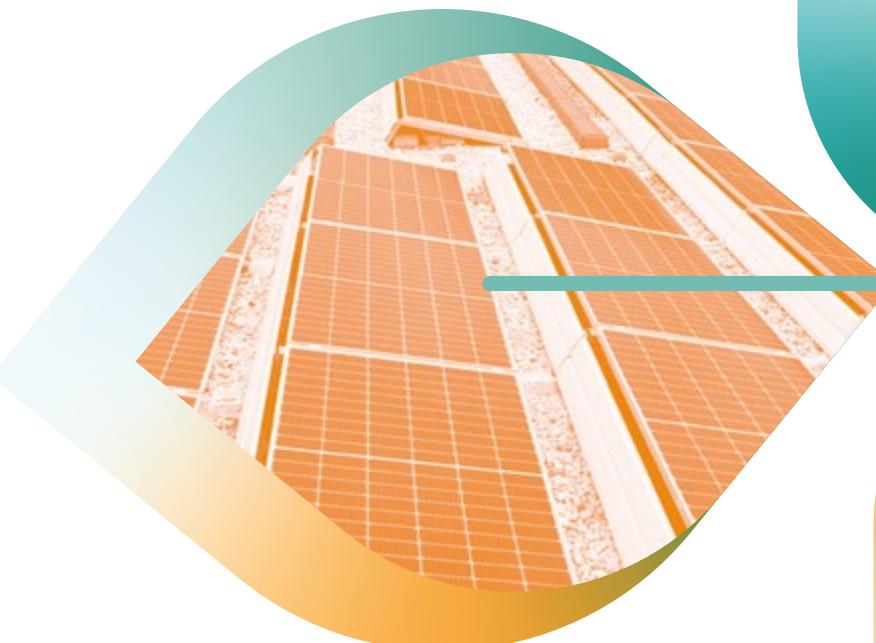


2020/21

# Sustainability Report



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# At a Glance

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# MANAGEMENT LETTER

## 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 CO<sub>2</sub> 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 m<sup>2</sup> 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 straight forward. 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.

This tradeoff analysis is also the bedrock for the 'Green Dividend.' This specifically addresses the situation where we do not necessarily believe our scale of value should be the only one that drives the tradeoffs.

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 m<sup>2</sup> 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.



**Outdoor parking**  
spaces: 3,900



**Indoor parking**  
spaces: 16,300

**109 office buildings**  
with a EUR 4.6 billion portfolio value

**1.4 million m<sup>2</sup>**  
of lettable space

**5 coworking spaces**



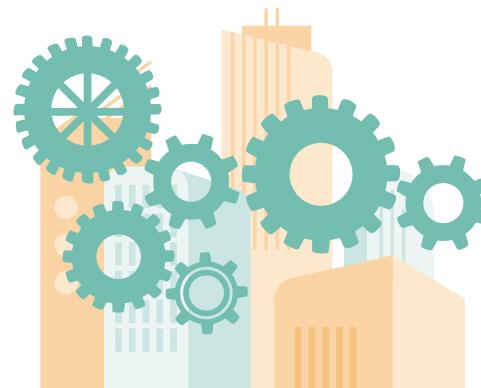
<sup>1)</sup> E.g. nursing homes.

## Overview of our business activities

### Buy



### Manage



### Redevelop



### Sell



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.

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.

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.

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.



## SUSTAINABILITY MANAGEMENT AT A GLANCE

Published first Carbon Accounting Report and received first approval from shareholders to use Green Dividend for climate-protection projects.



2021

Introduced Green Dividend and completed smart meter roll-out.



2020

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



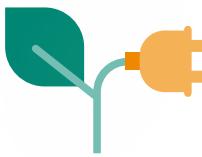
2019

Received the sustainability im Award for the Mieterstrompool project.



2018

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



2017

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



2015

Participated in 'Train to Paris' ahead of COP21. Introduced an ISO 50001 energy-management system.



2013

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



2010

Published the first sustainability report among German real estate companies.



2007

Date of alstria's initial public offering.



## 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\*

CDP Climate Rating: B



GRESB Public Disclosure: A



EPRA sBPR: Gold Award



Bloomberg Gender-Equality Index:  
63.83 %



Sustainalytics ESG Rating:  
11.4% (low risk)



MSCI ESG Rating: A



S&P Global Corporate Sustainability Assessment:  
67 points (Member of DJSI Europe)

Member of  
**Dow Jones**  
**Sustainability Indices**

Powered by the S&P Global CSA

\*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

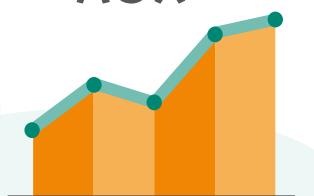
Press events, social media posts, and site visits



#### 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

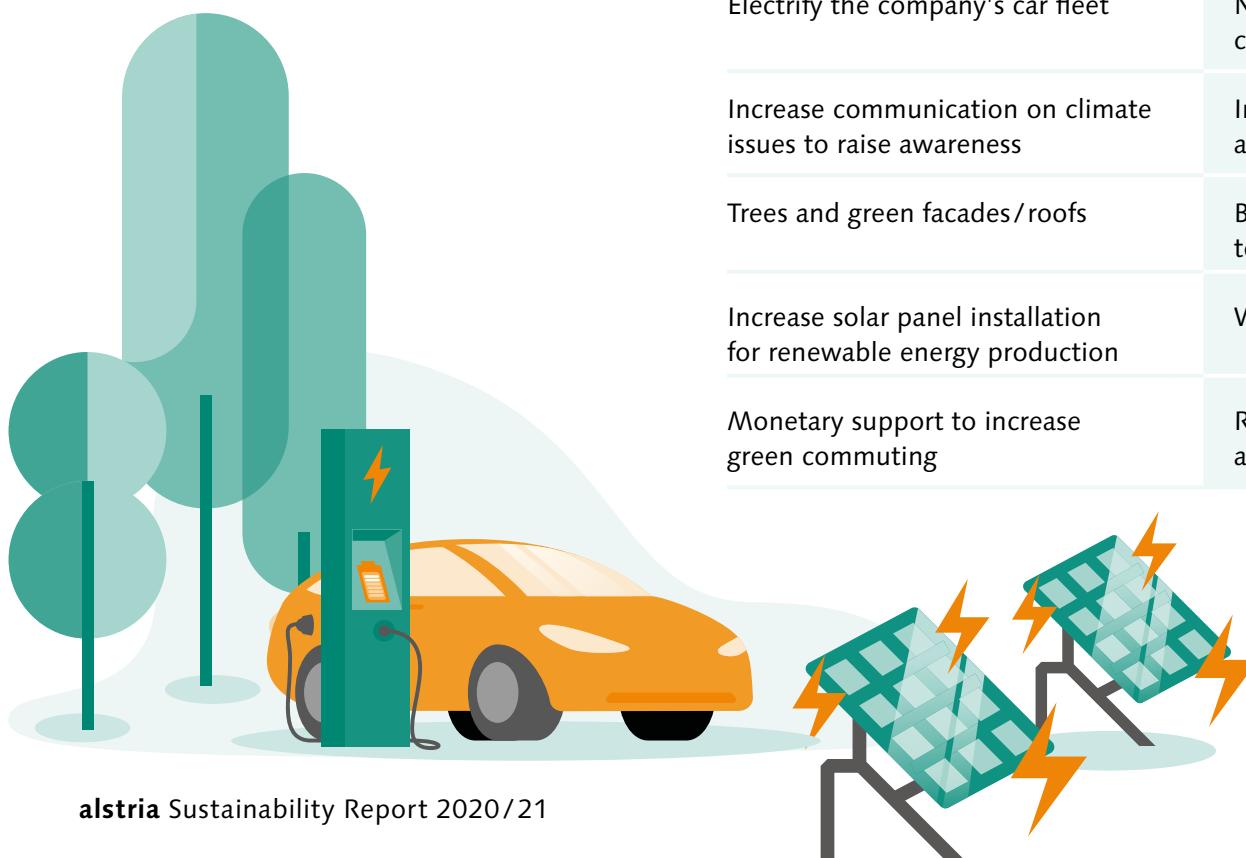
We survey our employees for their views on their work environment and the company regularly.

'Our People'

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 survey'

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





# 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.

All our reflections on the climate crisis follow certain considerations. We have published these thoughts before in articles or reports but summarize them here for completeness.

## 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 CO<sub>2</sub>. The CO<sub>2</sub> 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 CO<sub>2</sub> 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 retreating 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**



**Market**



**Systemic**

## 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).

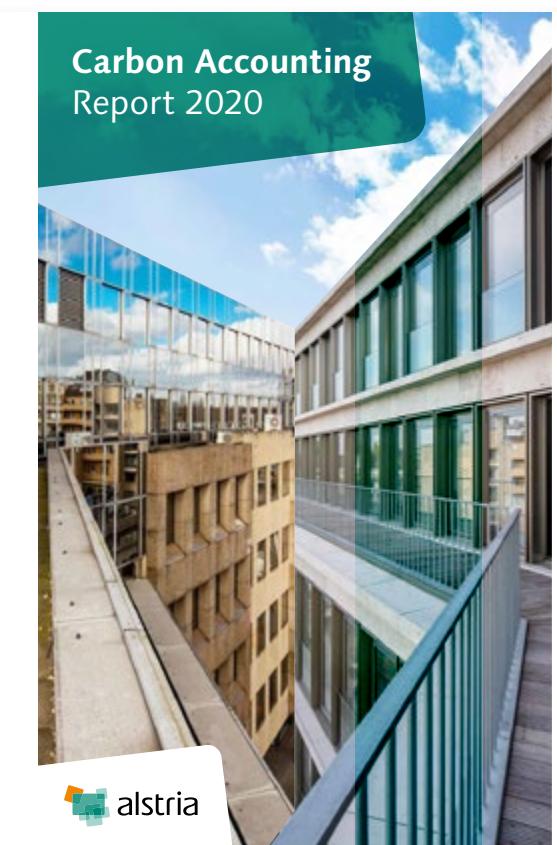
We believe investors will be especially interested in this information because:

- › 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](http://www.recap.wiki)



alstria's first carbon accounting report



## Carbon profit and loss statement (unaudited)

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

'alstria Carbon Accounting Report 2020'

## Carbon balance sheet – Carbon assets (unaudited)

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

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

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



## 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 CO<sub>2</sub> 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.

## 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'*

\*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 tCO<sub>2</sub>e; 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.

## 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

□ [www.green-dividend.com](http://www.green-dividend.com)

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.

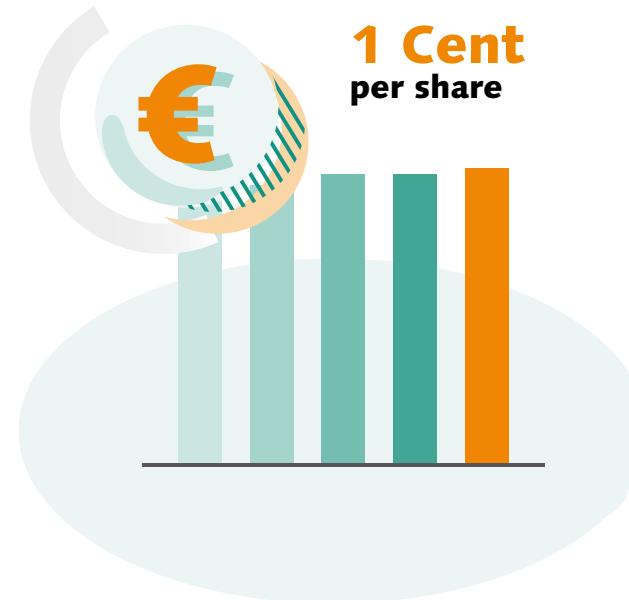
□ 'Innovating in carbon accounting – RECAP'

### How does it work?

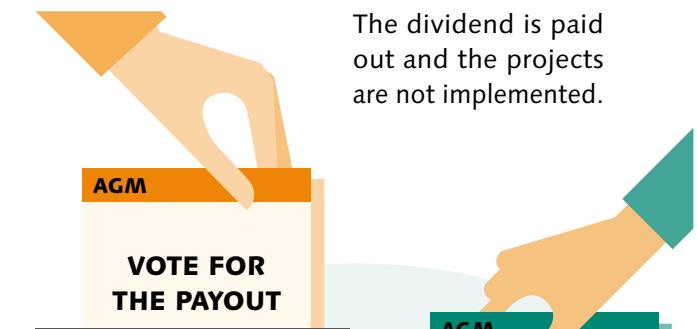
The company identifies projects with a positive environmental impact that would not be financed based on financial criteria only.



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).



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





**Up to 900 kW peak of new solar panels  
on alstria's buildings**

## 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 CO<sub>2</sub> 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 CO<sub>2</sub> emissions in an efficient way. A promising field of research that real estate could use is related to CO<sub>2</sub> 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 CO<sub>2</sub> 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 CO<sub>2</sub> on a large scale from the atmosphere in the process.

 [www.projectvesta.org/](http://www.projectvesta.org/)



**Support for project Vesta, testing a large-scale process for carbon dioxide removal**



# Our Buildings

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**40 Reducing water consumption**

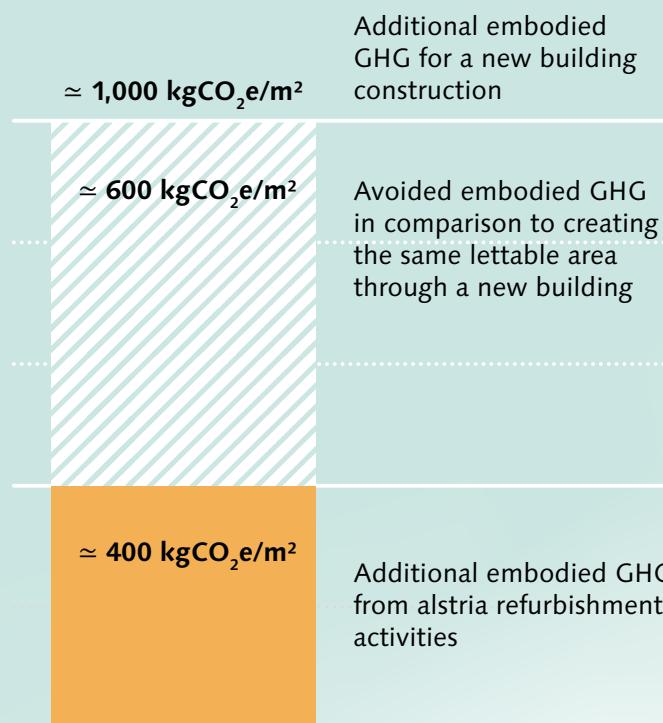
**40 Reducing waste impacts**

**41 Protecting biodiversity**



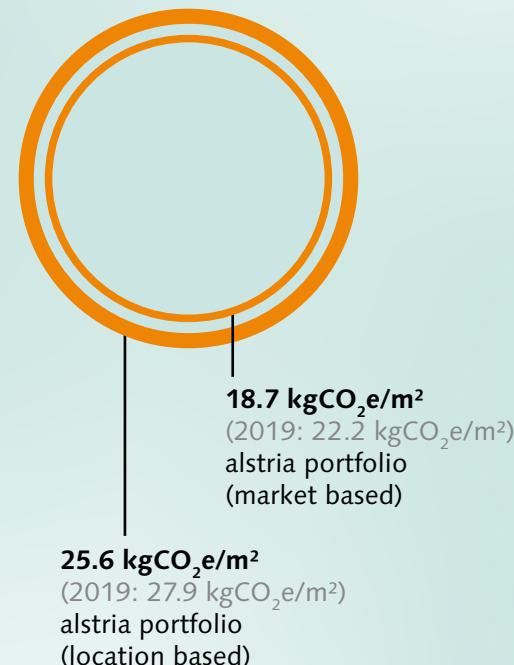
# Key figures

## Embodied GHG Emissions (estimated)<sup>1)</sup>



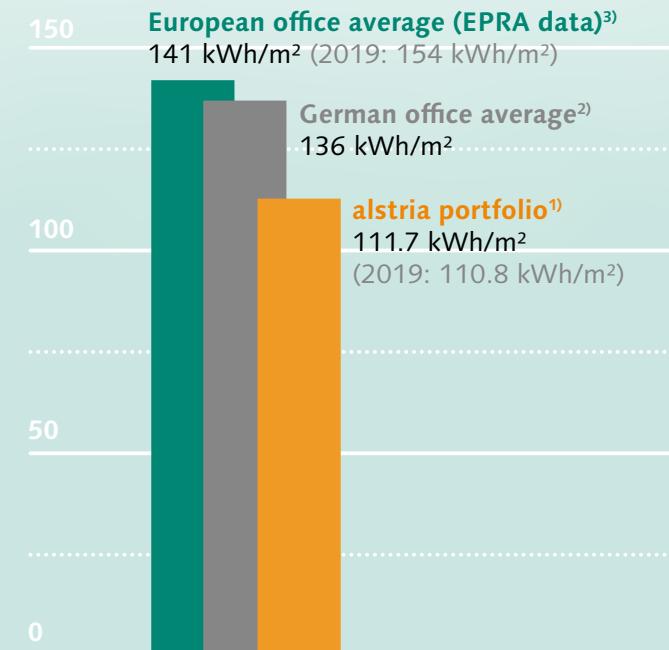
<sup>1)</sup> Estimation based on an internal calculation using data from alstria and findings from LETI. For details, see the section titled 'Embodied GHG emissions in 2020.'

