

MARCH 2026

**SUSTAINABILITY REPORT
2025**

Streng vertraulich



Introduction



Introduction

About this report

The 2025 Lenwood Sustainability Report highlights how we are embedding ESG principles throughout our company and investment platform. It details our engagement with our processes, financings, and the broader industry. Furthermore, it outlines our efforts to develop an evidence-based assessment of our investments to enhance value for our stakeholders.

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“We take responsibility for future generations seriously and make our contribution with our ESG commitment.”

Burkhard Schlickerrieder,
Founder & Managing Partner

Introduction

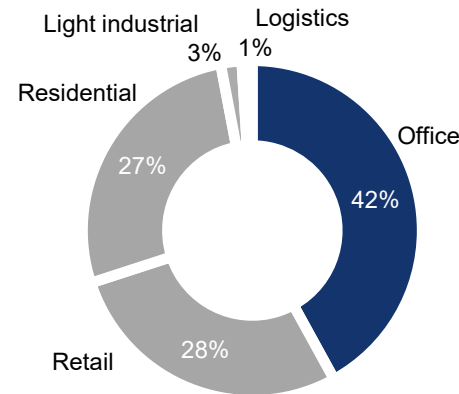
About Lenwood

Our portfolio

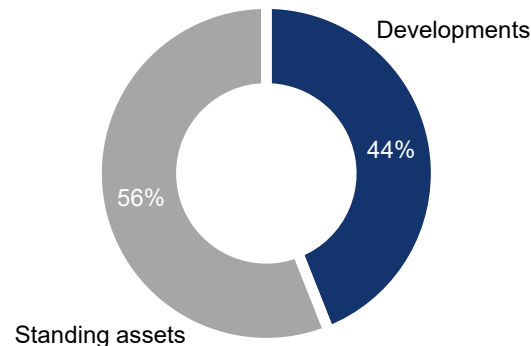
Lenwood Capital is a leading alternative investment manager specialized in real estate debt regulated by BaFin and Deutsche Bundesbank. We invest in loans secured by real estate of all traditional asset classes in Germany and the European market. By the end of 2025, Lenwood raised more than € 2,7 billion and invested € 1,2 billion in 56 transactions.



Sector



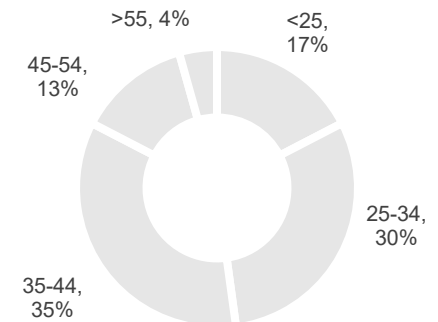
Project type



Our employees

Lenwood Capital is home to a team of highly skilled professionals, each bringing a wealth of experience in real estate finance. Our primary aim is to provide sustainable solutions tailored to the needs of our commercial real estate clients. As of 2025, our team was composed of an average 20 employees, with part-time roles accounting for 5%. We are committed to enhancing work-life balance by offering various part-time work arrangements to our employees. Moreover, we cultivate an environment that values trust, respect, inclusivity, and diversity. For instance, a balanced age structure is a defining characteristic of our organization.

Age structure in years



Introduction

A message from our founders

Lenwood Capital is proud to present its Sustainability Report for 2025, reflecting the continued development and maturation of our ESG strategy across the firm. Since publishing our first Sustainability Report in 2023, ESG considerations have become an integral and well-established part of both our corporate operations and our investment decision-making processes.

We firmly believe that sustainable value creation requires ESG principles to be embedded consistently and pragmatically throughout an organization. Over recent years, this belief has translated into tangible structures, processes and responsibilities at Lenwood. ESG is no longer viewed as a separate initiative, but as a core element of how we manage our business, engage with stakeholders and assess investment opportunities.

At the same time, we remain aware that the challenges addressed by ESG extend beyond individual firms or asset classes. Meaningful progress depends on collaboration, transparency and the application of recognized frameworks. Our continued engagement with initiatives such as the Principles for Responsible Investment, GRESB and other industry partners supports a disciplined and credible approach to responsible investment and corporate sustainability.

As ESG expectations from investors, regulators and society continue to evolve, Lenwood is committed to maintaining a balanced, forward-looking and responsible approach. We will continue to refine our practices, strengthen our governance and contribute constructively to the broader dialogue on sustainable finance.

