2020/21 Sustainability Report
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At a Glance

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Dear readers,

‘Our Common Future’ is the title of the 1987 Brundtland commission report to the General Assembly of the UN. This report was, in many ways, instrumental in driving the ESG movement (among others because the COP meeting roots can be traced back to it). It also contains one of the first accepted definitions of sustainable development: The report states that sustainable development ‘meets the needs of the present without compromising the ability of future generations to meet their own needs.’

One could write a long essay (and a lot have) about this definition’s meaning and the interpretation. We would rather focus on one fundamental parameter of any ESG approach that the Brundtland commission framed: the idea that ESG is all about tradeoffs.

From our perspective, tradeoffs are a key element of any ESG strategy. Understanding and discussing the tradeoffs that a company made in its operation should be the alpha and omega of any ESG conversation between a company and its shareholders. Of course, there are activities that do not imply a tradeoff (or only to a limited extend). However, these remain the exception rather than the norm. If tradeoffs are not present, it is likely that the full picture is not presenting itself.

It should not come as a surprise that making ESG decisions is about tradeoffs. After all, any kind of management decision is about tradeoffs. Capital allocation decisions are only about tradeoffs between risk and return. However, ‘traditional’ management decisions are usually much easier to rationalize as the unit of measure for a decision’s value is well-defined (usually financial performance), and most of the time understood. In the case of ESG, the tradeoff will most of the time involve value scales that are unrelated to each other. It is a constant comparison of apples and bananas e.g.: Is it better to reduce CO₂ emissions or improve the occupier’s wellness? Should a building retrofit prioritize mitigation measures on biodiversity or on climate change? When introducing home office policies, should the employees’ wellness be prioritized over the complexity of the remote working system? Should it all be the other way around?

The scales with which we measure each value are not only independent from each other, but they tend to vary from one observer to another. The tenant will most likely choose wellness over climate change, while the regulator will look at it the other way around. Employees will put higher value on their well-being versus the complexity and cost for the company to implement.

Then there are the shareholders who (at least most of them) are likely to put financial returns above all else. However, eventually the only scale of value that matters is the one of the decision makers because it is the one that will lead to the tradeoff.

Understanding tradeoffs can offer substantial benefits to anyone who reads into a company’s ESG strategy. It can allow easily identifying what really matters from what is marketing and communication.

Take, for example, a company that decides to issue a green bond. What is the tradeoff involved? The company’s alternative would be to issue a straight bond. Therefore, the tradeoff is in the additional complexity and costs of issuing and managing the green bond in exchange for (i) the positive signaling effect provided from the green bond and (ii) (arguably) a couple of basis points of margin reduction. Assuming the costs and the margin reduction offset each other, the only tradeoff remaining is the complexity in reporting versus the signaling effect. This analysis should lead to a conclusion that considering the tradeoff it involves, a green bond is a powerful communication tool, but it is unlikely to affect the actual ESG performance.
One can apply the tradeoff analysis to our new ESG report. Doing so, one will probably find that the several claims we are making involve easy and non-material tradeoffs, such as the one of the green bonds. We are, for instance, disclosing a new chapter about our approach to biodiversity. Further, while we are among the largest managers of office green roofs across Europe with more than 85,000 m² of roof managed (which is the equivalent of 12 football fields of green roofs), there was no tradeoff involved, as local regulations essentially require greening roofs.

The recent investment we have started in forestry also does not involve any substantial ESG tradeoffs (but does involve a capital allocation decision) because we are undertaking these investments for a business purpose. We believe that securing access to what we consider as a strategic scarce resource (wood) is key for the company’s future. In a similar fashion, we waived rent for some of our retail tenants during the COVID-19 crisis to support their businesses during the time in which they could not operate. The tradeoff was straightforward. It was more valuable for us to keep them as a tenant rather than push them into bankruptcy and replace them. The rent waived was lower than the cost involved in replacing them.

In both examples above, the decision-making process did not involve any material tradeoffs outside the field of finance and capital allocation. These decisions are not different from any other business decision. They are addressing what we perceive as a specific risk to the company and its business model. We are preparing the company to operate in an environment that is evolving continuously. This is not different than adapting our buildings to new forms of work organization and tenant preferences. It is part of our duty to ensure the company strives not only today, but also tomorrow.

Other parts of the report involve different and usually more substantial tradeoffs and should focus the reader’s attention on the material issues that we believe are relevant for the company and the industry, and as such, deserve to be discussed more widely. They address what we perceive as a more systemic risk and highlight that we are conscious of the impact of our operations on negative externalities. This tradeoff relates essentially to the company’s conscious decision not to participate in the standard new construction of commercial buildings. It is both simple and substantial. We deliberately are not taking part in a profitable corner of our market, which is perfectly legal, and that we know others will occupy, and we are making this decision on the grounds of the systemic risk to which we are unwilling to contribute. This tradeoff has a structuring effect on not only our carbon policy, but also the complete business strategy.

Therefore, for the amounts involved in the Green Dividend proposal, we offer our shareholders alternatives that we believe are worth the tradeoff but seek to balance our value scale with the one of the equity owners of the company in a vote at our AGM.

The next time we are on the road (virtually and/or physically), and you would like to engage with us on an ESG topic, a good way of starting the conversation would be to ask us (or challenge us) about the tradeoff involved. These conversations usually are the most productive and insightful of all.

We hope you will enjoy reading this report as much as we enjoyed putting it together.

Kind regards,

Olivier Elamine
Chief Executive Officer (CEO)

Alexander Dexne
Chief Financial Officer (CFO)
**ALSTRIA IN A NUTSHELL**

alstria office REIT-AG is Germany’s leading office real estate company. As of December 31, 2020, we own and manage a portfolio of 109 buildings with a lettable area of around 1.4 million m² and a total value of around EUR 4.6 billion. Our properties are located in the large and liquid German office markets of Hamburg, Düsseldorf, Frankfurt, Stuttgart, and Berlin, where we are represented by local operating offices. As a fully integrated company oriented toward the long term, alstria’s 167 employees actively manage our buildings throughout their entire life cycle.

- **109 office buildings**
  - with a EUR 4.6 billion portfolio value
- **1.4 million m²**
  - of lettable space
- **5 coworking spaces**

### Property use in the whole portfolio

- **Office** 82%
- **Retail** 7%
- **Storage** 8%
- **Other** 3%

### Parking Spaces

- **Outdoor parking** spaces: 3,900
- **Indoor parking** spaces: 16,300

### Other

1) E.g. nursing homes.
Overview of our business activities

**Buy**
We acquire real estate assets in the large office markets of Germany when they are at the right price and are likely to create financial value over time. Our focus is on assets that allow upgrading or flexible usage to meet evolving customer demands, and that need to be upgraded to meet new work standards.

Potential acquisition properties undergo rigorous due diligence, addressing the capital expenditure costs required to upgrade the assets in due time to meet new climate-friendly regulations.

**Manage**
Our local presence in the cities where we operate allows us to work closely with our tenants on all issues. We provide planning services to customize office spaces and maximize their operational efficiency. We also offer added services, such as renewable electricity contracts, smart meters, and coworking options.

**Redevelop**
We retrofit existing buildings to create spaces that will appeal to future customers, thus increasing the buildings’ longevity and ultimately their financial value.

Our approach involves using the existing building superstructure (embedded carbon); reusing building materials when possible; and sensibly selecting durable, low-carbon building products. Our redevelopment projects also create new jobs in the local community.

**Sell**
We sell a property when we see the opportunity to deploy capital more effectively elsewhere. By selling properties in better condition than when we first acquired them, we improve the building environment for our society.
Published first Carbon Accounting Report and received first approval from shareholders to use Green Dividend for climate-protection projects.

Introduced Green Dividend and completed smart meter roll-out.

Received the sustainability im Award for the Mieterstrompool project.

Received the sustainability im Award for the green-lease project group. Started green procurement.

Acknowledged that the most sustainable building is the one that is never built and involves no greenfield development.

Set science-based targets and introduced low-carbon design principles.

Procured 100% renewable energy for all controlled areas – RE100 target achieved.


Published the first sustainability report among German real estate companies.

Date of alstria's initial public offering.

2007

alstria Sustainability Report 2020/21
Sustainability governance

Sustainability aspects especially climate change are integral parts of alstria’s governance structure.

The Management Board leads the alstria group by acting in the corporation's best interests to create long-term value. It determines the company’s strategic orientation and ensures that orientation is implemented. The Management Board also ensures compliance with all applicable legal provisions and internal regulations as well as sufficient risk management and control. The Supervisory Board advises and oversees the Management Board in its duties (a two-tier system).

Our sustainability component has been integrated from the top down across all levels of the company since 2009. The CEO is responsible for all matters concerning sustainability. Directly under the CEO is the head of sustainability and future research.

Departmental roles include:

› monitoring the energy consumption of the building portfolio;
› developing and monitoring sustainability goals;
› implementing sustainability projects across the value chain;
› identifying environmental risks and opportunities for the business;
› improving communication on sustainability across all departments in the company; and
› increasing communication with the public about sustainability.

At the highest governance level, the Environmental, Social, and Governance (ESG) Committee of the Supervisory Board oversees our sustainability activities to ensure we attain our goals.

Reviews of sustainability activities throughout the year

Supervisory Board – CSR Committee
at least once per year

Management Board – CEO
once per month

Sustainability & Future Research Department – Head

Compliance Officer
once per financial quarter

Operations Departments
once every two months
Governance of climate change

The Management Board has overall responsibility for climate-related risks and opportunities and to maintain an appropriate risk-management and internal control system, in accordance with Section 91 (1) AktG for German-listed companies.

To ensure the proactive identification, monitoring, and assessment of risks, the Management Board has established its internal Risk Committee, which conducts quarterly risk inventories for strategic, compliance, financial, and operational risks. Senior managers with risk responsibilities related to these four areas identify risks and introduce applicable mitigation plans. They assess climate-related risks in each of the above risk areas (e.g., compliance with new environmental regulations).

Furthermore, the results of the quarterly risk assessments are presented to the Audit Committee of the Supervisory Board, which supports the board in reviewing the effectiveness of its risk-management and internal control processes throughout the year. The company also conducts internal audits that are independent of the company’s operations. The Management Board and Audit Committee receive the results of these internal audits.

The opportunities are evaluated in the context of annual and quarterly budget planning. This process includes careful analysis of the market and of the opportunities related to the properties held in the portfolio. These evaluations include assessments of criteria such as tenant needs, property categories, and regulatory changes. The board receives updates on the monitoring of growth initiatives and opportunities, including those related to climate change, during the budget-approval process.

Our ESG Committee at the Supervisory Board level provides additional support to the Management Board on managing climate-related risks and opportunities (e.g., by reviewing investments in pilot projects or assessing our carbon-reduction targets).

Our head of sustainability and future research carries out the ongoing oversight of climate-related issues and implements the company’s sustainability program. He reports directly to the CEO and regularly updates the board on the performance of our sustainability programs.

In 2021, the management board remuneration system was adjusted to include ESG specific targets. From 2021, 20% of the STI (short term incentive) performance targets of the management board members relate to ESG aspects.
### Our ESG Ratings in 2020*

<table>
<thead>
<tr>
<th>Rating Type</th>
<th>Rating</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDP Climate Rating</td>
<td>B</td>
<td></td>
</tr>
<tr>
<td>GRESB Public Disclosure</td>
<td>A</td>
<td></td>
</tr>
<tr>
<td>EPRA sBPR: Gold Award</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bloomberg Gender-Equality Index</td>
<td>63.83%</td>
<td></td>
</tr>
<tr>
<td>Sustainalytics ESG Rating</td>
<td>11.4% (low risk)</td>
<td></td>
</tr>
<tr>
<td>MSCI ESG Rating</td>
<td>A</td>
<td></td>
</tr>
<tr>
<td>S&amp;P Global Corporate Sustainability Assessment</td>
<td>67 points (Member of DJSI Europe)</td>
<td></td>
</tr>
</tbody>
</table>

*The presented ESG ratings mainly refer to performance data from 2019 and were obtained in 2020. They show the results from the rating agencies with which we interacted. Please note that other rating agencies may analyze our ESG performance without receiving our feedback. For more information, including the latest ratings on our 2020 performance data, please see our website at [www.alstria.com/sustainability/](http://www.alstria.com/sustainability/). In 2021, we will also receive and comment on ESG ratings from Vigeo Eiris and ISS-oekom.*
Stakeholder Engagement

Our business is interrelated with the interests of various stakeholders. Understanding their expectations is key to our business success.

Engaging with our key stakeholders

**Business partners**
One-on-one dialogue before new business relationships, weekly meetings with contractors during construction, and a complaint hotline

**Employees**
Employee surveys, annual appraisal meetings, internal media, open-door policy, and workshops

**Tenants**
One-on-one meetings with our property managers, social media posts, online tenant portals, and tenant surveys

**Local communities**
Press events, social media posts, and site visits

**Investors**
Roadshows, conferences and site visits, direct dialogue and voting rights at the Annual General Meeting, and round tables

**AOX**
Traditional key interests of our stakeholders

Create long-term value

› We only invest in assets that will sustain our growth requirements and deliver long-term returns.
› Our operations focus on maintaining the occupancy level in our portfolio and the quality of our revenue stream.

Promote good governance and transparency

› Our financial and sustainability performance undergoes a yearly external audit.
› We comply with most recommendations of the German Corporate Governance Code.

Retain reliability

› We publish information on every building we buy, own, and sell. We are firmly convinced that an open and reliable information policy can form a solid basis for trust between our company and our stakeholders.
› We have a responsible contracting policy and pay agreed prices within the set time frame.

Promote equal and fair treatment

› We have established leadership principles to ensure that all our employees are treated fairly and can develop.
› We have a compliance system that ensures the effective implementation of our internal regulations.

Provide flexible space

› We offer services such as our coworking business BEEHIVE – a patented digital solution that offers 24-hour access to office space and is specially designed to respond to customers’ need for a temporary yet sustainable office environment.
With our industry

Every year, we participate in various working groups within our industry to promote transparency, innovation, and sustainability in real estate. This involvement allows us to anticipate future regulatory changes, identify new trends, and take part in new trend-setting processes.

In 2020, we invested EUR 75,839 in support of the following groups:

We are an active member of the European Public Real Estate Association (EPRA). Our CEO is on EPRA’s Advisory Board, is a member of the EPRA Sustainability Committee and chairs EPRA’s Accounting and Reporting Committee. The EPRA represents the interests of major European property management companies and supports the development and market presence of these companies by establishing, among other things, best-practice recommendations for accounting, reporting, and sustainability.

Furthermore, under the umbrella of the German Property Federation (ZIA), we participate in working groups for the development of Germany’s energy and Climate Action Plan 2050. The ZIA is a trade association that represents the interests of the entire property sector at the domestic and European levels.

In addition, we participate in the German Circle of Real Estate (BAMBI). Around 20 asset and property managers join forces in this industry working group to compare strategic metrics, discuss best-practice approaches, create market standards, and find answers to tomorrow’s questions together.

Also, we contribute to the ESG Circle of Real Estate (ECORE). Together with many industry peers, we have developed a scoring standard to make sustainability in real estate portfolios transparent, measurable, and comparable.

Through the Royal Institution of Chartered Surveyors (RICS) and the German Society for Real Estate Research (gif e.V.), we have joined working groups related to new office design and ESG.

We also join DENEFF working groups to develop data-management systems for real estate. DENEFF is an independent network that unites frontrunner companies in the energy-efficiency field to represent their collective political interests for effective and ambitious energy-efficiency regulation in Germany.

In addition to industry associations, we stand with our peers to accelerate the decarbonization of real estate in Europe. This is one of the reasons why we created a sustainability and innovation think tank with four other leading real estate companies in 2017. This framework fosters joint research projects and other initiatives aimed at strengthening the participating companies’ inner capacity for innovation and sharing of expertise. The companies involved are alstria, COIMA RES, Colonial, Gecina, Great Portland Estates, and NSI – all leaders in sustainability in their respective German, Italian, Spanish, French, British, and Dutch markets.

Finally, at the cross-sectoral level, we participate in a working group of companies active in the energy sector from all over the world, in which we share best practices and follow the development of energy start-ups and innovative products that could influence the real estate market.

With our tenants

We occasionally monitor and measure tenant satisfaction. Our last survey is from early 2020 and was strongly influenced by COVID-19.

Nevertheless, the results and implications remain relevant today, given that most of our key tenants have not changed. In 2021, for example, we will conduct additional training on complaint management since we learned that we can improve our communication. The survey reached a participation rate of 62% (47 key tenants were approached). One positive result of the survey is that 86% of the (surveyed) tenants are satisfied with the work of alstria.
With our employee's view

We survey our employees for their views on their work environment and the company regularly.

In a special engagement format in 2019, we addressed their views on alstria’s contributions to climate change mitigation. This led to a tangible action plan. Its implementation status is summarized below.

### Employee key interests vs. Company's response

<table>
<thead>
<tr>
<th>Employee key interests</th>
<th>Company's response</th>
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<tbody>
<tr>
<td>Flexible working for less emissions from commuting</td>
<td>Provided free access to our coworking BEEHIVE; an arrangement that allows all employees to work partially from home</td>
</tr>
<tr>
<td>Increase use of video conferences to reduce business travel</td>
<td>Every employee is equipped with video-conferencing hardware and software and encouraged to travel less</td>
</tr>
<tr>
<td>Use less paper as well as procure sustainable office equipment</td>
<td>Microsoft Teams was introduced in 2019; further development of internal IT and digital transformation, ongoing evaluation of sustainable procurement options (e.g., fair-trade coffee)</td>
</tr>
<tr>
<td>Increase energy efficiency within the portfolio</td>
<td>Pilot projects, e.g., on energy flexibility, EV-charging, solar panels, and low-carbon heating</td>
</tr>
<tr>
<td>Electrify the company’s car fleet</td>
<td>New company policy on offering exclusively electric or plug-in hybrid cars (from 2020 onwards)</td>
</tr>
<tr>
<td>Increase communication on climate issues to raise awareness</td>
<td>Introduction of low-carbon design principles for development projects and ongoing communication on best practices/regulatory aspects</td>
</tr>
<tr>
<td>Trees and green facades/roofs</td>
<td>Bought a forest and started collecting data on adding green facades/roofs to alstria buildings</td>
</tr>
<tr>
<td>Increase solar panel installation for renewable energy production</td>
<td>We have tangible plans for 1,200 kWp PV-pilot projects in 2021/22</td>
</tr>
<tr>
<td>Monetary support to increase green commuting</td>
<td>Raised the premium to cover the whole price of local public transport and introduced attractive corporate bike leasing options in 2019/20</td>
</tr>
</tbody>
</table>
PREFACE: CARBON DISCUSSION

1. Climate risks

› Climate risk is the single largest systemic risk to which we are exposed.

› Idiosyncratic* environmental risks are well manageable at the portfolio level and for the company itself.

› In addition to being financially sound, our business model aims at reducing the systemic risk caused by climate change. We purchase old, inefficient buildings and through their refurbishment, we transition them into modern, efficient offices with a substantially lower operational carbon footprint.

2. Climate system

› The climate system is complex, asymmetrical, and non-linear. Carbon neutrality is a scientific concept that only applies to the whole system, not (yet) to individual buildings or companies. GHG reduction solutions that have a tangible potential to create large-scale impacts in the short to medium term should be preferred.

› Avoiding 1 ton of new carbon emissions is not comparable to removing or reducing 1 ton of existing carbon emissions.

› Compensation / offsetting (i.e., reducing others’ GHG emissions) cannot be used to offset one’s GHG emissions. Creating a corresponding balancing cycle is scientifically unprovable and physically impossible. You don’t compensate; you contribute.

3. Past, present, and future carbon emissions

› According to the current state of technology and for the near future, every construction measure, whether it is new construction, renovation, modernization, or maintenance, causes additional emissions. Constructing buildings has never taken carbon out of the atmosphere – there is no such thing as a net-zero or climate-positive building that is rooted in science.

› The manufacture of construction materials and the construction of a building emit large amounts of CO₂. The CO₂ remains ‘embedded’ in the building structure until it is deconstructed, and all embodied carbon is lost, or in the very best case, partially recycled into lower-quality construction material (downcycling).

› The circular economy is not about preparing new buildings for deconstruction. It’s about reusing existing buildings as much as possible and extending their lifespan. The best climate-friendly approach is to refurbish and reuse existing buildings for as long as possible. A renovation creates only 20–30% of the embedded CO₂ emissions compared to a new building and achieves a comparable energy efficiency. We can lower additional (embodied) emissions close to zero if we apply low-carbon design principles to refurbishment projects.

› Electricity and district heating grids will need to decarbonize steadily in the next 30 years – they are the best and fastest methods of retreatment from fossil-fuel heating.

4. Creating change and impact

› Systemwide solutions are key to reaching decarbonization targets. Success is founded on

— an informed and bold vision,
— convincing and inclusive communication,
— open and accessible data, and
— agile and collaborative progress.

To understand how these considerations influence our climate-related risk assessment as well as our GHG-reduction strategy, please see ‘The impacts of climate change on our Business’ and the ‘Our Buildings’ sections, respectively.

*Idiosyncratic risk is a specific risk for alstria (e.g., the risk that a flood will damage one of our assets).
OVERVIEW: THE IMPACTS OF CLIMATE CHANGE ON OUR BUSINESS

Climate change impacts the physical, market and systemic conditions of our business.

In general, we are well positioned to deal with existing and potential physical and market related changes. Our assets are in areas with (on a global scale) relatively limited climate sensitivity. In most cases, the changes in market regulation and tenant demand that will be caused by the transition to a low carbon society are known and predictable. The adaptation and innovation need of our assets and services fits naturally in the modernization cycle of alstria’s portfolio. However, our business is not immune to the systemic risks created by climate change.

The following paragraphs detail our views on climate change related impacts on our business and give an overview on our response strategies.

Physical impacts
In general, alstria’s property portfolio is subject to extreme weather events, such as flooding, storms, and hail, which may weaken building structures and threaten tenants’ safety. Such phenomena will intensify in the coming years, from our perspective.

To determine our portfolio’s exposure to future weather patterns and natural hazards, we recently conducted an analysis using climate and hazard databases provided by MunichRe and SwissRe. The modeling for all chronic and acute physical risks was based on three scientific climate scenarios: RCP 2.6 is a best-case scenario in which the global average temperature increases by less than two degrees. RCP 4.5 is an intermediate scenario in which the temperature increases by more than two degrees. RCP 8.5 is a worst-case scenario in which the average global temperature increases by up to four degrees, relative to the preindustrial era (1850–1900 AD).

The analysis showed that our current portfolio is not highly exposed to physical risks, given that our assets are located in Germany. The effects of physical risks on our portfolio will only become more relevant in the long term, under the intermediate and worst-case scenarios (RCP 4.5 and RCP 8.5).

The central response strategies to physical impacts are as follows:

› Regularly update physical climate-risk assessments to determine which buildings must be upgraded accordingly,
› As long as available securing the risk through insurance contracts covering the portfolio from the loss of rent due to fire, storms, hail, or any act of God, with a total insured value at least as high as our assets’ balance sheet value. (Cost paid for insurances in FY 2020: EUR 1,904,000; value of buildings covered: EUR 4,583,000,000.)
Market impacts

After the Paris Agreement, Germany adopted national climate targets intended to accelerate the transition from a carbon-based economy to a carbon-lite economy. They also impose stringent obligations for the building sector to meet by 2050. These targets should accelerate the annual rate of building renovations. Failing to meet new climate regulations may decrease the attractiveness of our assets, which may, in turn, lower or nullify their rental potential and ultimately decrease the company's revenues and value.

Climate-change awareness, or simply cost considerations following an increase in environmental taxes (e.g., carbon taxes), could also shape tenants' behavior requiring more energy-efficient office space (e.g., requiring more energy-efficient office space). Failing to respond to this potential demand would make assets unattractive, implying a subsequent decline in their rental potential.

The transition from a carbon-based economy to a carbon-lite economy will be complex and challenging. Only a small portion of the build environment is currently prepared for such a transition. Managing the current real estate stock throughout this transition will require not only a substantial amount of capital but also substantial operating skills. Although neither of these is in short supply, only a few real estate players combine both skills under one roof. We believe we are one of them.

Our central response strategies to the market impacts are as follows:

› Ongoing monitoring and compliance with applicable laws and standards.
  [Compliance and Ethical Conduct]
› Participate in industry bodies to monitor emerging legislation early on and analyze customer preferences continuously.
  [Stakeholder Engagement]
> Integrate physical, regulatory, and demand-related impacts in all central decision-making and planning processes (incl. OPEX and CAPEX) along our business cycle (buy, manage, redevelop, and sell), to reduce the carbon footprint of our building portfolio.
  [Our Buildings]
> Further de-carbonize our revenues/business model through technological innovations, e.g., smart building technology, which also enables less carbon-intensive office offerings in the sharing economy, e.g., BEEHIVE.
  [Our Buildings] and [Our office design]
> Putting the development of existing assets at the core of the business model, instead of ground-up developments. From our perspective, new developments have negative contributions to climate change, regardless of their operational efficiency, because of the carbon needed for their construction (i.e., embedded carbon). We are convinced that regulators will increasingly incentivize this approach.
  [Our Buildings]
**Systemic impacts**

Our business is directly impacted by the economy’s overall health, for which it is a good proxy. Climate change effects do not need to be direct to become material to us. Our assets can become stranded due to climate changes happening thousands of kilometers away, because they can affect our tenants’ economic health. These systemic risks include but are not limited to climate refugees, political instability, and global supply chain disruptions, which are likely to impact us sooner and more frequently than any of the direct risks described above.

To address the systemic risks of climate change for alstria’s business within the frame of our fiduciary duty to our shareholders, we engage in the following:

- Raise environmental standards in the real estate industry and beyond by sharing our learning from our decarbonization measures and innovation projects. [Stakeholder Engagement](#) and [Our Buildings](#)
- Push for more recognition among regulators (leading to financial incentives) that retrofitting existing buildings is more climate friendly than creating new buildings, even if the new buildings are labeled energy efficient [Stakeholder Engagement](#) and [Our Buildings](#)
- Innovate through carbon-accounting standards to be more transparent about alstria’s contribution to and risks from climate change in financial terms. [Innovating in carbon accounting – RECAP](#)
- Identify and enable shareholder investment in alstria projects that do not improve alstria’s risk/return profile but maybe improve that of certain shareholders’ portfolios by reducing the systemic climate risk to the real estate industry and beyond. [Financing climate protection – Green Dividend](#)
Innovating in carbon accounting – RECAP

For FY 2020, for the first time, we have produced a balance sheet and a profit and loss statement that, in our view, expresses how alstria’s current buildings portfolio contributes to climate change. In other words, these are the negative environmental impacts of our business for which alstria has not paid for (yet). The calculation is based on the EU ETS pricing on carbon. It deals with the embedded GHG emissions and the current and future operational GHG emissions of alstria’s portfolio in 2020 (alstria’s full carbon valuation).

We believe investors will be especially interested in this information because:

- On the one hand, it is a good proxy for future regulatory costs and compliance efforts since regulators likely will internalize (parts of) these external effects to the market,

- On the other hand, it shows how alstria contributes to the systemic risks caused by climate change, which are tangible portfolio risks for many investors given the global and diversified structure of their securities. We assume that, given the significant challenges on the way to a coherent and appropriate regulatory framework for global climate change (in the form of more realistic carbon pricing), some investors are looking proactively for ways to reduce their portfolio risks caused by climate change.

- It takes a dynamic view of our contributions to climate change. It does not solely focus on annual flows but considers the cumulative impacts (both positive and negative) that we will have over time.