## Operational GHG emissions<sup>1)</sup>



<sup>1)</sup> 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.

## Operational energy consumption



<sup>1)</sup> Like for like (Lf), the energy consumption of our building portfolio was reduced by 5.6 % from 2019 to 2020.

<sup>2)</sup> 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.

<sup>3)</sup> Source: EPRA/KPMG 2021: overview of real estate companies' environmental performance.

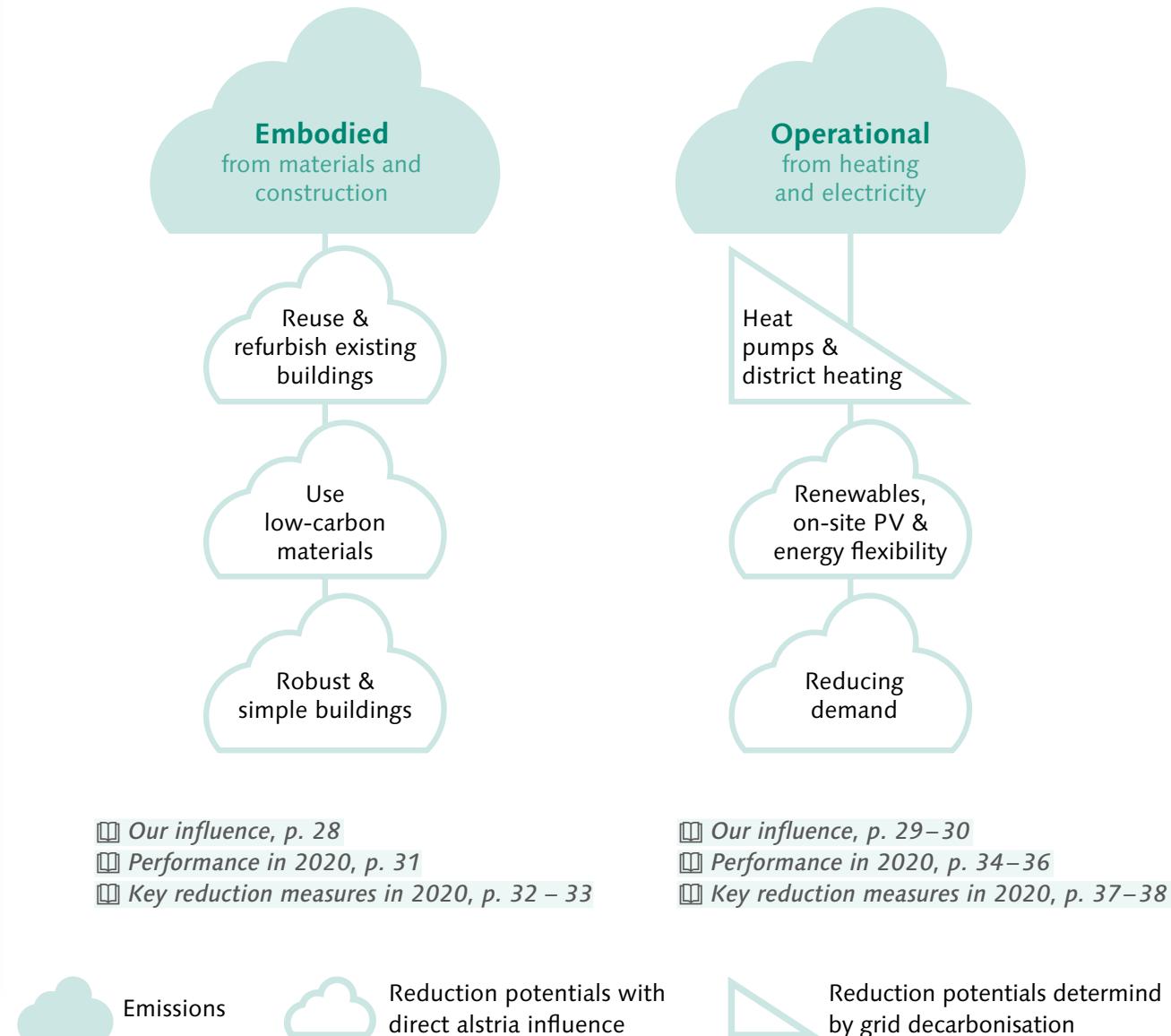
# DECARBONIZING OUR BUILDING PORTFOLIO

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.

## Overall GHG impacts of our buildings and central reduction potentials



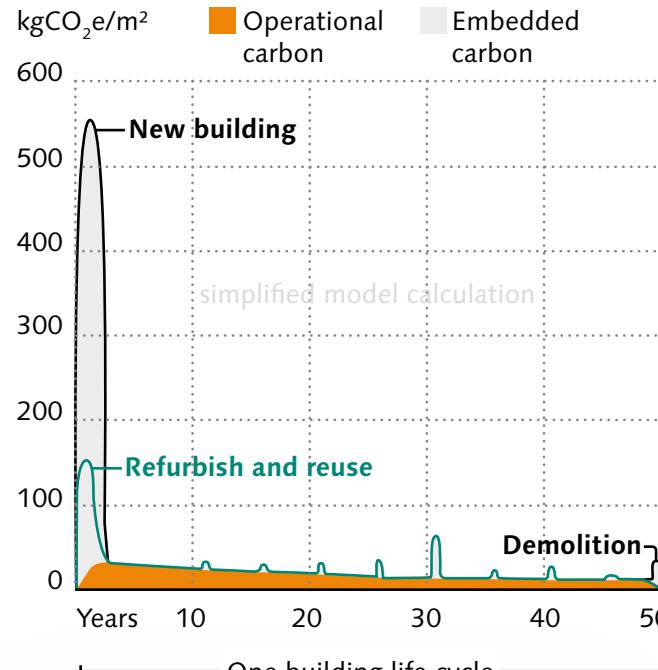
## Our influence on embodied GHG emissions

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 life cycle.\*\* 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.

## CO<sub>2</sub>-Lifecycle of a new vs. refurbished building



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 kgCO<sub>2</sub>e/m<sup>2</sup> 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 kgCO<sub>2</sub>e per m<sup>2</sup>.

↳ *'Embodied GHG emissions in 2020'*

↳ *'Operational GHG emissions in 2020'*

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\*\*\*\*\*

\*See LETI's Embodied Carbon Primer 2020, page 9.

\*\*See Marique et al., 2018; Ness, 2020; Pittau et al., 2019.

\*\*\*See LETI's Embodied Carbon Primer 2020, page 24.

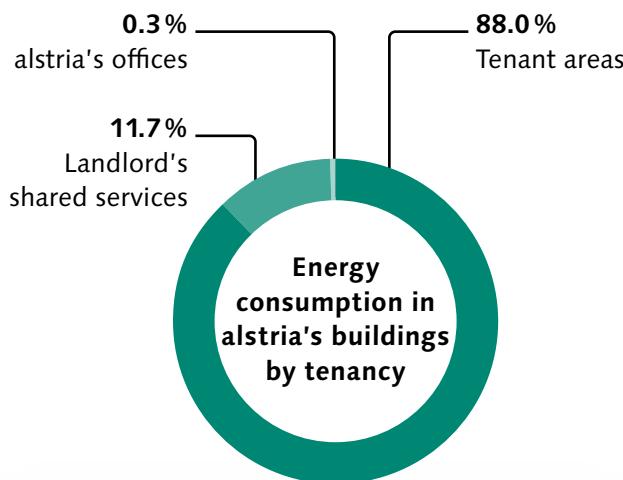
\*\*\*\*For details, see alstria's Low Carbon Design Principles, page 5.

\*\*\*\*\*For details, see alstria's Low Carbon Design Principles, page 6.

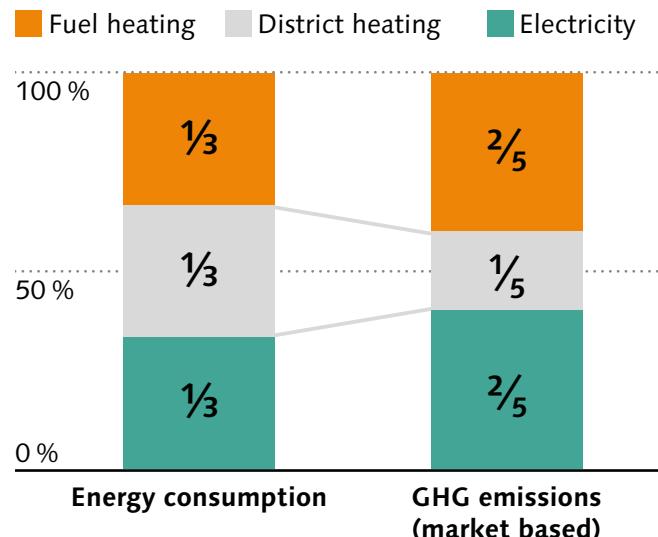
## Our influence on operational GHG emissions

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  $\frac{1}{3}$  of the operational energy was consumed in fossil fuel (essentially natural gas) heating,  $\frac{1}{3}$  in district heating, and about  $\frac{1}{3}$  for electricity. However, about  $\frac{2}{5}$  of the GHG emissions came from fuel heating,  $\frac{1}{5}$  from district heating, and  $\frac{2}{5}$  from electricity consumption.



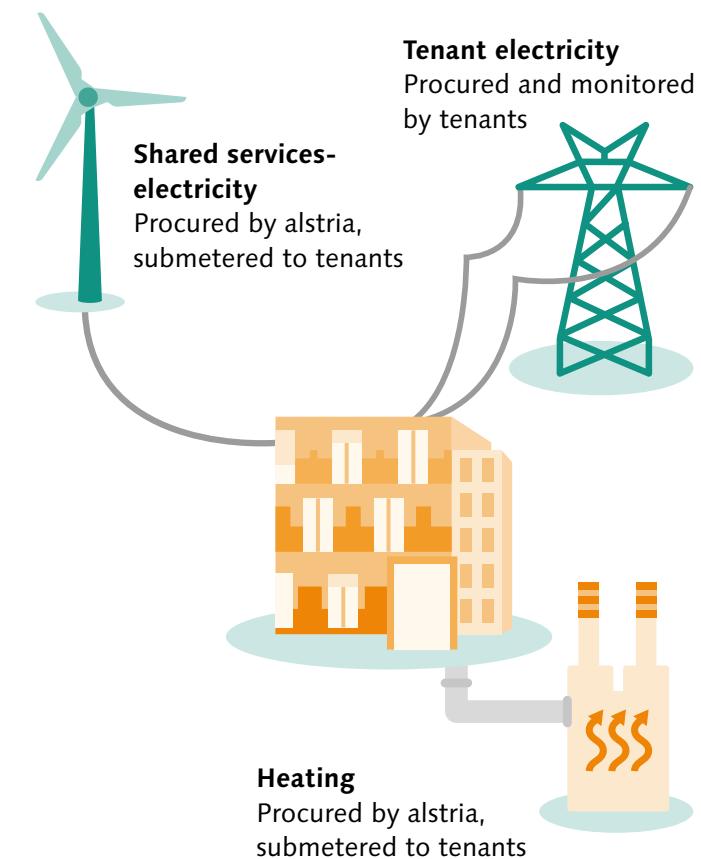
## General distribution of operational energy and GHG emissions in alstria's buildings



## 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.

## Sources of GHG emission from energy consumption and landlord influence in alstria's buildings





## 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 lighting, 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.

\*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 kgCO<sub>2</sub>e/m<sup>2</sup>. (In addition, we assume that about 30 kgCO<sub>2</sub>e/m<sup>2</sup> 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 tCO<sub>2</sub>e in its portfolio. That is the equivalent of the entire annual emission of a middle-sized German city (around 180,000 inhabitants, 7.9 tCO<sub>2</sub>e per capita/annum).\*

\*Source: Statista.

Based on an internal calculation using findings from LETI, we estimate about 35,000 tCO<sub>2</sub>e of additional embodied carbon from our refurbishment activities in 2020 (total area under construction is about 85,000 m<sup>2</sup>). However, we also estimate that the construction of the same lettable area through new buildings would have emitted about 89,000 tCO<sub>2</sub>e (including the demolition of old buildings). As such retrofitting the assets rather than demolishing them and rebuilding new corresponds to avoided emissions totaling about 54,000 tCO<sub>2</sub>e.

Assuming that our refurbishment activities usually take about three years, we estimate about 11,500 tCO<sub>2</sub>e (about 400 kgCO<sub>2</sub>e/m<sup>2</sup>) of additional embodied carbon for 2020.

However, we also estimate about 18,000 tCO<sub>2</sub>e of emissions (about 600 kgCO<sub>2</sub>e/m<sup>2</sup>) 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 kgCO<sub>2</sub>e/m<sup>2</sup> 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 tCO<sub>2</sub>e) 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

Development projects	Lettable area	Embedded carbon				Operational carbon		
		Alternative A: New building		Alternative B: Refurbishment and reuse		Difference between new building and refur- bishment & reuse	Annual operational carbon	Improved GHG efficiency after refurbishment <sup>3)</sup>
		Total carbon from demolition & new building <sup>1)</sup>	Proportion of preserved building <sup>2)</sup>	Embodyed carbon from refurbishment activities	[E = B - D]			
[A]	[B ≈ 1,030 kgCO <sub>2</sub> e/m <sup>2</sup> *A]	[C]	[D ≈ (1 - C)*1,030 kgCO <sub>2</sub> e/ m <sup>2</sup> *A]	[E]	[F ≈ 40 kgCO <sub>2</sub> e/m <sup>2</sup> *A]	[G]	[H = F*G]	
Besenbinderhof 41	5,000 m <sup>2</sup>	5,150 tCO <sub>2</sub> e	60 %	2,060 tCO <sub>2</sub> e	3,090 tCO <sub>2</sub> e	200 tCO <sub>2</sub> e	30 %	60 tCO <sub>2</sub> e
Carl-Reiß-Platz 1–3	17,500 m <sup>2</sup>	18,025 tCO <sub>2</sub> e	40 %	10,815 tCO <sub>2</sub> e	7,210 tCO <sub>2</sub> e	700 tCO <sub>2</sub> e	30 %	210 tCO <sub>2</sub> e
Gustav-Nachtigal-Str. 3	16,800 m <sup>2</sup>	17,304 tCO <sub>2</sub> e	70 %	5,191 tCO <sub>2</sub> e	12,113 tCO <sub>2</sub> e	672 tCO <sub>2</sub> e	30 %	202 tCO <sub>2</sub> e
Gustav-Nachtigal-Str. 5	7,600 m <sup>2</sup>	7,828 tCO <sub>2</sub> e	60 %	3,131 tCO <sub>2</sub> e	4,697 tCO <sub>2</sub> e	304 tCO <sub>2</sub> e	30 %	91 tCO <sub>2</sub> e
Rotebühlstraße 98–100	8,900 m <sup>2</sup>	9,167 tCO <sub>2</sub> e	60 %	3,667 tCO <sub>2</sub> e	5,500 tCO <sub>2</sub> e	356 tCO <sub>2</sub> e	30 %	107 tCO <sub>2</sub> e
Solmsstraße 27–37	30,900 m <sup>2</sup>	31,827 tCO <sub>2</sub> e	70 %	9,548 tCO <sub>2</sub> e	22,279 tCO <sub>2</sub> e	1,236 tCO <sub>2</sub> e	30 %	371 tCO <sub>2</sub> e
<b>Total</b>	<b>86,700 m<sup>2</sup></b>	<b>89,301 tCO<sub>2</sub>e</b>		<b>34,412 tCO<sub>2</sub>e</b>	<b>54,889 tCO<sub>2</sub>e</b>			<b>1,040 tCO<sub>2</sub>e</b>
<b>Total in 2020</b>				<b>11,471 tCO<sub>2</sub>e</b>	<b>18,296 tCO<sub>2</sub>e</b>			
<b>Per m<sup>2</sup> in 2020</b>				<b>397 kgCO<sub>2</sub>e/m<sup>2</sup></b>	<b>633 kgCO<sub>2</sub>e/m<sup>2</sup></b>			

<sup>1)</sup> Embedded carbon estimates at 1,030 kgCO<sub>2</sub>e/m<sup>2</sup> for replacing existing and building new office buildings (Source: LETI Embodied Carbon Primer 2020, p. 24).

<sup>2)</sup> Preserved embedded carbon estimates at 40%–70% depending on replacing carbon-intensive building parts (Source: LETI Embodied Carbon Primer 2020, p. 26).

<sup>3)</sup> 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).

Low-carbon design principles of alstria



alstria's low-carbon design principles



## 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 m<sup>2</sup> (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.