We would like to express our sincere appreciation to our investors, partners and employees for their ongoing trust and support. We are confident that the progress achieved so far provides a solid foundation for the years ahead and we invite you to learn more about our activities and priorities in this 2025 Sustainability Report.

Ulrich Kastner and Burkhard Schlickenrieder
Founding Partners

Introduction

2025 highlights

Corporate sustainability

Climate Change

Lenwood continued its partnership with ClimatePartner, further advancing the measurement, reduction and compensation of CO₂ emissions as part of its ongoing climate strategy.

Corporate Social Responsibility

Lenwood continued to apply and further develop flexible remote work and part-time models, alongside its established academic-practical education program and mandatory ESG training for employees.

Ethical Governance

Sustainability continued to be firmly embedded in Lenwood's corporate and operational framework through the active role of its ESG committee with cross-departmental executive involvement.

Responsible investment

ESG Affiliations and Partnerships

Lenwood continued its commitment to global ESG standards through the active application of the Principles for Responsible Investment, ongoing participation in GRESB, and its continued support of the Charta der Vielfalt.

ESG integration into our investment process

In 2025, ESG considerations remained fully integrated into Lenwood's investment process. ESG criteria, including the GRESB Assessment, continued to serve as a key reference point for deal selection, approval and ongoing portfolio monitoring.

GRESB as major framework

Since joining GRESB in 2023, Lenwood has consistently applied the GRESB Assessment as a central benchmark within its investment activities. Participation supports a structured and comparable evaluation of ESG performance across the portfolio.

Our ESG champions



Stephan Weinberger
ESG Champion Corporate



Laura Scholl
ESG Champion Investment

Corporate sustainability



Corporate sustainability

Climate change

What we do

Climate action remained a core element of Lenwood Capital's corporate sustainability activities in 2025, building on the cross-functional sustainability framework established in previous years.

Operational emissions

Building on the baseline established in 2022 and expanded measurement coverage in 2023, Lenwood continued to measure, manage and reduce its operational carbon footprint in cooperation with ClimatePartner. The carbon footprint for 2022 amounted to 39.45 t CO₂ and served as the baseline for defining a reduction roadmap.

Emissions increased to 66.1 t CO₂ in 2023 due to improved measurement coverage and business growth. In response, travel guidelines prioritising rail over air and car travel for domestic trips were implemented. These and other measures proved effective: by 2024, operational emissions were reduced to 39.08 t CO₂, falling below the 2022 baseline.

The carbon footprint calculation for 2025 is currently being prepared with ClimatePartner.

In 2024, Lenwood supported the “Renewable Energy in Asia” initiative (ClimatePartner ID 7017). The project contributes to the achievement of the Sustainable Development Goals 7 (Affordable and Clean Energy), 8 (Decent Work and Economic Growth) and 13 (Climate Action).



Sustainable workplaces

To further enhance the sustainability of its workplaces, Lenwood applied a range of environmentally conscious measures. The elimination of single-use water bottles and the continued use of an integrated Quooker system providing filtered hot, cold and sparkling water from the tap remained firmly established.

Sustainability was further embedded into daily office operations through measures such as LED lighting and the use of energy-efficient devices.

Next steps

Further initiatives were defined to support Lenwood's long-term environmental objectives. These included measures to promote sustainable employee mobility, the review of IT infrastructure to extend device lifecycles and reduce digital emissions, and the assessment of options to enhance biodiversity around office premises.

Internal sustainability workshops continued to support employee engagement and awareness. Additional climate protection projects were identified as part of Lenwood's ongoing climate strategy, with progress documented through ClimatePartner reporting.

Once the carbon footprint for 2025 has been finalised, Lenwood intends to support a climate protection project of at least comparable quality and impact to the project supported in 2024 in order to compensate remaining operational emissions.

Corporate sustainability

Corporate social responsibility

What we do

Corporate social responsibility at Lenwood focuses on employees and the working environment in which they operate. The firm aims to promote health, wellbeing and long-term satisfaction by supporting professional development, flexible working models and an inclusive workplace culture.

New work

Lenwood further developed its approach to workplace flexibility, with remote work arrangements and flexible part-time models firmly established across the organization. Employees are able to work from home on a regular basis, supporting a balanced integration of professional and personal responsibilities. Flexible working models remain an important element of Lenwood's approach to employee wellbeing and long-term satisfaction.

Education

Lenwood continued to offer and further develop programs that combine academic studies with practical workplace training. The firm remains an active participant in a cooperative education program with the IU International University of Applied Sciences, supporting the long-term development of young talent. Mandatory ESG training also remained an integral part of employee development, supporting a sustained awareness and understanding of ESG topics across the organization.