- Finally, it frames the carbon conversation as an accounting framework, which is familiar to investors, using a balance sheet and a profit and loss statement.

In addition, the information enriches our internal decision-making processes, such as regarding the portfolio strategy. The carbon accounting report is based on a publicly available framework that we developed and what we call RECAP – Real Estate Carbon-Accounting Principles.

www.recap.wiki
# Carbon profit and loss statement (unaudited)

<table>
<thead>
<tr>
<th>EUR k</th>
<th>FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Carbon revenues</strong></td>
<td></td>
</tr>
<tr>
<td>Transaction</td>
<td></td>
</tr>
<tr>
<td>Gain/loss as a result of acquisition/sale of operational carbon</td>
<td>729</td>
</tr>
<tr>
<td>Gain/loss as a result of acquisition/sale of embedded carbon</td>
<td>446</td>
</tr>
<tr>
<td><strong>Transaction result</strong></td>
<td><strong>1,175</strong></td>
</tr>
<tr>
<td>Carbon efficiency</td>
<td></td>
</tr>
<tr>
<td>Gain/loss as a result of change in construction technology</td>
<td></td>
</tr>
<tr>
<td>Gain/loss as a result of change in operational carbon efficiency</td>
<td>3,637</td>
</tr>
<tr>
<td>Gain/loss as a result of change in reusability of embedded carbon</td>
<td>-</td>
</tr>
<tr>
<td><strong>Efficiency result</strong></td>
<td><strong>3,637</strong></td>
</tr>
<tr>
<td>Carbon market price</td>
<td></td>
</tr>
<tr>
<td>Gain/loss as a result of change in carbon price</td>
<td>1,879</td>
</tr>
<tr>
<td><strong>Carbon revenues</strong></td>
<td><strong>6,691</strong></td>
</tr>
<tr>
<td>P&amp;L – Expenses</td>
<td></td>
</tr>
<tr>
<td>Carbon expenses as a result of operations of the assets</td>
<td>-540</td>
</tr>
<tr>
<td>Carbon expenses as a result of write off construction carbon</td>
<td>-1,738</td>
</tr>
<tr>
<td><strong>Carbon expenses</strong></td>
<td><strong>-2,278</strong></td>
</tr>
<tr>
<td><strong>Carbon net income</strong></td>
<td><strong>4,413</strong></td>
</tr>
</tbody>
</table>

---

# Carbon balance sheet – Carbon assets (unaudited)

<table>
<thead>
<tr>
<th>EUR k</th>
<th>FY 2020</th>
<th>FY 2019</th>
<th>YoY change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Carbon assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Embedded carbon asset at fair value</td>
<td>46,640</td>
<td>36,900</td>
<td>9,740</td>
</tr>
<tr>
<td>Embedded carbon deduction for lack of reusability</td>
<td>-11,660</td>
<td>-9,225</td>
<td>-2,435</td>
</tr>
<tr>
<td><strong>Total carbon assets</strong></td>
<td><strong>34,980</strong></td>
<td><strong>27,675</strong></td>
<td><strong>7,305</strong></td>
</tr>
</tbody>
</table>

# Carbon balance sheet – Carbon equity and carbon liabilities (unaudited)

<table>
<thead>
<tr>
<th>EUR k</th>
<th>FY 2020</th>
<th>FY 2019</th>
<th>YoY change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Carbon equity and carbon liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carbon equity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carbon retained earning</td>
<td>-30,394</td>
<td>-34,807</td>
<td>4,413</td>
</tr>
<tr>
<td>Green dividend</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total carbon equity</strong></td>
<td><strong>-30,394</strong></td>
<td><strong>-34,807</strong></td>
<td><strong>4,413</strong></td>
</tr>
<tr>
<td>Carbon liability</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unpaid Carbon acquired by the company</td>
<td>35,117</td>
<td>36,900</td>
<td>-1,783</td>
</tr>
<tr>
<td>Unpaid Carbon used by the company</td>
<td>2,278</td>
<td>-</td>
<td>2,278</td>
</tr>
<tr>
<td>Liability linked to future operational carbon</td>
<td>27,980</td>
<td>25,582</td>
<td>2,398</td>
</tr>
<tr>
<td><strong>Total carbon liability</strong></td>
<td><strong>65,375</strong></td>
<td><strong>62,482</strong></td>
<td><strong>2,892</strong></td>
</tr>
<tr>
<td><strong>Total carbon equity and liability</strong></td>
<td><strong>34,980</strong></td>
<td><strong>27,675</strong></td>
<td><strong>7,305</strong></td>
</tr>
</tbody>
</table>

---

‘alstria Carbon Accounting Report 2020’
Our carbon accounts show that, as of December 31, 2020, with a carbon price of EUR 32.59/ton):*

- The embedded carbon asset within alstria’s portfolio amounts to EUR 34.9 million. In other words, this is the value of the carbon that would need to be spent to rebuild a portfolio of similar size as the one we currently own. It represents 0.75% of the portfolio’s total value (as of December 31, 2020). If carbon were a real estate asset, it would be our 41st largest asset (out of 110).

- The unpaid carbon liability from past emissions is EUR 37.4 million. Of this, EUR 35.1 million was acquired with the related assets. The carbon emitted because of modernization activities and day-to-day operations in 2020 would have cost around EUR 2.3 million, if carbon had a price.

- Finally, if we had from tomorrow onward to pay for every ton of CO² linked to the future operational carbon of our 2020 portfolio, the additional liability would be estimated at about EUR 28 million (as of December 31, 2020).

Thus, the following can be concluded:

- The company has a negative carbon equity of EUR 30.4 million. In other words, this is total financial exposure that the company would face if carbon had a value. In 2019, it was EUR 34.8 million. Thus, if carbon had a value, the company would have generated a net income of EUR 4.4 million.

- The carbon profit and loss statement shows that the strongest driver behind this hypothetical net income was an increase in GHG efficiency, e.g., through grid decarbonization, procurement measures, or offsetting. (An increase of the carbon assets’ value resulting from a carbon price increase in 2020 also was important.)

- However, the carbon emitted due to modernization activities and day-to-day operations in 2020 would still have cost around EUR 2.3 million, if carbon had a price.

- In a sense, this amount reflects an overstatement of our IFRS funds from operations (FFO) metric, which is a key measurement of our operating performance and the basis for our dividend.

- Thus, ones could say that these unpaid carbon expenses represent a permanent ‘windfall profit’ realized by the company in its IFRS accounts.

*For full details please see alstria’s FY 2020 Carbon Accounts. The fair market value of carbon that we used is equal to the daily closing price of the ECX EUA Futures Continuous Contract, trading on ICE. For carbon balance sheet items, we used the spot price on balance sheet day (Dec. 31, 2019, EUR 24.52 per tCO₂e: Dec. 31, 2020, EUR 32.59). However, for carbon profit and loss statement items, we used the mathematical average closing price for the year 2020: EUR 24.76. All numbers are unaudited.

What should this profit be used for?

- Should it be paid out as dividend?
- Should it be spent on financially non-viable projects that would reduce the carbon impact?

We do not believe that this decision lies solely with the company’s management but that it should be taken jointly with the company’s shareholders based on management proposals.

At our last Annual General Meeting in May 2021, 85.2% of our shareholders decided to invest EUR 1.78 million into decarbonization projects (proposed by the company) that will not yield financial returns up to our usual expectations.

'Financing climate protection – Green Dividend'
Financing climate protection – Green Dividend

Climate change poses a significant challenge to the global economy and the ways modern economics works. In the absence of more-decisive government intervention (in the form of carbon pricing that is more realistic), we see a need for coordinated action to foster additional cooperative behavior among the various economic agents involved in the climate transition.

Thus, in May 2021 at the Annual General Meeting, the company asked its shareholders for the second time whether they would approve spending corporate assets on environmental projects that would not meet the company’s risk–return expectations but instead would contribute to addressing the systemic risk of climate change.

Of alstria’s shareholders, 85.2% approved the proposal. The proceeds of the Green Dividend will be invested in the installation of additional solar power generation in alstria’s portfolio (up to 900 kw peak) and into an external R&D project, focusing on carbon removal alternatives for the real estate industry (up to EUR 0.75 million).[p. 24]

A similar amount will be deducted from next year’s dividend (if any), which will be reduced by EUR 0.01 per share (a reduction of 1.9% based on the current dividend). The amount of Green Dividend proposed by the company (EUR 0.01 per share or EUR 1.78 million) corresponds to the theoretical value of the unpaid carbon that alstria used in its operation during the last reporting period (Scope 1, 2, and 3), as shown in the company’s carbon profit and loss statement.

How does it work?
The company identifies projects with a positive environmental impact that would not be financed based on financial criteria only.

A Euro amount needed to finance these projects is proposed to the Annual General Meeting as ‘Green Dividend’.

Shareholders are asked to cast their vote for the payout or against the payout (majority rule apply).

1 Cent per share

The dividend is paid out and the projects are not implemented.

The proposed projects are implemented by the company and the proposed Euro amount will be deducted from next year’s dividend.

www.green-dividend.com
Green Dividend projects in 2021

Project 1: Install up to 900 kW peak of solar panels on alstria’s buildings
Solar energy is a natural fit with office properties, which usually operate during the daytime when solar energy is available but are empty at night when it is not. In addition, rooftops offer a natural home to solar energy generation.

Moreover, producing energy at or close to the point of consumption saves a substantial amount of energy because it reduces the loss between the energy produced (primary energy) the energy consumed (consumption energy).

As such, we think solar panels need to become a major tool in the decarbonization toolbox of office buildings.

However, according to German law, an office landlord cannot efficiently resell the energy produced by the building to the actual users of the building, who are under no obligation to buy it. As such, the landlord has to resell the energy produced to the grid at a fixed price called the ‘feed-in tariff,’ which is currently at EUR 0.07 per KWh. This is too low to justify the initial investment from a purely financial perspective.

Project 2: Fund up to EUR 750 k of early research and concept validation for carbon removal projects
Carbon removal is the action of physically removing a defined amount of CO₂ from the atmosphere, therefore netting an identical emission elsewhere. A substantial likelihood exists that carbon removal will become mandatory in the near to midterm because the climate science increasingly demonstrates that the 1.5°C and 2°C target will not be achieved without carbon removal.

The real estate industry will need to identify a viable carbon dioxide removal technology that would allow the removal of a vast amount of dispersed CO₂ emissions in an efficient way. A promising field of research that real estate could use is related to CO₂ mineralization. One of these processes takes place in the concrete of our assets (the so-called carbonation process). Similar processes can take place in other minerals and provide for extensive fields of research for CO₂ removal technology.

We have identified project Vesta as a first candidate to benefit from a potential contribution. Project Vesta is a science-based project to test a process aimed at accelerating the carbonation process of a rock called olivine and removing CO₂ on a large scale from the atmosphere in the process.

www.projectvesta.org/
Our Buildings

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Key figures

Embodied GHG Emissions (estimated)\(^1\)

- Additional embodied GHG for a new building construction: \(\approx 1,000 \text{ kgCO}_2\text{e/m}^2\)
- Avoided embodied GHG in comparison to creating the same lettable area through a new building: \(\approx 600 \text{ kgCO}_2\text{e/m}^2\)
- Additional embodied GHG from alstria refurbishment activities: \(\approx 400 \text{ kgCO}_2\text{e/m}^2\)

Operational GHG emissions\(^1\)

- 25.6 kgCO\(_2\)e/m\(^2\) (2019: 27.9 kgCO\(_2\)e/m\(^2\)) alstria portfolio (market based)
- 18.7 kgCO\(_2\)e/m\(^2\) (2019: 22.2 kgCO\(_2\)e/m\(^2\)) alstria portfolio (location based)

Operational energy consumption

- European office average (EPRA data): 141 kWh/m\(^2\) (2019: 154 kWh/m\(^2\))
- German office average\(^2\): 136 kWh/m\(^2\)
- alstria portfolio\(^3\): 111.7 kWh/m\(^2\) (2019: 110.8 kWh/m\(^2\))

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\(^1\) Estimation based on an internal calculation using data from alstria and findings from LETI. For details, see the section titled ‘Embodied GHG emissions in 2020.’

\(^2\) The number comes from a study of the German Energy Agency from 2018, which is still the most comprehensive analysis of the subject that we know of.

\(^3\) Source: EPRA/KPMG 2021: overview of real estate companies’ environmental performance.

\(^1\) alstria indicators were calculated based on collected consumption data from lettable area available for tenants (about 60% portfolio coverage for electricity, and about 85% for heating); location-based calculation for GHG using emissions factors from our local suppliers for district heating and from the German Federal Environmental Agency for electricity and fuel (natural gas); restatement of 2019 market based figures: we no longer consider carbon offsets when converting location based to market-based figures.

\(^1\) Like for like (LF), the energy consumption of our building portfolio was reduced by 5.6% from 2019 to 2020.
DECARBONIZING OUR BUILDING PORTFOLIO

Germany aims to reduce greenhouse gas emissions by at least 55% by 2030 relative to 1990 emission levels. With the building sector accounting for around one-third of Germany’s GHG emissions, our sector can be the catalyst for such change. On the following pages, we first introduce our GHG emission categories as well as our influence and general action areas to reduce them. Afterward, we report on the concrete GHG performance and the related actions of alstria in 2020.

Introduction

The overview graphic below first illustrates the overall GHG emission categories that occur at alstria’s buildings (green clouds). While these are largely considered as ‘Scope 3’ emissions and usually disregarded as ‘emitted by someone else in the value chain’, they represent the lion’s share of our business impact on climate change. We therefore feel it is our duty to take them into account and, if possible, to reduce them. On the one hand, we deal with embodied emissions that relate to building materials and building processes (also called upstream emission). On the other hand, our buildings create operational emissions from heating and electricity use (also called downstream emission). To reduce these emissions, we have various reduction potentials (white clouds), which we summarize in general terms (e.g., to reduce emissions from heating, we can install electric heat pumps, switch to district heating, and reduce demand). The reduction potential, however, is sometimes mainly determined by grid decarbonization or modernization (displayed with the white wedge), which means that alstria has only an indirect influence.
**Our influence on embodied GHG emissions**

The single-largest share of GHG emissions that will occur during the lifecycle of a typical new office building is linked to the manufacturing of materials and the initial construction phase. Together with the emissions from maintenance and replacement activities throughout the years, as well as the emissions from end-of-life disposal/demolition of the building, they constitute the so called embodied GHG emissions of the building.*

We think the most sustainable building is the one that is never built, and the second-most sustainable building is the one that already exists and continues to be used. Unfortunately, we are perceiving that this is not a shared understanding in the real estate community and beyond. Even the comprehensive European Union ‘taxonomy for sustainable activities’ chases carbon neutrality by focusing essentially on buildings’ operational emissions and neglecting embodied emissions from construction.

The main reason which we hear why embodied carbon is not sufficiently considered (from our perspective) is that it is difficult to measure. We agree that it is complex to measure, but we believe that this does not make it less real or important. Recent scientific studies indicate that the ratio between embodied and operational carbon is shifting increasingly towards embodied emissions being the larger part over the whole lifecycle.** In other words, the carbon emitted by the cement, and steel used during the construction represent the largest share of the overall lifetime emission of new buildings. These studies show that, given the current state of technology, a new building cannot be climate neutral. Relying on new construction will not solve the real estate carbon puzzle.

On the contrary, from our perspective, new construction is an integral part of the problem. Larger, more immediate emissions from new construction cannot justify potentially lower emissions from operations in the future. Hence, an existing building fabric must be preserved and reused for as long as possible. Thereby, large carbon emissions can immediately be avoided.

Looking back at our portfolio, a typical alstria building emits about 20–40 kgCO₂e/m² per year. It would take 30–50 years of operation (at the current grid carbon emission factor) for the operational emissions to reach the level of embedded emissions that a new building would emit in the year of its construction***, about 1,000 kgCO₂e per m².

Our industry holds a key responsibility for embodied emissions as we (the real estate investment community) are the ultimate decision-makers and investors when it comes to new buildings. At alstria, we have adopted the policy of not participating in projects involving the construction of new greenfield commercial developments. Instead, we focus our activity on refurbishing existing assets.

Through this approach, we can operate the company profitably and at the same time (in order of potential impact):

› contribute to avoiding the GHG intensive demolition of old buildings and/or the construction of new (office) buildings by others;

› reduce the embedded carbon added to the building’s ‘backpack’ during refurbishment by demanding low-carbon materials**** from our building service providers wherever they are suitable and economical;

› decrease our buildings’ future needs for modernization, maintenance, and repair (additional embodied carbon) by choosing durable and simple designs.*****

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**See Marique et al, 2018; Ness, 2020; Pittau et al., 2019.
****For details, see alstria’s Low Carbon Design Principles, page 5.
*****For details, see alstria’s Low Carbon Design Principles, page 6.
Our influence on operational GHG emissions
The second-largest source of GHG emissions from our buildings is the operational energy consumption. To put it in numbers:

- About 88% of the operational energy is consumed in the tenant areas (scope 3), and about 12% (scope 2) is consumed in the common areas/landlord’s shared services. Our own corporate office energy consumptions contributed less than 0.3% (scope 1 and 2) to our portfolio consumption.
- In 2020, about ⅓ of the operational energy was consumed in fossil fuel (essentially natural gas) heating, ⅓ in district heating, and about ⅓ for electricity. However, about ⅔ of the GHG emissions came from fuel heating, ⅕ from district heating, and ⅕ from electricity consumption.

Why is fossil fuel (i.e., natural gas) heating currently our main decarbonization challenge?
The GHG emissions from electricity and district heating are part of energy grids that will decarbonize heavily in Germany till 2045. However, fuel heating will depend strongly on natural gas in the foreseeable future. So far, biogas is not economical for the heating of our buildings, and we think direct heating with green hydrogen will not be available until 2040. From a climate perspective the need and value added of decarbonizing natural gas heating is driven by the speed at which electricity and district heating grids will decarbonize. As of today, in most cases, natural gas remains the most climate friendly location-based approach. This will change overtime, depending on the grid decarbonization speed.
**Emissions from heating**

The influence we have to reduce these emissions is relatively limited. Although we select the heating system and submeter the consumption for tenant areas in multi-tenant buildings (which constitute the biggest part of our portfolio), the net reduction effects/possibilities depend heavily on the status of the grid infrastructure/decarbonization.

However, through our modernization activities, we can (in order of potential impact)*:

1. switch fossil fuel heating to electric heat pumps (electrification of buildings!), or, if this is not possible,
2. use district heating/cooling (even if it means a lower initial carbon efficiency),
3. reduce demand (e.g., through the thermal improvement of the building envelope, a low-tech approach regarding building technology, the installation of more efficient heating plants, technical equipment, or the smart management of our buildings).

The GHG reduction effect of grid conversion depends strongly on the related grid decarbonisation. Most of our regional and municipal district heating suppliers have announced decarbonization strategies that include the following: increasing the share of renewables in district heating, and phasing out coal by 2030 at the latest; including industrial waste heat and waste incineration in the energy mix; developing thermal energy aquifer storage to allow for summer and winter heat exchange; and building power-to-heat and hydrogen plants to allow surplus solar and wind power for heat.

However, political considerations strongly affect the options for municipal suppliers (e.g., to maintain the heating costs at a socially acceptable level).

Regarding the continued use of conventional heating plants, it is generally possible to compensate for the necessary fuels, what we currently do to a certain extent (see EPRA data table in the Appendix). However, carbon offsetting is not the path we want to pursue long term.

**Emissions from electricity**

The influence we have to reduce these emissions is relatively low. We select and meter only the electricity contract for the shared areas (e.g., central plants, mechanical ventilation, cooling, corridors, hallways, lobbies, and technical areas) in multi-tenant buildings and in our own offices. In German office buildings, the by-far-larger share of electricity is obtained through energy contracts that tenants close directly with energy suppliers for their specific tenant areas. Moreover, data privacy law, makes it increasingly difficult for us to acquire knowledge of our tenant consumption, which is only provided to us on a voluntary basis. In addition, a national building data base is still not in place in Germany.

However, through our modernization and operation service activities, we can (in order of potential impact):

1. maintain the sourcing of 100% renewable energy for the shared services and our own offices,
2. motivate our tenants to join our renewable energy framework contract, thus allowing them to reduce their own emissions and energy costs (through the extended buying power that the contract offers),
3. install photovoltaic panels on roofs for our own use or tenant use (although this is currently not possible without overcoming substantial legal hurdles which render PV projects financially unattractive – but the evolution of the regulatory framework is dynamic),
4. enable energy flexibility and load management to better utilize the cyclical renewable energy supply and spot market energy prices,
5. reduce demand (e.g., through the installation of more efficient lightning, the installations of elevators, and the detection of operational inefficiencies based on smart meter data).

The impact of energy flexibility measures depends strongly on the further decarbonization of the electricity grids in Germany. With regard to our opportunities to install on-site photovoltaic systems, we depend strongly on the further evolution of the market economics, including the regulatory framework, the installation cost, and tenant demand/willingness to pay.

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*For details, see alstria’s Low Carbon Design Principles, especially Number 4: ‘Whenever possible, electrify buildings.’
**Embodied GHG emissions in 2020**

**Performance**

Based on findings from LETI, we have estimated our embodied GHG emissions. We assume that a new office building creates about 1,000 kgCO₂e/m². (In addition, we assume that about 30 kgCO₂e/m² are needed for the demolition of an existing building.) Based on our total lettable area in 2020, we thus assume that alstria carries about 1,400,000 tCO₂e in its portfolio. That is the equivalent of the entire annual emission of a middle-sized German city (around 180,000 inhabitants, 7.9 tCO₂e per capita/annum).*

However, we also estimate about 18,000 tCO₂e of emissions (about 600 kgCO₂e/m²) of avoided embodied carbon for the year of 2020.

The later savings are equivalent to the entire operational emissions of a typical alstria building (20–40 kgCO₂e/m² per year) during a period of about 15–30 years.

In addition, we assume, based on past experience and design assumptions, that these refurbishment projects after completion will lead to an average annual operational carbon savings of at least 30% (which corresponds to about 1,000 tCO₂e) due to energy-efficiency gains.

The following table summarizes our calculation. We are constantly revising and challenging our methodology and assumptions by following the academic discussion.

### Embedded and operational carbon of alstria's development projects

<table>
<thead>
<tr>
<th>Development projects</th>
<th>Lettable area</th>
<th>Embedded carbon</th>
<th>Operational carbon</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td><strong>Alternative A:</strong> New building</td>
<td><strong>Alternative B:</strong> Refurbishment and reuse</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total carbon from demolition &amp; new building</strong></td>
<td><strong>Proportion of preserved building</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td>[A] 1,030 kgCO₂e/m²*</td>
<td>[B] 1,030 kgCO₂e/m²*</td>
</tr>
<tr>
<td>Besenbinderhof 41</td>
<td>5,000 m²</td>
<td>5,150 tCO₂e</td>
<td>0%</td>
</tr>
<tr>
<td>Carl-Reiß-Platz 1–3</td>
<td>17,500 m²</td>
<td>18,025 tCO₂e</td>
<td>40%</td>
</tr>
<tr>
<td>Gustav-Nachtigal-Str. 3</td>
<td>16,800 m²</td>
<td>17,304 tCO₂e</td>
<td>70%</td>
</tr>
<tr>
<td>Gustav-Nachtigal-Str. 5</td>
<td>7,600 m²</td>
<td>7,828 tCO₂e</td>
<td>60%</td>
</tr>
<tr>
<td>Rotebühlstraße 98–100</td>
<td>8,900 m²</td>
<td>9,167 tCO₂e</td>
<td>60%</td>
</tr>
<tr>
<td>Solmsstraße 27–37</td>
<td>30,900 m²</td>
<td>31,827 tCO₂e</td>
<td>70%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>86,700 m²</strong></td>
<td><strong>89,301 tCO₂e</strong></td>
<td><strong>70%</strong></td>
</tr>
<tr>
<td><strong>Total in 2020</strong></td>
<td></td>
<td>11,471 tCO₂e</td>
<td></td>
</tr>
<tr>
<td><strong>Per m² in 2020</strong></td>
<td></td>
<td>397 kgCO₂e/m²</td>
<td></td>
</tr>
</tbody>
</table>

*Source: Statista.

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1) Embedded carbon estimates at 1,030 kgCO₂e/m² for replacing existing and building new office buildings (Source: LETI Embodied Carbon Primer 2020, p. 24).
2) Preserved embedded carbon estimates at 40%–70% depending on replacing carbon-intensive building parts (Source: LETI Embodied Carbon Primer 2020, p. 26).
3) Minimum energy gains estimation after a typical alstria refurbishment project following the EU medium renovation threshold of 30 – 60% (Sources: alstria’s historical data; European Commission 2019: Comprehensive study of building energy renovation activities and the uptake of nearly zero-energy buildings in the EU, p. 13).
Key reduction measures
In 2020, we introduced a series of low-carbon design principles providing our developers and service providers with a framework for balancing and testing the different components of a low-carbon design. The recommendations reflect the EU’s current climate strategy.

Reducing Embedded Carbon

1. **Continue to use the building stock**: Continue to use the existing building fabric and build only components that are necessary.

2. **Build low carbon**: Minimize the use of new concrete and steel, and instead, use low-carbon products that are durable.

3. **Simple and robust construction**: Use passive systems that require less technology and energy to operate and thus are more efficient in the long term (e.g., natural instead of mechanical ventilation).

Reducing Operational Carbon

4. **Whenever possible, electrify buildings**: Electrify buildings and thereby support the decarbonization of the grid. Grid-compatible buildings, although they are lower in initial carbon efficiency, will perform with higher energy flexibility in the future.

5. **Low-tech is the future**: Incorporate high-tech technology only when it yields a substantially superior benefit compared with a low-tech alternative. Building automations usually require substantial resources for production and operation and hence accelerate the pace of the obsolescence of the building in which they are installed.

6. **First, reduce energy demand**: Optimize the building envelope, and focus on passive solutions. For example, an airtight façade with mass behaving as a temperature buffer can reduce heating demands. In addition, challenge design-driven technical equipment, and instead, favour equipment that offers more comfort and flexibility.

7. **Then, increase efficiency**: Check and configure the settings of central building services to realize efficiency gains at little cost. Second, replace existing technical equipment with efficient alternatives (e.g., LED lighting, heat recovery ventilation, and frequency converters).
Implementing our low-carbon design principles

As the following table shows, we are making good progress with implementing our low-carbon design principles across our development program. In 2020, the total area under construction was about 86,700 m² (after development), representing about 6% of our total portfolio area.

We have designed our pipeline with flexibility, which enables us to slow down our commitments while still progressing as we deal with the impact of COVID-19.

As we refurbish properties only within our own portfolio, we can design and plan the project while the asset is still yielding. We determine the scope and depth of the refurbishment by taking into consideration the need to provide the asset with a new life that will meet tenants’ demands, improve the overall efficiency, and yield positive returns. We do not strive to maximize but rather to optimize and to achieve a balanced project.