Development projects	Lettable area	Asset class	Embedded carbon			Operational carbon			
			1. Reusing building fabric	2. Build low carbon	3. Simple and robust construction	4. Electrify buildings & grid decarbonization	5. Low-tech design	6. Reduce energy demand	7. Improve energy efficiency
Besenbinderhof 41 [under construction]	5,000 m <sup>2</sup>	office	Reusing most existing building structure and building an extension	New wooden windows	Flexible building design and tenant fit-out	Connection to district heating	No BMS installed	New roof insulation	New and efficient building equipment, LED lighting
Carl-Reiß-Platz 1–3 [under construction]	17,500 m <sup>2</sup>	office / residential	House 1 and 2: Reusing most existing building structure and building an extension. House 3: Reusing existing foundations and basement level	House 2: Extension with wood ceiling	Flexible building design and tenant fit-out	Connection to district heating	Natural ventilation, exterior sun shading of windows, no BMS	House 1 and 2: New windows and roof insulation complying with EnEV. House 3: New building according to EnEV	New and efficient building equipment, LED lighting
Gustav-Nächtigal-Str. 3 [under construction]	16,800 m <sup>2</sup>	office	Reusing most existing building structure		Flexible building design and tenant fit-out		Natural ventilation, exterior sun shading of windows, no BMS	New windows complying with EnEV	New and efficient building equipment, LED lighting
Gustav-Nächtigal-Str. 5 [planning]	7,600 m <sup>2</sup>	office	Reusing most existing building structure		Flexible building design and tenant fit-out	Adding of heat pump to replace part of gas heating	Natural ventilation, exterior sun shading of windows, no BMS	New windows complying with EnEV	New and efficient building equipment, LED lighting
Rotebühlstraße 98–100 [under construction]	8,900 m <sup>2</sup>	office	Reusing most existing building structure	No false ceiling in offices	Flexible building design and tenant fit-out	Prepared for solar panels on the roof		New facade, new windows, new & green roof	New and efficient building equipment, LED lighting
Solmsstraße 27–37 [under construction]	30,900 m <sup>2</sup>	office	Reusing most existing building structure		Flexible building design and tenant fit-out	150 kWp solar panels on the roof	Thermal and acoustic comfort has been increased and new charging points for electric vehicles	New insulation of facade and underground parking; partially new windows; external sun shading renewed; new & green roof	New and efficient building equipment, LED lighting with occupancy sensors in whole building; high-efficiency pumps; mechanical ventilation with > 75 % heat recovery

## 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)

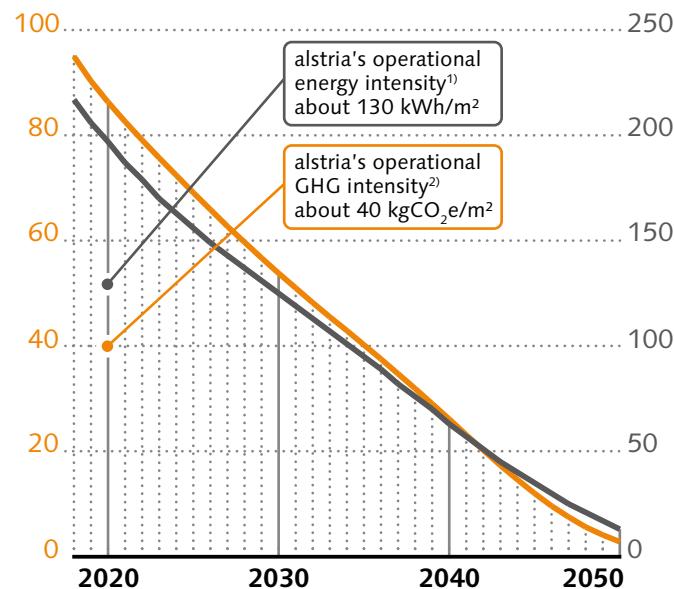
We track our annual emissions and energy use per lettable area with the CRREM Decarbonization Target Tool. Six well-known research institutions from various European countries developed and further revised it based on EU funding. The Laudes Foundation funded the project from 2021 onward. alstria was 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.

### alstria's energy and GHG performance against the CRREM benchmark (Version 1.7)

<b>Global warming target:</b>	<b>Country:</b>	<b>Type of use:</b>
1.5°C	Germany	Office

<b>Decarbonisation pathway</b>	<b>Energy reduction pathway</b>
--------------------------------	---------------------------------

kgCO <sub>2</sub> e/m <sup>2</sup> /yr	kWh/m <sup>2</sup> /yr
--	------------------------



<sup>1)</sup> Extrapolation for whole portfolio area based on about 60 % of electricity and 85 % of heating consumption data; location-based calculation using emissions factors from CRREM for electricity in Germany, from our local suppliers for district heating, and from the German federal environmental agency for fuel (natural gas).

<sup>2)</sup> Extrapolation for whole portfolio area based on about 60 % of electricity and 85 % of heating consumption data.

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/m<sup>2</sup>, and in 2019, it was 154 kWh/m<sup>2</sup>. 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/m<sup>2</sup>/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 tCO<sub>2</sub>e to about 40,000 tCO<sub>2</sub>e (location based) respectively from about 50,000 tCO<sub>2</sub>e to about 30,000 tCO<sub>2</sub>e (market based).

 [Appendix/EPRA Sustainability performance measures](#)

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.

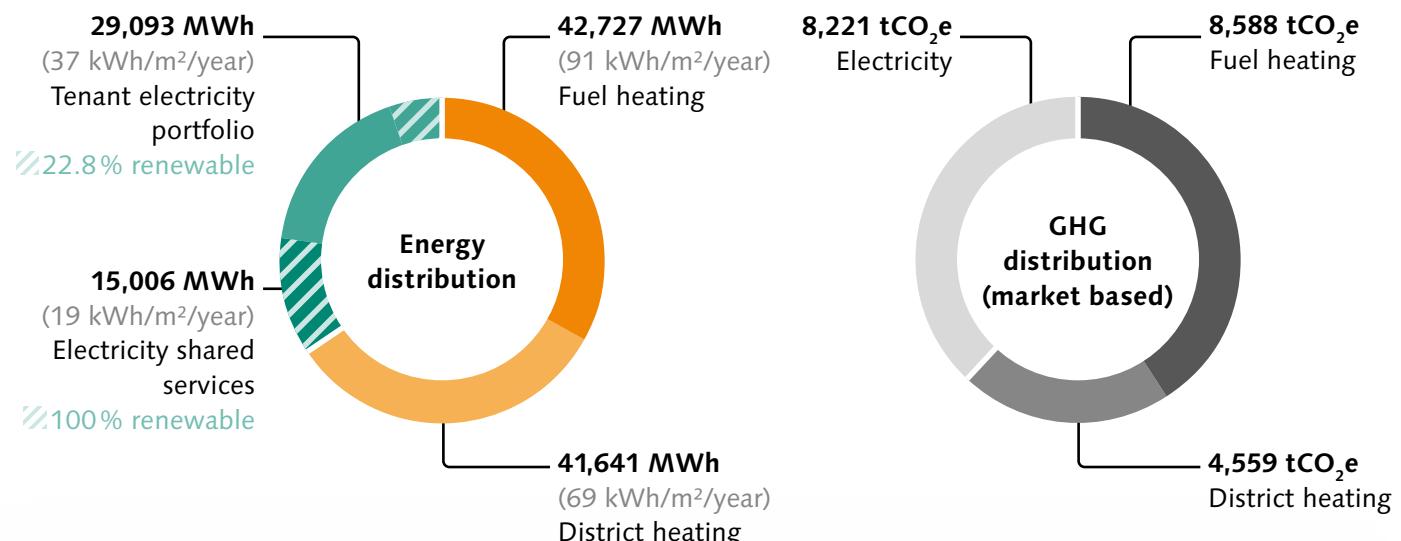
Nevertheless, we were able to collect about 65 % of the tenant heating and about 63 % of the tenant electricity consumption in 2020, which led to the values shown in the graphic on the right side.

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

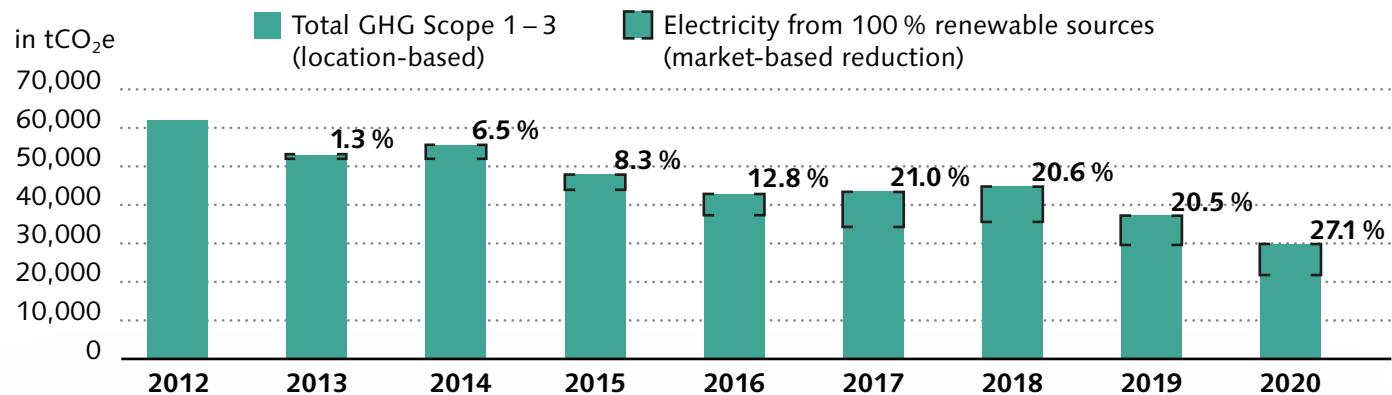
## Energy and GHG distribution in alstria's portfolio in 2020

(collected consumption data)



## GHG emissions and reduction from 100% renewable electricity

(collected consumption data)



## Key reduction measures

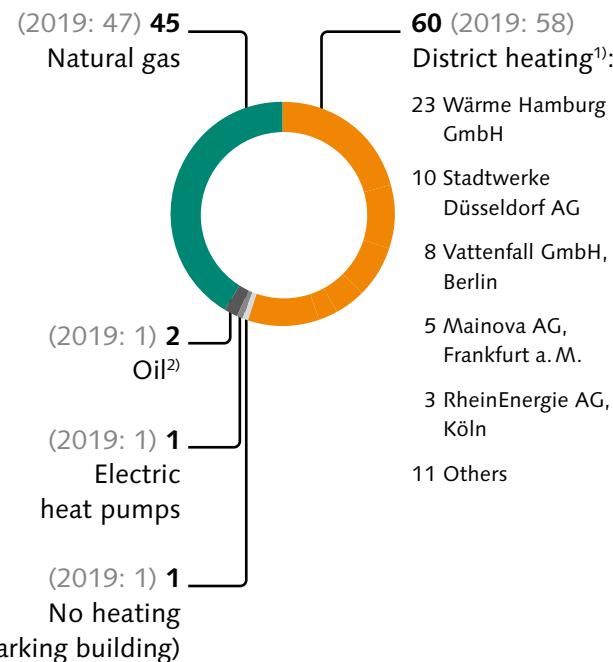
Looking at the key action areas to reduce heating- and electricity-related emissions introduced above, alstria contributed as follows in FY 2020:

### 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.

### Heating systems in alstria's portfolio by source in 2020



<sup>1)</sup>In 2020 two buildings were converted from fuel to district heating and more are planned in 2021.

<sup>2)</sup>We have acquired in 2019 and 2020 two building with oil heating which we plan to replace as soon as feasible.

### 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](http://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.



### 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 CO<sub>2</sub> 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.

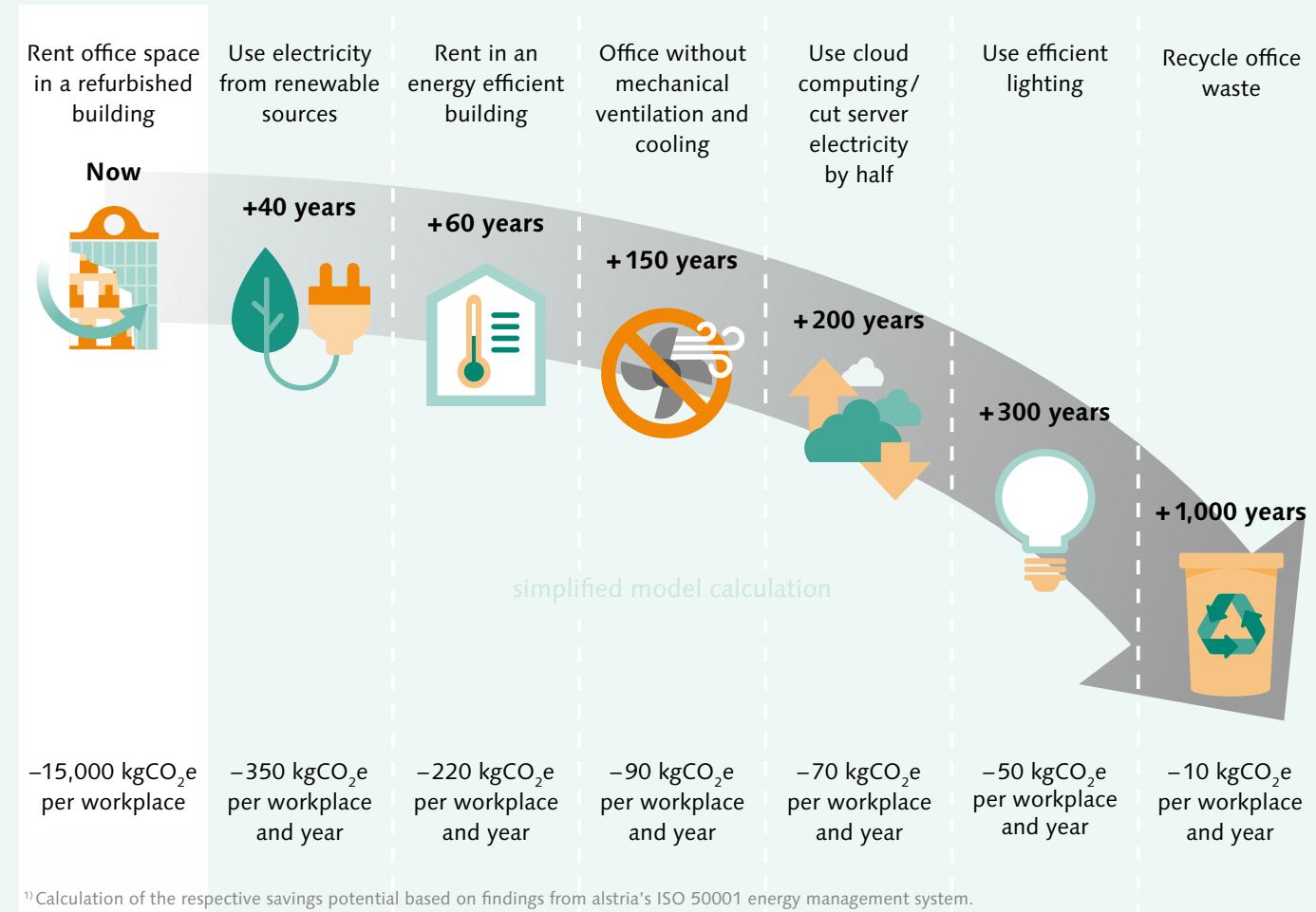
The impact of choosing office space in a refurbished building is huge and corresponds to avoiding immediately around 15,000 kgCO<sub>2</sub>e\* per workplace.

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 decisions<sup>1)</sup>:

**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?**



<sup>1)</sup>Calculation of the respective savings potential based on findings from alstria's ISO 50001 energy management system.

\*A typical office workplace has 25 m<sup>2</sup>, and reusing and refurbishing an existing building instead of a new construction helps to avoid around 600 kgCO<sub>2</sub>e/m<sup>2</sup> (25 m<sup>2</sup>/wp × 600 kgCO<sub>2</sub>e/m<sup>2</sup>=15,000 kgCO<sub>2</sub>e/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](http://www.co2-rechner.de) values referring to the average German consumer.



# REDUCING WATER CONSUMPTION

## Tenant areas

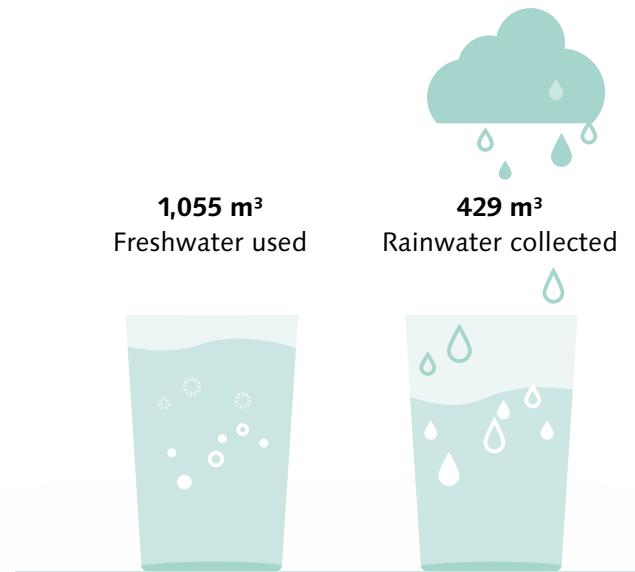
No water stress generally exists in Germany, where our business operations take place. However, some metropolitan regions in Germany face water challenges (e.g., overloaded sewers) due to an increasingly scaling rate of rainfall events. For our part, whenever we refurbish one of our buildings, we try 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 m<sup>3</sup>. This corresponds to a reduction of 21.0% like for like in 2019, which is mainly explained by COVID-19.

