment (including energy aspects), tenants (e.g. lighting conditions and indoor air quality), and owners (flexibility of room layout, conversion potential, etc.). In addition, the analysis takes into account case-specific features such as special technical equipment. If necessary, steps for improvements are derived from the sustainability analysis.

Micro-Location	Property
8 criteria including <ul style="list-style-type: none"> Mobility Surroundings 	21 criteria including <ul style="list-style-type: none"> Energy and environment Comfort and well-being Quality for users/flexibility of use
40% of micro-location/property rating	60% of micro-location/property rating

Moreover, there are exclusion criteria with regard to tenants. No leases are closed with tenants from the fields of nuclear energy, armaments, pornography and gambling, among others.

QSREE Fund Performance since launch as at 31 December 2020¹



¹ Based on the BVI calculation method. Historic performance is no indicator of current or future performance.

OUR EMPLOYEES

The Doric Group is only as good as its staff. Competence, pragmatism and a sense of responsibility characterise our employees. We encourage their eagerness to perform well and nurture team spirit. Doric offers attractive working conditions with entrepreneurial responsibility – for our trainees to our specialists and managers.

With our approach to corporate responsibility, we support our employees in their work-life balance, and actively involve them in the company so they may realise their professional and personal potential.

TRAINING AND EDUCATION

Training and education constitute part of the Doric Group's basic principles. We regularly train people as investment fund specialists in cooperation with the Chamber of Industry and Commerce. In addition, we offer work-study programmes in business administration and business informatics in cooperation with the Rhine-Main University of Cooperative Education. For employees of the Doric Group, there are also regular internal training opportunities as well as individualised external courses for each specialist area.

EQUALITY & DIVERSITY

Equality & Diversity are a matter of course for the Doric Group. The company currently employs 100 people from 20 nations. The proportion of women in upper and middle management is 30%.

OCCUPATIONAL SAFETY AND HEALTH MANAGEMENT

Regular occupational safety measures, first-aid courses and preventive healthcare are provided for all employees. Mineral water is available free of charge for everyone in the office.

COMPATIBILITY OF CAREER AND FAMILY

The Doric Group has put in place a framework making it possible for employees to optimally combine professional advancement with the demands and needs of a private life. This applies in particular to staff members with children or relatives in need of care. Our offers include flexible working hours and working-from-home solutions.

EXERCISE AND SPORT

To make it easier for employees to incorporate regular exercise into their daily routine, the Doric Group offers an in-house sports programme. Through our corporate benefits programme, discounts are available at local gyms. In addition, table football tournaments are held regularly in our Offenbach offices.

REMUNERATION

Employee remuneration is based solely on function and performance and generally comprises fixed and in some cases variable remuneration components. Regular market comparisons ensure that remuneration is attractive and in line with the market.

EMPLOYEE SATISFACTION

The Doric Group puts great stock in employee satisfaction. To optimise employee satisfaction, we conduct regular employee surveys and implement the results as far as feasible.



ENVIRONMENT

Compared to companies in other industries the Doric Group being an asset manager has a minor impact on biodiversity and the consumption of natural resources through its direct business activities. Nevertheless, in line with our business strategy, we wish to fulfil our corporate responsibility towards the environment. In doing so, we avoid negative environmental impacts, see that materials are used efficiently and acquire resources from renewable and sustainably managed sources.

CLIMATE PROTECTION

The Doric Group is committed to continuously reducing energy consumption at its sites as well as by its assets. Through regular discussions with landlords at the corporate level as well as asset management reviews at the product level, we work to identify and implement measures that reduce energy consumption.

Next to energy consumption business travel represents the most significant direct environmental impact of non-manufacturing companies. The Doric Group therefore uses public transport for most business trips. Should using public transport not be feasible, staff car pool. Air travel is only undertaken where absolutely necessary. Due to the COVID-19 pandemic, very few business trips were made in 2020.

Our company cars are gradually being exchanged for electric or hybrid vehicles. In this area, we have already taken advantage of subsidies from the Federal Ministry for Economic Affairs and Energy.

At the product level, we are driving forward our sustainable asset management and have begun digitising our portfolio so we can more accurately quantify our ecological footprint.