<table>
<thead>
<tr>
<th>Development projects</th>
<th>Lettable area</th>
<th>Asset class</th>
<th>Embedded carbon</th>
<th>Operational carbon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Besenbinderhof 41</td>
<td>5,000 m²</td>
<td>office</td>
<td>Reusing most existing building structure and building an extension</td>
<td>Connection to district heating</td>
</tr>
<tr>
<td>[under construction]</td>
<td></td>
<td></td>
<td>New wooden windows</td>
<td>No BMS installed</td>
</tr>
<tr>
<td>Carl-Reiß-Platz 1–3</td>
<td>17,500 m²</td>
<td>office/residential</td>
<td>House 1 and 2: Reusing most existing building structure and building an extension. House 3: Reusing existing foundations and basement level</td>
<td>Natural ventilation, exterior sun shading of windows, no BMS</td>
</tr>
<tr>
<td>Gustav-Nachtigal-Str. 3</td>
<td>16,800 m²</td>
<td>office</td>
<td>Reusing most existing building structure</td>
<td>New windows complying with EnEV</td>
</tr>
<tr>
<td>[under construction]</td>
<td></td>
<td></td>
<td>Flexible building design and tenant fit-out</td>
<td>New and efficient building equipment, LED lighting</td>
</tr>
<tr>
<td>Gustav-Nachtigal-Str. 5</td>
<td>7,600 m²</td>
<td>office</td>
<td>Reusing most existing building structure</td>
<td>Natural ventilation, exterior sun shading of windows, no BMS</td>
</tr>
<tr>
<td>[planning]</td>
<td></td>
<td></td>
<td>Flexible building design and tenant fit-out</td>
<td>New windows complying with EnEV</td>
</tr>
<tr>
<td>Rotebühlstraße 98–100</td>
<td>8,900 m²</td>
<td>office</td>
<td>Reusing most existing building structure</td>
<td>Adding of heat pump to replace part of gas heating</td>
</tr>
<tr>
<td>[under construction]</td>
<td></td>
<td></td>
<td>No false ceiling in offices</td>
<td>Natural ventilation, exterior sun shading of windows, no BMS</td>
</tr>
<tr>
<td>Solmsstraße 27–37</td>
<td>30,900 m²</td>
<td>office</td>
<td>Reusing most existing building structure</td>
<td>Prepared for solar panels on the roof</td>
</tr>
<tr>
<td>[under construction]</td>
<td></td>
<td></td>
<td>Flexible building design and tenant fit-out</td>
<td>New facade, new windows, new &amp; green roof</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>150 kWp solar panels on the roof and new charging points for electric vehicles</td>
<td>New and efficient building equipment, LED lighting</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Thermal and acoustic comfort has been increased</td>
<td>New insulation of facade and underground parking; partially new windows; external sun shading renewed; new &amp; green roof</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>New insulation of façade and underground parking; partially new windows; external sun shading renewed; new facade, new windows, new &amp; green roof</td>
<td>New and efficient building equipment, LED lighting with occupancy sensors in whole building; high-efficiency pumps; mechanical ventilation with &gt;75% heat recovery</td>
</tr>
</tbody>
</table>
Operational GHG emissions in 2020

Performance
To analyze the operational GHG emission performance of our portfolio in use we apply several methods:

› extrapolation and benchmarking with the reduction pathways provided by the scientific CRREM consortium,
› extrapolation and benchmarking with the reduction pathways provided by the Science Based Target Initiative,
› time series comparison of the collected consumption data.

Benchmarking our performance with the Carbon Risk Real Estate Monitor (CRREM)
We track our annual emissions and energy use per lettable area with the CRREM Decarbonization Target Tool. Six well-known research institutions from various European countries developed and further revised it based on EU funding. The Laudes Foundation funded the project from 2021 onward. alstria was an early supporter of CRREM. We have been contributing to the development of the methodology since 2017. In 2018 and 2019, we supported the piloting as a corporate partner with consumption data, related background information, and feedback.

The tool provides real estate companies with decarbonization and energy reduction pathways specified per country and building type, which are aligned with limiting global warming to 1.5 degrees above pre-industrial levels. The distinction between types of property use is particularly relevant for real estate owners, such as alstria, whose portfolio is almost entirely offices.

Important pillars of our business approach, which we summarized in our low carbon design principles, are the foundation of the benchmarking result:

› focusing on robust low-tech buildings (to reduce active and energy-intensive building components) with good access to public transport,
› switching to district heating and electric heat pumps whenever possible, and selecting buildings according to their grid compatibility,
› constantly improving the structural energy efficiency (30%+) of the building portfolio with an in-house refurbishment department.

With this approach, our portfolio does better than the market average. For example, the European office average (EPRA data) in 2020 was 141 kWh/m², and in 2019, it was 154 kWh/m². Also, in the United Kingdom (UK) office market, which is in many cases like the German one (e.g., regarding size or general economic conditions), only around 32% of office buildings in 2019/20 already met the UK Green Building Council’s target of 160 kWh/m²/year for 2025.

*Source: EPRA/KPMG 2021: Overview of real estate companies’ environmental performance.
**Source: REAL ESTATE ENVIRONMENTAL BENCHMARK: 2020 ENERGY SNAPSHOT p. 17, provided by the UK Better Building Partnership.
Responding to the Science Based Target Initiative (SBTi)

We also benchmark our performance against the decarbonization pathway (expectations) of the Science Based Target Initiative (SBTi), which is a partnership among the CDP, the United Nations Global Compact, the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF). Compared with CRREM, the SBTi does not distinguish between country and building use types. In addition, it does not provide kWh reduction pathways.

Through the SBTi, alstria asserted that the total operational GHG emissions of its building’s portfolio would be reduced by at least 30% until 2030 from a base year of 2018. This includes a continued sourcing of 100% renewable energy in the landlord’s shared services/common areas in multi-tenant buildings and in alstria offices. This reduction corresponds to an annual linear reduction of at least 2.5%.

Between 2018 and 2020, the absolute operational GHG emissions of our portfolio (extrapolated to full coverage) dropped from about 65,000 tCO₂e to about 40,000 tCO₂e (location based) respectively from about 50,000 tCO₂e to about 30,000 tCO₂e (market based).

This reduction is mainly explained by:

- the decarbonization of the German energy grid and a related reduction in the official 2020 GHG emission factors (change to 2018: electricity: −22.6%; district heating: −15.8%; fuel: −0.8%),
- a reduction of our portfolio size (lettable area) by about 9.5% compared with 2018,
- an increase in energy efficiency due to the expansion of redevelopment activities,
- an increase in the 100% renewable energy procurement of our tenants,
- a change in the accounting of carbon offsets (i.e., natural gas), in line with international best practices (e.g., SBTi) from 2020 onwards; we no longer consider them when converting location based to market-based figures (at the beginning of 2022, we will stop paying for carbon offsets given the new carbon tax in Germany),
- a drop in energy consumption due to COVID-19 in 2020.

*Calculated based on collected consumption data (about 60% portfolio coverage for electricity and about 85% for heating); location-based calculation for GHG using emissions factors from our local suppliers for district heating and from the German Federal Environmental Agency for electricity and fuel (natural gas).
Collected consumption data
Out of our 2020 portfolio of 109 buildings, we were able to cover the operational emissions of 99 properties (30 single-tenant properties and 69 multi-tenant properties) in the year under review. Nine buildings were being refurbished, and one was acquired in 2020.

The data coverage of the energy consumption that alstria has procured is relatively high at 98% to 100%. The acquisition of the energy consumption data that tenants have procured, especially for single-let properties, is a common problem that German landlords face. Due to data privacy laws no tenant is obliged to share its consumption data and we must rely entirely on the cooperation and the monitoring systems of our tenants.

Nevertheless, we were able to collect about 65% of the tenant heating and about 63% of the tenant electricity consumption in 2020, which led to the values shown in the graphic on the right side.

Like for like (comparison excluding fluctuations in portfolio size) we see reductions in all consumption categories between 2019 and 2020 (electricity in shared services: –5.5%, electricity procured by tenants: –3.2%, district heating: –5.7%, fuel heating –6.9%). The reductions are mainly explained by COVID-19.

Appendix / EPRA Sustainability performance measures

Energy and GHG distribution in alstria’s portfolio in 2020
(collected consumption data)

GHG emissions and reduction from 100% renewable electricity
(collected consumption data)
Key reduction measures
Looking at the key action areas to reduce heating- and electricity-related emissions introduced above, alstria contributed as follows in FY 2020:

Switching fossil fuel heating to district heating and electric heat pumps
Germany introduced carbon taxing for fuel heating (oil and natural gas) in 2021. Our new framework procurement contract, which we plan to close in 2021, will reflect this, as we plan to cancel all carbon compensation for natural gas starting in 2022. We are exploring procurement methods that will allow for more natural gas from biogas plants and hydrogen in the future. So far, biogas is not economical for the heating of our buildings, and we think direct heating with green hydrogen will not be available until 2040.

In collaboration with our environmental service provider, Buhck Group, we are conducting a pilot project in 2021/2022 to supply buildings in our portfolio with excess heat from biogas plants and waste incineration. What is unique in this project is that heat from a regional biogas plant that cannot be fed into a local district heating grid is stored in containers and then transported directly to our properties. In this way, excess energy in the biogas plant that would have otherwise been lost can be used to cover buildings’ heating demands by replacing previously used fossil-fuel heating.

Renewable energy procurement
In 2019, we signed a new framework contract on 100% renewable energy sourcing for 2020–2021 for the common areas (landlords’ shared services) in multi-tenant buildings and in our offices. It comprises extended requirements on renewables that include the physical coupling of electricity generation and 20% of energy from plants younger than three years.

We further advised our tenants to join our renewable energy procurement contract (www.mieterstrompool.de), thus allowing them to reduce their own emissions. This approach benefits both parties: tenants can access the cheaper energy that alstria negotiates, and alstria can increase its buying power, thereby achieving better pricing for the utility costs it bears. Individual tenants may contract directly with the utility company (at alstria’s discretion), which will allow them to maintain the clean energy contract even in the case of alstria’s disposal of the asset.

Additional participation in the framework contract contributed to about 5% reduction of the total tenant electricity emissions in 2020.

Heating systems in alstria’s portfolio by source in 2020

<table>
<thead>
<tr>
<th>Source</th>
<th>Quantity</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural gas</td>
<td>45</td>
<td></td>
</tr>
<tr>
<td>Electric heat pumps</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Oil</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>No heating</td>
<td>1</td>
<td>(parking building)</td>
</tr>
<tr>
<td>District heating</td>
<td>60</td>
<td>(2019: 58)</td>
</tr>
</tbody>
</table>

1) In 2020 two buildings were converted from fuel to district heating and more are planned in 2021.
2) We have acquired in 2019 and 2020 two building with oil heating which we plan to replace as soon as feasible.
Enabling Energy Flexibility
To take advantage of governmental incentives promoting electric vehicles (EV), we have begun pilot projects involving installing electric vehicle (EV) charging solutions across our portfolio in collaboration with various providers. This is enabling us to prepare for the increased demand in e-mobility expected from customers in the next few years. To provide our buildings with the maximum capacity of charging stations, we are now installing dynamic load management systems. Such systems will allow us to expand our buildings’ energy flexibility by balancing the buildings’ electricity demands with their EVs and prepare for the next step which involves energy generation and storage.

Renewable energy generation
In the area of renewable energy generation, we began to install solar panels on our buildings in 2021. Following the approval of the Green Dividend project, we plan to install about 900 kWp of solar panels on the roofs of our buildings till the end of 2022. In addition, in 2021, we plan to install 150 kWp of solar panels in refurbished assets. In 2020, the solar capacity installed on two buildings in our portfolio was at 110 kWp. The produced energy of around 100,000 kWh was fed into the grid.

Reducing demand through smart metering and energy management
The total energy consumption of our portfolio relies on strong collaboration with our tenants and on our understanding of the consumption behavior in our buildings. We have thus started in 2016 to replace conventional electricity meters with smart meters to monitor energy consumption for landlord shared services in real time. Since 2020 our whole portfolio is equipped with electric smart meters. In 2021, we will start using load management systems in buildings with heavy EV charging, which will enable us to track whole building electricity consumption in real time. We will use these data to uncover inefficiencies in the operation of our buildings.

The Hamburg-based startup company Vilisto supplies alstria with smart thermostats that use occupancy detectors to regulate the room temperatures of our BEEHIVE spaces and corporate offices. For its vision to help customers to save energy and CO₂ emissions, Vilisto has been awarded the 2020 German Innovation Prize for Climate and Environment.

We aspire to use our corporate offices as a platform for testing new technologies, and we look forward to drawing results that will eventually impact other areas in our portfolio as we pursue our goal of reducing energy consumption. We therefore run an energy management system yearly according to ISO 50001 to identify appropriate energy-efficiency measures.
We believe that one of the best-climate friendly decisions a tenant can make is to rent office space in a refurbished instead of a new building. To support our thinking, we have created the following small model calculation, which is based on simplified but solid assumptions.

The impact of choosing office space in a refurbished building is huge and corresponds to avoiding immediately around 15,000 kgCO₂e* per workplace.

To put this into perspective, a person would need to stop using his or her car for about 15 years or to cut all personal flights for about 30 years or to live on a pure vegetarian diet for about 30 years to achieve the same carbon footprint reduction.

Other decisions in an office space can also help tenants to reduce the carbon footprint of each employee/workplace. In the following chart**, we have listed them according to the question: how many years it would take to reach the same amount of carbon saving as our best-case solution. This is not to say that you should do one thing or another to compensate. Rather we want to show the wealth of possibilities and put them in perspective with our best-case solution of 'refurbish and reuse existing buildings.' We think one should implement as many of these measures as possible.

Climate-friendly tenant decisions1): How many years would it take to achieve the same amount of carbon savings as deciding to rent office space in a refurbished building instead of a new one?

<table>
<thead>
<tr>
<th>Rent office space in a refurbished building</th>
<th>Use electricity from renewable sources</th>
<th>Rent in an energy efficient building</th>
<th>Office without mechanical ventilation and cooling</th>
<th>Use cloud computing/cut server electricity by half</th>
<th>Use efficient lighting</th>
<th>Recycle office waste</th>
</tr>
</thead>
<tbody>
<tr>
<td>Now</td>
<td>+40 years</td>
<td>+60 years</td>
<td>+150 years</td>
<td>+200 years</td>
<td>+300 years</td>
<td>+1,000 years</td>
</tr>
<tr>
<td><strong>–15,000 kgCO₂e per workplace</strong></td>
<td><strong>–350 kgCO₂e per workplace and year</strong></td>
<td><strong>–220 kgCO₂e per workplace and year</strong></td>
<td><strong>–90 kgCO₂e per workplace and year</strong></td>
<td><strong>–70 kgCO₂e per workplace and year</strong></td>
<td><strong>–50 kgCO₂e per workplace and year</strong></td>
<td><strong>–10 kgCO₂e per workplace and year</strong></td>
</tr>
</tbody>
</table>

1) Calculation of the respective savings potential based on findings from alstria’s ISO 50001 energy management system.

* A typical office workplace has 25 m², and reusing and refurbishing an existing building instead of a new construction helps to avoid around 600 kgCO₂e/m² (25 m²/wp × 600 kgCO₂e/m² = 15,000 kgCO₂e/wp). Details on how we calculate the avoided emissions are available in the section ‘Our GHG emissions and key actions in 2020/Embodied GHG emissions.’

** Calculation corresponding to www.co2-rechner.de values referring to the average German consumer.
REDUCING WATER CONSUMPTION

Tenant areas
No water stress generally exists in Germany, where our business operations take place. However, some metropolitan regions in Germany face water challenges (e.g., overloaded sewers) due to an increasingly scaling rate of rainfall events. For our part, whenever we refurbish one of our buildings, we try to include a rainwater collection or stormwater retention system, as well as greywater systems for toilets or sprinklers. We also regularly run controls on the sewer pipes across our portfolio to detect significant liquid spills. Water in our portfolio is procured exclusively from local authorities – either through our tenants or through us – and submetered directly to them. The use of water in our buildings is for tea kitchens, toilets, and green areas.

In 2020, our portfolio’s water consumption was 241,329 m³. This corresponds to a reduction of 21.0% like for like in 2019, which is mainly explained by COVID-19.

alstria’s offices
We use water in our corporate offices responsibly and have water-saving devices installed in tea kitchens, toilets, and green areas. Freshwater consumption amounted to 1,055 m³ in our offices in 2020, 23.3% lower than the previous year. This is mainly due to the additional amenities provided in our head office (fitness and shower facilities, as well as chilled and hot drinking water dispensers in all break rooms).

Waste in alstria’s portfolio by disposal route
Total waste consumption: 1,977 t

- 1.3% Composting and biogas
- 35.2% Incineration with energy recovery
- 63.5% Recycling

REDUCING WASTE IMPACTS

Tenant areas
To reduce the amount of waste that our tenants produce across our portfolio, we have applied a waste management system that an environmental service provider from Northern Germany runs. In 2020, this system covered 69 of 99 buildings. Our goal is to eventually include all buildings from our portfolio in this system and to improve our recycling rate.

alstria’s offices
To reduce paper use across the company, we have introduced a company-wide document management system and digital communication platforms. In 2020, we printed approximately 13 sheets of paper per employee per working day. The paper used is FSC certified. We also regularly inform our employees about our waste separation process.

Construction waste
alstria’s central policy toward the minimization of construction and demolition waste in our refurbishment/development projects is alstria’s low-carbon design principles framework, which we published in 2020, and which we apply to all of our refurbishment/development projects. It emphasizes the importance of ‘reduce and reuse,’ for example, by demanding to continue using the building stock as much as possible (Principle 1) or to minimize the use of new concrete and steel in favor of products that are durable, natural, and renewable, such as wood (Principle 2). This is also a central pillar of our overall sustainability approach, which recognizes the importance of embedded environmental impacts from a life cycle perspective.
We don’t buy, sell, or use building material directly; instead, we buy the ‘assembled service.’ The separation, disposal, and recycling (waste management plan) of construction and demolition waste is part of the service (and fixed price) that our suppliers deliver for us. That is done in an environmentally friendly manner is strictly regulated and enforced by German environmental laws (e.g., the 2012 Recycling Management Act). This means that waste management plans and waste separation are available for all our projects. We expect that our suppliers/service providers follow these regulations. This is specifically expressed in our standard building service contract.

Our contracts for building service providers create incentives for recovering and recycling building materials, as they are based on a fixed price for the full service, including the removal of building waste. We do not specifically price/negotiate the waste removal. This means, for example, if the provider of a demolition task finds ways of selling the construction waste to a road construction project instead of taking it to a landfill (which costs money), he can keep the revenue.

Our building approach to retrofitting rather than demolishing generates much less waste and uses less energy. Specialized waste disposal companies collect and treat waste from our construction activities according to German standards (to our knowledge).

In 2020, approx. 2,500 t and approx. 760 m³ of waste were generated at three construction sites and large tenant fit-outs.

PROTECTING BIODIVERSITY

In general, state regulations in Germany address a large number of biodiversity-related aspects. For example, as required by law, in 2020, we conducted an environmental assessment for all of our redevelopment projects. In addition, because our portfolio mainly consists of office buildings in major German cities, biodiversity is usually only slightly affected. Our main contribution to biodiversity protection lies in the fact that alstria never takes part in greenfield developments for commercial properties.
However, we understand that we can positively contribute to biodiversity and thus started to analyze our portfolio regarding certain relevant topics. For example:

> Green roof areas: 36 buildings with around 86,000 m² (in 2020)
> Beehives on the roof: three buildings with around 22 m² (in 2020)

In 2021, we bought our first forest in the state of Brandenburg in Germany. Our main objective through forest acquisition is to secure long-term access to timber and other wood construction materials, which are critical to our ability to deliver on our business. As a side effect, it is an important contribution to protecting carbon sinks and biodiversity, as we aim to manage the forest in a sustainable way. We are targeting improving the resilience of the forest by introducing more diversity in the tree mix (including increasing native species) and in the harvesting approach.

### A few numbers related to our forest (size: 218 ha)

- **Pine:** 195 ha (5 – 110 years old)
- **Birch:** 14.7 ha (15 – 85 years old)
- **Oak:** 4.0 ha (25 – 125 years old)
- **Douglas fir:** 1.4 ha (70 – 90 years old)
- **Sycamore:** 0.5 ha (50 years old)
Our People

44 Key figures
45 Employee development
50 Diversity and inclusion
52 Work-life balance
55 Compliance and ethical conduct
**All data refer to the number at the end of the reporting period (January 1, 2020 – December 31, 2020).**

1) **Incl. sick child.** German average of 11.2 days, data from Institut für Arbeitsmarkt- und Berufsforschung.

2) **8-hour day.**

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**Key figures**

- **WHO WE ARE**
  - 167 Employees (+1.2 %)
  - 12.0 % Management level
  - 88.0 % Non-Management level

- **Employees by gender**
  - 58.1 % Women
  - 41.9 % Men

- **Employees by type**
  - 21.0 % Part-time
  - 79.0 % Full-time

- **Average age**
  - 38 years

- **Average sickness**
  - 6.4 days

- **Average training**
  - 2.3 days

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67.7 % Employees with profit participation rights

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alstria Sustainability Report 2020/21
EMPLOYEE DEVELOPMENT

The expertise and commitment of our employees drives our business' success. At alstria, our mission is to offer employees an attractive, stable, and opportunity-rich working environment that enables high-quality performance. In this way, we can help ensure that our talented people stay onboard for the long term.

HR agenda

Our Human Resources (HR) team is committed to guiding our employees in their career paths and enhancing their well-being. The team’s central goal is to ensure the company recruits the right talents and that these talents are nurtured and can thrive within the company. This requires the following:

› First, aligning our employer branding to the market and attracting talented professionals that match the company’s culture.
› Second, ensuring a management culture that continually develops our employees and promotes the right people.
› Finally, retaining good managers and employees and promoting their commitment and enthusiasm for the company.

Our approach starts with transparent recruiting, an orientation program for new employees, continuous staff support and consulting, training, building of strong managerial skills, regular feedback sessions, annual performance appraisals and an annual employee survey.

Together against COVID-19

The year 2020 was heavily influenced by the COVID-19 pandemic. To protect our employees and to ensure that all operations could run as good as possible we introduced the following measures:

› Continuous and up-to-date communication on new requirements and suspected cases mainly via online channels,
› Dedicated escalation processes for suspected or positive cases,
› A comprehensive hygiene concept and office layouts adapting to social distancing rules,
› Installation of modern aerosol filters,
› Immediate pragmatic introduction of home office possibilities (during lockdowns as a preferred option),
› New flexible work policy making it easier to work from home,
› Specific support information and creation of exchange options for parents,
› Transferring company events into virtual gatherings,
› Mandating/offering COVID-19 tests for colleagues working from the office,
› A relief bonus to compensate for home working cost (no job cuts and no short-time work),
› Offering vaccination for alstria employees and close relatives (in 2021).

Our approach was recognized by the HR excellence awards 2020 (3rd place in the category workplace management), which is issued by Quadriga, a private university, and the Human Resources Manager, a specialist magazine for HR management issues in Germany.
**Our people in 2020**

In 2020, we employed 167 employees (FTE: 158), 1.2% more than the previous year. Twelve employees left alstria that year, representing a turnover rate of 7.2%. All of them left voluntarily. Most of our employees (64.7%) work in operating departments, including asset and property management, transactions and development. The rest (35.3%) work in support departments, including finance and controlling, legal, IT and office administration. Our managers – employees who lead teams with a reporting line two levels or less from the Management Board – account for 12.0% of our staff. These are further divided into first-level managers (leadership team) and second-level managers, with the rest of our staff (88.0%) having no extended managerial responsibilities.

We offer stable jobs and provide long-term career prospects facilitated by the number of permanent contracts. Of our 167 employees in 2020, only 4.2% worked under fixed-term contracts, mainly those in trainee positions. For more information on our trainee program, see the ‘Young talents’ paragraph.

We strive to allow our employees to grow in their current positions, and we devote time and resources training them to succeed in their new roles. When our employees’ needs change or the opportunities arise, we encourage transfers to equivalent positions in different teams and promote from within in the event of an in-house vacancy. In 2020, four employees were internally promoted to senior positions.

**Compensation system**

Especially in times of uncertainty, during the COVID-19 pandemic, it is essential to give our employees security and to recognize their performance through appropriate remuneration. In 2020, our board of directors initiated no job cuts and no short-time work. Rather, all employees were paid a relief bonus for 2020 to compensate for the additional costs caused by working from home.

Responsible for setting our strategic priorities and ensuring that remuneration remains attractive and in line with the market is our Management Board. Our managers are accountable for collaborating with their team members to develop annual personal targets based on the nature of their roles and for monitoring performance against those targets during annual appraisals.

Depending on the job position our employees get either (i) a fixed compensation or (ii) a (lower) fixed and variable compensation. The first provides more certainty, and the second one provides a potentially higher total compensation. Managers’ compensation packages always include a fixed salary and a variable, with the proportion of variable as part of the total compensation increasing with seniority. In detail, the variable compensation includes an annual bonus tied to individual performance and annual stock awards (so-called profit participation rights) that vest over two years and are triggered by the company’s share performance over the period. In 2020, 67.7% of our employees were granted variable compensation.
Compensation structure

<table>
<thead>
<tr>
<th>As of Dec. 31, 2020</th>
<th>Average compensation across the company (EUR)</th>
<th>CEO compensation (EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total amount of fixed and variable compensation</td>
<td>87,680.07</td>
<td>1,127,000.00</td>
</tr>
<tr>
<td>Annual change</td>
<td>−1.2 %</td>
<td>0.0 %</td>
</tr>
<tr>
<td>Bonus portion in total compensation</td>
<td>11.6 %</td>
<td>20.5 %</td>
</tr>
<tr>
<td>Long-term incentives portion in total compensation</td>
<td>17.8 %</td>
<td>39.0 %</td>
</tr>
</tbody>
</table>

为例

Our Code of Conduct, which also covers remuneration, contributes to protecting our employees against discrimination. For more information, see the chapter titled Diversity and Inclusion. In addition, across the organization, we provide good working conditions and adhere to the statutory minimum payment standards. With regard to our employees’ freedom of association and collective bargaining, the company recognizes the rights of all employees to form a workers’ council, set up employee representation and carry out collective bargaining to regulate working conditions. All above commitments are laid down in our Code of Conduct.

Employee survey

In 2020 we changed our employee engagement survey methodology. For the first time, the survey was conducted based on the leading international standard, the Great Place to Work – Trust Model. In Germany alone, 1,034 companies use the same methodology, which offers us the great opportunity to benchmark. With a trust index score of 79% (market benchmark* was 61%) alstria reached the highest possible rating: excellent. We also received insights for our HR strategy considerations. For example, we have learned that many of our colleagues are looking for more participation in the company’s direction and results. The index score is composed based on 67 questions to the alstria employees. They address the perception of the work environment and the company. Additionally, we asked for feedback on the direct managers and the team collaboration in general (22 questions).

Employee survey 2020

alstria received a trust index score of 79% in 2020, which is compared to 1,034 other German companies (cross-industry) considered as ‘excellent’.

Compilance and ethical code of conduct

*The market benchmark refers cross-industry to 1,034 German companies and is provided by the service provider Great Place to Work. For more information visit www.greatplacetowork.de/

Recruiting and employer branding

Nearly all recruiting is handled in-house and guided by our HR team. Depending on the position, we use various recruiting channels, such as online/print advertisement, social media, direct contact at fairs and universities and alstria’s intranet for employee referrals. Our recruitment process usually involves three steps: a telephone interview and two on-premises interviews. These interviews are attended by the future direct manager of the candidate, a team member and a member of the HR team. During the second interview, candidates are usually asked to work on a case study. At all stages of the recruitment process, we place great importance on objectivity and fairness toward the applicant.

With a focus on young professionals, we are present at universities by holding expert presentations and by supporting students in their academic work. In 2020, we contributed to five academic theses and four projects.
Young talents
Trainee programs hold a special place in our corporate culture. They ease cooperation between various departments and long-term succession planning within the company. Therefore, we hire young professionals every year to complete a two-year program specially designed to provide hands-on experience with our real estate business. During these two years, the trainees change position every three to six months to a different team within the company (including the executive board team), allowing them to gain experience and insights into the different parts of our business.