## alstria's offices

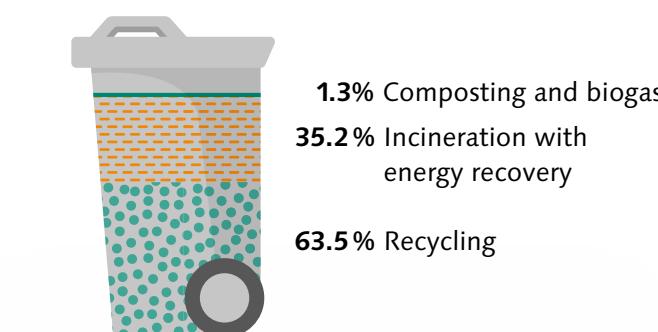
We use water in our corporate offices responsibly and have water-saving devices installed in tea kitchens, toilets, and green areas. Freshwater consumption amounted to 1,055 m<sup>3</sup> in our offices in 2020, 23.3% lower than the previous year. This is mainly due to the additional amenities provided in our head office (fitness and shower facilities, as well as chilled and hot drinking water dispensers in all break rooms).

## Water use in alstria's offices



## Waste in alstria's portfolio by disposal route

Total waste consumption: 1,977 t



# 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.



**Green roofs on an alstria building in Stuttgart**

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 this 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 m<sup>3</sup> 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 m<sup>2</sup> (in 2020)
- › Beehives on the roof: three buildings with around 22 m<sup>2</sup> (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
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- 50 Diversity and inclusion
- 52 Work-life balance
- 55 Compliance and ethical conduct



# Key figures



## WHO WE ARE

167 Employees  
(+ 1.2 %)

**12.0 %**

Management level

**88.0 %**

Non-Management level

**AVERAGE AGE  
38 years**

All data refer to the number at the end of the reporting period (January 1, 2020 – December 31, 2020).

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

<sup>2)</sup>8-hour day.

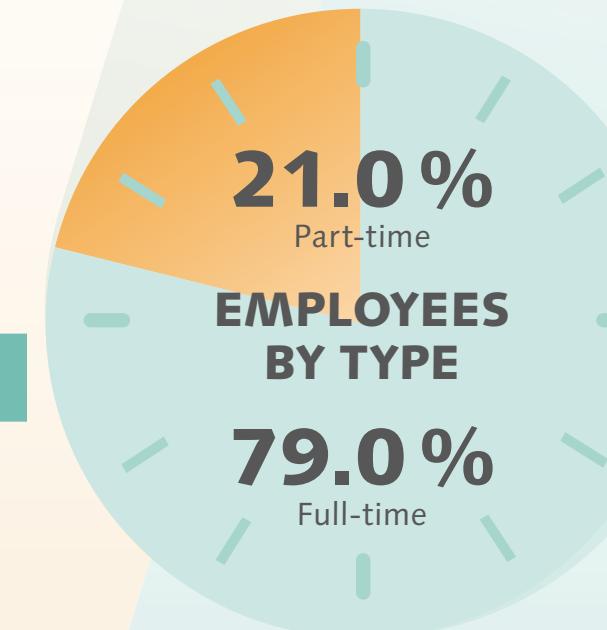
## EMPLOYEES BY GENDER

**58.1 %**

Women

**41.9 %**

Men



## AVERAGE TRAINING<sup>2)</sup>



**2.3 days**



## AVERAGE SICKNESS<sup>1)</sup>

**6.4 days**

## 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.



**Comprehensive COVID-19 approach**

## 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

As of Dec. 31, 2020	Average compensation across the company	CEO compensation
Total amount of fixed and variable compensation <sup>1)</sup> (EUR)	87,680.07	1,127,000.00 <sup>2)</sup>
Annual change	-1.2 %	0.0 %
Bonus portion in total compensation	11.6 %	20.5 %
Long-term incentives portion in total compensation	17.8 %	39.0 %

<sup>1)</sup>Total granted compensation without insurance and pension benefits.

<sup>2)</sup>The difference of CEO total compensation to median employee compensation is a multiple of 17.9 (2019: 17.9).

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.

### Compliance and ethical code of conduct

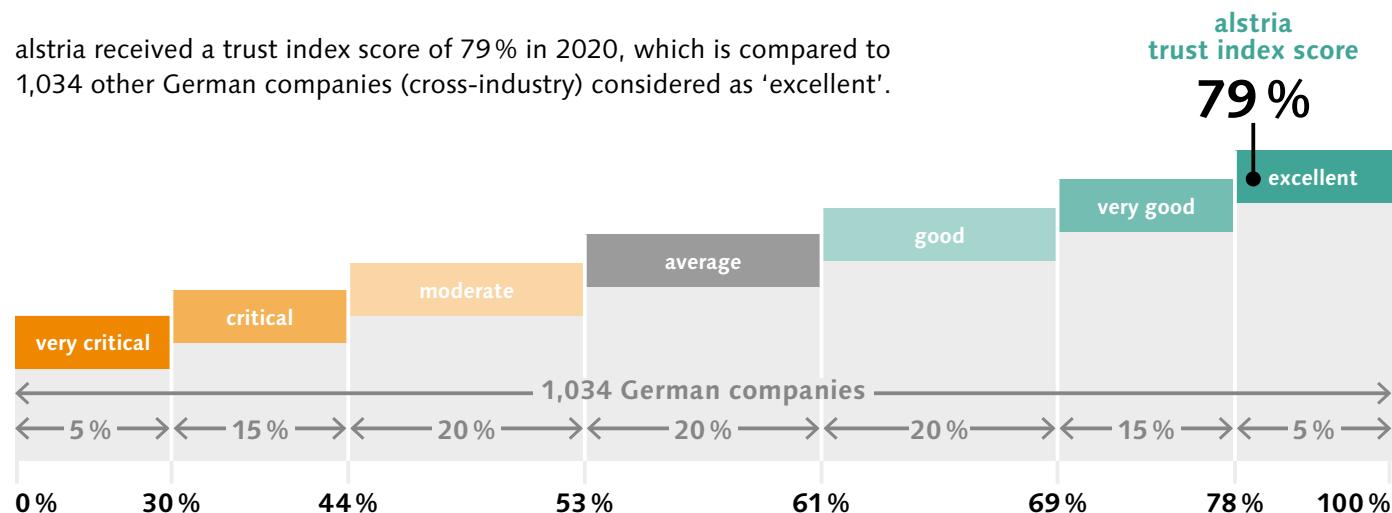
\*The market benchmark refers cross-industry to 1,034 German companies and is provided by the service provider Great Place to Work. For more information visit [www.greatplacetowork.de/](http://www.greatplacetowork.de/)

## 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'.



## 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.



**alstria's welcome package**

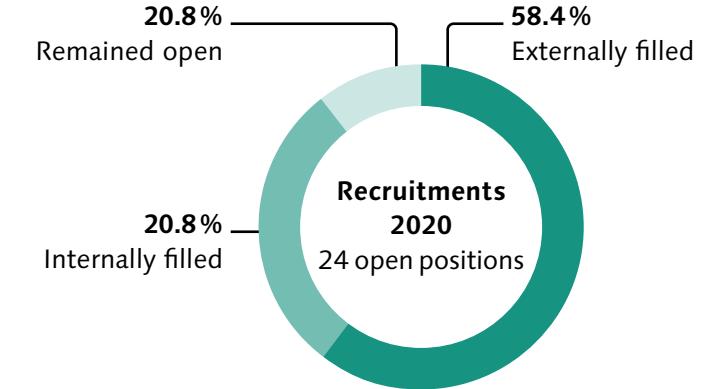
## Young talents

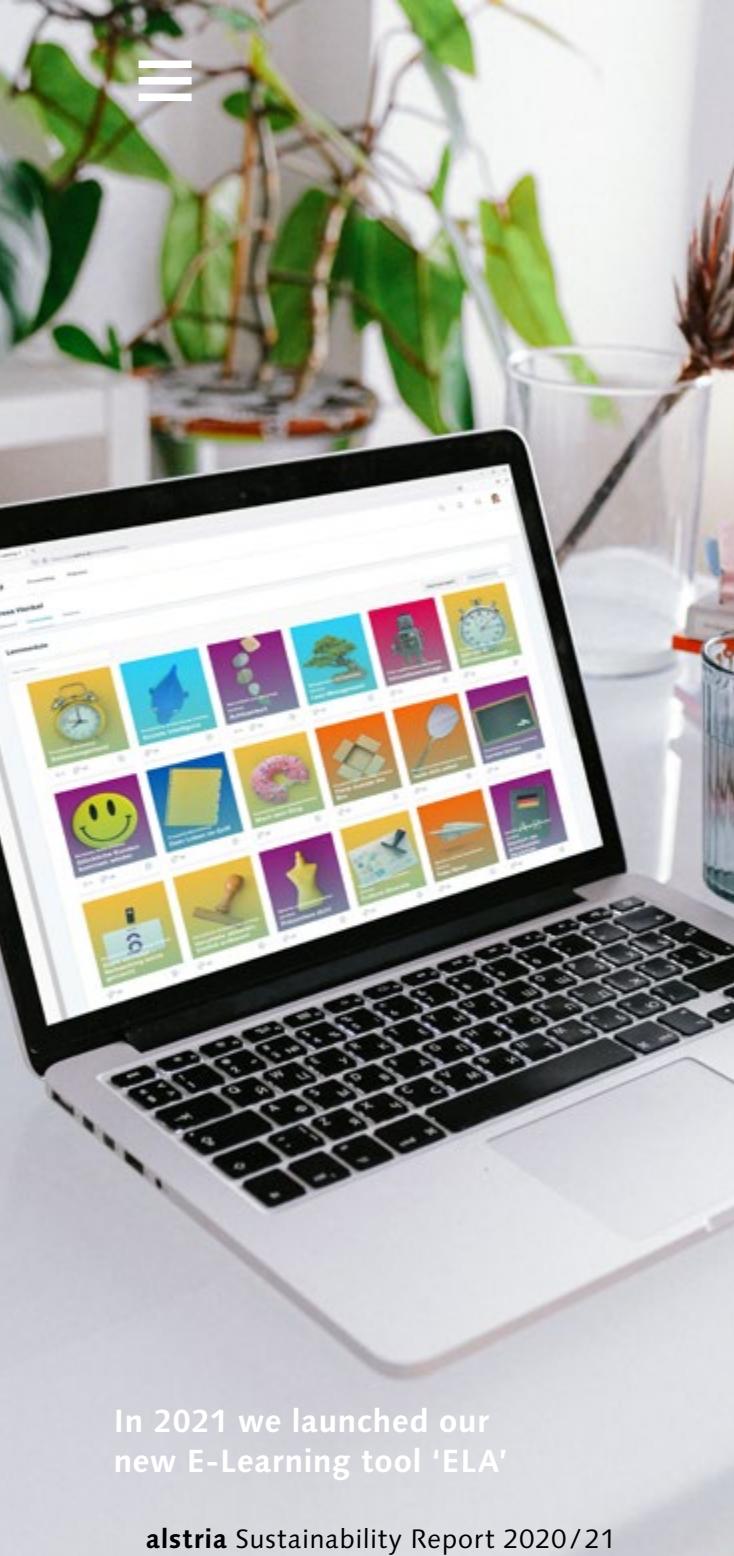
Trainee programs hold a special place in our corporate culture. They ease cooperation between various departments and long-term succession planning within the company. Therefore, we hire young professionals every year to complete a two-year program specially designed to provide hands-on experience with 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.





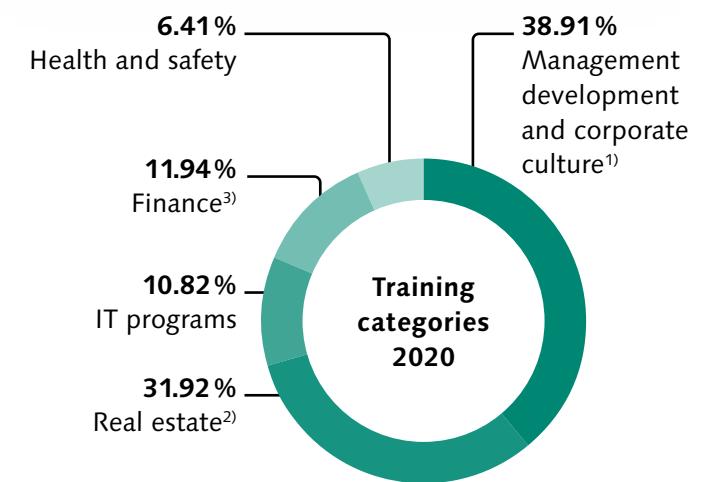
In 2021 we launched our new E-Learning tool 'ELA'

## 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).



<sup>1)</sup> This category also includes training hours on OHS and compliance (e.g., during the onboarding of new employees).

<sup>2)</sup> Including real estate, development, transactions, sustainability and energy topics.

<sup>3)</sup> Including legal, finance, controlling, accounting and office administration topics.

## 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.

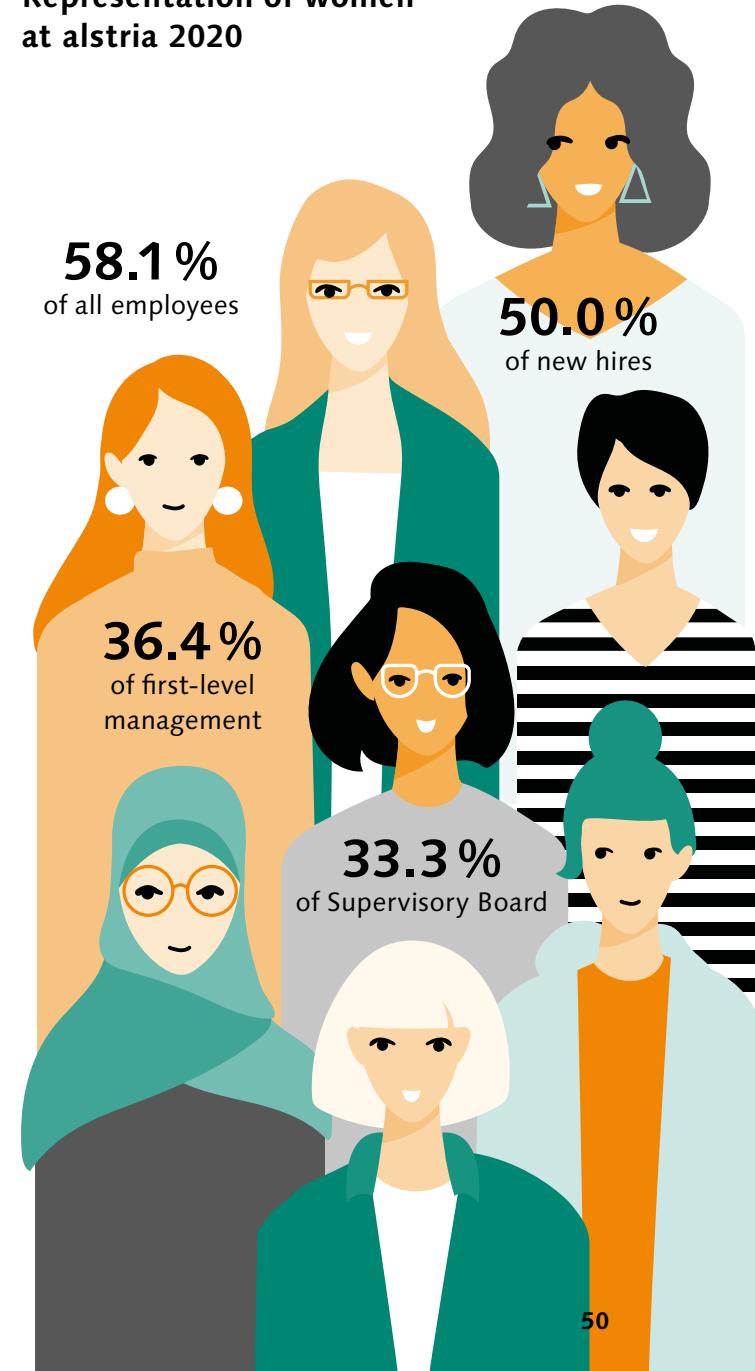
### Gender diversity

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.