Next steps

Investing in people remains a core element of Lenwood's corporate culture. Looking ahead, the following priorities have been defined:

- **Team development:**
Selective strengthening of teams in strategic areas across investment management, asset management and investor relations to support sustainable growth.
- **Junior talent:**
Further development of internship and working student programs, with a focus on nurturing junior talent and fostering long-term employment opportunities.
- **Workplace flexibility:**
Continuous improvement of the employee workplace experience, including the assessment of additional flexible working arrangements such as work-from-anywhere models, supported by cross-functional collaboration within the organization.

Corporate sustainability

Ethical governance

What we do

Sustainability is most effective when consistently embedded at both the corporate and investment levels. Sustainable investment management requires ESG responsibilities to be integrated across all business functions and embedded into Lenwood's daily operations. To ensure close alignment between sustainability implementation at the strategic corporate level and the operational investment level, Lenwood's ESG committee brings together executives from asset management, investment management and corporate functions. The ESG committee assigns operational responsibilities to specialized ESG working groups, consisting of cross-functional teams that collaborate closely within the organization and with external ESG experts.

All members of the ESG committee also serve on Lenwood's internal investment committee, enabling ESG considerations, including climate-related risks, to be directly integrated into investment decision-making processes.

Lenwood fosters a strong culture of transparency, accountability and integrity. Its governance framework supports robust decision-making processes, compliance with applicable laws and regulations, and adherence to industry best practices. Ethical conduct, anti-corruption measures and environmental protection are firmly embedded into daily operations. Comprehensive due diligence on business partners helps prevent conflicts of interest and supports fair and collaborative business relationships.

The disclosure of sustainability performance is considered as important as the financial performance of Lenwood's products. Accordingly, established industry standards are continuously applied to guide and monitor the progress of Lenwood's sustainability strategy, while striving for best practice in investor sustainability reporting. Relevant information on ESG initiatives is shared through appropriate channels, including the company's website and investor communications.

Our ESG committee



Ulrich Kastner
Managing Partner
& ESG Representative



Burkhard Schlickenrieder
Managing Partner



Christian Uschold
Head of Asset Management

Corporate sustainability

ESG affiliations and partnerships

The following are some of the frameworks and organizations with which we are affiliated:

Signatory of:



Lenwood remains an active signatory to the Principles for Responsible Investment (PRI). The PRI principles are applied to support the systematic integration of ESG considerations into Lenwood's investment processes and internal policies.



In cooperation with ClimatePartner, Lenwood measures and manages its corporate carbon footprint. The partnership supports the ongoing monitoring and documentation of emission levels and related climate measures.



Lenwood continues to participate in GRESB, applying the GRESB Assessment as a benchmark to support the consistent evaluation and comparability of ESG performance across its investment activities.



As a signatory to the Charta der Vielfalt, Lenwood supports diversity and inclusion within the workplace. The commitment reflects Lenwood's approach to fostering an inclusive, respectful and non-discriminatory working environment.

Responsible investment



Responsible investment

ESG integration in investment process

Implemented processes to stay ahead

Our investment strategy includes a thorough analysis of ESG risks and opportunities, assessing their potential impact on investment value. We integrate credit-relevant ESG factors into the management of all prospective client portfolios.

Deal selection

Our investment team evaluates opportunities using an integrated approach that combines credit and ESG analyses. Credit analysis considers factors like property quality and market conditions, while ESG analysis is guided by the annual GRESB assessment. Investments that meet a minimum GRESB score proceed to due diligence after preliminary approval by our investment committee.

Exclusions

Financing is denied to companies involved in specified controversial industries, based on the business activities of the financing companies, their tenants, and their related entities.

Exclusions cover real estate financing and leasing to companies with revenue shares in the following sectors:

- Environmental: Coal, oil and gas production, fossil fuels, nuclear power, oil sands, and oil shale.
- Social: Armaments, tobacco production, gambling (casinos, bookmakers), and adult entertainment (brothels).

Due diligence and documentation

Lenwood conducts thorough due diligence, focusing on ESG factors in line with GRESB assessment guidelines.

The process evaluates a spectrum of ESG sources to determine an investment's attractiveness, favoring those with higher GRESB scores.

The financing documentation secures ESG compliance through detailed plans and requirements.

Additionally, Lenwood's proprietary ESG credit scoring model for real estate credits includes GRESB scores, use of proceeds, loan documentation, reporting obligations, and loan terms, each weighted to compute a cumulative ESG credit score.