We organize assessment days to select our trainees. On these days, participants can demonstrate their skills in various individual and group tasks and gain insight into our corporate culture and future areas of job responsibility.

Welcome on board
We warmly welcome our employees to their first day at work by introducing them to our office premises and our staff. Upon starting, each employee is assigned to an HR associate who remains available for any questions. The respective department is in turn responsible for providing employee-specific training and team building. To help new employees integrate more quickly, we organize onboarding sessions, which during the present pandemic were held digitally. During these days, we present our corporate values and provide specific training on our IT tools and internal procedures. Most importantly, the onboarding sessions offer networking opportunities for our new colleagues that help them settle into their new environment.
Training programs

We offer our employees a wide range of training opportunities to ensure they are equipped with the necessary skills to take on new challenges. During the annual appraisal meetings, employees build their individual training plans in collaboration with their managers and members of the HR team. Upon completion of a training program, participants and their direct managers discuss the effectiveness of the program to tailor their future training plans more effectively. In 2021 we introduced the alstria E-Learning Academy (ELA), a new digital training format which also offers more advanced evaluation possibilities. ELA offers over 100 training modules in different fields (e.g., Language and Communication, Productivity, or Management and Teamwork) supporting our employees in their personal and professional development.

With regards to the training content, in 2020 we further promoted our corporate culture and improved the leadership skills of our managers. In 2020, particular attention was paid to digital transformation and leadership. In addition, we have continued to focus on developing real estate-specific skills and know-how across our team. A detailed breakdown of all training programs offered in the year appears in the ‘Training categories 2020’ graphic.

In total, we invested EUR 92,433.1 in training, which represents an average of EUR 553.5 per employee (EUR 584.7 per FTE). Due to COVID-19 significantly less training was possible in 2020 compared to previous years. In addition, we are digitalizing part of the training. Each employee received an average of 18.6 (in FTE: 19.7) hours of training (2019: 34.0 hours per employee).

alstria academy

We successfully run seminars held by employees for employees. We believe sharing knowledge and interesting stories across departments can encourage internal communication and build a stronger corporate culture. In addition, we invite experts from various fields to support our continuous learning. Some of the topics discussed in 2020 are listed below:

› Time Management,
› Diversity and intercultural exchange,
› Mental health improvement,
› Brand management,
› Good communication at work,
› alstria Low Carbon Design Principles for development projects.
DIVERSITY AND INCLUSION

As modern society becomes more diverse, embracing an inclusive work environment is the only way to move forward. The process of developing a diverse workforce starts with hiring talented people regardless of their individual characteristics, promoting people based solely on their performance and having managers who endorse equal opportunities and respect.

Diversity makes us stronger

The individual differences in our company make us stronger and innovative – visible differences such as gender and age and invisible differences such as experience or educational background. To protect and embrace the value of those differences, we established a Code of Conduct that applies to our employees and business partners. The policy prohibits discrimination against any individual on grounds of gender, age, ethnic group, skin color, nationality, social origin, sexual orientation, religion, ideology or disability throughout the working relationship with alstria.

During a dedicated alstria Academy session, we raised awareness among our employees and managers about various dimensions of diversity. We also take measures in the areas of recruitment and employee development to foster diversity and equal opportunity throughout the company.

Employees who experience or witness discriminatory incidents must report these to their direct managers and/or the compliance officer. In addition, all employees have access to our external 24/7 whistleblower hotline through which they can anonymously and confidentially report relevant breaches that they would feel uncomfortable reporting directly in the organization. Employees will face no sanctions due to reporting incidents. In 2020, no incidents of discrimination were reported.

Gender diversity

Our Management Board is committed to promoting gender diversity and increasing the representation of women in management positions. In 2020, 97 women and 70 men worked for alstria.

Although we firmly believe that candidates applying for any job position need to be selected based on their talent and not on their gender, we recognize our industry has a deficit of women in management positions. Our Management Board has, therefore, set a 30% target quota for women in the first management level below the Management Board (Head of Departments), and our Supervisory Board has assigned itself a similar target for its own composition. The targets apply for 2021 and 2024 respectively and were both overreached in 2020, with women covering 36.4% of first-level management positions and 33.3% of Supervisory Board positions. In December 2020, the Supervisory Board resolved to raise the target for the proportion of women on the Management Board to at least 30%. This target was not reached as of December 31, 2020 and will apply until December 31, 2024.*

We are proud that our approach to gender diversity has been recognized in the last two years by the 2020 and 2021 Bloomberg Gender-Equality Index.

*See also alstria IFRS annual report FY 2020 p. 173.
Gender pay gap
Our Management Board strives to provide equal remuneration for similar job assignments across the company. To promote pay parity, alstria monitors and compares the annual pay of women and men across all management levels. Although women are well represented in our company, the gender pay gap increased slightly (+1 % points) in favor of male employees compared to last year. We are confident that our pay gap is not caused by our approach to setting pay levels but is driven by the structure of our workforce. We have significantly more women (61.2 %) than men (38.8 %) in non-management roles (administration and support) and a higher number of men (65.0 %) than women (35.0 %) in management roles. We also believe that some real estate and technical core disciplines that tend to attract a higher market pay are underrepresented by female candidates. For example, in 2020 only 26.2 % of all STEM-related positions at alstria were held by women.*

Further, we monitor the gender pay gap across individuals with similar job assignments and experience. Under these conditions women earned 9.1 % more than men in 2020 (2019: 0.9 % more).**

Pay gap across employee categories

<table>
<thead>
<tr>
<th>As of Dec. 31, 2020</th>
<th>Female</th>
<th>Male</th>
<th>Pay gap (f/m)</th>
<th>Pay gap (f/m)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>fixed compensation</td>
<td>total compensation</td>
</tr>
<tr>
<td>Management level (1st and 2nd)</td>
<td>35.0 %</td>
<td>65.0 %</td>
<td>–11.3 %)¹</td>
<td>–20.5 %)¹</td>
</tr>
<tr>
<td>Non-management level</td>
<td>61.2 %</td>
<td>38.8 %</td>
<td>–18.2 %</td>
<td>–25.5 %</td>
</tr>
<tr>
<td>Employees with similar job assignments</td>
<td>57.6 %</td>
<td>42.4 %</td>
<td>5.9 %</td>
<td>9.1 %</td>
</tr>
</tbody>
</table>

¹Employees who were absent for more than two months, newly hired/released or promoted to this category during the reporting year are excluded from the consolidation basis.

Age diversity
We remain a young company, with 56.3 % of our employees being millennials (i.e., born between the years 1981–1996) and an average employee age of 38. As the pension age and the number of years each employee works for the company increase, we expect to have equal representation of four generations working together in the future. This new normal calls for flexibility and foresight in management. We, thus, respect, recruit and promote employees regardless of age. Retirement programs are not yet applied at our company, as our staff has not approached retirement age.

Employee age structure 2020

*STEM: Science, technology, engineering, and mathematics – The alstria definition comprises: Developer, Technical Project Manager, IT-department (no Project Manager), Facility Management, Data Analysts, BI Analysts, Controlling Team, Sustainability and Future Research Department.
**Methodology: In comparison groups, we classify employees with comparable jobs to better demonstrate the pay gap across the company. Some of these groups are relatively small (e.g., some only consist of two colleagues). Therefore, certain colleagues with a relatively high salary are heavily weighted. We concluded that the 2020 gap is explained by methodological/statistical reasons and will continue to monitor the topic closely.
WORK-LIFE BALANCE

We recognize our responsibility as an employer to react to lifestyle and societal changes and offer employees solutions to balance their work and personal lives. To promote the health and well-being of our employees, we provide a range of health care programs and comprehensive health management.

Health and safety management

As a German employer, alstria follows legal obligations for occupational safety and health protection and has a health and safety management system in place.

The Committee for Safety at Work is responsible for monitoring and improving occupational health and safety. Members consist of the Management Board, an elected security officer, a company doctor and an industrial safety expert. To address health and safety hazards at work in a timely manner, we conduct twice-yearly independent health and safety audits across all corporate offices. Any risk identified during these audits is addressed by the Committee for Safety at Work, and corrective actions are taken to eliminate it, including the involvement of team leaders.

Our health and safety system is anchored to a respective policy, which has been applied consistently to our organization since 2010. It supports the following:

› Meeting applicable legal requirements,
› Preventing occupational injury and reducing illness risks,
› Offering our employees training in health and safety topics, and
› Working closely with authorities, trade associations and institutions on these topics.

Health and well-being programs

To help our employees remain healthy, we support them with a yearly influenza vaccine, vision care according to DGUV principle G37 and business-travel accident insurance. In addition, we support our employees’ physical well-being by subsidizing monthly memberships to a sports club available in all big German cities and in eight countries throughout Europe.

We also have been paying close attention to the impact of mental health. We have thus formed an internal task force to spot the triggers and signs of mental health issues within our working environment. Most recently, we introduced a mental health app, ‘Self-apy,’ which offers psychological support for people with stress, depression, anxiety or eating disorders. The scientifically approved app service is supported by regular telephone calls and a message function with a personal psychologist.

To increase awareness among our employees of health and safety, we provide training upon hiring, which is organized by the security officer and complemented by annual updates. Each employee bears responsibility for following the health and safety policy and reporting potential risks. In addition, we offer free participation in first aid courses every three years. In 2020, due to COVID-19 unfortunately it was not possible to conduct first aid courses.
All these measures contributed to a relatively low number of sick days per employee in 2020: 6.4 days (2019: 10.1 days) incl. caring for sick children and 6.1 days (2019: 9.6 days)* without caring for sick children. These lower numbers are also explained by a moderate flu wave in 2020 (due to measures to contain COVID-19), which limits comparability with previous years. It is our ambition to stay below the German average every year. In 2020 the German average was 11.2 days per employee (2019: 10.9 days).* In 2020, we recorded no fatalities across the organization, but we did record two work-related injuries.

**Flexible working**

Besides statutory rights, we offer our employees trust-based working hours, which they can arrange with their direct managers considering their own and the business' needs. Our employees can choose to work off-site, for example, at our coworking business (BEEHIVE).

In 2020, to protect our employees from COVID-19, alstria released a flexible work policy which increases the possibilities of our colleagues to work from home. This was alstria’s standard work option in 2020. In 2021 the management board decided that this policy would remain in place even after the end of the COVID-19 crisis. However, working from home must be approved by superiors and it is limited to a maximum of 80 days per year and three consecutive days. To maintain successful remote work, we equip our employees with laptops, mobile phones, and 24-hour remote access to the company’s infrastructure and IT support.

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*Data from Institut für Arbeitsmarkt- und Berufsforschung.
Family support

We support our employees' balance of work and family responsibilities by offering (at their request) part-time models. Upon returning to work, new parents are welcomed to choose their suitable working model, and we provide the same working conditions for full and part-time employees. In 2020, the number of employees working part-time was 21%. 25% of our managers one level below the management board worked part time.

For employees with dependent family members, we offer a home-care model. This includes the possibility to reduce one's working time by up to 20 hours a week for a period up to two years. During this period, the employee receives a pay deduction of up to 25%. After the end of the home-care period, the employee returns to their contractually agreed working time and continues to receive a reduced salary for as long as the home-care model was used.

Corporate benefits

We offer our employees a wide range of benefits in addition to those for health and well-being. These are provided to all full- and part-time employees. Temporary employees are normally not eligible for the benefits outlined below.

Public transport pass: We cover commuting to work costs by subsidizing the local public transportation (monthly or annual tickets) fully.

Competitive vacation plan: We offer 30 days of vacation, which is 33% above statutory requirements.

Sports club membership: We subsidize the monthly membership to various fitness venues accessible in all big cities of Germany.

Company cars: We provide company cars (from 2021 only fully electric or plug-in hybrid vehicles) to managers, technicians and selected other employees; for example, those who must work off-site.

Sabbatical option: We offer employees who have been working for more than five years at alstria the option of sabbaticals in agreement with their supervisors and HR.

Pension plan: In addition to the legally mandated social pension, we offer a voluntary company pension plan (excluding the Management Board). The company matches employee contributions up to EUR 1,320 per year.

Electricity contract: We offer a fair-price contract of renewable electricity for private use.

Free access to coworking: We offer use of coworking BEEHIVE spaces.

Meals: We offer canteen options in our Hamburg office.

Jobrad: We provide leasing options of e-bikes and bikes to all employees.
COMPLIANCE AND ETHICAL CONDUCT

We expect our employees to act with integrity and to comply with our ethical standards. Only in this way can we maintain our good reputation and public trust. To systematically protect the company from compliance risks and promote ethical behavior among our employees, we have set up a company-wide compliance system.

Compliance system

Our Management Board has built a compliance system to assure proper implementation of the group’s ethical standards. These standards include a set of internal behavioral guidelines and codes of conduct (CoC) for employees and suppliers, which are available on our website. New employees receive the CoC on their first day at work as part of the welcome package and must accept its rules in writing.

The alstria compliance officer is responsible for ensuring legal conformity in the core compliance fields in the best possible way and enhancing the entire system, considering the constantly evolving legal environment. The officer is also bound to monitor compliance within the group and conduct compliance risk assessments every quarter, which are presented to the Audit Committee of the Supervisory Board. The Audit Committee, in turn, is responsible for controlling the scope and intensity of our compliance activities, including overseeing internal compliance-related audits.

Our employees are encouraged to raise concerns about compliance with their direct managers or the compliance officer. Employees can also use an external 24/7 whistleblower hotline, through which they can anonymously report violations of the code of conduct or the company’s internal guidelines. In 2021, we plan to launch a whistleblower portal/website. Our policy explicitly offers protection for whistleblowers, and employees face no sanctions as a consequence of reporting incidents. All new employees receive training regarding compliance upon hiring. Updates to our existing policies are immediately communicated via the company’s intranet, and refresher courses are provided to all employees.

Code of conduct for employees (Status: July 9, 2021) – covered topics

› Human Rights Commitment
› Legal Compliance
› Corruption and Bribery, Anti-Competitive Practices, Money Laundering
› Leadership and Example, Conflict of Interest, Confidentiality of Information, and Insider Trading
› Discrimination and Harassment
› Child Labour, Forced Labour and Freedom of Association
› Environmental Protection
› Grievance Mechanisms
› Additional Internal Guidelines

Code of conduct for employees
Corruption and bribery policy

alstria does not tolerate corrupt business practices by employees or external suppliers acting on behalf of alstria. Corruption is understood to be the acceptance or granting of advantages or benefits which are used to take unfair influence on business or official decisions. This expressly includes bribes in any form. Monetary gifts to business partners are strictly prohibited and perceived as (attempted) bribery. During an ongoing negotiation any kind of grants, invitations for events or hospitality are not permitted. Beyond that our employees shall not make or accept any grants in a value higher than EUR 50.00 net and shall limit invitation for events or hospitality to an assumed net-value of EUR 150.00. Employees of alstria are not allowed to offer, promise or grant office bearers monetary or non-monetary benefits of any kind.

Financial contributions (including in kind) may be made to organizations such as industry, trade and business associations, think tanks and research projects as well as for charitable purposes as part of alstria’s corporate citizenship activities. However, financial contributions are made voluntarily, without expectation of any consideration in return, within the framework of applicable laws and regulations, and always require the approval of the management board. All financial contributions made are to be reported to the Sustainability & Future Research department and will be published in alstria’s sustainability report. Financial contributions to politicians, political parties and political campaigns are not permitted and will not be made directly nor indirectly.

To protect the group from corruption risks, we have implemented an early- warning risk identification system that evaluates and monitors all associated risks on a quarterly basis at minimum.

The compliance officer oversees the compliance with anti-corruption practices. In addition, we maintain a four-eye principle as a control mechanism for most internal processes. In 2020, no incidents of corruption in relation to employees and business partners were officially reported to alstria.

Human rights policy

alstria operates a human rights policy intended to recognize and safeguard the human rights of all citizens in the business areas under our control and asks our suppliers to act alike. Our policy is built upon the principles set out by the United Nations on business and human rights and the International Labour Organization’s labor standards.

We monitor human rights risks across our organization on a quarterly basis as part of our compliance risk assessment. As the group operates in Germany, where social regulations are well developed through democratic frameworks, human rights are protected by German law to a high degree. However, we recognize that potential risks might occur across our supply chain, including risks related to unworthy working conditions in construction sites or in the production of building products and services used by our suppliers.

To mitigate potential impacts, we have a compliance management system in place designed to observe the adherence of high ethical standards within our organization. Those ethical standards also apply to the drafting of contracts with suppliers for minimizing noncompliance to human rights.

In 2020, no violation of human rights was recorded across our organization.
Sound Business

58  Key figures
59  Inclusive financial growth
60  Our office design
64  Supply chain management
66  Contribution to communities
Key figures

EUR 158.9 m
investment in our building portfolio

73 %
buildings with appropriate barrier-free access

70 %
buildings with good access to public transport

368*
workstations
in our coworking business BEEHIVE

4,700 m²
beneficial leasing for a good cause

EUR 1.37 m
rent payments waived and deferred for tenants due to COVID-19

*188 adjusted due to COVID-19 rules.
INCLUSIVE FINANCIAL GROWTH

Our value creation is based on cooperation with local and regional service providers. It enables the creation of well-paying jobs and gives us the opportunity to support the communities in which we operate.

Our financial profile

We report changes in the company’s structure and financial performance primarily in our annual report and in the investor relations section of our website. The following infographic provides financial information we consider particularly important for delivering our sustainability goals.

Distribution of capital in 2020

**Suppliers and contractors**: EUR 158.9 m capex/opex

**Shareholders**: EUR 94.1 m paid in dividends

**Debt providers**: EUR 31.8 m paid in interest

**Government**: EUR 13.8 m paid in taxes (EUR 7.9 m paid in taxes on land and buildings as an agent)

**Employees**: EUR 18.6 m paid in salaries

**Local communities**: EUR 0.2 m in local contributions

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Sources of financing 2020

- **Liabilities**: 36.1% EUR 1,838 million
  - 2.75% Others
  - 1.51% Schuld-scheine
  - 3.85% Loan debt
- **Equity**: 63.9% EUR 3,252 million
  - 63.90% Shareholders
  - 27.99% Bonds

Supporting our tenants during COVID-19

We remained in close contact with our tenants during the COVID-19 pandemic to identify individual solutions that could support their businesses and safeguard our rental income. In 2020, we waived and deferred rent payments totaling EUR 1.37 million (about 1% of total revenues) for our worst affected retail tenants, namely mom-and-pop shops and small-and medium-sized enterprises that have always paid their rent on time in the past.
OUR OFFICE DESIGN

With work no longer confined to a single location, today’s office users are increasingly looking for flexible, collaborative, and engaging workspaces. By staying a step ahead, we have already embraced the coworking mentality in our real estate strategy, and we have realized flexibility in our space and in our leases.

We understand the pivotal role that our buildings play in their environment and the impacts they may impose on their occupants and the surrounding communities. When we design an office space, our goal is to create long-term value for the tenants, the local communities, our partners, and ourselves. Thus, we consider the following factors, for example, important for increasing the long-term value of our office buildings:

› health and safety,
› human-centered office layouts,
› connections to transportation and recreational areas, and
› accessibility.

Health, safety, and human-centered office layout

Before making any significant acquisition, we exercise due diligence by thoroughly examining all potential safety, regulatory, and environmental risks that could pose health threats to the buildings’ occupants and the surrounding communities.

During the operation of the buildings and as required by law, we annually inspect all buildings in our portfolio to identify and remedy potential deficiencies in technical, safety, and access issues.

Before any refurbishment activity begins, we communicate the timeline of our construction activities to the building’s immediate neighbors. When conflicts arise, we try to react quickly and find solutions for the office users and tenants, which sometimes means rescheduling our heavy construction work to Saturdays to minimize noise and disturbances.

During refurbishment, the appointed construction company oversees its workers’ health and safety.

Furthermore, BG BAU, the body responsible for statutory accident insurance for the construction industry, regularly supervises our construction sites to ensure construction company workers are safe and have the required training. As German law requires, we appoint one health and safety coordinator (SiGeKo) for each construction site to ensure optimal occupational health and safety standards. When necessary, SiGeKo can proceed with closing a site or with discharging workers or construction companies. In 2020, no fatal accidents occurred at our construction sites or in our offices. However, we recorded one serious work-related accident at one of our construction sites. The incident at one of our service providers was handled in accordance with all legal requirements.

Overall, our office layouts encompass diverse principles of human-centered office design regarding, e.g., lighting; indoor air quality; thermal, acoustic, and visual comfort; ergonomics; and the incorporation of spaces for recreational activities.
Offices with barrier-free access
We want every office user to feel comfortable on our premises. Thus, we aim to offer common areas that are safe for people with disabilities. To gain better insight into our portfolio’s disability-friendliness, we have examined our common areas based on the following criteria:

› easy access to the building,
› accessible entrance areas and ramps,
› appropriately dimensioned circulation areas and corridors,
› accessible stairs and elevators,
› suitable handrails on stairs and ramps,
› accessible doors and passages, and
› accessible sanitary spaces.

Of all of the examined properties, 99% met our criteria for barrier-free buildings, demonstrating that most of our buildings are appropriate for people with disabilities, and the remaining buildings can be modified easily.

Connections to transportation and recreational areas
When it comes to real estate, location is everything. In the context of growing cities, the locations of offices and their access to transportation systems partially determine their rentability. Due to the immovable nature of our buildings and the limited influence we have over their surroundings, it is essential for us to understand their connectivity to the urban fabric. For this reason, we regularly examine our portfolio against the following criteria:

› distance to public transport (metros, buses, trams, bicycle-sharing, and ridesharing);
› distance to airports, railway stations, and highways;
› access to electric-vehicle charging stations;
› distance to food supplies, drugstores, pharmacies, banks, and cafés; and
› distance to recreation areas.

The results of our most recent study showed that 70% of our portfolio has good to very good access to transportation systems and local supplies. This is attributable mainly to the composition of our portfolio, with buildings situated in dense metropolitan areas.
Our coworking business: BEEHIVE

The world of work is changing. The trend toward a sharing economy is flourishing, and the number of coworkers worldwide has increased fivefold since 2015. Flexible concepts that promote exchange and offer inspiring environments are in demand. With BEEHIVE, we offer this type of working environment, which is also an important contribution to innovation ecosystems and thus to the future of the economy.

For over five years, the BEEHIVE team has welcomed thousands of freelancers, founders, start-ups, and anyone else who wanted to enjoy the benefits of a coworking environment in our BEEHIVEs.

The spaces are open 24/7 and offer 365-day access to flexible workspaces in all major German cities (Düsseldorf, Frankfurt am Main, and Hamburg). Coworkers simply book their workspace online and receive immediate and unlimited access to the BEEHIVE. In their personal online account, coworkers can adjust bookings, plan meetings, or invite guests. The lack of a cancellation period and membership fees also ensures flexibility.

Whether using open spaces, individual rooms, meeting rooms, or event spaces, anyone can find the right working atmosphere in a BEEHIVE, starting at just 5.30 EUR per day (one workstation for one month in the open space).

Register at www.beehivework.com and ask for exclusive offers if you are one of our tenants.
BEEHIVE Enterprise
More and more companies are discovering the benefits of combining coworking with traditional office environments. Now they are looking for hybrid solutions that are easy to implement. We address this trend with our BEEHIVE Enterprise offer. With this new service, companies can experiment with hybrid office concepts without making commitments.

A company account offers possibilities to assign coworking permissions and control expenses. With smart budget monitoring, full control over expenses is possible and the company pays for only what the team really uses. The usage behavior of employees can be analyzed. In this way, companies can see how the new option is being accepted and can derive future office plans from this.

Employees can access the coworking spaces in Hamburg, Frankfurt, and Düsseldorf around the clock, 365 days a year, with workspaces for every need. The booking conditions are flexible: there is neither a cancellation period nor a minimum term.

Visit BEEHIVE Enterprise or contact our BEEHIVE Team
SUPPLY CHAIN MANAGEMENT

We have a highly diverse and locally based supply chain, with providers ranging from multinational companies to small businesses. This graphic shows the major third parties we work with in our operations and business administration processes.

Suppliers we engage with

Capacity suppliers
Builders and planners
Real estate agents
Due diligence consultants
Facility managers

Production suppliers
Automobile dealer
Building material companies
Office furniture companies
Utility companies

Support suppliers
Business consultants
Analysts
Auditors
Dealing with ESG risks in the supply chain

The Environmental, Social and Governance ESG risk profile of alstria’s supply chain is structurally low because of the following characteristics:

› We operate only in Germany, and all our Tier 1 suppliers work under German law for us. Thus, the ESG conduct of our suppliers is thoroughly screened and strongly enforced by Germany’s numerous, comprehensive ESG compliance regulations.

› In addition, our business depends only to a small extent on the value addition of our suppliers since we mainly buy and manage existing buildings. For example, our development/building program usually affects less than 10% of our portfolio volume/total lettable area.

› Further, we don’t buy building materials (non-Tier 1 suppliers) directly. We buy the ‘assembled service’.

Nevertheless, we consider our suppliers in our quarterly risk identification process, which includes relevant ESG topics (e.g., the risk of non-compliance with human rights standards respectively of unworthy working conditions).

In addition, we ask our employees to report to their superiors or the compliance officer if it comes to their attention that suppliers infringe upon the law or the Code of Conduct for Suppliers.

Furthermore, alstria has established a compliance hotline with an external law firm through which employees may report violations anonymously. In 2021, we plan to launch a whistleblower website that is available for our employees and our supplier network.

Finally, when ordering services, e.g., for our real estate operations or building projects, we inform our Tier 1 suppliers of our CoC for Suppliers and that they ‘shall aim for their own subcontractors (non-Tier 1 for us) to comply with the alstria Code of Conduct for Suppliers’.

In FY 2020 (as in the past), no violation of human rights was recorded across our organization. Consequently, no corrective action plans and no remedial actions were necessary. Thus, it is not justifiable to allocate company resources to comprehensive site-specific assessments or risk mitigation plans.

Working with locally based suppliers

We engage third-party suppliers in our development projects and in the regular maintenance of our buildings. In 2020, we increased our investment in the improvement of our buildings to EUR 181.0 million. This investment supported around 900 jobs in the construction sector. To support the local economy, we aim to engage, whenever possible, with local small- and medium-sized companies. In 2020, our locally based suppliers and contractors made up around 25.0% of our total hires.

Code of conduct for suppliers

› Commitment to protecting human rights across the supply chain

› Zero tolerance for child and forced labor practices among suppliers

› Compliance with basic labor rights, including minimum wage, by suppliers

› Promotion of the occupational health and safety of workers

› Compliance with environmental standards

› Commitment to competing in a fair manner

› Management of conflicts of interest between alstria and suppliers

› Responsibility to report potential misconduct among suppliers

around 25.0% of contractors are locally hired
CONTRIBUTION TO COMMUNITIES

As a real estate company, we have a direct influence on the appearances of the cities in which we invest. We thus see our duty as that of a responsible citizen: to enhance the quality of life in our local communities. Our corporate citizenship activities and our engagement in preserving historical buildings are important to mention in this context.

Corporate citizenship

We see corporate citizenship and philanthropic activities as opportunities to increase important intangible value drivers of our business such as employee motivation and loyalty. In addition, increasing the quality of life in the local communities where we operate contributes to our social license to operate and to the general goodwill of local politicians, civil society organizations, and service providers. The latter are essential to our business. To operationalize this understanding, we focus on the following priorities.

› Charitable donations (mainly to local nonprofit organizations working for children in need),
› Community investment (support for local communities, especially through discounted leases for nonprofit organizations, arts, and culture groups, and biodiversity projects), and
› Commercial activities (sponsorship, mainly for local sports clubs that support children from difficult social backgrounds).