### Representation of women at alstria 2020



\*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).\*\*

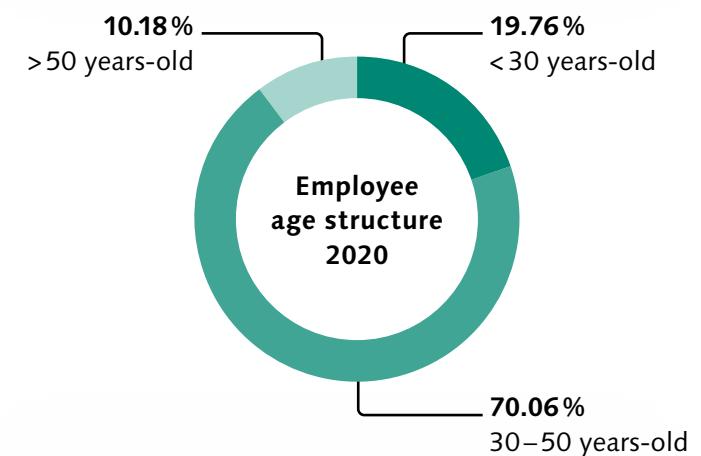
## Pay gap across employee categories

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

<sup>1)</sup>Employees 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.



\*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.



**Supporting daily exercise of our employees through corporate leasing options for bicycles**

## 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.

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.

### 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.

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.

## Adaptable & healthy workspace

Our head offices are located in a renovated building of UNESCO cultural heritage in Hamburg, overlooking the main central station. The offices were designed to meet high comfort levels and can be adjusted flexibly to address various rates of occupancy. (This feature was properly used as a response to the new standards of COVID-19 to support social distancing.)

They further embrace an open culture defined by middle glass zones that serve as think tanks, lounges, nap areas, phone booths and recreational areas. To maintain a certain privacy level, all think tanks feature a foil coating. Each office unit features adjustable-height desks for extra comfort, sound-absorbing privacy panels and furniture on wheels to allow employees to shape the space on their own terms. We also offer free bicycle lots to make it easier for our employees to commute by bicycle. Finally, to support e-mobility, we have installed e-charging stations in our garage.

The design of our head offices is replicated in all our local offices in Germany.



\*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.

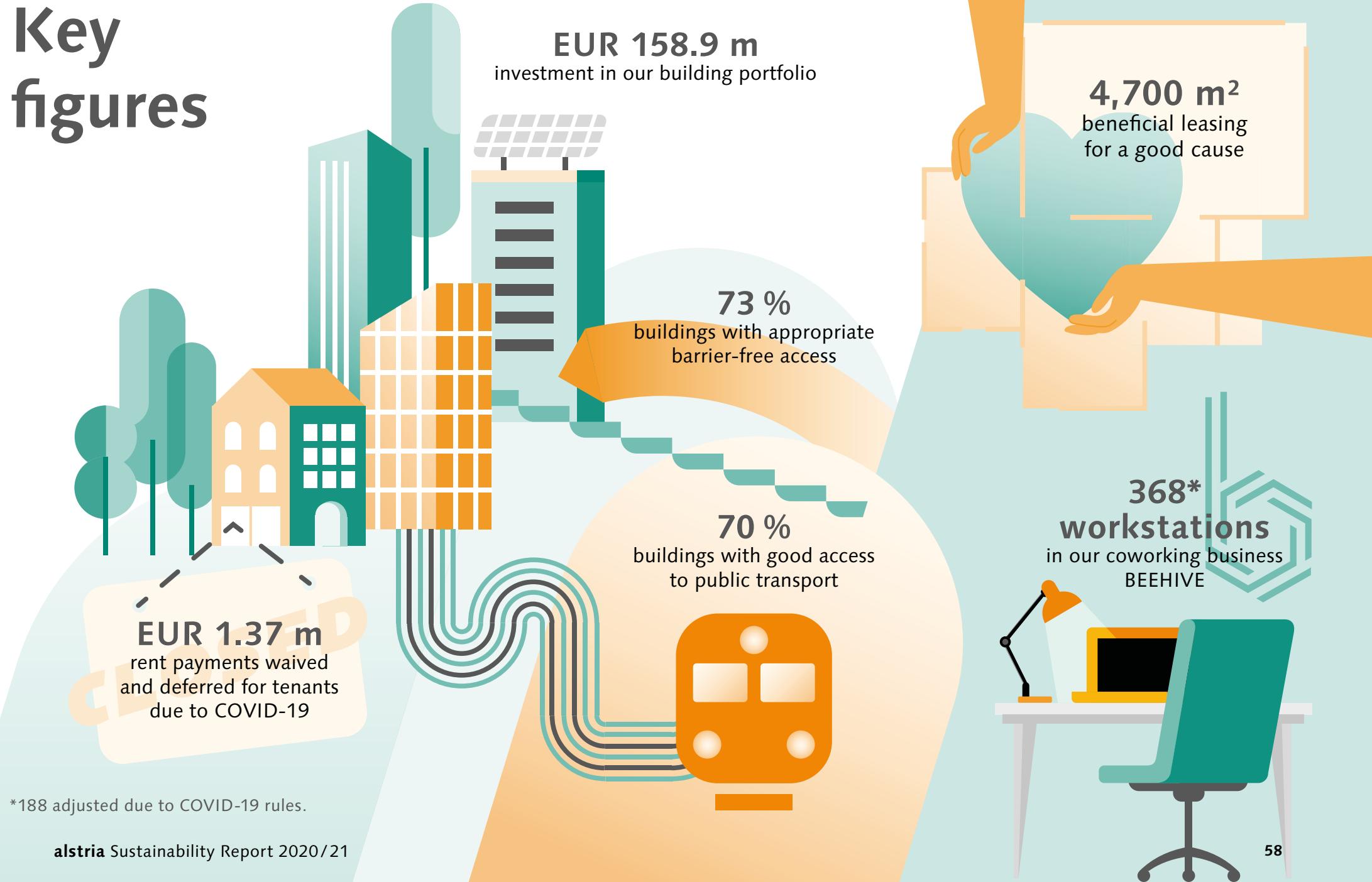


# Sound Business

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- 66 Contribution to communities**



# Key figures



# 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.

 *alstria's Company Report 2020, p. 36*

### Distribution of capital in 2020

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

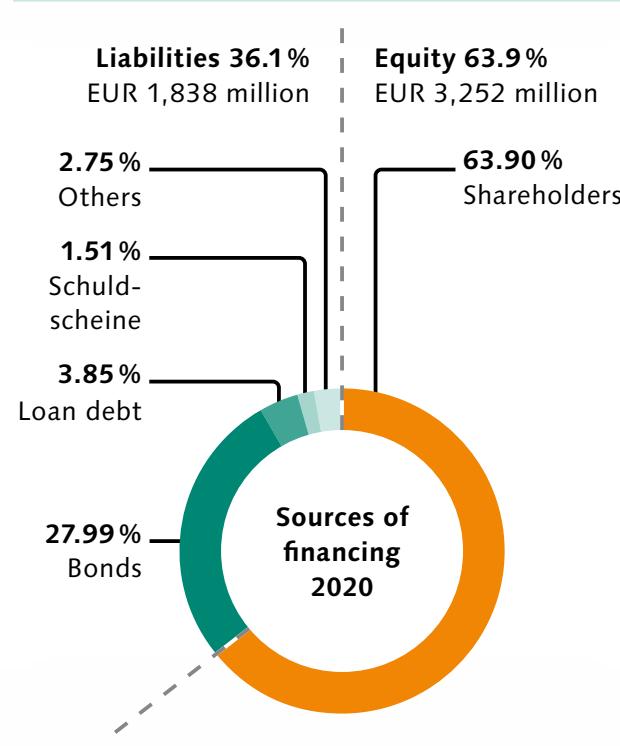
**Shareholders:** EUR 94.1 m paid in dividends)

**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



### 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.

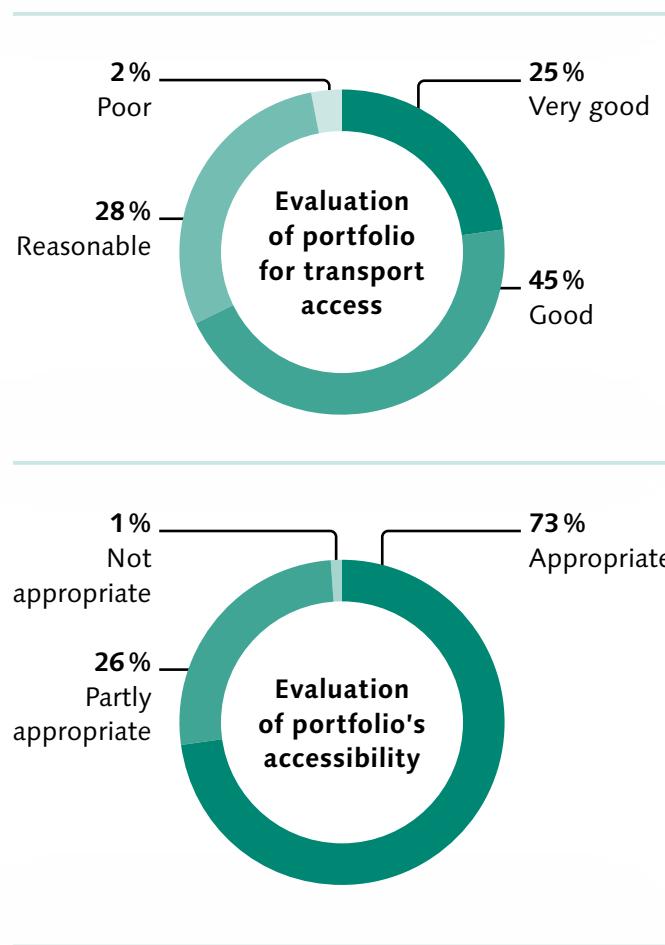
Overall, our office layouts encompass diverse principles of human-centered office design regarding, e.g., lighting; indoor air quality; thermal, acoustic, and visual comfort; ergonomics; and the incorporation of spaces for recreational activities.

## 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.



## 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.

## 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](http://www.beehivework.com) and ask for exclusive offers if you are one of our tenants

B E E H I V E  
C O W O R K I N G 





## 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

### Support suppliers

Business consultants  
Analysts  
Auditors

### Production suppliers

Automobile dealer  
Building material companies  
Office furniture companies  
Utility companies





## 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.

**around 25.0 %**

of contractors are  
locally hired

### 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

 *Code of conduct for suppliers*

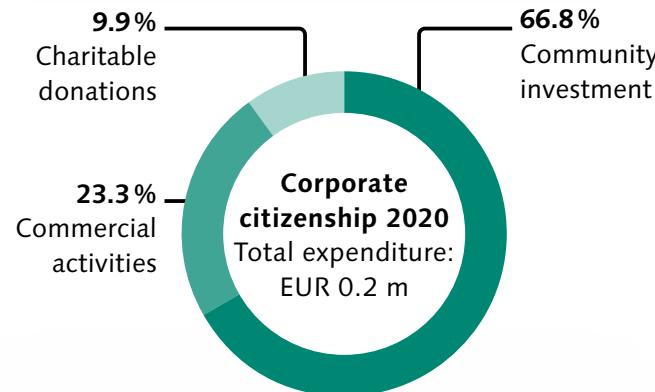
# CONTRIBUTION TO COMMUNITIES

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.



## 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.



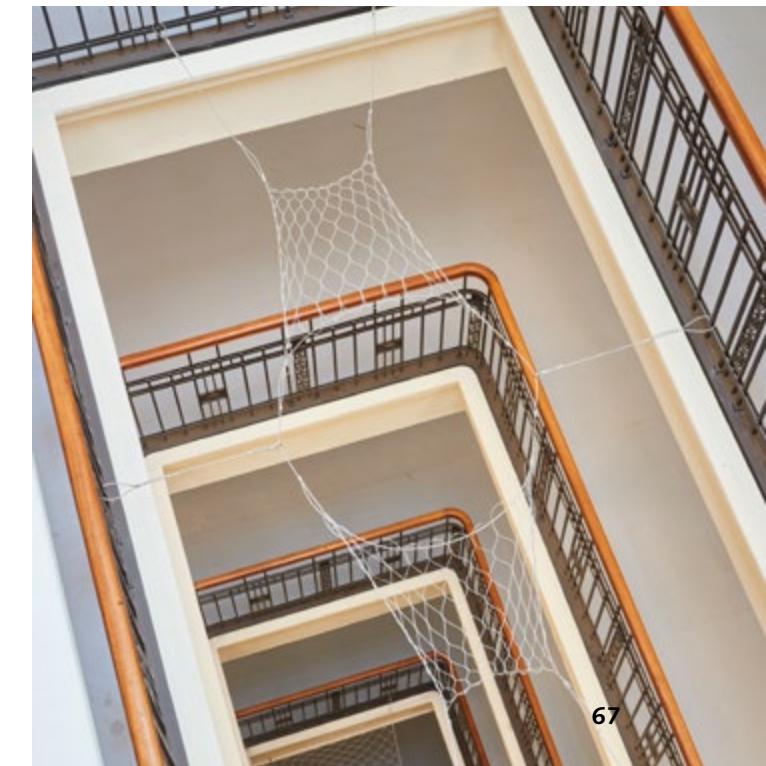
## Support for communities

In 2020, we offered discounted leases, representing an area of 4,711 m<sup>2</sup>, 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.

□ [www.mindxgap.de](http://www.mindxgap.de)



## Preservation of historic buildings

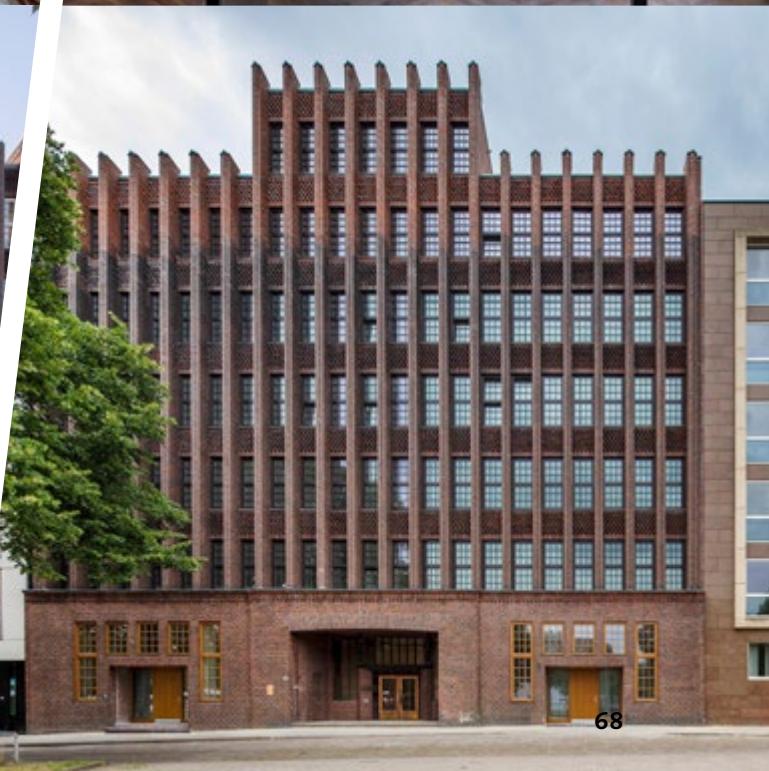
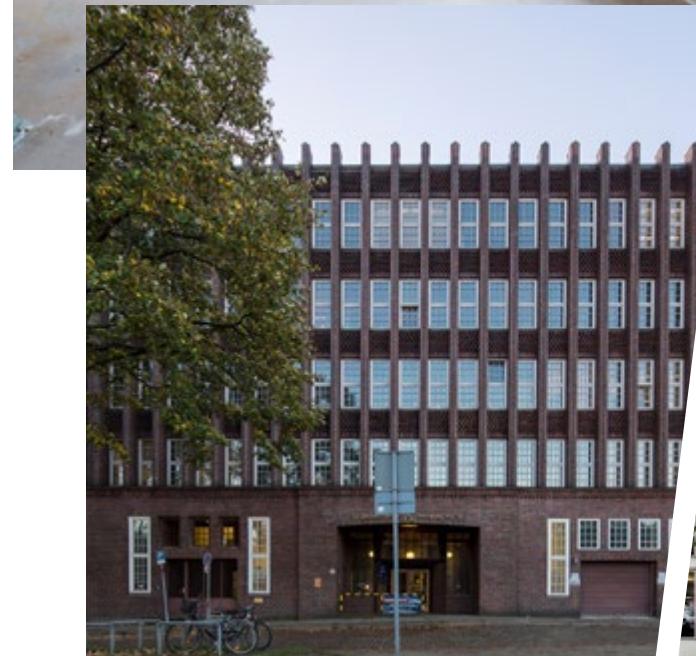
When the market presents us with a buying opportunity, we acquire historic buildings and take over their demanding restoration to maintain their cultural value. Notable older buildings in particular, when properly restored, can capitalize great returns on leases. One-seventh of our portfolio is comprised 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. 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.