Investment committee approval

Investments that pass due diligence are presented to our investment committee with a memorandum including a full ESG analysis. To be considered for approval, each investment must meet a minimum score on the Lenwood ESG credit scoring system.

Monitoring and reporting

We monitor each investment's ESG compliance through agreed covenants and reporting obligations, including annual GRESB evaluations.

Updated ESG data from borrowers informs GRESB scores, which feature in our quarterly and annual investment reports.

Responsible investment

Benchmarking

Benchmark framework

Lenwood continues to apply the Global Real Estate Sustainability Benchmark (GRESB) as one of its core frameworks for assessing the ESG performance and impact of its investments. GRESB provides a standardized and globally recognised benchmark for real estate and infrastructure investments, supporting consistent measurement, transparency and comparability of ESG performance across assets and portfolios.

The GRESB assessment offers relevant ESG data, analytical tools and a structured framework that support informed investment decision-making and ongoing portfolio monitoring. Its application remains an integral part of Lenwood's responsible investment approach.

What we do

The GRESB framework is firmly embedded in Lenwood's investment decision-making and due diligence processes and forms an integral part of its responsible investment approach. ESG factors assessed through GRESB are systematically incorporated into investment analysis and documentation. Each investment undergoes the GRESB Real Estate Assessment, requiring detailed ESG performance data and informing investment memorandums through the respective GRESB score.

Where appropriate, Lenwood continues to include ESG-related provisions in its investment documentation to support participation in GRESB benchmarking and to reinforce its ongoing commitment to recognised sustainability standards. The consistent application of the GRESB framework enhances transparency, supports investor confidence and contributes to the identification and mitigation of ESG-related risks, including those arising from regulatory developments and environmental challenges.

Next steps

Looking ahead, Lenwood will continue to further strengthen the application of GRESB across its investment activities and reporting. The firm will continue to disclose relevant GRESB results and insights as part of its annual ESG reporting and investor communications, supporting transparency and stakeholder engagement. Lenwood's ESG representatives will remain available for dialogue and feedback, reflecting the firm's commitment to openness and continuous improvement.

In addition, Lenwood will continue to integrate ESG-related clauses into all new investments and, where feasible, into existing investment structures. This ongoing approach supports the consistent alignment of the portfolio with recognised ESG standards, contributes to effective risk management and reinforces Lenwood's long-term commitment to responsible and sustainable investment practices.

Responsible investment

Case studies

Student Housing, Frankfurt

Business plan

The sponsor requested Lenwood's financial participation in a student housing repositioning project, with funds allocated to refinance the existing capital structure and complete the modernization and leasing of the asset.

The asset, a former clinic, is being converted into student apartments. The business plan targets full occupancy within the financing term, supported by strong demand for affordable student housing in the Frankfurt metropolitan area.

ESG implications

In line with ESG considerations, the project focuses on the adaptive reuse of an existing building, reducing the need for new construction and associated emissions.

The repositioning extends the economic lifecycle of the asset and contributes to the provision of affordable housing for students. Following completion of the business plan, the asset is expected to achieve an energy efficiency level of class C.

Residential Value-Add Portfolio, Berlin

Business plan

Lenwood has been approached to provide financial backing for an a residential value-add portfolio in Berlin, with funds allocated to finance the acquisition and execution of the capex program.

Over the business plan period, the initiative aims to enhance the assets through refurbishment, energy-efficient upgrades, and selective densification, increasing both rental income and overall asset quality, transforming them into stabilized core-like residential properties.

ESG implications

In line with ESG considerations, Lenwood's funding supports the refurbishment of existing buildings, focusing on energy-efficient upgrades and sustainable modernization measures. The strategy includes improvements such as heating system upgrades, window replacements, and overall energy performance enhancements.

Upon completion, the assets are expected to meet improved energy efficiency standards aligned with ESG/Article 8 criteria.

Next steps

Over the past year, Lenwood has further strengthened its ESG framework by assigning a GRESB-aligned ESG score to all new investments. In addition, Lenwood has launched a new Article 8 fund, underlining its commitment to integrating ESG considerations systematically across the investment process.

Lenwood aims to increase the number of ESG-monitored projects, including those previously financed, to ensure ongoing sustainability compliance.

Lenwood is actively seeking partnerships with sponsors committed to implementing ESG measures, aiming to merge financial expertise with sustainable practices effectively.

To maintain leadership in the dynamic ESG landscape, Lenwood is collaborating with top consultancies to refine investment processes and broaden its portfolio with eco-conscious financial products like green bonds and loans.

Further information



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