Hamburg Towers sponsorship

For another year, we sponsored the Hamburg Towers basketball club, which plays in the second highest German league, ProA, with EUR 25,000. The club supports the ‘Sport ohne Grenzen e.V.’ in its mission to give younger people, especially those from challenging social backgrounds, the opportunity to be involved in sports activities and develop an attitude of fair play.

BEEHIVE events

Our subsidiary, BEEHIVE, organizes regular free events in its spaces, addressing topics that range from empowering women in businesses to helping young entrepreneurs set up their businesses. It also organizes start-up challenges that offer newly founded companies exposure to potential clients and investors. In total, BEEHIVE organized 13 events in 2020, 11 of them took place virtually.

Support for the local bee population

We support biodiversity in the cities where we operate by offering several rooftops exclusively to regional beekeepers to produce honey for our tenants. Further, our coworking BEEHIVEs offer honey to their coworkers in collaboration with regional beekeepers to support local production.
Support for communities

In 2020, we offered discounted leases, representing an area of 4,711 m², to UNICEF’s volunteer group in Hamburg and to diverse cultural causes (e.g., theaters and galleries). We also paid for memberships to organizations that support the development of cities, such as the Interessengemeinschaft City Süd.

Additionally, we offer some of our buildings for art exhibitions and thus support the work of local artists and promote dialogue in our communities.

For the 2020–2021 art exhibition titled ‘MIND the GAP,’ we offered the remarkable paternoster-style elevators and the entrance of the historic Bieberhaus building, which is close to the central station in Hamburg. This series of exhibitions is thematically dedicated to the question of how existing building material can be reinterpreted, how urban space can be rethought and how social participation can be redefined. In addition to hosting the exhibition, we invite the artists to our on-site coworking space BEEHIVE to discuss their work and share their thoughts with our coworking community.

Charitable donations

Every Christmas, our employees donate presents to support the causes of the nonprofit organization aladin in Hamburg. The organization aims to improve the upbringing of children in need of assistance. In 2020, we also supported – with a EUR 20,000 rental discount – the children’s organization Straßenkinder Projekt KIDS, which was our former tenant.
Preservation of historic buildings

When the market presents us with a buying opportunity, we acquire historic buildings and take over their demanding restoration to maintain their cultural value. Notable older buildings in particular, when properly restored, can capitalize great returns on leases. One-seventh of our portfolio is comprised of heritage buildings. Two buildings in our portfolio, located in Hamburg’s Speicherstadt and its historic Kontorhaus districts, are on the UNESCO World Heritage List.

Our most prominent refurbishment project in the last year was the historic Geesthof building in the heart of Hamburg. Architect Hermann Höger erected the building in the 1920s for Hamburg’s health authority. Originally built with six full stories, the building impresses with its expressionist clinker-brick front, southeastern façade in Bauhaus style, and art nouveau interior elements. However, its architectural significance was severely damaged during World War II, when the building lost almost two floors and its distinctive crown. After its last occupant moved out in 2018, we seized the opportunity for a comprehensive modernization that will restore the building’s former character.

The concept we developed reflects the style of the 1920s and includes the reconstruction of the two destroyed stories, the restoration of the façade with clinker bricks, and the preservation of its distinctive staircase.

In our experience, historical restoration projects usually increase allocated capital by almost 50%. For our Geesthof project, we have planned an investment of around EUR 11 million, with a return of 6%.

In close cooperation with Hamburg’s monument protection authority, we aim for completion in 2021.
A – ABOUT THIS REPORT

This is alstria’s twelfth sustainability report. We publish this product every year in November to provide our readers with comprehensive information about our company’s sustainability approach and its progress in environmental, social, and governance areas of the previous financial year.

Reporting period

The reporting period is the 2020 calendar year. The effective day for all quantitative and qualitative data presented in this report is December 31, 2020. However, we provide some facts that reflect decisions and events that occurred in 2021 to ensure our readers receive up-to-date information. This information is marked as 2021 related.

To increase year-to-year comparability, we usually provide results for the two most recent reporting years. To assess our performance on carbon emissions, we established a base year (2013), which was the year we started applying significant measures to reduce our carbon emissions across the portfolio. In addition to 2013, we use 2018 as a base year to assess our performance against our recently established science-based targets.

Our sustainability report is publicly available on our website. The next sustainability report will be published in November 2022.

Reporting scope

This report has been prepared in accordance with the GRI Standards: Core Option. In addition, the report follows the real estate-specific guidelines of the EPRA Sustainability Best Practices Recommendations Guidelines, third edition. We report on our operations’ total carbon footprint according to the Greenhouse Gas Protocol Corporate Standard.

The statements in this report refer to the group of consolidated companies in the 2020 alstria Annual Report, which was prepared in accordance with the IFRS standard and assured by a third party. See alstria Annual Report 2020, pages 143 to 152. Any deviations from that are indicated and specified in the respective tables and graphics’ footnotes. Unless otherwise stated, our figures do not include joint ventures.

References to the company’s annual report or related websites are provided where necessary. The report also contains key performance indicators to allow for better measurement of our sustainability performance. For this sustainability report, we changed the accounting of carbon offsets (i.e., natural gas), in line with international best practice (e.g., Science Based Target Initiative). From 2020 onwards, we no longer consider them when converting ‘location-based’ to ‘market-based’ figures. Furthermore, due to changes in the measurement in the current reporting period, the 2019 values for waste for recovery were adjusted.

Selection of topics (materiality)

Topics (including sub-topics) and reporting boundaries were selected based on the results of our materiality analysis process. In 2015, we conducted a comprehensive baseline materiality assessment including a large stakeholder consultation. Based on our ongoing stakeholder engagement, which increasingly relates to ESG topics, we challenge the results annually. For example, we continually gather feedback from shareholders as well as political and civil society stakeholders through our investor and public relations departments. Internal feedback from operational departments (real estate operations, development, transactions & market intelligence) is very important to evaluate the importance of ESG topics for our customers, service providers, and the market in general.
With our human resource department, we analyze employee-related topics. Finally, through the work of our sustainability and future research department, we screen the latest scientific/regulatory developments and best practices. In addition, we discuss ESG related topics with our industry peers through associations and think tanks.

For further information on our baseline materiality analysis refer to the Sustainability Report 2015/16, pages 24 to 27. Except for the topic ‘workplace experience,’ which was added in 2018, and the topic ‘reducing our carbon emissions,’ which has gained importance in recent years, all remaining topics are weighted the same. Our material topics are presented in this report under the chapters ‘Our Buildings,’ ‘Our People,’ and ‘Sound Business.’

Mapping the UN Sustainable Development Goals (SDGs)

The 17 sustainable development goals (SDGs) adopted by United Nations Member States in 2015 establish an important path for building a better world by 2030. The overarching goals include ending poverty, reducing inequality, and stopping climate change. The SDGs also provide a framework for how companies can contribute to a positive future for the world. Our business’ nature enables us to have a positive influence on several SDGs, which are presented in detail below.

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<td>Contribution to communities</td>
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<td>8.7</td>
<td>Supply Chain Management</td>
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External audit

For the sixth consecutive year, we engaged an auditing firm to conduct a third-party evaluation of all environmental and social data, as well as associated content presented in the chapters ‘Our Buildings’ and ‘Our People.’ The EPRA tables in Appendix D were also included in the assurance scope. KPMG AG Wirtschaftsprüfungs-gesellschaft verified the current report.
## B - GRI CONTENT INDEX

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| 102-8 | Information on employees and other workers | Pages 44–49, 93–95 |

#### Supply chain

| 102-9 | Supply chain | Page 64 |

#### Significant changes to the organization and its supply chain

| 102-10 | Page 64 |

#### Precautionary principle or approach

| 102-11 | Pages 17–20, 70–71 |

#### We are fully aware of the environmental risks, impacting our business operations and we are deeply engaged to manage our business to reduce, avoid, or mitigate them. Throughout the whole report, we demonstrate how we apply the precautionary approach to our corporate strategy.

#### External initiatives

| 102-12 | Page 14 |

#### Memberships of associations

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#### Strategy

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<td>102-25 Conflicts of interest</td>
<td>Annual Report 2020, p. 154</td>
<td>No conflicts of interest concerning members of the Supervisory Board or Management Board arose during 2020 financial year.</td>
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<td>102-26 Role of the highest governance body in setting purpose, values, and strategy</td>
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<td>102-32 Highest governance body’s role in sustainability reporting</td>
<td>Pages 10</td>
<td>alstria’s Management Board formally reviews and approves the sustainability report of the Company. Since 2017, the Company has in place an ESG committee at the Supervisory Board level, which overlooks also the processes around the report.</td>
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<td>102-33 Communicating critical concerns</td>
<td>Annual Report 2020, p. 178–180</td>
<td>Besides the formal process that alstria follows regarding its communication with the public, our shareholders can voice their concerns to alstria at the Annual General Meeting. Our employees can address their concerns to the Compliance Officer or make use of the hotline provided for this purpose.</td>
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<td>102-34 Nature and total number of critical concerns</td>
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<td>This information is confidential and is not communicated externally by alstria.</td>
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<td>303-1 Interactions with water as a shared resource</td>
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<td>In our corporate offices we use water responsibly and have installed water-saving devices. In Germany, where we operate, there are no areas that are considered water stressed.</td>
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<td>We obtain freshwater through municipal water suppliers and therefore have 100% third-party water.</td>
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<td>303-4 Water discharge</td>
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<td>We discharge freshwater through municipal water suppliers.</td>
</tr>
<tr>
<td>303-5 Water consumption</td>
<td>Pages 40, 88, 90</td>
<td>303-5a/d: We only report on the third-party water consumption of our portfolio and corporate offices.</td>
</tr>
<tr>
<td><strong>GRI 305: Emissions 2016</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>103-1 Explanation of the material topic and its Boundary</td>
<td>Pages 27–34, 99–100</td>
<td></td>
</tr>
<tr>
<td>103-2 The management approach and its components</td>
<td>Pages 27–34, 99–100</td>
<td></td>
</tr>
<tr>
<td>103-3 Evaluation of the management approach</td>
<td>Pages 27–34, 99–100</td>
<td></td>
</tr>
<tr>
<td>305-1 Direct (Scope 1) GHG emissions</td>
<td>Pages 31–34, 86, 90–91, 96–97</td>
<td></td>
</tr>
<tr>
<td>305-2 Energy indirect (Scope 2) GHG emissions</td>
<td>Pages 31–34, 86, 90–91, 96–97</td>
<td></td>
</tr>
<tr>
<td>305-3 Other indirect (Scope 3) GHG emissions</td>
<td>Pages 31–34, 86, 90–91, 96–97</td>
<td></td>
</tr>
<tr>
<td>305-4 GHG emissions intensity</td>
<td>Pages 87, 91, 96–97</td>
<td></td>
</tr>
<tr>
<td>305-5 Reduction of GHG emissions</td>
<td>Pages 31–34, 87, 91, 96–97</td>
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</tr>
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<td>Disclosure</td>
<td>References</td>
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</tr>
<tr>
<td><strong>GRI 306: Effluents and Waste 2016</strong></td>
<td></td>
<td></td>
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<tr>
<td>GRI 103: Management Approach 2016</td>
<td></td>
<td></td>
</tr>
<tr>
<td>103-1 Explanation of the material topic and its Boundary</td>
<td>Page 40</td>
<td></td>
</tr>
<tr>
<td>103-2 The management approach and its components</td>
<td>Page 40</td>
<td></td>
</tr>
<tr>
<td>103-3 Evaluation of the management approach</td>
<td>Page 40</td>
<td></td>
</tr>
<tr>
<td>306-2 Waste by type and disposal method</td>
<td>Pages 40, 89, 90</td>
<td></td>
</tr>
<tr>
<td><strong>GRI 401: Employment 2016</strong></td>
<td></td>
<td></td>
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<tr>
<td>GRI 103: Management Approach 2016</td>
<td></td>
<td></td>
</tr>
<tr>
<td>103-1 Explanation of the material topic and its Boundary</td>
<td>Pages 45–49</td>
<td></td>
</tr>
<tr>
<td>103-2 The management approach and its components</td>
<td>Pages 45–49</td>
<td></td>
</tr>
<tr>
<td>103-3 Evaluation of the management approach</td>
<td>Pages 45–49</td>
<td></td>
</tr>
<tr>
<td>401-1 New employee hires and employee turnover</td>
<td>Pages 46, 94</td>
<td></td>
</tr>
<tr>
<td>401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees</td>
<td>Page 54</td>
<td>We offer our employees a free vaccine against influenza. 19.2% of alstria's employees used this offer.</td>
</tr>
<tr>
<td>401-3 Parental leave</td>
<td>Page 54</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>401-3b: 13 employees took parental leave (9 women: 4 men). 401-3c: 5 women and 4 men returned to work after parental leave ended. 401-3d: 3 women and 6 man remained employed after their parental leave ended in 2018. 401-3e: Retention rate of all employees that took parental was 90% (Retention women 100%, Retention men 86%). The return to work rate was 100%.</td>
</tr>
<tr>
<td><strong>GRI 403: Occupational Health and Safety 2018</strong></td>
<td></td>
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<tr>
<td>GRI 103: Management Approach 2018</td>
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<tr>
<td>103-1 Explanation of the material topic and its Boundary</td>
<td>Pages 52–54</td>
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<td>103-2 The management approach and its components</td>
<td>Pages 52–54</td>
<td></td>
</tr>
<tr>
<td>103-3 Evaluation of the management approach</td>
<td>Pages 52–54</td>
<td></td>
</tr>
<tr>
<td>403-9 Work-related injuries</td>
<td>Pages 52, 95</td>
<td>403-9a: Number of fatalities: 0; number of injuries resulted to a 6-month leave: 0; Number of work-related injuries: 2 403-9b: alstria does not work with contract workers from temporary employment agencies.</td>
</tr>
<tr>
<td>403-10 Work-related ill health</td>
<td>Pages 52, 95</td>
<td>103-10a: Number of fatalities resulting from work-related ill-health: 0; Absent days of all employees: 1,071.5 (women: 752; men: 319.5) on a basis of 255 working days and 167 employees. Absent days of employees in head office: 776; 295.5 in local branches.</td>
</tr>
<tr>
<td><strong>GRI 404: Training and Education 2016</strong></td>
<td></td>
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<tr>
<td>GRI 103: Management Approach 2016</td>
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<td></td>
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<tr>
<td>103-1 Explanation of the material topic and its Boundary</td>
<td>Pages 45–49</td>
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</table>
### TOPIC-SPECIFIC DISCLOSURES

<table>
<thead>
<tr>
<th>Disclosure</th>
<th>References</th>
<th>Additional Information</th>
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<tbody>
<tr>
<td>103-2 The management approach and its components</td>
<td>Pages 45–49</td>
<td></td>
</tr>
<tr>
<td>103-3 Evaluation of the management approach</td>
<td>Pages 45–49</td>
<td></td>
</tr>
<tr>
<td>404-1 Average hours of training per year per employee</td>
<td>Pages 49, 93</td>
<td>404-1a: The total training hours for employees were 3,110 h (women: 1,688 h, men: 1,422 h); level 1 managers: 308; level 2 managers: 351; non-managers: 2,451 h.</td>
</tr>
<tr>
<td>404-2 Programs for upgrading employee skills and transition assistance programs</td>
<td>Pages 49, 52–54</td>
<td>404-2a: No employees took a sabbatical (2019: 4). 404-2a: No retirement plans are yet in place as the average age of our employees (38) did not reach a critical mass.</td>
</tr>
<tr>
<td>404-3 Percentage of employees receiving regular performance and career development reviews</td>
<td>Pages 46, 93–95</td>
<td>All employees at alstria have received annual appraisals.</td>
</tr>
</tbody>
</table>

**GRI 405: Diversity and Equal Opportunity 2016**

<table>
<thead>
<tr>
<th>GRI 405: Diversity and Equal Opportunity 2016</th>
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</thead>
<tbody>
<tr>
<td>GRI 103: Management Approach 2016</td>
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<td>103-1 Explanation of the material topic and its Boundary</td>
</tr>
<tr>
<td>103-2 The management approach and its components</td>
</tr>
<tr>
<td>103-3 Evaluation of the management approach</td>
</tr>
<tr>
<td>405-1 Diversity of governance bodies and employees</td>
</tr>
<tr>
<td>405-2 Ratio of basic salary and remuneration of women to men</td>
</tr>
</tbody>
</table>

**GRI 406: Non-discrimination 2016**

<table>
<thead>
<tr>
<th>GRI 406: Non-discrimination 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI 103: Management Approach 2016</td>
</tr>
<tr>
<td>103-1 Explanation of the material topic and its Boundary</td>
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<tr>
<td>103-2 The management approach and its components</td>
</tr>
<tr>
<td>103-3 Evaluation of the management approach</td>
</tr>
<tr>
<td>406-1 Incidents of discrimination and corrective actions taken</td>
</tr>
</tbody>
</table>

**GRI 407: Freedom of Association and Collective Bargaining 2016**

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<tbody>
<tr>
<td>GRI 413: Local Communities 2016</td>
</tr>
<tr>
<td>413-1 Operations with local community engagement, impact assessments, and development programs</td>
</tr>
<tr>
<td>419-1 Non-compliance with laws and regulations in the social and economic area</td>
</tr>
</tbody>
</table>
Limited assurance report of the independent auditor regarding selected sustainability information

To the Management Board of alstria office REIT-AG, Hamburg


Management’s Responsibility

The legal representatives of alstria are responsible for the preparation of the Report in accordance with the Reporting Criteria. alstria applies the Principles and Standards of the Global Reporting Initiative (GRI) and the ‘European Public Real Estate Association (EPRA) Sustainability Best Practice Recommendations Guidelines (Third Version)’ (further: Reporting Criteria).

This responsibility of the legal representatives includes the selection and application of appropriate methods to prepare the Report and the use of assumptions and estimates for individual qualitative and quantitative sustainability disclosures which are reasonable in the circumstances. Furthermore, this responsibility includes designing, implementing and maintaining systems and processes relevant for the preparation of the Report in a way that is free of – intended or unintended – material misstatements.

Independence and quality assurance on the part of the auditing firm

We are independent from the entity in accordance with the requirements of independence and quality assurance set out in legal provisions and professional pronouncements and have fulfilled our additional professional obligations in accordance with these requirements.

Our audit firm applies the legal provisions and professional pronouncements for quality assurance, in particular the professional code for German Public Auditors and Chartered Accountants (in Germany) and the quality assurance standard of the German Institute of Public Auditors (Institut der Wirtschaftsprüfer, IDW) regarding quality assurance requirements in audit practice (IDW QS 1).

Practitioner’s Responsibility

Our responsibility is to express a conclusion on the disclosures within the sections ‘Our Buildings’ and ‘Our People’ as well as the ‘Appendix D EPRA Sustainability Performance Measures – Environment portfolio, Environment company and Social’ based on our work performed within our limited assurance engagement.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): ‘Assurance Engagements other than Audits or Reviews of Historical Financial Information’ published by the International Auditing and Assurance Standards Board (IAASB). This Standard requires that we plan and perform the assurance engagement to obtain limited assurance whether any matters have come to our attention that cause us to believe that the Report for the period from January 1, 2020, to December 31, 2020, has not been prepared, in all material respects in accordance with the aforementioned Reporting Criteria. We do not, however, issue a separate conclusion for each sustainability disclosure. In a limited assurance engagement the evidence gathering procedures are more limited than in a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. The choice of assurance procedures is subject to the auditor’s own judgement.

Within the scope of our engagement, we performed amongst others the following procedures:

- Inquiries of personnel on Group level responsible for the materiality analysis, in order to gain an understanding of the processes for identifying material sustainability topics and respective reporting boundaries of alstria office REIT-AG
- A risk analysis, including a media search, to identify relevant information on alstria’s sustainability performance in the reporting period.
Evaluation of the design and implementation of the systems and processes for the collection, processing and monitoring of the disclosures and information included in the scope of the assurance engagement, including the consolidation of the data.

Interviews with relevant staff on Group level responsible for providing and consolidating the data and information, as well as carrying out internal control procedures on the data and information, including the explanatory notes.

Analytical assessment of data and trends which were consolidated on Group level.

Assessment of local data collection and reporting processes and reliability of reported data via a sampling.

Evaluation of selected internal and external documents.

Assessment of the overall presentation of the selected sustainability information included in our scope.

**Conclusion**

Based on the procedures performed and the evidence received to obtain assurance, nothing has come to our attention that causes us to believe that the disclosures included in the scope of our assurance engagement for the business year from January 1, 2020, to December 31, 2020, published in the Report within the sections ‘Our Buildings’ and ‘Our People’ as well as the ‘Appendix D EPRA Sustainability Performance Measures – Environment portfolio, Environment company and Social’, are not prepared, in all material respects, in accordance with the Reporting Criteria.

**Restriction of Use / Clause on General Engagement Terms**

This report is issued for the purposes of the Management Board of alstria office REIT-AG, Hamburg, only. We assume no responsibility with regard to any third parties.

Our assignment for the Management Board of alstria office REIT-AG, Hamburg, and professional liability is governed by the General Engagement Terms for Wirtschaftsprüfer (German Public Auditors) and Wirtschaftsprüfungsgesellschaften (German Public Audit Firms) (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) in the version dated January 1, 2017 (https://www.kpmg.de/bescheinigungen/lib/aab_english.pdf). By reading and using the information contained in this report, each recipient confirms having taken note of provisions of the General Engagement Terms (including the limitation of our liability as stipulated in No. 9) and accepts the validity of the General Engagement Terms with respect to us.

Hamburg, 29 October 2021

KPMG AG
Wirtschaftsprüfungsgesellschaft

Drotleff ppa. Baumann
Wirtschaftsprüfer
[German Public Auditor]
In this section, we provide a detailed picture of our sustainability performance based on the third edition of the EPRA Sustainability Best Practices Recommendations Guidelines. Our focus remains, as always, in providing concise and transparent data. Similar to previous years, we increased the level of disclosure and breadth of our data sets. In the following tables, we present separately our performance against environmental, social, and governance measures. We also exhibit absolute and like-for-like (LfL) measures, as well as appropriate intensity indicators (Int).

EPRA-specific terminology

Absolute performance measures (Abs)
Absolute performance measures (Abs) for environmental data represent the total consumption of the building portfolio for the full reporting year. Likewise, Abs of social data include the total number of employees for the full reporting year.

Like-for-like (LfL) performance measures
Like-for-like (LfL) performance measures for environmental data complement the Abs measures. They facilitate a comparison of the consumption data for the same sized portfolio for the last two reporting years. Disclosure on an LfL basis demonstrates more effectively a change in performance that is not affected by fluctuations in a portfolio’s size (through acquisitions, disposals, and refurbishments). LfL measures are not used for social data; instead, absolute figures from the last two reporting years are provided to facilitate comparison.

Intensity indicators (Int)
Intensity indicators (Int) for environmental data provide the amount of consumption per unit of a suitable denominator. Typical denominators for office buildings are ‘per lettable area’ and ‘per workstation’ (one workstation equals 25 m² of office space). The main denominator for building intensity indicators is ‘per lettable area.’

In addition, the denominator for alstria’s corporate offices’ consumption is ‘per total number of employees’ for the reporting year. Finally, the denominators for greenhouse gas (GHG) emissions are ‘per total number of employees’ and ‘per open market value (OMV).’ Likewise, the denominators for social data are ‘per total/average number of employees.’

Coverage
In 2020, our portfolio included 109 buildings. However, we present the environmental performance for only 99 buildings because by the end of the reporting year, nine buildings were under construction, and one was recently acquired. In LfL measures, we disclose buildings that have been in operation consistently for the most recent two reporting years in full.

In 2020, we employed 167 employees, including trainees. In line with alstria’s IFRS Report, ‘employees’ are defined as all staff including trainees but not students, employees in maternity/parental leave, apprentices, interns, board (CEO and CFO), and contract workers from temporary employment agencies (which alstria does not work with).

Data limitations

Environmental data
Collecting consumption data from our buildings has never been easy. For a considerable part of our portfolio, namely the shared services in common areas and some tenant areas, we obtain consumption data in real time using smart meters. For the rest, namely all ‘tenant-obtained’ consumption, we obtain records from our tenants, over which we have no control and for which we have no verification procedures. However, we choose to report all available data and make no estimates to fill gaps, except for information that is required for benchmarking against the CRREEM or SBTi reduction pathways. Due to the COVID-19 crisis one of our most reliable sources for tenant electricity data was not able to provide us the data for 15 single-tenant buildings for this report in time. In this one case, we decided to make an extrapolation for these buildings. The reason for this is that we have measurement series from the last 10 years and consumption has been very constant in the past. This concerns approximately 4% of the total energy consumption in our portfolio.

Also due to COVID-19, various indicators related to our offices have decreased significantly. For example, GHG emissions from business trips were reduced from 120 tCO₂e to 38 tCO₂e.

Regarding water utilities, we usually submeter water exclusively to our tenants and can therefore report these data reliably. However, in the case of single-let buildings, our tenants directly obtain water; therefore, we must rely solely on their records.
Finally, regarding the waste generation in our portfolio, we can report data with a certain reliability because information is collected and managed by an external waste management company in 69 of 99 buildings. For the rest of the portfolio that has not yet been introduced to a waste management system, we choose not to disclose the data.

The deadline for the collection of our 2020 environmental data was the end of September 2021.

**Social data**

For the data associated with the pay gap between women and men, namely the EPRA ‘diversity pay’ indicator, we compare the total compensation of female employees to that of male employees, including fixed salaries, bonuses, and stock options, as well as the leasing of company vehicles. In addition, we provide the female-to-male pay gap for various management levels, including managers (management level 1), employees who lead teams with a reporting line two levels or less from the management board (management level 2), and the rest of the staff with no extended managerial responsibilities.

For data associated with employees’ health and safety, namely the EPRA ‘employee health and safety’ indicator, we calculate our employees’ absent days as working days according to the Hamburg model.

**GHG emissions accounting**

In line with the operational approach of the GHG Protocol Standard, we divide our carbon emissions into three categories:

› Scope 1 emissions: Direct emissions (Dir) resulting from our company’s vehicles and gas heating in our corporate offices.

› Scope 2 emissions: Indirect emissions (Indir) resulting from the consumption of electricity in the common areas of our multi-let buildings, as well as electricity and heating consumption from our corporate offices.

› Scope 3 emissions: Indirect emissions (Indir) arising from business travel, employee commutes, and energy consumption in tenant areas.

In addition, there are two available methods for calculating Scope 2 and 3 emissions. The location-based method uses mostly grid average emissions factor data, whereas the market-based method uses electricity that companies have purposefully chosen (e.g., renewable energy procurement).