# Appendix

- 70 A – About this report
- 72 B – GRI content index
- 79 C – Assurance statement
- 81 D – EPRA sustainability performance measures
- 98 E – Responding to TCFD
- 99 F – Carbon dashboard
- 101 Glossary
- 104 Imprint

# 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 provided 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.

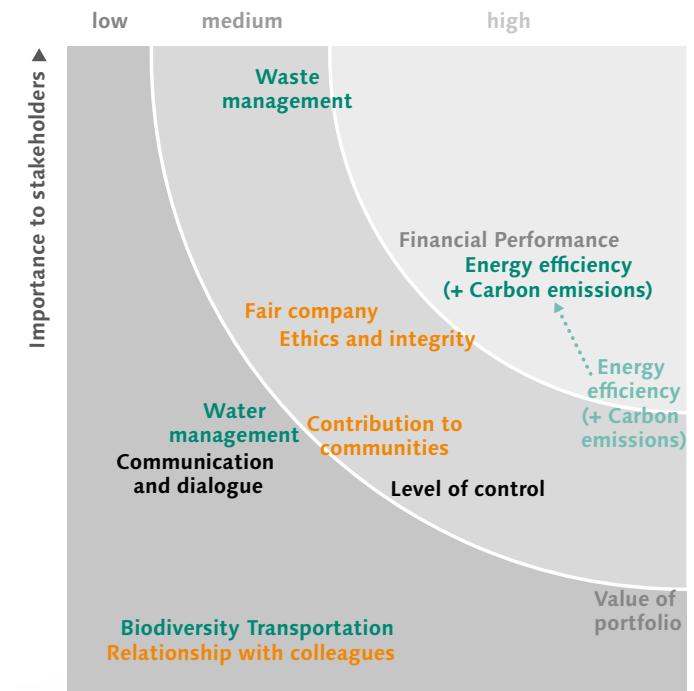
## Selection of topics (materiality)

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.

## Materiality matrix

**Value chain**      **Economy**      **Environment**      **Social**





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.

SDGs targets	See chapter
17.7	Stakeholder Engagement
7.2, 7.3, 13.2	Decarbonizing Our Building Portfolio
9.1	Decarbonizing Our Building Portfolio
4.4, 8.6	Reducing waste impacts
12.4	Reducing waste impacts
4.4, 8.6	Employee Development
5.5., 8.5, 10.3, 11.7	Diversity and Inclusion
3.8	Work-Life Balance
10.3	Ethical Conduct
11.7	Our office design
11.4	Contribution to communities
8.7	Supply Chain Management

## 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

GENERAL DISCLOSURES		
Disclosure	References	Additional Information
<b>GRI 102: General Disclosures 2016</b>		
<b>Organizational Profile</b>		
102-1 Name of the organization	Page 6, Imprint: p. 104	
102-2 Activities, brands, products, and services	Page 8	
102-3 Location of headquarters	Page 6	
102-4 Location of operations	Page 6, Imprint: p. 104	
102-5 Ownership and legal form	Imprint: p. 104	
102-6 Markets served	Page 6	
102-7 Scale of the organization	Pages 6, 44–46, 59	
102-8 Information on employees and other workers	Pages 44–49, 93–95	102-8a/b: Permanent employment contracts: 158 employees (93 women, 67 men; 113 in head office, 47 in local branches). Fixed-term employment contracts: 7 employees (4 women, 3 men) all employed in head office. 102-8c: Full-time employees: 132 (64 women, 68 men). Part-time employees: 35 (33 women, 2 men). 102-8d: Total number of trainees: 6 (3 retained and 1 were released). Apprenticeships: 7. Employees with disabilities: 1. Temporary contractors: 0.
102-9 Supply chain	Page 64	
102-10 Significant changes to the organization and its supply chain	Page 64	
102-11 Precautionary principle or approach	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.
102-12 External initiatives	Page 14	
102-13 Memberships of associations	Page 14	
<b>Strategy</b>		
102-14 Statement from senior decision-maker	Pages 4–5	
102-15 Key impacts, risks, and opportunities	Pages 14, 17–19, 70–71	
<b>Ethics and Integrity</b>		
102-16 Values, principles, standards, and norms of behaviour	Pages 50–51, 55–56	
102-17 Mechanisms for advice and concerns about ethics	Pages 9–10, 50–51, 55–56, 65	



## GENERAL DISCLOSURES

Disclosure	References	Additional Information
<b>Governance</b>		
102-18 Governance structure	Pages 9–10, Annual Report 2020, p. 161–180	
102-19 Delegating authority	Pages 9–10	
102-20 Executive-level responsibility for economic, environmental, and social topics	Pages 9–10 Annual Report 2020, p. 157	
102-21 Consulting stakeholders on economic, environmental, and social topics	Page 19 Annual Report 2020, p. 178–180	
102-22 Composition of the highest governance body and its committees	Annual Report 2020, p. 161–180	
102-23 Chair of the highest governance body	Annual Report 2020, p. 161–180	
102-24 Nominating and selecting the highest governance body	Annual Report 2020, p. 161–180	
102-25 Conflicts of interest	Annual Report 2020, p. 154	No conflicts of interest concerning members of the Supervisory Board or Management Board arose during 2020 financial year.
102-26 Role of the highest governance body in setting purpose, values, and strategy	Pages 9–10	
102-27 Collective knowledge of highest governance body	Pages 9–10	
102-28 Evaluating the highest governance body's performance	Annual Report 2020, p. 161–180	
102-29 Identifying and managing economic, environmental, and social impacts	Pages 10, 14	
102-30 Effectiveness of risk management process	Page 10 Annual Report 2020, p. 26–46	
102-31 Review of economic, environmental, and social topics	Pages 10	
102-32 Highest governance body's role in sustainability reporting	Pages 10	alstria's Management Board formally reviews and approves the sustainability report of the Company. Since 2017, the Company has in place a ESG committee at the Supervisory Board level, which overlooks also the processes around the report.
102-33 Communicating critical concerns	Annual Report 2020, p. 178–180	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.
102-34 Nature and total number of critical concerns		This information is confidential and is not communicated externally by alstria.
102-35 Remuneration policies	Annual Report 2020, p. 181–193	
102-36 Process for determining remuneration	Annual Report 2020, p. 181–193	



GENERAL DISCLOSURES		
Disclosure	References	Additional Information
102-37 Stakeholders' involvement in remuneration	Annual Report 2020, p. 178–180, 181–193	
102-38 Annual total compensation ratio	Pages 46–47	
102-39 Percentage increase in annual total compensation ratio	Pages 46–47	102-39a: Ratio of percentage change in annual total compensation of CEO to the company's median total compensation of all employees: 0.0.
Stakeholder Engagement		
102-40 List of stakeholder groups	Pages 12–15	
102-41 Collective bargaining agreements	Pages 46–47	Percentage of employees covered by collective bargaining agreements: 0%. However, our employment contracts have been built upon these agreements for the real estate sector. The main differences between our contracts and collective bargaining ones are the flexible working models and our bonus payment. Most recommendations with respect to paid holidays, termination notice, retirement age, sick payment, travel expenses etc., are covered in our contracts.
102-42 Identifying and selecting stakeholders	Pages 12–15	
102-43 Approach to stakeholder engagement	Pages 12–15	
102-44 Key topics and concerns raised	Pages 12–15	
Reporting Practice		
102-45 Entities included in the consolidated financial statements	Pages 70–71, Annual Report 2020, p. 67–69	
102-46 Defining report content and topic Boundaries	Pages 70–71	
102-47 List of material aspects	Pages 70–71	
102-48 Restatements of information	Pages 70–71	
102-49 Changes in reporting	Pages 70–71	
102-50 Reporting period	Pages 70–71	
102-51 Date of most recent report	November 4, 2021	
102-52 Reporting cycle	Pages 70–71	
102-53 Contact point for questions regarding the report	Imprint, p. 104	
102-54 Claims of reporting in accordance with the GRI Standards	Pages 70–71	
102-55 GRI content index	Pages 72–78	
102-56 External assurance	Pages 79–80	



## TOPIC-SPECIFIC DISCLOSURES

Disclosure	References	Additional Information
<b>GRI 201: Economic Performance 2016</b>		
<b>GRI 103: Management Approach 2016</b>		
103-1 Explanation of the material topic and its Boundary	Pages 19–24, 59, 70–71	
103-2 The management approach and its components	Pages 19–24, 59	
103-3 Evaluation of the management approach	Pages 519–24, 59	
201-1 Direct economic value generated and distributed	Page 59	
201-2 Financial implications and other risks and opportunities due to climate change	Pages 16–19	
201-3 Defined benefit plan obligations and other retirement plans	Page 54	We provide detailed disclosures about our pension and retirement plans in our Annual Report 2019, p. 88.
201-4 Financial assistance received from government	Page 59	
<b>GRI 203: Indirect Economic Impacts 2016</b>		
203-1 Infrastructure investments and services supported	Pages 59, 66–68 Company Report 2020, p.20	
203-2 Significant indirect economic impacts	Pages 56, 66–68	
<b>GRI 204: Procurement Practices 2016</b>		
204-1 Proportion on spending on local suppliers	Pages 54, 66–68	204-1b: Local suppliers are companies that are 100 km away of our construction sites or from our local corporate offices.
<b>GRI 205: Anti-corruption 2016</b>		
205-1 Operations assessed for risks related to corruption	Pages 59, 65	All business operations are assessed for corruption risks.
205-2 Communication and training about anti-corruption policies and procedure	Pages 55–56	205-2a/b: 100% of our governance body members and employees were informed for anti-corruption policies. 205-2 c/d: When ordering services, we inform our Tier 1 suppliers of our CoC for Suppliers (which includes anti-corruption) and that they 'shall aim for their own subcontractors (non-Tier 1 for us) to comply with the alstria Code of Conduct for Suppliers'. 205-2 d/e: 100% of new employees received training and all governance members.
205-3 Confirmed incidents of corruption and actions taken	Pages 49, 55–56	No incidents of corruption in relation to employees and business partners were officially reported to alstria.
<b>GRI 206: Anti-competitive Behavior 2016</b>		
206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices		alstria was not involved in any proceedings regarding violations of anti-trust legislation.



## TOPIC-SPECIFIC DISCLOSURES

Disclosure	References	Additional Information
<b>GRI 302: Energy 2016</b>		
<b>GRI 103: Management Approach 2016</b>		
103-1 Explanation of the material topic and its Boundary	Pages 16, 20–22, 27–40, 99–100	
103-2 The management approach and its components	Pages 16, 20–22, 27–40, 99–100	
103-3 Evaluation of the management approach	Pages 16, 20–22, 27–40, 99–100	
302-1 Energy consumption within the organization	Pages 36, 83–92	
302-2 Energy consumption outside of the organization	Pages 36, 83–92	
302-3 Energy Intensity	Pages 36, 83–92	
302-4 Reduction of energy consumption	Pages 36, 83–92, 98	
<b>GRI 303: Water and Effluents 2018</b>		
<b>GRI 103: Management Approach 2018</b>		
103-1 Explanation of the material topic and its Boundary	Page 40	
103-2 The management approach and its components	Page 40	
103-3 Evaluation of the management approach	Page 40	
303-1 Interactions with water as a shared resource	Page 40	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.
303-2 Management of water discharge-related impacts	Page 40	Freshwater consumption and wastewater are controlled by law.
303-3 Water withdrawal	Page 40	We obtain freshwater through municipal water suppliers and therefore have 100% third-party water.
303-4 Water discharge		We discharge freshwater through municipal water suppliers.
303-5 Water consumption	Pages 40, 88, 90	303-5a/d: We only report on the third-party water consumption of our portfolio and corporate offices.
<b>GRI 305: Emissions 2016</b>		
<b>GRI 103: Management Approach 2016</b>		
103-1 Explanation of the material topic and its Boundary	Pages 27–34, 99–100	
103-2 The management approach and its components	Pages 27–34, 99–100	
103-3 Evaluation of the management approach	Pages 27–34, 99–100	
305-1 Direct (Scope 1) GHG emissions	Pages 31–34, 86, 90–91, 96–97	
305-2 Energy indirect (Scope 2) GHG emissions	Pages 31–34, 86, 90–91, 96–97	
305-3 Other indirect (Scope 3) GHG emissions	Pages 31–34, 86, 90–91, 96–97	
305-4 GHG emissions intensity	Pages 87, 91, 96–97	
305-5 Reduction of GHG emissions	Pages 31–34, 87, 91, 96–97	



TOPIC-SPECIFIC DISCLOSURES		
Disclosure	References	Additional Information
<b>GRI 306: Effluents and Waste 2016</b>		
<b>GRI 103: Management Approach 2016</b>		
103-1	Explanation of the material topic and its Boundary	Page 40
103-2	The management approach and its components	Page 40
103-3	Evaluation of the management approach	Page 40
306-2	Waste by type and disposal method	Pages 40, 89, 90
<b>GRI 401: Employment 2016</b>		
<b>GRI 103: Management Approach 2016</b>		
103-1	Explanation of the material topic and its Boundary	Pages 45–49
103-2	The management approach and its components	Pages 45–49
103-3	Evaluation of the management approach	Pages 45–49
401-1	New employee hires and employee turnover	Pages 46, 94
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 54  We offer our employees a free vaccine against influenza. 19.2% of alstria's employees used this offer.
401-3	Parental leave	Page 54  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 men 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%.
<b>GRI 403: Occupational Health and Safety 2018</b>		
<b>GRI 103: Management Approach 2018</b>		
103-1	Explanation of the material topic and its Boundary	Pages 52–54
103-2	The management approach and its components	Pages 52–54
103-3	Evaluation of the management approach	Pages 52–54
403-9	Work-related injuries	Pages 52, 95  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.
403-10	Work-related ill health	Pages 52, 95  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.
<b>GRI 404: Training and Education 2016</b>		
<b>GRI 103: Management Approach 2016</b>		
103-1	Explanation of the material topic and its Boundary	Pages 45–49



TOPIC-SPECIFIC DISCLOSURES		
Disclosure	References	Additional Information
103-2 The management approach and its components	Pages 45–49	
103-3 Evaluation of the management approach	Pages 45–49	
404-1 Average hours of training per year per employee	Pages 49, 93	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.
404-2 Programs for upgrading employee skills and transition assistance programs	Pages 49, 52–54	404-2a: No employees took 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.
404-3 Percentage of employees receiving regular performance and career development reviews	Pages 46, 93–95	All employees at alstria have received annual appraisals.
<b>GRI 405: Diversity and Equal Opportunity 2016</b>		
<b>GRI 103: Management Approach 2016</b>		
103-1 Explanation of the material topic and its Boundary	Pages 50–51	
103-2 The management approach and its components	Pages 50–51	
103-3 Evaluation of the management approach	Pages 50–51	
405-1 Diversity of governance bodies and employees	Pages 46, 50–51, 93–95	
405-2 Ratio of basic salary and remuneration of women to men	Pages 51, 93–95	
<b>GRI 406: Non-discrimination 2016</b>		
<b>GRI 103: Management Approach 2016</b>		
103-1 Explanation of the material topic and its Boundary	Pages 50–51	
103-2 The management approach and its components	Pages 50–51	
103-3 Evaluation of the management approach	Pages 50–51	
406-1 Incidents of discrimination and corrective actions taken	Pages 46, 55–56	No incidents of discrimination were reported in 2020.
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>		
407-1 Measures taken by alstria to support rights to exercise freedom of association and collective bargaining	Pages 46, 55–56	407-1b: All suppliers are informed for their right to exercise freedom of association and collective bargaining through our code of conduct for suppliers – available on alstria's website.
<b>GRI 413: Local Communities 2016</b>		
413-1 Operations with local community engagement, impact assessments, and development programs	Pages 66–68, 95	60% of alstrias 5 locations contribute in local community development programs (beneficial leasing).
<b>GRI 419: Socioeconomic Compliance 2016</b>		
419-1 Non-compliance with laws and regulations in the social and economic area		alstria is compliant to applicable laws and regulation as of 2020.



## C – ASSURANCE STATEMENT

### Limited assurance report of the independent auditor regarding selected sustainability information

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

We have performed an independent limited assurance engagement on the sections 'Our Buildings' and 'Our People' as well as the 'Appendix D EPRA Sustainability Performance Measures – Environment portfolio, Environment company and Social' of the alstria office REIT-AG (further: 'alstria') Sustainability Report 2020/21 (further: 'Report') published under [www.alstria.com/sr](http://www.alstria.com/sr).

#### 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](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  
Wirtschaftsprüfer  
[German Public Auditor]

ppa. Baumann



## D – EPRA SUSTAINABILITY PERFORMANCE MEASURES

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 m<sup>2</sup> 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 tCO<sub>2</sub>e to 38 tCO<sub>2</sub>e.