RESOURCE CONSUMPTION AND WASTE

Doric Group employees are encouraged to consume as little resources as possible and dispose of waste in the designated separation systems. We consider disposing of waste in an environmentally friendly key. This stance is also communicated to external service providers accordingly.

We endeavour to keep paper consumption to a minimum by filing all documents electronically wherever possible.

Information on the Doric Group is also provided electronically.

PROCUREMENT

Wherever possible, the Doric Group orders from external service providers which deliver CO₂-neutral products.



SOCIAL RESPONSIBILITY

SOCIAL ENGAGEMENT

The Doric Group's business activities contribute directly to the community. From financing real estate and renewable energy plants to aircraft: all investments are directly linked to people's desire for employment, housing and sustainable energy generation opportunities.

In cooperation with local organisations, the Doric Group arranges volunteer activities such as watering the city park during exceptionally dry periods and supporting the Christmas parcel convoy for children in Eastern Europe. Due to the COVID-19 pandemic, the project to plant nearby forests has had to be postponed indefinitely.

Furthermore, the ESG team allocates charitable donations every year.

EDUCATION AND SCIENCE

The Doric Group regularly offers internships for schoolchildren and students and participates in the annual Girls' Day event.

We promote the training of young people through a structured training concept.

In cooperation with the Offenbach Chamber of Industry and Commerce, we offer investment fund vocational training. Since 2020 we have offered a work-study programme in business administration and international management or in business IT.

In addition, we support our trainees as ambassadors whereby they present training opportunities at Doric directly in local schools. This programme is again run in cooperation with the Chamber of Industry and Commerce.

SPORT AND NUTRITION

The Doric Group cooperates with the Offenbach Association for Backcare and Health & Fitness – VRG GmbH – to make it easier for employees to incorporate regular exercise into their daily routine. We offer an exercise programme which takes place on our premises or outdoors in Offenbach. We provide the necessary equipment for all participants in these classes. In addition, we offer lectures on health and nutrition to our staff. The most recent lecture in the series included information on stress management.

We involve our trainees in the health aspects of working for Doric by having them organise a healthy breakfast for staff to enjoy during interdepartmental networking meetings.

The corporate benefits programme which provides membership discounts at local gyms rounds off our health and fitness offers for employees.

Furthermore, the Doric Group sponsors staff participation in other sporting events to promote corporate identity.



OUR GOALS

One of the Doric Group's major goals is to optimise sustainability across the board. For the year 2021, our ESG Committee has developed a catalogue of measures to proceed with at the company and product levels.

GOALS AT THE CORPORATE LEVEL

Environment

- Assessment of an environmental management system
- Implementation of steps to reduce our carbon footprint
- Ascertainment of energy, waste, water and paper consumption in coordination with our landlord
- Participation in local environmental campaigns (e.g. tree planting campaign)
- Long-term reduction of business trips
- Further changeover to green electricity

Social

- Employee surveys to identify optimisation possible at the company level.
- Implementation of steps identified by the survey
- Expansion of training programme
- Continuation of in-house sports activities once COVID-19 restrictions are relaxed
- Implementation of team-building events once COVID-19 restrictions are relaxed
- Support of community development/charitable projects
- Exclusion of business partners associated with child and forced labour

Governance

- Revision of the Doric Group ESG Policy
- Assessing signing the UN PRI for sustainability certification

GOALS AT THE PRODUCT LEVEL

Environment

- Market launch of a sustainable real estate fund in the social infrastructure sector
- Conversion of the open-ended real estate funds to sustainable funds in accordance with Article 8 of the EU Disclosure Regulation as of March 2021
- Digital evaluation of consumption data of all buildings of the open-ended real estate funds to calculate CO₂ emissions and identify energy saving potential
- Purchase of further sustainable properties
- Increased business activities in the area of renewable energy

Social

- Active asset management with direct tenant contact to optimise sustainability

Governance

- Further cooperation with our external sustainability advisor, Sustainable Real Estate AG
- Optimisation of transport assets in the area of sustainability
- Adaptation of transport-related asset management agreements and continue investment policy for aircraft/airlines with ESG elements



Success through Experience

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