For our 2020 GHG accounting, we used the latest available conversion factors from the German Federal Environment Agency’s ‘Umweltbundesamt, Climate Change | 45/2021 – Strommix 2020’, published in May 2021, and ‘Umweltbundesamt – Kohlendioxid-Emisionsfaktoren für die deutsche Berichterstattung atmosphärischer Emissionen,’ published in March 2020. For emissions from transportation, we used GHG Protocol’s Transport Tool v2.6, published in May 2015. Furthermore, for our portfolio’s emissions from district heating, we used factor data from our regional district heating suppliers. The applied conversion factors are as follows:

› Electricity grid mix, Germany – 2019: 0.401 kg/kWh; 2020: 0.366 kg/kWh (change: –8.7 %)

› Heating natural gas, Germany – 2019: 0.201 kg/kWh, 2020: 0.201 kg/kWh (change: 0.0 %)

› Heating residual fuel oil, Germany – 2019: 0.266 kg/kWh; 2020: 0.266 kg/kWh (change: 0.0 %)

› District heating, average alstria mix – 2019: 0.138 kg/kWh; 2020: 0.115 kg/kWh (change: –16.6 %)
### EPRA Sustainability performance measures – Environment portfolio

<table>
<thead>
<tr>
<th>Portfolio data</th>
<th>Units</th>
<th>2019</th>
<th>2020</th>
<th>2019</th>
<th>2020</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of applicable properties</td>
<td></td>
<td>101</td>
<td>99</td>
<td>97</td>
<td>95</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Open market value of applicable properties EUR m</td>
<td></td>
<td>3,999</td>
<td>4,030</td>
<td>3,810</td>
<td>3,825</td>
<td>189</td>
<td>206</td>
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<tr>
<td>Lettable area of applicable properties m²</td>
<td></td>
<td>1,325,472</td>
<td>1,258,971</td>
<td>1,248,497</td>
<td>1,171,184</td>
<td>76,975</td>
<td>87,788</td>
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<td>Therof covered single-let properties</td>
<td></td>
<td>31</td>
<td>30</td>
<td>29</td>
<td>29</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Open market value of single-let properties EUR m</td>
<td></td>
<td>1,430</td>
<td>1,402</td>
<td>1,310</td>
<td>1,310</td>
<td>119</td>
<td>92</td>
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<tr>
<td>Lettable area of single-let properties m²</td>
<td></td>
<td>481,688</td>
<td>454,680</td>
<td>434,371</td>
<td>427,218</td>
<td>47,317</td>
<td>27,462</td>
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<tr>
<td>Therof covered multi-let properties</td>
<td></td>
<td>70</td>
<td>69</td>
<td>68</td>
<td>66</td>
<td>2</td>
<td>3</td>
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<tr>
<td>Open market value of multi-let properties EUR m</td>
<td></td>
<td>2,570</td>
<td>2,628</td>
<td>2,500</td>
<td>2,515</td>
<td>70</td>
<td>114</td>
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<tr>
<td>Lettable area of multi-let properties m²</td>
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<td>843,784</td>
<td>804,291</td>
<td>814,126</td>
<td>743,965</td>
<td>29,658</td>
<td>60,326</td>
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<td>1)‘Other’ refers to asset categories: nursing home (2), hotel (1) and retail (1).</td>
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<tbody>
<tr>
<td>Total electricity consumption</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>For landlord shared services MWh</td>
<td></td>
<td>15,686</td>
<td>15,006</td>
<td>15,617</td>
<td>14,886</td>
<td>–4.7%</td>
<td>15,662</td>
<td>14,819</td>
<td>15,417</td>
<td>14,713</td>
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<tr>
<td>Thereof from renewable sources MWh</td>
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<td>15,686</td>
<td>15,005</td>
<td>15,617</td>
<td>14,884</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
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<tr>
<td>Proportion of renewable sources</td>
<td></td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
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<td>Number of applicable properties</td>
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<td>68 of 70</td>
<td>68 of 69</td>
<td>68 of 66</td>
<td>68 of 66</td>
<td>64</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Lettable area of applicable properties (multi-let) m²</td>
<td></td>
<td>813,284</td>
<td>794,818</td>
<td>757,633</td>
<td>723,703</td>
<td>96.4%</td>
<td>94.2%</td>
<td>96.3%</td>
<td>97.3%</td>
<td>97.3%</td>
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<tr>
<td>Coverage of lettable area</td>
<td></td>
<td>94.6%</td>
<td>98.8%</td>
<td>94.2%</td>
<td>94.2%</td>
<td>96.3%</td>
<td>100%</td>
<td>97.3%</td>
<td>100%</td>
<td>84.3%</td>
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<tr>
<td>Intensity kWh/m²/year</td>
<td></td>
<td>19.3</td>
<td>18.9</td>
<td>92.1%</td>
<td>20.0</td>
<td>19.9</td>
<td>92.1%</td>
<td>20.0</td>
<td>19.9</td>
<td>92.1%</td>
</tr>
<tr>
<td>GHG Emission location-based tCO₂e</td>
<td></td>
<td>6,290</td>
<td>5,492</td>
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<td>6,281</td>
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<td></td>
<td>0</td>
<td>1</td>
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<td>0%</td>
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<tr>
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<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
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<tr>
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<td>22.8%</td>
<td>4.0%</td>
<td>3.9%</td>
<td>4.0%</td>
</tr>
<tr>
<td>1)We assume that many more of our tenants obtain their electricity exclusively from renewable sources. However, in most cases we do not have the knowledge about the type of supply. The total reported quantity of renewable sources in tenant electricity refers to the participants in our tenant electricity pool and the verification from selected single-let tenants. Approx. 19 % of the tenant-obtained electricity was sourced from renewable sources under the operational control of our tenants.</td>
<td></td>
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<td>62.5%</td>
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<td>DH&amp;C-Abs</td>
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<td>DH&amp;C-Abs/-LfL</td>
<td>DH&amp;C-Abs/-LfL</td>
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<tr>
<td>For landlord shared services</td>
<td>MWh</td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
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<td>MWh</td>
<td>33,693</td>
<td>29,993</td>
<td>29,370</td>
<td>27,438</td>
<td>-6.6%</td>
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<td>Total landlord-obtained DH&amp;C</td>
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<td>29,993</td>
<td>29,370</td>
<td>27,438</td>
<td>-6.6%</td>
<td>13</td>
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<td>11,648</td>
<td>-3.7%</td>
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<td>75.9</td>
<td>73.1</td>
<td>-3.7%</td>
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<td>39.9</td>
</tr>
<tr>
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<td>tCO₂e</td>
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<td></td>
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<td>Fuels-LfL</td>
<td>Fuels-Abs</td>
<td>Fuels-LfL</td>
<td>Fuels-Abs/-LfL</td>
<td>Fuels-Abs/-LfL</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Sub)metered exclusively to tenants</td>
<td>MWh</td>
<td>28,772</td>
<td>25,152</td>
<td>24,518</td>
<td>22,654</td>
<td>-7.6%</td>
<td>13</td>
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<td>286,437</td>
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<td>373,526</td>
<td>327,292</td>
<td>286,437</td>
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<td>286,437</td>
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<tr>
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<td>kWh/m²/year</td>
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<td>-0.2%</td>
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<tr>
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<td></td>
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</tr>
<tr>
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<td>5,783</td>
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</table>
### Environmental performance

<table>
<thead>
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<tbody>
<tr>
<td>Total landlord-obtained fuels</td>
<td>MWh</td>
<td>28,772</td>
<td>25,152</td>
<td>24,518</td>
<td>22,654</td>
<td>-7.6%</td>
<td>28,772</td>
<td>25,152</td>
<td>24,518</td>
<td>22,654</td>
<td>-7.6%</td>
<td>-</td>
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</tr>
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<td>17,576</td>
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<td>17,576</td>
<td>-5.9%</td>
<td>16,527</td>
<td>17,576</td>
<td>18,490</td>
<td>17,576</td>
<td>-4.9%</td>
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<td>15,743</td>
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<td>15,743</td>
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<td>14,487</td>
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<td>16,697</td>
<td>15,743</td>
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<td>87.7%</td>
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<td>89.6%</td>
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<td>89.6%</td>
<td>90.3%</td>
<td>89.6%</td>
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<td>73.8%</td>
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</tr>
<tr>
<td>Intensity</td>
<td>kWh/m²/year</td>
<td>110.2</td>
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<td>11.3%</td>
<td>110.2</td>
<td>122.6</td>
<td>11.3%</td>
<td>110.2</td>
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<td>11.3%</td>
<td>-</td>
<td>-</td>
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</tr>
<tr>
<td>GHG Emission</td>
<td>location-based tCO₂e</td>
<td>3,322</td>
<td>3,533</td>
<td>-</td>
<td>3,322</td>
<td>3,533</td>
<td>-</td>
<td>3,322</td>
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<td>117,236</td>
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<td>125,841</td>
<td>120,774</td>
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<td>4,957</td>
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<td>197</td>
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<td>7.5%</td>
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<td>16.8%</td>
<td>-</td>
<td>13.4%</td>
<td>17.0%</td>
<td>-</td>
<td>13.4%</td>
<td>17.0%</td>
<td>-</td>
<td>-</td>
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<td></td>
</tr>
<tr>
<td>Number of applicable properties</td>
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<td>93 of 99</td>
<td>96 of 97</td>
<td>90 of 95</td>
<td>4 of 4</td>
<td>3 of 4</td>
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<td>4 of 4</td>
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<td>76,975</td>
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<td>93.7%</td>
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<td>100%</td>
<td>68.7%</td>
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1) Value for 2019 was adjusted.
## Environmental performance

### Building energy intensity

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<th>Total portfolio</th>
<th>Office portfolio</th>
<th>Other</th>
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<td>For landlord shared services</td>
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<tr>
<td>lettable area kWh/m²/year</td>
<td>19.3</td>
<td>18.9</td>
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<td>workstation kWh/ws/year</td>
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<td>472</td>
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<td>lettable area kWh/m²/year</td>
<td>77.6</td>
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<tr>
<td>workstation kWh/ws/year</td>
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<td>3,456</td>
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<tr>
<td>Total landlord-obtained energy</td>
<td></td>
<td></td>
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<tr>
<td>lettable area kWh/m²/year</td>
<td>86.2</td>
<td>72.0</td>
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<td>workstation kWh/ws/year</td>
<td>2,155</td>
<td>1,800</td>
<td>1,504</td>
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<td>Total tenant-obtained energy</td>
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<tr>
<td>lettable area kWh/m²/year</td>
<td>83.2</td>
<td>79.6</td>
<td>52.8</td>
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<tr>
<td>workstation kWh/ws/year</td>
<td>2,081</td>
<td>1,989</td>
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### Specific building energy intensity

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<th>Denominator</th>
<th>Total portfolio</th>
<th>Office portfolio</th>
<th>Other</th>
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<tr>
<td>Electricity intensity of building portfolio lettable area kWh/m²/year</td>
<td>41.3</td>
<td>39.3</td>
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<td>Heating intensity of building portfolio lettable area kWh/m²/year</td>
<td>79.8</td>
<td>79.1</td>
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<td>Energy intensity of building portfolio lettable area kWh/m²/year</td>
<td>110.8</td>
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### Total greenhouse gas emissions

<table>
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<tr>
<th>Method</th>
<th>GHG-Abs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct – Scope 1 (GHG-Dir-Abs)</td>
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<tr>
<td>location-based tonnes CO₂e</td>
<td>0</td>
</tr>
<tr>
<td>indirect CO₂ reductions</td>
<td>-6,290</td>
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<tr>
<td>market-based tonnes CO₂e</td>
<td>-1,282</td>
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<tr>
<td>Other indirect – Scope 3 (GHG-Indir-Abs)</td>
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<tr>
<td>location-based tonnes CO₂e</td>
<td>30,525</td>
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<tr>
<td>indirect CO₂ reductions</td>
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<td>market-based tonnes CO₂e</td>
<td>8,624</td>
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### Total Scope 1+2+3

<table>
<thead>
<tr>
<th>Method</th>
<th>GHG-Abs</th>
</tr>
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<tr>
<td>location-based tonnes CO₂e</td>
<td>36,815</td>
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<tr>
<td>indirect CO₂ reductions</td>
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### Ratio Scope 1+2 to Scope 3

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<th>Method</th>
<th>GHG-Abs</th>
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<tr>
<td>location-based</td>
<td>20.6%</td>
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1) Market-based values for 2019 were adjusted.
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<td>GHG intensity from building energy consumption</td>
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<td>GHG-Int</td>
<td>GHG-Int</td>
<td>GHG-Int</td>
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<td>GHG-Int</td>
<td>GHG-Int</td>
<td>GHG-Int</td>
<td>GHG-Int</td>
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<tr>
<td>For landlord shared services</td>
<td>lettable area</td>
<td>kgCO₂e/m²/year</td>
<td>7.7</td>
<td>6.9</td>
<td>−10.7%</td>
<td>7.9</td>
<td>7.5</td>
<td>−5.5%</td>
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<td></td>
<td>workstation</td>
<td>kgCO₂e/ws/year</td>
<td>193</td>
<td>173</td>
<td>14%</td>
<td>197</td>
<td>186</td>
<td>5%</td>
<td>14</td>
<td>51</td>
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<tr>
<td>(Sub)metered exclusively to tenants</td>
<td>lettable area</td>
<td>kgCO₂e/m²/year</td>
<td>12.5</td>
<td>12.5</td>
<td>0%</td>
<td>12.4</td>
<td>12.9</td>
<td>5%</td>
<td>20.2</td>
<td>5.3</td>
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<tr>
<td></td>
<td>workstation</td>
<td>kgCO₂e/ws/year</td>
<td>314</td>
<td>312</td>
<td>0%</td>
<td>310</td>
<td>323</td>
<td>4%</td>
<td>505</td>
<td>132</td>
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<td>Total landlord-obtained energy</td>
<td>lettable area</td>
<td>kgCO₂e/m²/year</td>
<td>18.0</td>
<td>14.2</td>
<td>−13.3%</td>
<td>18.3</td>
<td>14.8</td>
<td>−19.0%</td>
<td>9.0</td>
<td>4.9</td>
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<td></td>
<td>workstation</td>
<td>kgCO₂e/ws/year</td>
<td>450</td>
<td>356</td>
<td>−19.6%</td>
<td>458</td>
<td>371</td>
<td>−19.2%</td>
<td>225</td>
<td>123</td>
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<td>Total tenant-obtained energy</td>
<td>lettable area</td>
<td>kgCO₂e/m²/year</td>
<td>25.0</td>
<td>19.4</td>
<td>−22.6%</td>
<td>25.9</td>
<td>20.3</td>
<td>−20.2%</td>
<td>13.1</td>
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<td></td>
<td>workstation</td>
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<td>648</td>
<td>507</td>
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<td>Specific building GHG intensity</td>
<td>Denominator</td>
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<td>GHG-Int</td>
<td>GHG-Int</td>
<td>GHG-Int</td>
<td>GHG-Int</td>
<td>GHG-Int</td>
<td>GHG-Int</td>
<td>GHG-Int</td>
<td>GHG-Int</td>
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<td>GHG intensity from electricity of building portfolio</td>
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<td>kgCO₂e/m²/year</td>
<td>16.6</td>
<td>14.4</td>
<td>−13.3%</td>
<td>17.2</td>
<td>15.0</td>
<td>−12.8%</td>
<td>6.8</td>
<td>1.4</td>
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<tr>
<td></td>
<td>market-based</td>
<td>kgCO₂e/m²/year</td>
<td>10.7</td>
<td>7.3</td>
<td>−32.2%</td>
<td>11.0</td>
<td>7.6</td>
<td>−30.7%</td>
<td>6.7</td>
<td>0.0</td>
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<tr>
<td>GHG intensity from heating of building portfolio</td>
<td>location-based</td>
<td>kgCO₂e/m²/year</td>
<td>13.3</td>
<td>12.5</td>
<td>−6.2%</td>
<td>13.5</td>
<td>12.8</td>
<td>−5.7%</td>
<td>8.8</td>
<td>5.3</td>
</tr>
<tr>
<td>GHG intensity of building portfolio</td>
<td>location-based</td>
<td>kgCO₂e/m²/year</td>
<td>27.9</td>
<td>25.6</td>
<td>−8.2%</td>
<td>28.8</td>
<td>26.7</td>
<td>−7.1%</td>
<td>13.7</td>
<td>5.0</td>
</tr>
<tr>
<td></td>
<td>market-based</td>
<td>kgCO₂e/m²/year</td>
<td>22.2</td>
<td>18.7</td>
<td>−15.8%</td>
<td>22.7</td>
<td>19.5</td>
<td>−14.2%</td>
<td>13.6</td>
<td>3.8</td>
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1) Values for 2019 were adjusted.
### Environmental performance

#### Total portfolio

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<tr>
<td>Total water consumption</td>
<td>Water-Abs</td>
<td>Water-LfL</td>
<td>Water-Abs</td>
<td>Water-LfL</td>
<td>Water-Abs</td>
<td>Water-LfL</td>
<td>Water-Abs</td>
<td>Water-LfL</td>
<td>Water-Abs</td>
</tr>
<tr>
<td>Total landlord-obtained &amp; (sub)metered water m³</td>
<td>224,935</td>
<td>191,515</td>
<td>228,284</td>
<td>180,351</td>
<td>–21.0%</td>
<td>211,924</td>
<td>171,873</td>
<td>202,383</td>
<td>160,709</td>
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<td>Number of applicable properties</td>
<td>77 of 85</td>
<td>81 of 85</td>
<td>70</td>
<td>75 of 83</td>
<td>8 of 82</td>
<td>67</td>
<td>2 of 2</td>
<td>3 of 3</td>
<td>2</td>
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<tr>
<td>Lettable area of applicable properties m²</td>
<td>876,871</td>
<td>909,929</td>
<td>822,223</td>
<td>849,971</td>
<td>20.6%</td>
<td>847,213</td>
<td>894,609</td>
<td>761,897</td>
<td>842,274</td>
</tr>
<tr>
<td>Coverage of lettable area</td>
<td>93.4%</td>
<td>98.0%</td>
<td>88.6%</td>
<td>93.2%</td>
<td>97.9%</td>
<td>87.8%</td>
<td>100%</td>
<td>100%</td>
<td>–</td>
</tr>
<tr>
<td>Total tenant-obtained water m³</td>
<td>83,187</td>
<td>49,814</td>
<td>63,235</td>
<td>49,814</td>
<td>–21.2%</td>
<td>83,187</td>
<td>49,814</td>
<td>63,235</td>
<td>49,814</td>
</tr>
<tr>
<td>Number of applicable properties</td>
<td>10 of 16</td>
<td>2 of 14</td>
<td>2</td>
<td>10 of 14</td>
<td>2 of 13</td>
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<td>–</td>
<td>–</td>
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<tr>
<td>Lettable area of applicable properties m²</td>
<td>267,355</td>
<td>120,901</td>
<td>120,901</td>
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<td>–</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Coverage of lettable area</td>
<td>69.2%</td>
<td>36.6%</td>
<td>36.6%</td>
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<td></td>
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<tr>
<td>Rainwater collected m³</td>
<td>2,137</td>
<td>429</td>
<td>2,137</td>
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<td>Total water consumption m³</td>
<td>308,122</td>
<td>241,329</td>
<td>291,519</td>
<td>230,165</td>
<td>–21.0%</td>
<td>295,111</td>
<td>221,687</td>
<td>265,618</td>
<td>210,523</td>
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<td>83 of 99</td>
<td>72</td>
<td>85 of 97</td>
<td>80 of 96</td>
<td>69</td>
<td>2 of 4</td>
<td>3 of 3</td>
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<tr>
<td>Lettable area of applicable properties m²</td>
<td>1,144,226</td>
<td>1,030,830</td>
<td>943,124</td>
<td>970,504</td>
<td>32.4%</td>
<td>1,114,568</td>
<td>970,504</td>
<td>882,798</td>
<td>970,504</td>
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<td>Coverage of lettable area</td>
<td>86.3%</td>
<td>81.9%</td>
<td>74.9%</td>
<td>89.3%</td>
<td>82.9%</td>
<td>75.4%</td>
<td>38.5%</td>
<td>68.7%</td>
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#### Office portfolio

<table>
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<tbody>
<tr>
<td>Building water intensity</td>
<td>Denominator</td>
<td>m³/m²/year</td>
<td>litres/ws/day</td>
<td>Water-Int</td>
<td>Water-Int</td>
<td>Change</td>
<td>Water-Int</td>
<td>Water-Int</td>
<td>Change</td>
</tr>
<tr>
<td>Landlord-obtained &amp; (sub)metered water</td>
<td>lettable area</td>
<td>0.257</td>
<td>0.210</td>
<td>–18.0%</td>
<td>0.250</td>
<td>0.202</td>
<td>–19.1%</td>
<td>0.439</td>
<td>0.326</td>
</tr>
<tr>
<td>Tenant-obtained water</td>
<td>m³/m²/year</td>
<td>0.311</td>
<td>0.412</td>
<td>22.4%</td>
<td>0.311</td>
<td>0.412</td>
<td>22.4%</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Water intensity of total building portfolio</td>
<td>lettable area</td>
<td>0.269</td>
<td>0.234</td>
<td>–13.1%</td>
<td>0.265</td>
<td>0.228</td>
<td>–13.7%</td>
<td>0.439</td>
<td>0.326</td>
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#### Other

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<th>Units</th>
<th>2019</th>
<th>2020</th>
<th>Change</th>
<th>2019</th>
<th>2020</th>
<th>Change</th>
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<tr>
<td>Building water intensity</td>
<td>Denominator</td>
<td>m³/m²/year</td>
<td>litres/ws/day</td>
<td>Water-Int</td>
<td>Water-Int</td>
<td>Change</td>
</tr>
<tr>
<td>Workstation</td>
<td>17.6</td>
<td>14.4</td>
<td>–18.0%</td>
<td>17.1</td>
<td>13.9</td>
<td>–23.6%</td>
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<tr>
<td>Tenant-obtained water</td>
<td>m³/m²/year</td>
<td>0.311</td>
<td>0.412</td>
<td>22.4%</td>
<td>0.311</td>
<td>0.412</td>
</tr>
<tr>
<td>Water intensity of total building portfolio</td>
<td>lettable area</td>
<td>0.269</td>
<td>0.234</td>
<td>–13.1%</td>
<td>0.265</td>
<td>0.228</td>
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#### Environmental performance

<table>
<thead>
<tr>
<th>Building water intensity</th>
<th>Denominator</th>
<th>m³/m²/year</th>
<th>litres/ws/day</th>
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<th>Water-Int</th>
<th>Change</th>
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<tbody>
<tr>
<td>Workstation</td>
<td>17.6</td>
<td>14.4</td>
<td>–18.0%</td>
<td>17.1</td>
<td>13.9</td>
<td>–23.6%</td>
</tr>
<tr>
<td>Tenant-obtained water</td>
<td>m³/m²/year</td>
<td>0.311</td>
<td>0.412</td>
<td>22.4%</td>
<td>0.311</td>
<td>0.412</td>
</tr>
<tr>
<td>Water intensity of total building portfolio</td>
<td>lettable area</td>
<td>0.269</td>
<td>0.234</td>
<td>–13.1%</td>
<td>0.265</td>
<td>0.228</td>
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### Environmental performance

#### Total portfolio

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<tbody>
<tr>
<td>Waste for recovery)</td>
<td>metric tonnes</td>
<td>960.6</td>
<td>975.7</td>
<td>1.4%</td>
<td>846.5</td>
<td>961.5</td>
<td>13.5%</td>
<td>114.1</td>
<td>14.3</td>
</tr>
<tr>
<td>Organic waste</td>
<td>metric tonnes</td>
<td>31.0</td>
<td>24.9</td>
<td>−21.8%</td>
<td>31.0</td>
<td>24.9</td>
<td>−21.8%</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Paper/ Cardboard waste</td>
<td>metric tonnes</td>
<td>413.3</td>
<td>377.9</td>
<td>−7.8%</td>
<td>391.2</td>
<td>365.8</td>
<td>−7.8%</td>
<td>22.2</td>
<td>12.1</td>
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<tr>
<td>Residual waste</td>
<td>metric tonnes</td>
<td>638.5</td>
<td>598.9</td>
<td>−6.2%</td>
<td>632.8</td>
<td>598.9</td>
<td>−6.2%</td>
<td>5.7</td>
<td>0.0</td>
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<td>Total weight of waste by disposal route</td>
<td>metric tonnes</td>
<td>2,043</td>
<td>1,977</td>
<td>−3.6%</td>
<td>1,902</td>
<td>1,951</td>
<td>2.5%</td>
<td>142</td>
<td>26</td>
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<tr>
<td>Recycling</td>
<td>metric tonnes</td>
<td>1,118.1</td>
<td>1,256.1</td>
<td>12.3%</td>
<td>1,153.0</td>
<td>1,231.2</td>
<td>6.8%</td>
<td>124.8</td>
<td>24.9</td>
</tr>
<tr>
<td>Incineration with energy recovery</td>
<td>metric tonnes</td>
<td>716.8</td>
<td>696.4</td>
<td>−2.7%</td>
<td>717.5</td>
<td>695.0</td>
<td>−2.1%</td>
<td>171</td>
<td>1.4</td>
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<tr>
<td>Composting &amp; Biogas</td>
<td>metric tonnes</td>
<td>31.0</td>
<td>24.9</td>
<td>−19.9%</td>
<td>31.0</td>
<td>24.9</td>
<td>−19.9%</td>
<td>0.0</td>
<td>0.0</td>
</tr>
</tbody>
</table>

#### Office portfolio

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<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Waste for recovery)</td>
<td>metric tonnes</td>
<td>846.5</td>
<td>961.5</td>
<td>13.5%</td>
<td>391.2</td>
<td>365.8</td>
<td>−6.5%</td>
<td>114.1</td>
<td>14.3</td>
</tr>
<tr>
<td>Organic waste</td>
<td>metric tonnes</td>
<td>31.0</td>
<td>24.9</td>
<td>−21.8%</td>
<td>31.0</td>
<td>24.9</td>
<td>−21.8%</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Paper/ Cardboard waste</td>
<td>metric tonnes</td>
<td>391.2</td>
<td>365.8</td>
<td>−6.5%</td>
<td>391.2</td>
<td>365.8</td>
<td>−6.5%</td>
<td>22.2</td>
<td>12.1</td>
</tr>
<tr>
<td>Residual waste</td>
<td>metric tonnes</td>
<td>632.8</td>
<td>598.9</td>
<td>−6.2%</td>
<td>632.8</td>
<td>598.9</td>
<td>−6.2%</td>
<td>5.7</td>
<td>0.0</td>
</tr>
<tr>
<td>Total weight of waste by disposal route</td>
<td>metric tonnes</td>
<td>1,902</td>
<td>1,951</td>
<td>2.5%</td>
<td>1,902</td>
<td>1,951</td>
<td>2.5%</td>
<td>142</td>
<td>26</td>
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<tr>
<td>Recycling</td>
<td>metric tonnes</td>
<td>1,153.0</td>
<td>1,231.2</td>
<td>6.8%</td>
<td>1,153.0</td>
<td>1,231.2</td>
<td>6.8%</td>
<td>124.8</td>
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</tr>
<tr>
<td>Incineration with energy recovery</td>
<td>metric tonnes</td>
<td>717.5</td>
<td>695.0</td>
<td>−3.1%</td>
<td>717.5</td>
<td>695.0</td>
<td>−3.1%</td>
<td>171</td>
<td>1.4</td>
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<tr>
<td>Composting &amp; Biogas</td>
<td>metric tonnes</td>
<td>31.0</td>
<td>24.9</td>
<td>−19.9%</td>
<td>31.0</td>
<td>24.9</td>
<td>−19.9%</td>
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#### Other