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-Emissionsfaktoren 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

Portfolio data	Units	Total portfolio				Office portfolio				Other <sup>1)</sup>	
		2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Number of applicable properties		101	99			97	95			4	4
Open market value of applicable properties	EUR m	3,999	4,030			3,810	3,825			189	206
Lettable area of applicable properties	m <sup>2</sup>	1,325,472	1,258,971			1,248,497	1,171,184			76,975	87,788
Thereof covered single-let properties		31	30			29	29			2	1
Open market value of single-let properties	EUR m	1,430	1,402			1,310	1,310			119	92
Lettable area of single-let properties	m <sup>2</sup>	481,688	454,680			434,371	427,218			47,317	27,462
Thereof covered multi-let properties		70	69			68	66			2	3
Open market value of multi-let properties	EUR m	2,570	2,628			2,500	2,515			70	114
Lettable area of multi-let properties	m <sup>2</sup>	843,784	804,291			814,126	743,965			29,658	60,326

<sup>1)</sup>'Other' refers to asset categories: nursing home (2), hotel (1) and retail (1).

Environmental performance	Units	Total portfolio						Office portfolio						Other							
		2019		2020		2019		2020		2019		2020		Change		2019		2020		Change	
		Elec-Abs		Elec-LfL		Elec-Abs		Elec-LfL		Elec-Abs		Elec-LfL		Elec-Abs/-LfL							
<b>Total electricity consumption</b>		15,686	15,006	15,617	14,886	-4.7 %	15,662	14,819	15,417	14,715	-4.6 %	24	187								
For landlord shared services	MWh	15,686	15,005	15,617	14,884		15,662	14,817	15,417	14,713		24	187								
Thereof from renewable sources	MWh	100 %	100 %	100 %	100 %		100 %	100 %	100 %	100 %		100 %	100 %								
Proportion of renewable sources		68 of 70	68 of 69	65			66 of 68	66 of 66	64			2 of 2	2 of 3								
Number of applicable properties		813,284	794,818	757,633			783,626	743,965	723,703			29,658	50,853								
Lettable area of applicable properties (multi-let)	m <sup>2</sup>	96.4 %	98.8 %	94.2 %			96.3 %	100 %	97.3 %			100 %	84.3 %								
Coverage of lettable area		19.3	18.9		-2.1 %		20.0	19.9			-0.3 %	0.8	3.7								
Intensity	kWh/m <sup>2</sup> /year	6,290	5,492				6,281	5,424				9	69								
GHG Emission	location-based	tCO <sub>2</sub> e	0	1			0	1				0	0								
GHG Emission	market-based	tCO <sub>2</sub> e	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a								
(Sub)metered exclusively to tenants	MWh	15,686	15,006	15,617	14,886	-4.7 %	15,662	14,819	15,417	14,715	-4.6 %	24	187								
Total landlord-obtained electricity	MWh	37,575	29,093	23,792	23,034	-3.2 %	36,288	29,082	23,792	23,034	-3.2 %	1,287	10								
Thereof from renewable sources	MWh	3,197	6,635	952	904		3,182	6,624	952	904		15	10								
Proportion of renewable sources		8.5 %	22.8 % <sup>1)</sup>	4.0 %	3.9 %		8.8 %	22.8 %	4.0 %	3.9 %		1.1 %	100 %								

<sup>1)</sup>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.



Environmental performance			Total portfolio				Office portfolio				Other				
	Units		2019	2020	2019	2020	Change	2019	2020	2019	2020	Change	2019	2020	Change
Number of applicable properties			54 of 101	<b>57 of 99</b>		13		51 of 97	<b>56 of 95</b>		13		3 of 4	<b>1 of 4</b>	
Lettable area of applicable properties	m <sup>2</sup>		840,889	<b>794,280</b>		253,982		780,836	<b>760,350</b>		253,982		60,052	<b>33,930</b>	
Coverage of lettable area			63.4 %	<b>63.1 %</b>		20.2 %		62.5 %	<b>64.9 %</b>		21.7 %		78.0 %	<b>38.7 %</b>	
Intensity	kWh/m <sup>2</sup> /year		44.7	36.6			-18.0 %	46.5	38.2			-17.7 %	21.4	0.3	
GHG Emission	location-based	tCO <sub>2</sub> e	15,068	10,648				14,552	10,644				516	4	
GHG Emission	market-based	tCO <sub>2</sub> e	13,786	8,220				13,276	8,220				510	0	
<b>Total district heating consumption</b>			<b>DH&amp;C-Abs</b>		<b>DH&amp;C-LfL</b>		<b>DH&amp;C-Abs</b>		<b>DH&amp;C-LfL</b>		<b>DH&amp;C-Abs/-LfL</b>				
For landlord shared services	MWh		n/a	n/a	n/a	n/a		n/a	n/a	n/a	n/a		n/a	n/a	
(Sub)metered exclusively to tenants	MWh		33,693	<b>29,993</b>	29,370	<b>27,438</b>	-6.6 %	31,395	<b>27,564</b>	26,458	<b>25,009</b>	-5.5 %	1,760	<b>2,429</b>	
Number of applicable properties			34 of 34	<b>36 of 39</b>		31		33 of 33	<b>34 of 37</b>		29		1 of 1	<b>2 of 2</b>	
Lettable area of applicable properties	m <sup>2</sup>		431,473	<b>442,922</b>		388,446		418,737	<b>399,519</b>		345,043		12,735	<b>43,403</b>	
Coverage of lettable area			100 %	<b>98.0 %</b>		85.9 %		100 %	<b>97.7 %</b>		84.4 %		100 %	<b>100 %</b>	
Intensity	kWh/m <sup>2</sup> /year		78.1	67.7			-13.3 %	75.0	69.0			-8.0 %	138.2	56.0	
GHG Emission	location-based	tCO <sub>2</sub> e	4,656	3,217				4,338	3,047				243	229	
Total landlord-obtained DH&C	MWh		33,693	<b>29,993</b>	29,370	<b>27,438</b>	-6.6 %	31,395	<b>27,564</b>	26,458	<b>25,009</b>	-5.5 %	1,760	<b>2,429</b>	
Total tenant-obtained DH&C	MWh		13,985	<b>11,648</b>	12,099	<b>11,648</b>	-3.7 %	12,099	<b>11,648</b>	12,099	<b>11,648</b>	-3.7 %	1,886	-	
Number of applicable properties			11 of 16	<b>9 of 14</b>		9		9 of 14	<b>9 of 13</b>		9		2 of 2	<b>0 of 1</b>	
Lettable area of applicable properties	m <sup>2</sup>		206,677	<b>159,361</b>		159,361		159,361	<b>159,361</b>		159,361		47,317	-	
Coverage of lettable area			74.6 %	<b>63.5 %</b>		63.5 %		69.4 %	<b>71.3 %</b>		71.3 %		100 %	-	
Intensity	kWh/m <sup>2</sup> /year		67.7	73.1			8.0 %	75.9	73.1			-3.7 %	39.9	-	
GHG Emission	location-based	tCO <sub>2</sub> e	1,932	1,342				1,672	1,342				261	-	
<b>Total fuel consumption</b>			<b>Fuels-Abs</b>		<b>Fuels-LfL</b>		<b>Fuels-Abs</b>		<b>Fuels-LfL</b>		<b>Fuels-Abs/-LfL</b>				
For landlord shared services	MWh		n/a	n/a	n/a	n/a		n/a	n/a	n/a	n/a		n/a	n/a	
(Sub)metered exclusively to tenants	MWh		28,772	<b>25,152</b>	24,518	<b>22,654</b>	-7.6 %	28,772	<b>25,152</b>	24,518	<b>22,654</b>	-7.6 %	-	-	
Thereof carbon neutral by offsetting	MWh		28,420	<b>24,984</b>	23,886	<b>22,620</b>		28,420	<b>24,984</b>	23,886	<b>22,620</b>		-	-	
Proportion of carbon offsetting			98.8 %	<b>99.3 %</b>	97.4 %	100 %		98.8 %	<b>99.3 %</b>	97.4 %	100 %		-	-	
Number of applicable properties			34 of 36	<b>31 of 32</b>		27		34 of 36	<b>31 of 32</b>		27		-	-	
Floor area of applicable properties	m <sup>2</sup>		373,526	<b>327,292</b>		286,437		373,526	<b>327,292</b>		286,437		-	-	
Coverage of lettable area			96.2 %	<b>99.3 %</b>		86.9 %		96.2 %	<b>99.3 %</b>		86.9 %		-	-	
Intensity	kWh/m <sup>2</sup> /year		77.0	76.8			-0.2 %	77.0	76.8			-0.2 %	-	-	
GHG Emission	location-based	tCO <sub>2</sub> e	5,783	5,055				5,783	5,055				-	-	



Environmental performance		Units	Total portfolio					Office portfolio					Other		
			2019	2020	2019	2020	Change	2019	2020	2019	2020	Change	2019	2020	Change
Total landlord-obtained fuels	MWh	28,772	<b>25,152</b>	24,518	<b>22,654</b>	-7.6%	28,772	<b>25,152</b>	24,518	<b>22,654</b>	-7.6%	-	-	-	
Total tenant-obtained fuels	MWh	16,527	<b>17,576</b>	18,679	<b>17,576</b>	-5.9%	16,527	<b>17,576</b>	18,490	<b>17,576</b>	-4.9%	-	-	-	
Thereof carbon neutral by offsetting		14,487	<b>15,743</b>	16,697	<b>15,743</b>		14,487	<b>15,743</b>	16,697	<b>15,743</b>		-	-	-	
Proportion of carbon offsetting		87.7 %	<b>89.6 %</b>	89.4 %	<b>89.6 %</b>		87.7 %	<b>89.6 %</b>	90.3 %	<b>89.6 %</b>		-	-	-	
Number of applicable properties		7 of 13	<b>6 of 12</b>	6			7 of 12	<b>6 of 11</b>	6			0 of 1	<b>0 of 1</b>		
Lettable area of applicable properties	m <sup>2</sup>	150,013	<b>143,335</b>	143,335			150,013	<b>143,335</b>	143,335			-	-	-	
Coverage of lettable area		70.2 %	<b>67.9 %</b>	67.9 %			76.3 %	<b>73.8 %</b>	73.8 %			-	-	-	
Intensity	kWh/m <sup>2</sup> /year	110.2	122.6		11.3 %		110.2	122.6		11.3 %		-	-	-	
GHG Emission	location-based	tCO <sub>2</sub> e	3,322	3,533			3,322	3,533				-	-	-	
Total energy consumption of building portfolio	MWh	146,238	<b>128,467</b>	124,075	<b>117,236</b>	-5.5 %	140,744	<b>125,841</b>	120,774	<b>114,635</b>	-3.9 %	4,957	<b>2,627</b>	-47 %	
Thereof from renewable sources <sup>1)</sup>	MWh	18,883	<b>21,639</b>				18,844	<b>21,442</b>				38	<b>197</b>		
Proportion of renewable sources <sup>1)</sup>		12.9 %	<b>16.8 %</b>				13.4 %	<b>17.0 %</b>				0.8 %	<b>7.5 %</b>		
Number of applicable properties		100 of 101	<b>93 of 99</b>				96 of 97	<b>90 of 95</b>				4 of 4	<b>3 of 4</b>		
Lettable area of applicable properties	m <sup>2</sup>	1,319,795	<b>1,158,021</b>				1,242,821	<b>1,097,695</b>				76,975	<b>60,326</b>		
Coverage of lettable area		99.6 %	<b>92.0 %</b>				99.5 %	<b>93.7 %</b>				100 %	<b>68.7 %</b>		

<sup>1)</sup>Value for 2019 was adjusted.



Environmental performance		Units	Total portfolio			Office portfolio			Other			
Building energy intensity	Denominator		2019	2020	Change	2019	2020	Change	2019	2020	Change	
For landlord shared services	lettable area	kWh/m <sup>2</sup> /year	19.3	<b>18.9</b>	-2.1 %	20.0	<b>19.9</b>	-0.3 %	0.8	<b>3.7</b>	362 %	
	workstation	kWh/ws/year	482	<b>472</b>		500	<b>498</b>		20	<b>92</b>		
(Sub)metered exclusively to tenants	lettable area	kWh/m <sup>2</sup> /year	77.6	<b>69.9</b>	-10.0 %	75.9	<b>72.5</b>	-4.5 %	138.2	<b>56.0</b>	-59.5 %	
	workstation	kWh/ws/year	1,940	<b>1,747</b>		1,899	<b>1,813</b>		3,456	<b>1,399</b>		
Total landlord-obtained energy	lettable area	kWh/m <sup>2</sup> /year	86.2	<b>72.0</b>	-16.5 %	86.2	<b>73.9</b>	-14.3 %	60.2	<b>43.4</b>	-27.9 %	
	workstation	kWh/ws/year	2,155	<b>1,800</b>		2,155	<b>1,847</b>		1,504	<b>1,084</b>		
Total tenant-obtained energy	lettable area	kWh/m <sup>2</sup> /year	83.2	<b>79.6</b>	-4.4 %	85.7	<b>83.4</b>	-2.6 %	52.8	<b>0.3</b>	-99.4 %	
	workstation	kWh/ws/year	2,081	<b>1,989</b>		2,141	<b>2,086</b>		1,321	<b>7</b>		
Specific building energy intensity	Denominator		Energy-Int			Energy-Int			Energy-Int			
Electricity intensity of building portfolio	lettable area	kWh/m <sup>2</sup> /year	41.3	<b>39.3</b>	-5.0 %	42.9	<b>40.9</b>	-4.5 %	17.0	<b>3.9</b>	-77.2 %	
	workstation	kWh/ws/year	1,033	<b>982</b>		1,072	<b>1,024</b>		426	<b>97</b>		
Heating intensity of building portfolio	lettable area	kWh/m <sup>2</sup> /year	79.8	<b>79.1</b>	-0.8 %	80.6	<b>80.1</b>	-0.7 %	60.7	<b>56.0</b>	-7.8 %	
	workstation	kWh/ws/year	1,994	<b>1,977</b>		2,015	<b>2,002</b>		1,518	<b>1,399</b>		
Energy intensity of building portfolio	lettable area	kWh/m <sup>2</sup> /year	110.8	<b>111.6</b>	0.8 %	113.7	<b>115.4</b>	1.5 %	64.4	<b>43.5</b>	-32.4 %	
	workstation	kWh/ws/year	2,770	<b>2,791</b>		2,842	<b>2,884</b>		1,610	<b>1,089</b>		
Total greenhouse gas emissions <sup>1)</sup>	Method		GHG-Abs			GHG-Abs			GHG-Abs			
Direct – Scope 1 (GHG-Dir-Abs)	location-based	tonnes CO <sub>2</sub> e	0	<b>0</b>	-	0	<b>0</b>	-	0	<b>0</b>		
Indirect – Scope 2 (GHG-Indir-Abs)	location-based	tonnes CO <sub>2</sub> e	6,290	<b>5,605</b>	-10.9 %	6,281	<b>5,536</b>	-11.8 %	9	<b>69</b>		
	CO <sub>2</sub> reductions	market-based	tonnes CO <sub>2</sub> e	<b>-6,290</b>	<b>-5,604</b>	-10.9 %	<b>-6,281</b>	<b>-5,536</b>	-11.9 %	<b>-9</b>	<b>-69</b>	
		market-based	tonnes CO <sub>2</sub> e	0	<b>1</b>	-	0	<b>1</b>	-	0	<b>0</b>	
Other indirect – Scope 3 (GHG-Indir-Abs)	location-based	tonnes CO <sub>2</sub> e	30,525	<b>24,036</b>	-21.3 %	29,478	<b>23,804</b>	-19.2 %	1,047	<b>233</b>		
	CO <sub>2</sub> reductions	market-based	tonnes CO <sub>2</sub> e	<b>-1,282</b>	<b>-2,428</b>	89.4 %	<b>-1,276</b>	<b>-2,425</b>	90.0 %	<b>-6</b>	<b>-4</b>	
	Carbon offsetting	tonnes CO <sub>2</sub> e	8,624	<b>8,186</b>	-5.1 %	8,624	<b>8,186</b>	-5.1 %	0	<b>0</b>		
		market-based	tonnes CO <sub>2</sub> e	29,243	<b>21,608</b>	-26.1 %	28,202	<b>21,379</b>	-24.2 %	1,041	<b>229</b>	
Total Scope 1+2	location-based	tonnes CO <sub>2</sub> e	6,290	<b>5,605</b>	-10.9 %	6,281	<b>5,536</b>	-11.8 %	9	<b>69</b>		
	market-based	tonnes CO <sub>2</sub> e	0	<b>1</b>	-	0	<b>1</b>	-	0	<b>0</b>		
Total Scope 1+2+3	location-based	tonnes CO <sub>2</sub> e	36,815	<b>29,641</b>	-19.5 %	35,758	<b>29,340</b>	-17.9 %	1,056	<b>301</b>		
	market-based	tonnes CO <sub>2</sub> e	29,243	<b>21,608</b>	-26.1 %	28,202	<b>21,380</b>	-24.2 %	1,041	<b>229</b>		
Ratio Scope 1+2 to Scope 3	location-based		20.6 %	<b>23.3 %</b>	13.2 %	21.3 %	<b>23.3 %</b>	9.2 %	0.9 %	<b>29.5 %</b>		
	market-based		0 %	<b>0 %</b>	-	0 %	<b>0 %</b>	-	0 %	<b>0 %</b>		

<sup>1)</sup> Market-based values for 2019 were adjusted.