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<th>Units</th>
<th>2019</th>
<th>2020</th>
<th>Change</th>
<th>2019</th>
<th>2020</th>
<th>Change</th>
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</thead>
<tbody>
<tr>
<td>Waste for recovery)</td>
<td>metric tonnes</td>
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<td>961.5</td>
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<td>391.2</td>
<td>365.8</td>
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<td>Organic waste</td>
<td>metric tonnes</td>
<td>31.0</td>
<td>24.9</td>
<td>−21.8%</td>
<td>31.0</td>
<td>24.9</td>
</tr>
<tr>
<td>Paper/ Cardboard waste</td>
<td>metric tonnes</td>
<td>391.2</td>
<td>365.8</td>
<td>−6.5%</td>
<td>391.2</td>
<td>365.8</td>
</tr>
<tr>
<td>Residual waste</td>
<td>metric tonnes</td>
<td>632.8</td>
<td>598.9</td>
<td>−6.2%</td>
<td>632.8</td>
<td>598.9</td>
</tr>
<tr>
<td>Total weight of waste by disposal route</td>
<td>metric tonnes</td>
<td>1,902</td>
<td>1,951</td>
<td>2.5%</td>
<td>1,902</td>
<td>1,951</td>
</tr>
<tr>
<td>Recycling</td>
<td>metric tonnes</td>
<td>1,153.0</td>
<td>1,231.2</td>
<td>6.8%</td>
<td>1,153.0</td>
<td>1,231.2</td>
</tr>
<tr>
<td>Incineration with energy recovery</td>
<td>metric tonnes</td>
<td>717.5</td>
<td>695.0</td>
<td>−3.1%</td>
<td>717.5</td>
<td>695.0</td>
</tr>
<tr>
<td>Composting &amp; Biogas</td>
<td>metric tonnes</td>
<td>31.0</td>
<td>24.9</td>
<td>−19.9%</td>
<td>31.0</td>
<td>24.9</td>
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### Environmental performance summary

#### Proportion of waste by disposal route

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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Recycling</td>
<td>62.5%</td>
<td>63.5%</td>
<td>1.0 pp</td>
<td>60.6%</td>
<td>63.1%</td>
<td>2.5 pp</td>
<td>87.9%</td>
<td>94.6%</td>
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</tr>
<tr>
<td>Incineration with energy recovery</td>
<td>35.9%</td>
<td>35.2%</td>
<td>−0.7 pp</td>
<td>37.7%</td>
<td>35.6%</td>
<td>−2.1 pp</td>
<td>12.1%</td>
<td>5.4%</td>
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</tr>
<tr>
<td>Composting &amp; Biogas</td>
<td>1.5%</td>
<td>1.3%</td>
<td>−0.3 pp</td>
<td>1.6%</td>
<td>1.3%</td>
<td>−0.4 pp</td>
<td>0.0%</td>
<td>0.0%</td>
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</tr>
<tr>
<td>Waste intensity of building portfolio (Waste-Int)</td>
<td>2.285</td>
<td>2.318</td>
<td>1.5%</td>
<td>2.126</td>
<td>2.313</td>
<td>8.8%</td>
<td>0.159</td>
<td>2.782</td>
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</tbody>
</table>

### Notes

1) Values for 2019 were adjusted.
## EPRA Sustainability performance measures – Environment company

### alstria’s corporate offices data

<table>
<thead>
<tr>
<th>Units</th>
<th>2019</th>
<th>2020</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hamburg (Head office)</td>
<td>m²</td>
<td>2,640</td>
<td>2,640</td>
</tr>
<tr>
<td></td>
<td>employees</td>
<td>117</td>
<td>120</td>
</tr>
<tr>
<td>Düsseldorf</td>
<td>m²</td>
<td>448</td>
<td>448</td>
</tr>
<tr>
<td></td>
<td>employees</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>Frankfurt</td>
<td>m²</td>
<td>522</td>
<td>522</td>
</tr>
<tr>
<td></td>
<td>employees</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>Stuttgart</td>
<td>m²</td>
<td>188</td>
<td>188</td>
</tr>
<tr>
<td></td>
<td>employees</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>Berlin</td>
<td>m²</td>
<td>270</td>
<td>327</td>
</tr>
<tr>
<td></td>
<td>employees</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Total alstria’s corporate offices</td>
<td>m²</td>
<td>4,068</td>
<td>4,125</td>
</tr>
<tr>
<td></td>
<td>employees</td>
<td>165</td>
<td>167</td>
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### Environmental performance – alstria’s corporate offices

<table>
<thead>
<tr>
<th>Units</th>
<th>2019</th>
<th>2020</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate electricity intensity (Elec-Int)</td>
<td>kWh/empl</td>
<td>882.8</td>
<td>802.1</td>
</tr>
<tr>
<td>Per office area (kWh/m²)</td>
<td>35.8</td>
<td>32.5</td>
<td>-9.3%</td>
</tr>
<tr>
<td>Corporate heating intensity (Heating-Int)</td>
<td>kWh/empl</td>
<td>1,565.6</td>
<td>1,496.2</td>
</tr>
<tr>
<td>Per office area (kWh/m²)</td>
<td>63.6</td>
<td>60.6</td>
<td>-4.6%</td>
</tr>
<tr>
<td>Corporate energy intensity (Energy-Int)</td>
<td>kWh/empl</td>
<td>2,448.4</td>
<td>2,137.0</td>
</tr>
<tr>
<td>Per office area (kWh/m²)</td>
<td>99.4</td>
<td>86.5</td>
<td>-12.9%</td>
</tr>
<tr>
<td>Total GHG emissions in alstria’s corporate offices (GHG-Abs)</td>
<td>tonnes CO₂e</td>
<td>1.8</td>
<td>1.8</td>
</tr>
<tr>
<td>Direct – Scope 1</td>
<td>tonnes CO₂e</td>
<td>1.8</td>
<td>1.8</td>
</tr>
<tr>
<td>Indirect – Scope 2</td>
<td>tonnes CO₂e</td>
<td>32.3</td>
<td>26.5</td>
</tr>
<tr>
<td>Total Scope 1+2</td>
<td>tonnes CO₂e</td>
<td>34.1</td>
<td>28.3</td>
</tr>
<tr>
<td>GHG intensity in alstria’s corporate offices (GHG-Int)</td>
<td>kgCO₂e/empl/year</td>
<td>206.6</td>
<td>169.5</td>
</tr>
<tr>
<td>Per office area</td>
<td>kgCO₂e/m²/year</td>
<td>8.4</td>
<td>6.9</td>
</tr>
<tr>
<td>Total corporate water consumption (Water-Abs)</td>
<td>m³</td>
<td>1,376</td>
<td>1,055</td>
</tr>
<tr>
<td>In alstria’s corporate offices</td>
<td>m³</td>
<td>1,376</td>
<td>1,055</td>
</tr>
<tr>
<td>Number of applicable offices</td>
<td>5 of 5</td>
<td>5 of 5</td>
<td></td>
</tr>
<tr>
<td>Solar generation onsite and sold to the grid (kWh)</td>
<td>2,505</td>
<td>1,416</td>
<td>-43.5%</td>
</tr>
<tr>
<td>Total corporate water consumption (Water-Abs)</td>
<td>l/empl/day</td>
<td>32.8</td>
<td>24.9</td>
</tr>
<tr>
<td>Rainwater collected, recycled and reused (m³)</td>
<td>766</td>
<td>429</td>
<td>-44.0%</td>
</tr>
<tr>
<td>Total waste from office activities (Waste-Abs)</td>
<td>metric tonnes</td>
<td>6.6</td>
<td>7.7</td>
</tr>
<tr>
<td>Paper consumption per employee (sheets / empl / day)</td>
<td>12.7</td>
<td>12.7</td>
<td>0.6%</td>
</tr>
<tr>
<td>Total waste in corporate offices</td>
<td>metric tonnes</td>
<td>6.6</td>
<td>7.7</td>
</tr>
<tr>
<td>Total waste recycled in corporate offices</td>
<td>metric tonnes</td>
<td>3.4</td>
<td>4.3</td>
</tr>
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</table>

1) Stuttgart heating consumption is estimated because it is not billed during the survey period.
### Carbon emissions – alstria

<table>
<thead>
<tr>
<th>Carbon Emissions</th>
<th>Units</th>
<th>2019</th>
<th>2020</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total direct GHG emissions – Scope 1</strong></td>
<td>GHG-Dir-Abs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company vehicles</td>
<td>tonnes CO₂e</td>
<td>13.9</td>
<td>12.0</td>
<td>–13.4%</td>
</tr>
<tr>
<td>alstria’s direct energy consumption</td>
<td>tonnes CO₂e</td>
<td>1.8</td>
<td>1.8</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Total Scope 1 emissions</strong></td>
<td>tonnes CO₂e</td>
<td>15.7</td>
<td>13.8</td>
<td>–11.9%</td>
</tr>
<tr>
<td><strong>Total indirect GHG emissions – Scope 2</strong></td>
<td>GHG-Indir-Abs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>alstria’s indirect energy consumption</td>
<td>tonnes CO₂e</td>
<td>90.7</td>
<td>75.5</td>
<td>–16.7%</td>
</tr>
<tr>
<td>Energy consumption of landlord shared services</td>
<td>tonnes CO₂e</td>
<td>6,290</td>
<td>5,605</td>
<td>–10.9%</td>
</tr>
<tr>
<td><strong>Total Scope 2 emissions</strong> location-based</td>
<td>tonnes CO₂e</td>
<td>6,381</td>
<td>5,680</td>
<td>–11.0%</td>
</tr>
<tr>
<td>GHG reduction from renewable sources</td>
<td>tonnes CO₂e</td>
<td>–6,348</td>
<td>–5,653</td>
<td>–10.9%</td>
</tr>
<tr>
<td><strong>Proportion of renewable sources in Scope 2</strong></td>
<td></td>
<td>99.5%</td>
<td>99.5%</td>
<td>0.0 pp</td>
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<tr>
<td><strong>Total Scope 2 emissions</strong> market-based</td>
<td>tonnes CO₂e</td>
<td>32.3</td>
<td>27.1</td>
<td>–16.1%</td>
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<tr>
<td><strong>Total Scope 1+2 emissions</strong> location-based</td>
<td>tonnes CO₂e</td>
<td>6,396</td>
<td>5,694</td>
<td>–11.0%</td>
</tr>
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<td><strong>Total Scope 1+2 emissions</strong> market-based</td>
<td>tonnes CO₂e</td>
<td>48.0</td>
<td>40.9</td>
<td>–14.7%</td>
</tr>
<tr>
<td><strong>GHG intensities – Scope 1+2</strong></td>
<td>GHG-Int</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scope 1 per employee</td>
<td>tCO₂e/empl/year</td>
<td>0.10</td>
<td>0.08</td>
<td>–12.9%</td>
</tr>
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<td>Scope 2 per employee</td>
<td>location-based</td>
<td>tCO₂e/empl/year</td>
<td>38.7</td>
<td>34.0</td>
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<td></td>
<td>market-based</td>
<td>tCO₂e/empl/year</td>
<td>0.20</td>
<td>0.16</td>
</tr>
<tr>
<td>Scope 1+2 per employee</td>
<td>location-based</td>
<td>tCO₂e/empl/year</td>
<td>38.8</td>
<td>34.1</td>
</tr>
<tr>
<td></td>
<td>market-based</td>
<td>tCO₂e/empl/year</td>
<td>0.29</td>
<td>0.25</td>
</tr>
<tr>
<td>Scope 1+2 per total lettable area</td>
<td>location-based</td>
<td>kgCO₂e/m²/year</td>
<td>4.1</td>
<td>4.0</td>
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<td></td>
<td>market-based</td>
<td>kgCO₂e/m²/year</td>
<td>0.03</td>
<td>0.03</td>
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<tr>
<td>Scope 1+2 per total OMV</td>
<td>location-based</td>
<td>gCO₂e/EUR/year</td>
<td>1.6</td>
<td>1.4</td>
</tr>
<tr>
<td></td>
<td>market-based</td>
<td>gCO₂e/EUR/year</td>
<td>0.01</td>
<td>0.01</td>
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</table>

### Total indirect other GHG emissions – Scope 3

<table>
<thead>
<tr>
<th>Carbon Emissions</th>
<th>Units</th>
<th>2019</th>
<th>2020</th>
<th>Change</th>
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</thead>
<tbody>
<tr>
<td>Business travel</td>
<td>tonnes CO₂e</td>
<td>120</td>
<td>38</td>
<td>–68.2%</td>
</tr>
<tr>
<td>Employee commutes</td>
<td>tonnes CO₂e</td>
<td>183</td>
<td>92</td>
<td>–50.0%</td>
</tr>
<tr>
<td>Tenant energy consumption – landlord obtained</td>
<td>tonnes CO₂e</td>
<td>10,095</td>
<td>8,375</td>
<td>–17.0%</td>
</tr>
<tr>
<td>Tenant energy consumption – tenant obtained</td>
<td>tonnes CO₂e</td>
<td>20,430</td>
<td>15,661</td>
<td>–23.3%</td>
</tr>
<tr>
<td><strong>Total Scope 3 emissions</strong> location-based</td>
<td>tonnes CO₂e</td>
<td>30,828</td>
<td>24,166</td>
<td>–21.6%</td>
</tr>
<tr>
<td>GHG reduction from tenant renewable electricity</td>
<td>tonnes CO₂e</td>
<td>–1,282</td>
<td>–2,428</td>
<td>89.4%</td>
</tr>
<tr>
<td><strong>Proportion of GHG reductions in Scope 3</strong></td>
<td></td>
<td>4.2%</td>
<td>10.0%</td>
<td>5.9 pp</td>
</tr>
<tr>
<td>GHG from carbon offsetting, natural gas</td>
<td>tonnes CO₂e</td>
<td>8,624</td>
<td>8,186</td>
<td>–5.1%</td>
</tr>
<tr>
<td><strong>Total Scope 3 emissions</strong> market-based</td>
<td>tonnes CO₂e</td>
<td>29,546</td>
<td>21,738</td>
<td>–26.4%</td>
</tr>
<tr>
<td><strong>Total GHG reductions in Scope 1–3</strong></td>
<td>tonnes CO₂e</td>
<td>–7,630</td>
<td>–8,082</td>
<td>–5.9%</td>
</tr>
<tr>
<td><strong>Proportion of GHG reductions in Scope 1–3</strong></td>
<td></td>
<td>20.5%</td>
<td>27.1%</td>
<td>6.6 pp</td>
</tr>
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<td><strong>Total Scope 1–3 emissions</strong> market-based</td>
<td>tonnes CO₂e</td>
<td>29,594</td>
<td>21,779</td>
<td>–26.4%</td>
</tr>
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<td><strong>GHG intensity – Scope 3</strong></td>
<td>GHG-Int</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scope 3 per employee</td>
<td>tCO₂e/empl/year</td>
<td>186.8</td>
<td>146.5</td>
<td>–21.6%</td>
</tr>
<tr>
<td></td>
<td>location-based</td>
<td>tCO₂e/empl/year</td>
<td>186.8</td>
<td>146.5</td>
</tr>
<tr>
<td></td>
<td>market-based</td>
<td>tCO₂e/empl/year</td>
<td>179.1</td>
<td>131.7</td>
</tr>
<tr>
<td>Scope 3 per total lettable area</td>
<td>kgCO₂e/m²/year</td>
<td>23.3</td>
<td>19.2</td>
<td>–17.5%</td>
</tr>
<tr>
<td></td>
<td>location-based</td>
<td>kgCO₂e/m²/year</td>
<td>23.3</td>
<td>19.2</td>
</tr>
<tr>
<td></td>
<td>market-based</td>
<td>kgCO₂e/m²/year</td>
<td>22.3</td>
<td>17.3</td>
</tr>
<tr>
<td>Scope 3 per total OMV</td>
<td>gCO₂e/EUR/year</td>
<td>7.7</td>
<td>6.0</td>
<td>–22.2%</td>
</tr>
<tr>
<td></td>
<td>location-based</td>
<td>gCO₂e/EUR/year</td>
<td>7.7</td>
<td>6.0</td>
</tr>
<tr>
<td></td>
<td>market-based</td>
<td>gCO₂e/EUR/year</td>
<td>7.4</td>
<td>5.4</td>
</tr>
</tbody>
</table>

### Note

1) Values for 2019 were adjusted.
## Mobility data – alstria

<table>
<thead>
<tr>
<th>Units</th>
<th>2019</th>
<th>2020</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cumulative distance of company vehicles</td>
<td>km</td>
<td>59,160</td>
<td>49,025</td>
</tr>
<tr>
<td>Cumulative distance of business travels</td>
<td>km</td>
<td>1,294,895</td>
<td>246,364</td>
</tr>
<tr>
<td>Number of all business trips</td>
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<td>2,296</td>
<td>596</td>
</tr>
<tr>
<td>Cumulative distance of employee commuting</td>
<td>km</td>
<td>1,210,629</td>
<td>605,314</td>
</tr>
</tbody>
</table>

## Green building certificates – alstria

<table>
<thead>
<tr>
<th>Type and number of certified sustainable assets</th>
<th>Units</th>
<th>2019</th>
<th>2020</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>BREEAM – good</td>
<td>Cert-Tot</td>
<td>1</td>
<td>1</td>
<td>0 %</td>
</tr>
<tr>
<td>Coverage of total lettable area</td>
<td></td>
<td>0.4 %</td>
<td>0.4 %</td>
<td></td>
</tr>
<tr>
<td>Lead – gold</td>
<td></td>
<td>1</td>
<td>1</td>
<td>0 %</td>
</tr>
<tr>
<td>Coverage of total lettable area</td>
<td></td>
<td>2.3 %</td>
<td>2.4 %</td>
<td></td>
</tr>
<tr>
<td>DGNB Redevelopment – gold</td>
<td></td>
<td>1</td>
<td>1</td>
<td>0 %</td>
</tr>
<tr>
<td>Coverage of total lettable area</td>
<td></td>
<td>0.7 %</td>
<td>0.8 %</td>
<td></td>
</tr>
<tr>
<td>Total number of assets with sustainability certifications</td>
<td></td>
<td>3</td>
<td>3</td>
<td>0 %</td>
</tr>
<tr>
<td>Coverage of total lettable area</td>
<td></td>
<td>3.4 %</td>
<td>3.6 %</td>
<td></td>
</tr>
</tbody>
</table>

## Return on carbon emissions (ROCE) – alstria

<table>
<thead>
<tr>
<th>Units</th>
<th>2019</th>
<th>2020</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1+2 emissions, location-based</td>
<td>tCO₂e</td>
<td>6,396</td>
<td>5,694</td>
</tr>
<tr>
<td>Earnings before taxes (EBT)</td>
<td>EUR k</td>
<td>187,467</td>
<td>177,063</td>
</tr>
<tr>
<td>ROCE</td>
<td>tCO₂e/EUR m</td>
<td>34.12</td>
<td>32.16</td>
</tr>
</tbody>
</table>

## Construction waste – alstria

### Total weight of waste by disposal route

<table>
<thead>
<tr>
<th>Units</th>
<th>2019</th>
<th>2020</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction waste, mixed</td>
<td>m³</td>
<td>770</td>
<td>13</td>
</tr>
<tr>
<td>Demolition waste, concrete, bricks</td>
<td>m³</td>
<td>1,566</td>
<td>585</td>
</tr>
<tr>
<td>Demolition waste contaminated (asbestos)</td>
<td>m³</td>
<td>65</td>
<td>0</td>
</tr>
<tr>
<td>Gypsum-based building materials</td>
<td>m³</td>
<td>338</td>
<td>0</td>
</tr>
<tr>
<td>Insulating materials</td>
<td>m³</td>
<td>1,108</td>
<td>123</td>
</tr>
<tr>
<td>Wood</td>
<td>m³</td>
<td>305</td>
<td>8</td>
</tr>
<tr>
<td>Bituminus mixtures</td>
<td>m³</td>
<td>0</td>
<td>33</td>
</tr>
</tbody>
</table>

### Total volume of construction waste

<table>
<thead>
<tr>
<th>Units</th>
<th>2019</th>
<th>2020</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction waste, mixed</td>
<td>metric tonnes</td>
<td>1,597</td>
<td>1,602</td>
</tr>
<tr>
<td>Demolition waste, concrete, bricks</td>
<td>metric tonnes</td>
<td>1,539</td>
<td>586</td>
</tr>
<tr>
<td>Demolition waste contaminated (asbestos)</td>
<td>metric tonnes</td>
<td>17</td>
<td>9</td>
</tr>
<tr>
<td>Gypsum-based building materials</td>
<td>metric tonnes</td>
<td>1,164</td>
<td>89</td>
</tr>
<tr>
<td>Insulating materials</td>
<td>metric tonnes</td>
<td>397</td>
<td>66</td>
</tr>
<tr>
<td>Wood</td>
<td>metric tonnes</td>
<td>1,113</td>
<td>32</td>
</tr>
<tr>
<td>Mixed metals</td>
<td>metric tonnes</td>
<td>34</td>
<td>94</td>
</tr>
<tr>
<td>Bituminus mixtures</td>
<td>metric tonnes</td>
<td>2</td>
<td>24</td>
</tr>
</tbody>
</table>

### Total weight of construction waste

<table>
<thead>
<tr>
<th>Units</th>
<th>2019</th>
<th>2020</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction waste, mixed</td>
<td>metric tonnes</td>
<td>5,864</td>
<td>2,503</td>
</tr>
</tbody>
</table>

1) Construction waste is summarized either in volume or in weight, depending on how it is available to us. The data of both categories are separated from each other, as we do not convert volume to weight or vice versa.
EPRA Sustainability performance measures – Social

<table>
<thead>
<tr>
<th>Employee gender diversity</th>
<th>All employees</th>
<th>Non-Management</th>
<th>Management (Level 1+2)</th>
<th>Management Board</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees by gender</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Diversity-Emp</td>
<td>Diversity-Emp</td>
<td>Diversity-Emp</td>
<td>Diversity-Emp</td>
</tr>
<tr>
<td>Male</td>
<td>40.6 %</td>
<td>41.9 %</td>
<td>1.3 pp</td>
<td>37.5 %</td>
</tr>
<tr>
<td>Female</td>
<td>59.4 %</td>
<td>58.1 %</td>
<td>–1.3 pp</td>
<td>62.5 %</td>
</tr>
<tr>
<td>Employees by age group</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Diversity-Emp</td>
<td>Diversity-Emp</td>
<td>Diversity-Emp</td>
<td>Diversity-Emp</td>
</tr>
<tr>
<td>&lt;30 years</td>
<td>21.2 %</td>
<td>19.8 %</td>
<td>–1.5 pp</td>
<td>23.6 %</td>
</tr>
<tr>
<td>30–50 years</td>
<td>69.7 %</td>
<td>70.1 %</td>
<td>0.4 pp</td>
<td>66.7 %</td>
</tr>
<tr>
<td>&gt;50 years</td>
<td>9.1 %</td>
<td>10.2 %</td>
<td>1.1 pp</td>
<td>9.7 %</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gender pay ratio</th>
<th>All employees</th>
<th>Non-Management</th>
<th>Management (Level 1+2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay gap women to men</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Diversity-Pay</td>
<td>Diversity-Pay</td>
<td>Diversity-Pay</td>
</tr>
<tr>
<td>Average remuneration</td>
<td>–38.1 %</td>
<td>–39.1 %</td>
<td>–1 pp</td>
</tr>
<tr>
<td>Remuneration by same function</td>
<td>0.9 %</td>
<td>9.1 %</td>
<td>8 pp</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Employee training and development</th>
<th>All employees</th>
<th>Non-Management</th>
<th>Management (Level 1+2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average hours of training per year</td>
<td>Emp-Training</td>
<td>Emp-Training</td>
<td>Emp-Training</td>
</tr>
<tr>
<td>All employees</td>
<td>34.0 h</td>
<td>18.6 h</td>
<td>–45.2 %</td>
</tr>
<tr>
<td>Male employees</td>
<td>38.5 h</td>
<td>20.3 h</td>
<td>–47.2 %</td>
</tr>
<tr>
<td>Female employees</td>
<td>30.9 h</td>
<td>17.4 h</td>
<td>–43.8 %</td>
</tr>
</tbody>
</table>
### New employee hires and employee turnover by gender

<table>
<thead>
<tr>
<th></th>
<th>All employees</th>
<th>Male employees</th>
<th>Female employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019</td>
<td>2020</td>
<td>Change</td>
</tr>
<tr>
<td><strong>New employees</strong></td>
<td><strong>Emp-Turnover</strong></td>
<td><strong>Emp-Turnover</strong></td>
<td><strong>Emp-Turnover</strong></td>
</tr>
<tr>
<td>Total number of new employee hires</td>
<td>28</td>
<td>14</td>
<td>-50.0%</td>
</tr>
<tr>
<td>- in head office</td>
<td>17</td>
<td>11</td>
<td>-35.3%</td>
</tr>
<tr>
<td>- in other local offices</td>
<td>11</td>
<td>3</td>
<td>-72.7%</td>
</tr>
<tr>
<td>Rate of new employee hires</td>
<td>17.0%</td>
<td>8.4%</td>
<td>-8.6 pp</td>
</tr>
<tr>
<td><strong>Leaving employees</strong></td>
<td><strong>Emp-Turnover</strong></td>
<td><strong>Emp-Turnover</strong></td>
<td><strong>Emp-Turnover</strong></td>
</tr>
<tr>
<td>Total number of leaving employees</td>
<td>15</td>
<td>12</td>
<td>-20.0%</td>
</tr>
<tr>
<td>- in head office</td>
<td>10</td>
<td>8</td>
<td>-20.0%</td>
</tr>
<tr>
<td>- in other local offices</td>
<td>5</td>
<td>4</td>
<td>-20.0%</td>
</tr>
<tr>
<td>Rate of employee turnover</td>
<td>9.1%</td>
<td>7.2%</td>
<td>-21.0%</td>
</tr>
</tbody>
</table>

### New employee hires and employee turnover by age group

<table>
<thead>
<tr>
<th></th>
<th>&lt;30 years old</th>
<th>30–50 years old</th>
<th>&gt;50 years old</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>New employees</strong></td>
<td><strong>Emp-Turnover</strong></td>
<td><strong>Emp-Turnover</strong></td>
<td><strong>Emp-Turnover</strong></td>
</tr>
<tr>
<td>Total number of new employee hires</td>
<td>14</td>
<td>9</td>
<td>-35.7%</td>
</tr>
<tr>
<td>Rate of new employee hires</td>
<td>8.5%</td>
<td>5.4%</td>
<td>-36.5%</td>
</tr>
<tr>
<td><strong>Leaving employees</strong></td>
<td><strong>Emp-Turnover</strong></td>
<td><strong>Emp-Turnover</strong></td>
<td><strong>Emp-Turnover</strong></td>
</tr>
<tr>
<td>Total number of leaving employees</td>
<td>4</td>
<td>1</td>
<td>-75.0%</td>
</tr>
<tr>
<td>Rate of employee turnover</td>
<td>2.4%</td>
<td>0.6%</td>
<td>-75.3%</td>
</tr>
</tbody>
</table>
**Employee health and safety**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Absentee rate</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H &amp; S – Emp</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All employees</td>
<td>4.3%</td>
<td>2.5%</td>
<td>– 1.8 pp</td>
</tr>
<tr>
<td>Male employees</td>
<td>2.7%</td>
<td>1.8%</td>
<td>– 0.9 pp</td>
</tr>
<tr>
<td>Female employees</td>
<td>5.4%</td>
<td>3.0%</td>
<td>– 2.4 pp</td>
</tr>
<tr>
<td>Employees in head office</td>
<td>4.7%</td>
<td>2.6%</td>
<td>– 2.2 pp</td>
</tr>
<tr>
<td>Employees in other local offices</td>
<td>3.2%</td>
<td>2.5%</td>
<td>– 0.8 pp</td>
</tr>
<tr>
<td>Injury Rate, Lost Day Rate &amp; Accident Severity Rate</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0 pp</td>
</tr>
<tr>
<td>Work-related fatalities</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0 pp</td>
</tr>
</tbody>
</table>

**Employee performance appraisals**

<table>
<thead>
<tr>
<th>Percentage of employees who received annual appraisals</th>
<th>2019</th>
<th>2020</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emp-Dev</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All employees</td>
<td>100%</td>
<td>100%</td>
<td>0.0 pp</td>
</tr>
<tr>
<td>Male employees</td>
<td>100%</td>
<td>100%</td>
<td>0.0 pp</td>
</tr>
<tr>
<td>Female employees</td>
<td>100%</td>
<td>100%</td>
<td>0.0 pp</td>
</tr>
<tr>
<td>Employees with non-managerial positions</td>
<td>100%</td>
<td>100%</td>
<td>0.0 pp</td>
</tr>
<tr>
<td>Managers reporting to the board</td>
<td>100%</td>
<td>100%</td>
<td>0.0 pp</td>
</tr>
</tbody>
</table>

**Asset health and safety assessments**

<table>
<thead>
<tr>
<th>Percentage of assets screened against health and safety issues</th>
<th>2019</th>
<th>2020</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>H&amp;S-Asset</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adhering to applicable health and safety legislation, we examine the total portfolio for issues including: fire safety, legionella presence, accessibility standards, and contaminants. Each building is audited every three years.</td>
<td>30–60%</td>
<td>30–60%</td>
<td>0.0 pp</td>
</tr>
<tr>
<td>Portfolio under development examined for hazardous substances and contaminants.</td>
<td>12.2%</td>
<td>12.3%</td>
<td>0.1 pp</td>
</tr>
</tbody>
</table>

**Asset health and safety compliance**

<table>
<thead>
<tr>
<th>Number of incidents</th>
<th>2019</th>
<th>2020</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>H&amp;S-Comp</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Incidents of non-compliance with regulations and/or voluntary codes concerning health and safety of our assets</td>
<td>0</td>
<td>0</td>
<td>0.0 pp</td>
</tr>
<tr>
<td>Fines, penalties or warnings</td>
<td>0</td>
<td>0</td>
<td>0.0 pp</td>
</tr>
</tbody>
</table>

**Community engagement, impact assessments and development programmes**

<table>
<thead>
<tr>
<th>Number of assets where social and environmental programmes were implemented</th>
<th>2019</th>
<th>2020</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compy-Eng</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings that are located closed to public transportation hub</td>
<td>68.0%</td>
<td>70.0%</td>
<td>2.0 pp</td>
</tr>
</tbody>
</table>

**EPRA Sustainability performance measures – Governance**

**Composition of the highest governance body**

Gov-Board

We provide a detailed disclosure about our Corporate Governance in our Annual Report 2020, p. 161–180

**Nominating and selecting the highest governance body**

Gov-Select

We provide a detailed disclosure about our Corporate Governance in our Annual Report 2020, p. 161-180

**Process for managing conflicts of interest**

Gov-Col

No conflicts of interest concerning members of the Supervisory Board or Management Board arose during 2020, Annual Report 2020, p.154
Performance of key GHG and energy figures over 10 years (collected consumption data)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Scope 1–3 emissions</td>
<td>location-based</td>
<td>tCO₂e</td>
<td>44,975</td>
<td>61,958</td>
<td>52,868</td>
<td>55,607</td>
<td>47,889</td>
<td>42,827</td>
<td>43,390</td>
<td>44,844</td>
<td>37,225</td>
<td>29,860</td>
<td></td>
</tr>
<tr>
<td>Change compared to base year 2013</td>
<td>location-based</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>5.2%</td>
<td>–9.4%</td>
<td>–19.0%</td>
<td>–17.9%</td>
<td>–15.2%</td>
<td>–29.6%</td>
<td>–43.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total GHG reduction from renewable electricity</td>
<td>tCO₂e</td>
<td>–</td>
<td>–</td>
<td>–688</td>
<td>–3,630</td>
<td>–3,970</td>
<td>–5,495</td>
<td>–9,120</td>
<td>–9,260</td>
<td>–7,630</td>
<td>–8,082</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proportion of GHG reduction in Scope 1–3</td>
<td>–</td>
<td>–</td>
<td>1.3%</td>
<td>6.5%</td>
<td>8.3%</td>
<td>12.8%</td>
<td>21.0%</td>
<td>20.6%</td>
<td>20.5%</td>
<td>27.1%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carbon offsets</td>
<td>tCO₂e</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>2,912</td>
<td>5,265</td>
<td>5,447</td>
<td>8,624</td>
<td>8,625</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Scope 1–3 emissions</td>
<td>market-based</td>
<td>tCO₂e</td>
<td>44,975</td>
<td>61,958</td>
<td>52,180</td>
<td>51,977</td>
<td>43,919</td>
<td>37,332</td>
<td>34,271</td>
<td>35,584</td>
<td>29,594</td>
<td>21,779</td>
<td></td>
</tr>
<tr>
<td>Change compared to base year 2013</td>
<td>market-based</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>0.4%</td>
<td>–15.8%</td>
<td>–28.5%</td>
<td>–34.3%</td>
<td>–31.8%</td>
<td>–43.3%</td>
<td>–58.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Scope 1 emissions</td>
<td>tCO₂e</td>
<td>39.0</td>
<td>29.0</td>
<td>14.6</td>
<td>13.0</td>
<td>15.4</td>
<td>17.0</td>
<td>18.1</td>
<td>17.3</td>
<td>15.7</td>
<td>13.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Scope 2 emissions</td>
<td>location-based</td>
<td>tCO₂e</td>
<td>902</td>
<td>2,321</td>
<td>3,028</td>
<td>4,255</td>
<td>6,046</td>
<td>6,943</td>
<td>8,531</td>
<td>8,646</td>
<td>6,381</td>
<td>5,680</td>
<td></td>
</tr>
<tr>
<td>Total Scope 2 emissions</td>
<td>market-based</td>
<td>tCO₂e</td>
<td>902</td>
<td>2,321</td>
<td>2,340</td>
<td>626</td>
<td>2,420</td>
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<td>tCO₂e</td>
<td>44,034</td>
<td>59,608</td>
<td>49,825</td>
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### Energy overview

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</thead>
<tbody>
<tr>
<td><strong>Total energy consumption of building portfolio</strong></td>
<td>MWh</td>
<td>112,111</td>
<td>121,819</td>
<td>135,961</td>
<td>116,619</td>
<td>160,918</td>
<td>146,425</td>
<td>149,505</td>
<td>154,610</td>
<td>146,238</td>
<td>128,467</td>
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<tr>
<td>Thereof from 100% renewable sources</td>
<td>MWh</td>
<td>–</td>
<td>–</td>
<td>1,559</td>
<td>8,954</td>
<td>8,999</td>
<td>12,155</td>
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<td>–</td>
<td>–</td>
<td>1.1%</td>
<td>7.7%</td>
<td>5.6%</td>
<td>8.3%</td>
<td>12.8%</td>
<td>12.6%</td>
<td>12.9%</td>
<td>16.8%</td>
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<td><strong>Detailed overview</strong></td>
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</tr>
<tr>
<td><strong>Total landlord-obtained electricity</strong></td>
<td>MWh</td>
<td>–</td>
<td>–</td>
<td>6,272</td>
<td>10,419</td>
<td>13,547</td>
<td>14,579</td>
<td>17,808</td>
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<tr>
<td>Electricity from 100% renewable sources</td>
<td>MWh</td>
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<td>–</td>
<td>1,559</td>
<td>8,954</td>
<td>8,219</td>
<td>11,445</td>
<td>17,481</td>
<td>18,103</td>
<td>15,686</td>
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<td>Proportion of electricity from 100% renewable sources</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>24.9%</td>
<td>85.9%</td>
<td>60.7%</td>
<td>78.5%</td>
<td>98.2%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
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<tr>
<td><strong>Total tenant-obtained electricity</strong></td>
<td>MWh</td>
<td>60,021</td>
<td>47,264</td>
<td>53,621</td>
<td>47,349</td>
<td>55,893</td>
<td>36,561</td>
<td>39,128</td>
<td>41,717</td>
<td>37,575</td>
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<tr>
<td>Electricity from 100% renewable sources</td>
<td>MWh</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>779</td>
<td>710</td>
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<td>1,341</td>
<td>3,197</td>
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<td>–</td>
<td>–</td>
<td>–</td>
<td>1.4%</td>
<td>1.9%</td>
<td>4.1%</td>
<td>4.1%</td>
<td>3.2%</td>
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<td>22.8%</td>
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<tr>
<td><strong>Total electricity</strong></td>
<td>MWh</td>
<td>60,021</td>
<td>47,264</td>
<td>59,893</td>
<td>57,768</td>
<td>69,440</td>
<td>51,140</td>
<td>56,936</td>
<td>59,820</td>
<td>53,261</td>
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<td><strong>Total landlord-obtained fuels</strong></td>
<td>MWh</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>28,537</td>
<td>33,416</td>
<td>30,171</td>
<td>30,677</td>
<td>28,772</td>
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<td>Natural gas with carbon offsets</td>
<td>MWh</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>12,976</td>
<td>25,993</td>
<td>26,892</td>
<td>28,420</td>
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<tr>
<td>Proportion of natural gas with carbon offsets</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>38.8%</td>
<td>86.2%</td>
<td>87.7%</td>
<td>98.8%</td>
<td>99.3%</td>
<td>99.3%</td>
<td>99.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total tenant-obtained fuels</strong></td>
<td>MWh</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>18,318</td>
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<td>–</td>
<td>–</td>
<td>–</td>
<td>14,487</td>
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<tr>
<td>Proportion of natural gas with carbon offsets</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>87.7%</td>
<td>89.6%</td>
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</tr>
<tr>
<td><strong>Total heating with fuels</strong></td>
<td>MWh</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>22,194</td>
<td>46,856</td>
<td>49,153</td>
<td>46,744</td>
<td>48,202</td>
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<td>Total landlord-obtained DH&amp;C</td>
<td>MWh</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>26,311</td>
<td>26,091</td>
<td>27,709</td>
<td>29,932</td>
<td>33,693</td>
<td>29,993</td>
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<tr>
<td>Total tenant-obtained DH&amp;C</td>
<td>MWh</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>18,312</td>
<td>20,041</td>
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<tr>
<td><strong>Total DH&amp;C</strong></td>
<td>MWh</td>
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<td>–</td>
<td>36,657</td>
<td>44,623</td>
<td>46,132</td>
<td>45,825</td>
<td>45,658</td>
<td>47,677</td>
<td>41,641</td>
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<tr>
<td><strong>Total heating</strong></td>
<td>MWh</td>
<td>52,090</td>
<td>74,555</td>
<td>76,068</td>
<td>58,851</td>
<td>91,478</td>
<td>95,285</td>
<td>92,569</td>
<td>94,790</td>
<td>92,977</td>
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<tr>
<td><strong>Total energy consumption of building portfolio</strong></td>
<td>MWh</td>
<td>112,111</td>
<td>121,819</td>
<td>135,961</td>
<td>116,619</td>
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<td>146,425</td>
<td>149,505</td>
<td>154,610</td>
<td>146,238</td>
<td>128,467</td>
<td></td>
</tr>
</tbody>
</table>

1) We assume that many more of our tenants obtain their electricity exclusively from renewable sources. However, in most cases we do not have the knowledge about the type of supply. The total reported quantity of renewable sources in tenant electricity refers to the participants in our tenant electricity pool and the verification from selected single-let tenants. Approx. 19% of the tenant-obtained electricity was sourced from renewable sources under the operational control of our tenants.
## E – RESPONDING TO TCFD

### RECOMMENDED DISCLOSURE

#### Governance

- Disclose the organization’s governance around climate-related risks and opportunities.
  
  a. Describe the board’s oversight of climate-related risks and opportunities.  
  Pages 9–10
  
  b. Describe management’s role in assessing and managing climate-related risks and opportunities.  
  Pages 9–10

#### Strategy

- Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning where such information is material.
  
  a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.  
  Pages 16–24
  
  b. Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.  
  Pages 16–24
  
  c. Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.  
  Pages 16–24

### RECOMMENDED DISCLOSURE

#### Risk Management

- Disclose how the organization identifies, assesses, and manages climate-related risks.
  
  a. Describe the organization’s processes for identifying and assessing climate-related risks.  
  Pages 9–10
  
  b. Describe the organization’s processes for managing climate-related risks.  
  Pages 9–10
  
  c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.  
  Pages 9–10

#### Metrics and Targets

- Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.
  
  a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.  
  Pages 17–27, 26–42
  
  b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.  
  Pages 83–92
  
  c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.  
  Pages 34–36
When defining GHG mitigation programs, we have several options. However, they differ in terms of various parameters e.g., the level of operational control of alstria or the current and potential mitigation impact. The following carbon dashboard aims to give an overview of this landscape. With the carbon dashboard, we would also like to emphasize that we see a hierarchy when it comes to prioritizing GHG mitigation measures (see graphic).

Consequently, GHG avoidance has the greatest potential, as it prevents emissions from occurring in the first place. If emissions cannot be avoided, they can at least be minimized using efficient technology and smart management. A fuel switch is often the first and simplest solution to reduce/replace emissions, but it often only changes the energy medium without saving energy. The last option in the GHG impact hierarchy is to make additional contributions to offsetting and compensating via ‘high hanging fruits’ projects. This can at least help others to reduce their emissions even if it is not suitable to balance out your own emissions.

### Stages in GHG impact hierarchy

- **Avoid**
  - cut emissions and energy demands
- **Minimize**
  - high efficient buildings/better user behavior
- **Reduce/replace**
  - low-emission energy sources
- **Contribute**
  - help others to avoid, minimize, reduce emissions

<table>
<thead>
<tr>
<th>Induced emissions</th>
<th>Measures</th>
<th>Impact hierarchy</th>
<th>Annual reduction (tCO₂e)</th>
<th>Annual potential (tCO₂e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company vehicles</td>
<td>Internal policy on electrifying company’s fleet from 2020</td>
<td>reduce/replace</td>
<td>2</td>
<td>12</td>
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<tr>
<td>Energy for alstria’s own offices</td>
<td>Lowering energy demands, increasing efficiency, procuring renewable energy, and ISO 50001 energy management system</td>
<td>reduce/replace</td>
<td>10</td>
<td>30</td>
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<tr>
<td>Energy procurement for shared services in alstria’s portfolio</td>
<td>Framework contract for 100% renewable electricity procurement</td>
<td>reduce/replace</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>Submetered energy for tenant areas</td>
<td>Framework contract for 100% renewable electricity and procurement of climate compensated natural gas</td>
<td>reduce/replace</td>
<td>6,000</td>
<td>6,000</td>
</tr>
<tr>
<td>Low-carbon projects</td>
<td>Pilot projects on low carbon heating systems, renewable energy generation, and energy flexibility in alstria’s portfolio</td>
<td>reduce/replace and minimize</td>
<td>500</td>
<td>10,000</td>
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<tr>
<td>Low-carbon design principles</td>
<td>Incorporate carbon strategy in the design and planning of construction to minimize embodied carbon</td>
<td>avoid</td>
<td>12,450</td>
<td>20,000</td>
</tr>
<tr>
<td>Business travel and employee commuting</td>
<td>Recommendations and incentives for the use of public transport and bicycles; Investment in better IT and com-tech systems to promote online meetings and home office regulations</td>
<td>avoid and minimize</td>
<td>100</td>
<td>300</td>
</tr>
<tr>
<td>Buying non energy-efficient assets</td>
<td>Refurbishing buildings to increase energy efficiency</td>
<td>avoid and minimize</td>
<td>150 per building</td>
<td>–</td>
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</tbody>
</table>

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### Reducing others' emissions

<table>
<thead>
<tr>
<th>Avoided emissions</th>
<th>Measures</th>
<th>Impact hierarchy</th>
<th>Annual reduction (tCO₂e)</th>
<th>Annual potential (tCO₂e)</th>
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</thead>
<tbody>
<tr>
<td>Refurbishing and reusing existing buildings</td>
<td>Saving more than 60% of a building's embedded carbon by reusing foundations, slabs, columns and facades</td>
<td>avoid</td>
<td>see LCDP</td>
<td>see LCDP</td>
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<tr>
<td>Refurbishing buildings</td>
<td>Reducing more than 25% of energy consumption for tenants by lowering energy demands, increasing efficiency and electrifying buildings</td>
<td>minimize</td>
<td>730</td>
<td>3,000</td>
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<tr>
<td>Tenant and employee electricity procurement</td>
<td>Offering affordable electricity from 100% renewable sources via 'Mietstrompool' service</td>
<td>reduce/replace</td>
<td>200</td>
<td>2000</td>
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<tr>
<td>Green Dividend</td>
<td>Engaging with alstria's shareholders and enabling renewable energy generation projects (PV) that are financially not viable otherwise.</td>
<td>avoid and minimize</td>
<td>350</td>
<td>10,000</td>
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<tr>
<td>Coworking business – beehive.work</td>
<td>Helping start-ups and alstria’s tenants to avoid emissions by offering energy-efficient office space close to public transport</td>
<td>minimize</td>
<td>100</td>
<td>–</td>
</tr>
<tr>
<td>Buying assets with good access to public transport</td>
<td>Reducing GHG emissions for tenants’ commuting and business travel</td>
<td>minimize</td>
<td>100 per building</td>
<td>–</td>
</tr>
<tr>
<td>Selling refurbished assets</td>
<td>Selling well-performing properties and thus lowering operational emissions for future owners</td>
<td>minimize</td>
<td>150 per building</td>
<td>–</td>
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<tr>
<td>Contribution to GHG reduction projects</td>
<td>Carbon offsetting for unavoidable procurement of fossil fuels (e.g. tenant heating)</td>
<td>contribute</td>
<td>6,900</td>
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<tr>
<td>Pilot projects</td>
<td>Contributions to decarbonize energy grids and mobility sector</td>
<td>contribute</td>
<td>1,000</td>
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#### Outside alstria's operational control

<table>
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<th>alstria portfolio</th>
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<tbody>
<tr>
<td>Refurbishing existing buildings</td>
</tr>
<tr>
<td>Impact hierarchy</td>
</tr>
<tr>
<td>avoid</td>
</tr>
<tr>
<td>Refurbishing buildings</td>
</tr>
<tr>
<td>Tenant and employee electricity procurement</td>
</tr>
<tr>
<td>Green Dividend</td>
</tr>
<tr>
<td>Coworking business – beehive.work</td>
</tr>
<tr>
<td>Buying assets with good access to public transport</td>
</tr>
<tr>
<td>Selling refurbished assets</td>
</tr>
<tr>
<td>Contribution to GHG reduction projects</td>
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<tr>
<td>Pilot projects</td>
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### Developing carbon sinks

<table>
<thead>
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<th>Negative emissions</th>
<th>Measures</th>
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<th>Annual reduction (tCO₂e)</th>
<th>Annual potential (tCO₂e)</th>
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</thead>
<tbody>
<tr>
<td>Carbonation process of concrete</td>
<td>Concrete absorbs CO₂ from the atmosphere over its lifespan; it can absorb up to 25–50% of its initial CO₂ from production</td>
<td>contribute</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Joshua Tree Project</td>
<td>R&amp;D and pilot projects related to forest management and circular economy</td>
<td>contribute</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>GHG capture projects</td>
<td>Contribution to projects to develop CCS or carbon sinks via other products/services</td>
<td>contribute</td>
<td>–</td>
<td>–</td>
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#### Outside alstria's value chain

<table>
<thead>
<tr>
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<tr>
<td>R&amp;D and pilot projects related to forest management and circular economy</td>
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<table>
<thead>
<tr>
<th>GHG capture projects</th>
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<tbody>
<tr>
<td>Contribution to projects to develop CCS or carbon sinks via other products/services</td>
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</tbody>
</table>
GLOSSARY

**Bloomberg GEI**
The Gender Equality Index is a modified market capitalization weighted index aimed at tracking the performance of public companies committed to transparency in gender data reporting.

**BREEAM**
BREEAM is a sustainability assessment method for the master planning of projects, infrastructure, and buildings. It recognizes and reflects the value of higher performing assets across the built environment life cycle from new construction to use and refurbishment.

**Capital expenditure (capex)**
A development capex is an investment related to the substantial modernization and renovation of a building.

**CDP**
The Carbon Disclosure Project is a nonprofit organization working to reduce greenhouse gas emissions and promote sustainable water use among businesses and cities. It aims to establish a global carbon emissions database.

**CO₂**
Carbon dioxide is a gas that is primarily produced through the combustion of fossil fuels and is believed to be the main cause of climate change.

**CO₂e**
Carbon dioxide equivalent, or ‘CO₂e,’ is a term that describes various greenhouse gases using a common unit. For any quantity and type of greenhouse gas, CO₂e signifies the amount of CO₂ that would have the equivalent global warming impact.

**Code of conduct**
A code of conduct is a formal corporate statement that includes a company’s values and business practices and its pledge to observe said values and practices.

**Common areas**
Common areas include corridors, hallways, lobbies, and toilets provided for the comfort and use of all occupants in multi-let buildings.

**CSR**
Corporate social responsibility is a management concept whereby companies integrate social and environmental concerns into their business operations and interactions with their stakeholders.

**Development pipeline**
A development pipeline is the part of a real estate portfolio in which modernization or renovation work occurred during a reporting period.

**DGNB**
The DGNB Certification System is an international assessment system for the sustainability of buildings and urban districts.

**Dividend**
A dividend is a share of the distributed net profit of a company to which a shareholder is entitled in line with the number of shares they hold.

**Due diligence**
Due diligence entails the investigation or audit of a potential investment to confirm all material facts regarding a sale.

**Embodied carbon emissions (kgCO₂e)**
Carbon emissions associated with the following:
- extraction and manufacturing of materials and products
- in-use maintenance and replacement
- end of life demolition, disassembly and disposal
- including transportation relating to all three

**EPRA**
The European Public Real Estate Association is an organization that promotes, develops, and represents the European public real estate sector.
The EPRA Sustainability Best Practices Recommendations provide a consistent way of measuring the sustainability performance of listed real estate companies in Europe.

### ESG

Environmental, social, and governance criteria comprise a set of standards for a company’s operations that is used to screen potential investments. Environmental criteria consider how a company performs in stewarding the natural environment. Social criteria examine how it manages relationships with employees, customers, and the communities where it operates. Governance deals with a company’s leadership, executive pay, and shareholder rights.

### Fair value (open market value [OMV])

Fair value is the estimated amount for which a property should be exchanged between a willing buyer and a willing seller on the valuation date in an arm’s-length transaction after proper marketing, assuming the parties each acted knowledgeably, prudently, and without compulsion. External appraisers regularly review the fair value of alstria’s investment properties.

### GHG Protocol

The Greenhouse Gas Protocol establishes comprehensive, standardized global frameworks with which to measure and manage greenhouse gas emissions from private- and public-sector operations, value chains, and mitigation actions.

### GRESB

The Global Real Estate Sustainability Benchmark is a for-profit organization that assesses real estate portfolios based on ESG criteria.

### GRI

The Global Reporting Initiative is a network-based organization that releases widely used sustainability-reporting guidelines.

### ISO 50001

The ISO 50001 standard facilitates the more efficient use of energy by organizations in all sectors through the development of an energy-management system. ISO 50001 certification is possible but not obligatory.

### ISS-oekom

ISS-oekom is a rating system for assessing companies’ ESG performance.

### kgCO₂e

Carbon dioxide equivalent emissions, or ‘carbon’ for short, can also be referred to as global warming potential (GWP).

### kWh/MWh

A kilowatt/megawatt hour is a unit of energy.

### Like-for-like (LfL)

Like-for-like measures allow consumption to be compared for portfolios of the same size over the two most recent reporting years. Disclosure on a like-for-like basis better demonstrates performance changes that are not affected by fluctuations in a portfolio’s size (through acquisitions, disposals, or refurbishments).

### MSCI ESG

MSCI ESG is a provider of sustainability analyses and ratings in the area of environment, social affairs, and corporate governance.

### Multi-let building

A multi-let building or group of buildings has a mixed tenant-structure. These buildings consist of common areas and exclusively leased areas. Utilities necessary for operation are usually obtained by the landlord and are then either allocated to the common areas or sub-metered to tenants. Tenants obtain electricity directly due to legal requirements.

### Office building

An office building is a property in which at least 75% of the lettable area is destined for office use (disregarding potential ground-floor retail).

### Operating expenditure (Opex)

An operational expenditure is a building maintenance cost that is not capitalized but is immediately recognized in the income statement.

### Operational carbon (kgCO₂e)

Operational carbon is the carbon dioxide associated with the in-use operation of the building. This usually includes carbon emissions associated with heating and electricity consumption of the whole building.
**RE100**

RE100 is a global corporate leadership initiative that brings together influential businesses committed to using 100% renewable electricity.

**REIT**

A real estate investment trust is a publicly listed, fully tax-transparent company that invests solely in properties.

**Roadshows**

Roadshows are corporate presentations to institutional investors.

**RobecoSAM CSA/DJSI**

The Dow Jones Sustainability Indices track the stock performance of the world’s leading companies in terms of economic, environmental, and social criteria.

**SDGs**

The sustainable development goals were adopted by all United Nations member states in 2015 as a universal call to end poverty, protect the planet, and ensure that all people enjoy peace and prosperity by 2030.

**Single-let building**

A single-let building or group of buildings is leased to only one tenant. In most cases, these buildings are leased from large companies as head offices or by the public sector. Tenants usually obtain the associated utilities required for operation.

**Stakeholder**

A stakeholder is an individual, community, or organization that affects or is affected by some aspect of an organization’s products, operations, markets, industries, and outcomes.

**Supervisory board**

A supervisory board is one of the three executive bodies of a joint stock company, along with the annual general meeting and the management board. It appoints, advises, and oversees the management board in its duties.

**Sustainalytics**

Sustainalytics is one of the largest providers of ESG and corporate governance research and ratings.

**Transparency**

The principle of transparency allows those affected by administrative decisions, business transactions, or charitable work to know the relevant basic facts and figures, as well as the relevant mechanisms and processes. It is the duty of civil servants, managers, and trustees to act visibly, predictably, and understandably.

**UNESCO**

The United Nations Educational, Scientific, and Cultural Organization contributes to peace and security by promoting international collaboration through education, science, and culture to further universal respect for justice, the rule of law, human rights, and the fundamental freedoms proclaimed in the UN Charter.

**UNICEF**

The United Nations Children’s Fund is an agency created by the United Nations General Assembly in 1946; it is concerned with improving the health and nutrition of children and mothers worldwide.

**Whole life carbon (kgCO2e)**

Carbon emissions associated with the four life cycle stages A–D.

**Life cycle stage A1–3:** Product stage (also known as ‘cradle to gate’), kgCO2e released during extraction, processing, manufacture (including prefabrication of components or elements) and transportation of materials between these processes, until the product leaves the factory gates to be taken to site.

**Life cycle stage A4–5:** Construction process stage, kgCO2e released during the transport of materials/products to the site, energy usage due to activities on site (site huts, machinery use, etc.), and the kgCO2e associated with the production, transportation and end of life processing of materials wasted on site.

**Life cycle stage B:** Use stage, kgCO2e released due to use, maintenance, repair, replacement, refurbishment and operational energy and water use while the building is in use. Module B4 (replacement) is often the focus of the use stage when embodied carbon is being considered.

**Life cycle stage C:** End of life stage, kgCO2e released during decommissioning, stripping out, demolition, deconstruction, transportation of materials away from the site, waste processing, and disposal of materials.

**Life cycle stage D:** Benefits and loads beyond the system boundary. This estimates any net kgCO2e benefits or loads beyond the project’s life cycle associated with the following: recycling of materials, energy recovered from materials and the associated release of carbon (i.e. by incinerating timber products), and full reuse of materials/products.

**ZIA**

The Zentraler Immobilien Ausschuss e. V. (German Property Federation) is a regulatory and economic lobby group for policy in the property sector.
The most sustainable building is the one that is never built.