Environmental performance			Units	Total portfolio			Office portfolio			Other		
				2019	2020	Change	2019	2020	Change	2019	2020	Change
GHG intensity from building energy consumption Denominator				GHG-Int			GHG-Int			GHG-Int		
For landlord shared services	lettable area	kgCO <sub>2</sub> e/m <sup>2</sup> /year	7.7	<b>6.9</b>	-10.7 %		7.9	<b>7.5</b>	-5.5 %	0.6	<b>2.0</b>	260.3 %
	workstation	kgCO <sub>2</sub> e/ws/year	193	<b>173</b>			197	<b>186</b>		14	<b>51</b>	
(Sub)metered exclusively to tenants	lettable area	kgCO <sub>2</sub> e/m <sup>2</sup> /year	12.5	<b>12.5</b>	-0.4 %		12.4	<b>12.9</b>	3.9 %	20.2	<b>5.3</b>	-73.9 %
	workstation	kgCO <sub>2</sub> e/ws/year	314	<b>312</b>			310	<b>323</b>		505	<b>132</b>	
Total landlord-obtained energy	lettable area	kgCO <sub>2</sub> e/m <sup>2</sup> /year	18.0	<b>14.2</b>	-21.0 %		18.3	<b>14.8</b>	-19.0 %	9.0	<b>4.9</b>	-45.1 %
	workstation	kgCO <sub>2</sub> e/ws/year	450	<b>356</b>			458	<b>371</b>		225	<b>123</b>	
Total tenant-obtained energy	lettable area	kgCO <sub>2</sub> e/m <sup>2</sup> /year	25.0	<b>19.4</b>	-22.6 %		25.9	<b>20.3</b>	-21.7 %	13.1	<b>0.1</b>	-99.2 %
	workstation	kgCO <sub>2</sub> e/ws/year	625	<b>484</b>			648	<b>507</b>		329	<b>3</b>	
Specific building GHG intensity <sup>1)</sup>			Denominator	GHG-Int			GHG-Int			GHG-Int		
GHG intensity from electricity of building portfolio	location-based	kgCO <sub>2</sub> e/m <sup>2</sup> /year	16.6	<b>14.4</b>	-13.3 %		17.2	<b>15.0</b>	-12.8 %	6.8	<b>1.4</b>	
	market-based	kgCO <sub>2</sub> e/m <sup>2</sup> /year	10.7	<b>7.3</b>	-32.2 %		11.0	<b>7.6</b>	-30.7 %	6.7	<b>0.0</b>	
GHG intensity from heating of building portfolio	location-based	kgCO <sub>2</sub> e/m <sup>2</sup> /year	13.3	<b>12.5</b>	-6.2 %		13.5	<b>12.8</b>	-5.7 %	8.8	<b>5.3</b>	
GHG intensity of building portfolio	location-based	kgCO <sub>2</sub> e/m <sup>2</sup> /year	27.9	<b>25.6</b>	-8.2 %		28.8	<b>26.7</b>	-7.1 %	13.7	<b>5.0</b>	
	market-based	kgCO <sub>2</sub> e/m <sup>2</sup> /year	22.2	<b>18.7</b>	-15.8 %		22.7	<b>19.5</b>	-14.2 %	13.6	<b>3.8</b>	

<sup>1)</sup>Values for 2019 were adjusted.



Environmental performance			Total portfolio						Office portfolio						Other		
	Units		2019	2020	2019	2020	Change	2019	2020	2019	2020	Change	2019	2020	Change		
			Water-Abs		Water-LfL			Water-Abs		Water-LfL			Water-Abs				
<b>Total water consumption</b>																	
Total landlord-obtained & (sub)metered water	m³	224,935	<b>191,515</b>	228,284	<b>180,351</b>	-21.0%		211,924	<b>171,873</b>	202,383	<b>160,709</b>	-20.6%	13,011	<b>19,642</b>			
Number of applicable properties		77 of 85	<b>81 of 85</b>	70				75 of 83	<b>78 of 82</b>	67			2 of 2	<b>3 of 3</b>			
Lettable area of applicable properties	m²	876,871	<b>909,929</b>	822,223				847,213	<b>849,603</b>	761,897			29,658	<b>60,326</b>			
Coverage of lettable area		93.4 %	<b>98.0 %</b>	88.6 %				93.2 %	<b>97.9 %</b>	87.8 %			100 %	<b>100 %</b>			
Total tenant-obtained water	m³	83,187	<b>49,814</b>	63,235	<b>49,814</b>	-21.2%		83,187	<b>49,814</b>	63,235	<b>49,814</b>	-21.2%	-	-			
Number of applicable properties		10 of 16	<b>2 of 14</b>	2				10 of 14	<b>2 of 13</b>	2			-	-			
Lettable area of applicable properties	m²	267,355	<b>120,901</b>	120,901				267,355	<b>120,901</b>	120,901			-	-			
Coverage of lettable area		69.2 %	<b>36.6 %</b>	36.6 %				78.8 %	<b>39.9 %</b>	39.9 %			-	-			
<b>Rainwater collected</b>	m³	<b>2,137</b>	<b>429</b>					<b>2,137</b>	<b>429</b>				<b>-</b>	<b>-</b>			
Total water consumption	m³	308,122	<b>241,329</b>	291,519	<b>230,165</b>	-21.0%		295,111	<b>221,687</b>	265,618	<b>210,523</b>	-20.7%	13,011	<b>19,642</b>			
Number of applicable properties		87 of 101	<b>83 of 99</b>	72				85 of 97	<b>80 of 95</b>	69			2 of 4	<b>3 of 4</b>			
Lettable area of applicable properties	m²	1,144,226	<b>1,030,830</b>	943,124				1,114,568	<b>970,504</b>	882,798			29,658	<b>60,326</b>			
Coverage of lettable area		86.3 %	<b>81.9 %</b>	74.9 %				89.3 %	<b>82.9 %</b>	75.4 %			38.5 %	<b>68.7 %</b>			

Environmental performance			Total portfolio						Office portfolio						Other		
	Units		2019	2020	Change		2019	2020	Change		2019	2020	Change		2019	2020	Change
Building water intensity	Denominator		Water-Int				Water-Int				Water-Int				Water-Int		
Landlord-obtained & (sub)metered water	lettable area	m³/m²/year	0.257	<b>0.210</b>	-18.0 %		0.250	<b>0.202</b>	-19.1 %		0.439	<b>0.326</b>					
	workstation	litres/ws/day	17.6	<b>14.4</b>			17.1	<b>13.9</b>			30.0	<b>22.3</b>					
Tenant-obtained water	lettable area	m³/m²/year	0.311	<b>0.412</b>	32.4 %		0.311	<b>0.412</b>	32.4 %		-	-			-	-	
	workstation	litres/ws/day	21.3	<b>28.2</b>			21.3	<b>28.2</b>			-	-			-	-	
Water intensity of total building portfolio	lettable area	m³/m²/year	0.269	<b>0.234</b>	-13.1 %		0.265	<b>0.228</b>	-13.7 %		0.439	<b>0.326</b>			30.0	<b>22.3</b>	
	workstation	litres/ws/day	18.4	<b>16.0</b>			18.1	<b>15.6</b>									



Environmental performance			Total portfolio					Office portfolio					Other		
	Units		2019	2020	2019	2020	Change	2019	2020	2019	2020	Change	2019	2020	Change
<b>Total weight of waste by type</b>			<b>Waste-Abs</b>		<b>Waste-LfL</b>			<b>Waste-Abs</b>		<b>Waste-LfL</b>			<b>Waste-Abs</b>		
Waste for recovery <sup>1)</sup>	metric tonnes		960.6	<b>975.7</b>	953.4	<b>940.5</b>	-1.4 %	846.5	<b>961.5</b>	930.8	<b>926.2</b>	-0.5 %	114.1	<b>14.3</b>	
Organic waste	metric tonnes		31.0	<b>24.9</b>	28.4	<b>24.9</b>	-12.4 %	31.0	<b>24.9</b>	28.4	<b>24.9</b>	-12.4 %	0	<b>0.0</b>	
Paper/ Cardbord waste	metric tonnes		413.3	<b>377.9</b>	399.3	<b>373.5</b>	-6.5 %	391.2	<b>365.8</b>	386.5	<b>361.4</b>	-6.5 %	22.2	<b>12.1</b>	
Residual waste	metric tonnes		638.5	<b>598.9</b>	622.2	<b>593.2</b>	-4.7 %	632.8	<b>598.9</b>	622.2	<b>593.2</b>	-4.7 %	5.7	<b>0.0</b>	
<b>Total waste created in operations</b>	<b>metric tonnes</b>		<b>2,043</b>	<b>1,977</b>	<b>2,003</b>	<b>1,932</b>	<b>-3.6 %</b>	<b>1,902</b>	<b>1,951</b>	<b>1,968</b>	<b>1,906</b>	<b>-3.2 %</b>	<b>142</b>	<b>26</b>	
Number of applicable properties			71 of 101	<b>69 of 99</b>	68			70 of 97	<b>68 of 95</b>	67			1 of 4	<b>1 of 4</b>	
Lettalbe area of applicable properties	m <sup>2</sup>		840,951	<b>848,108</b>	824,051			828,215	<b>838,635</b>	814,578			12,735	<b>9,473</b>	
Coverage of lettable area			63.4 %	<b>67.4 %</b>	65.5 %			66.3 %	<b>71.6 %</b>	69.6 %			16.5 %	<b>10.8 %</b>	
<b>Total weight of waste by disposal route</b>			<b>Waste-Abs/-LfL</b>					<b>Waste-Abs/-LfL</b>					<b>Waste-Abs/-LfL</b>		
Recycling	metric tonnes		1,118.1	<b>1,256.1</b>			12.3 %	1,153.0	<b>1,231.2</b>			6.8 %	124.8	<b>24.9</b>	
Incineration with energy recovery	metric tonnes		716.8	<b>696.4</b>			-2.8 %	717.5	<b>695.0</b>			-3.1 %	17.1	<b>1.4</b>	
Composting & Biogas	metric tonnes		31.0	<b>24.9</b>			-19.9 %	31.0	<b>24.9</b>			-19.9 %	0.0	<b>0.0</b>	

<sup>1)</sup>Values for 2019 were adjusted.

Environmental performance			Total portfolio					Office portfolio					Other		
	Units		2019	2020	Change	2019	2020	Change	2019	2020	Change	2019	2020	Change	
<b>Proportion of waste by disposal route<sup>1)</sup></b>			<b>Denominator</b>			<b>Waste-Abs/-LfL</b>			<b>Waste-Abs/-LfL</b>			<b>Waste-Abs</b>			
Recycling				62.5 %	<b>63.5 %</b>	1.0 pp	60.6 %	<b>63.1 %</b>	2.5 pp			87.9 %	<b>94.6 %</b>		
Incineration with energy recovery				35.9 %	<b>35.2 %</b>	-0.7 pp	37.7 %	<b>35.6 %</b>	-2.1 pp			12.1 %	<b>5.4 %</b>		
Composting & Biogas				1.5 %	<b>1.3 %</b>	-0.3 pp	1.6 %	<b>1.3 %</b>	-0.4 pp			0.0 %	<b>0.0 %</b>		
Waste intensity of building portfolio (Waste-Int)	lettable area	kg/m <sup>2</sup> /year	2.285	<b>2.318</b>	1.5 %	2.126	<b>2.313</b>	8.8 %	0.159	<b>2.782</b>					

<sup>1)</sup>Values for 2019 were adjusted.



## EPRA Sustainability performance measures – Environment company

### alstria's corporate offices data

	Units	2019	2020	Change
Hamburg (Head office)	m <sup>2</sup>	2,640	2,640	0.0%
	employees	117	120	2.6%
Düsseldorf	m <sup>2</sup>	448	448	0%
	employees	18	18	0.0%
Frankfurt	m <sup>2</sup>	522	522	0%
	employees	13	13	0%
Stuttgart	m <sup>2</sup>	188	188	0%
	employees	10	9	-10.0%
Berlin	m <sup>2</sup>	270	327	21.1%
	employees	7	7	0.0%
Total alstria's corporate offices	m <sup>2</sup>	4,068	4,125	1.4%
	employees	165	167	1.2%
Office area per employee	m <sup>2</sup> /empl	24.7	24.7	0.2%

### Environmental performance – alstria's corporate offices

	Units	2019	2020	Change
<b>Total corporate electricity consumption</b>				<b>Elec-Abs</b>
In alstria's corporate offices	kWh	145,666	133,946	-8.0%
Number of applicable offices		5 of 5	5 of 5	
Solar generation onsite and sold to the grid	kWh	2,505	1,416	-43.5%
Ratio of solar energy to own offices' consumption		1.7 %	1.1 %	-0.4 pp
<b>Total corporate district heating &amp; cooling consumption</b>				<b>DH&amp;C-Abs</b>
In alstria's corporate offices	kWh	221,119	213,914	-3.3%
Number of applicable offices		3 of 3	3 of 3	
<b>Total corporate fuel consumption</b>				<b>Fuels-Abs</b>
In alstria's corporate offices	kWh	9,020	9,020 <sup>1)</sup>	0.0%
Number of applicable offices		1 of 1	1 of 1	
Total heating consumption	kWh	230,139	222,934	-3.1%
Total corporate energy consumption	kWh	375,804	356,880	95.0%

<sup>1)</sup> Stuttgart heating consumption is estimated because it is not billed during the survey period.

### Environmental performance – alstria's corporate offices

	Units	2019	2020	Change
<b>Corporate electricity intensity</b>				<b>Elec-Int</b>
Per employee	kWh/empl	882.8	802.1	-9.1%
Per office area	kWh/m <sup>2</sup>	35.8	32.5	-9.3%
<b>Corporate heating intensity</b>				<b>Heating-Int</b>
Per employee	kWh/empl	1,565.6	1,496.2	-4.4%
Per office area	kWh/m <sup>2</sup>	63.6	60.6	-4.6%
<b>Corporate energy intensity</b>				<b>Energy-Int</b>
Per employee	kWh/empl	2,448.4	2,137.0	-12.7%
Per office area	kWh/m <sup>2</sup>	99.4	86.5	-12.9%
<b>Total GHG emissions in alstria's corporate offices</b>				<b>GHG-Abs</b>
Direct – Scope 1	tonnes CO <sub>2</sub> e	1.8	1.8	0.0%
Indirect – Scope 2	tonnes CO <sub>2</sub> e	32.3	26.5	-17.9%
Total Scope 1+2	tonnes CO <sub>2</sub> e	34.1	28.3	-17.0%
<b>GHG intensity in alstria's corporate offices</b>				<b>GHG-Int</b>
Per employee	kgCO <sub>2</sub> e/empl/year	206.6	169.5	-18.0%
Per office area	kgCO <sub>2</sub> e/m <sup>2</sup> /year	8.4	6.9	-18.1%
<b>Total corporate water consumption</b>				<b>Water-Abs</b>
In alstria's corporate offices	m <sup>2</sup>	1,376	1,055	-23.3%
Number of applicable offices		5 of 5	5 of 5	
<b>Corporate water intensity</b>				<b>Water-Int</b>
Per employee	m <sup>3</sup> /empl	8.34	6.32	-24.2%
Per office area	m <sup>3</sup> /m <sup>2</sup>	0.34	0.26	-24.4%
Per employee per day	l/empl/day	32.8	24.9	-24.2%
Rainwater collected, recycled and reused	m <sup>3</sup>	766	429	-44.0%
<b>Corporate waste from office activities</b>				<b>Waste-Abs</b>
Paper consumption per employee	sheets/empl/day	12.7	12.7	-0.6%
Total waste in corporate offices	metric tonnes	6.6	7.7	16.5%
Total waste recycled in corporate offices	metric tonnes	3.4	4.3	26.2%



## Carbon emissions – alstria

	Units	2019	2020	Change
<b>Total direct GHG emissions – Scope 1</b>				
Company vehicles	tonnes CO <sub>2</sub> e	13.9	<b>12.0</b>	-13.4 %
alstria's direct energy consumption	tonnes CO <sub>2</sub> e	1.8	<b>1.8</b>	0.0 %
<b>Total Scope 1 emissions</b>	tonnes CO <sub>2</sub> e	<b>15.7</b>	<b>13.8</b>	-11.9 %
<b>Total indirect GHG emissions – Scope 2</b>				
alstria's indirect energy consumption	tonnes CO <sub>2</sub> e	90.7	<b>75.5</b>	-16.7 %
Energy consumption of landlord shared services	tonnes CO <sub>2</sub> e	6,290	<b>5,605</b>	-10.9 %
<b>Total Scope 2 emissions</b>	location-based	tonnes CO <sub>2</sub> e	<b>6,381</b>	<b>5,680</b> -11.0 %
<b>GHG reduction from renewable sources</b>		tonnes CO <sub>2</sub> e	<b>-6,348</b>	<b>-5,653</b> -10.9 %
<b>Proportion of renewable sources in Scope 2</b>				
			<b>99.5 %</b>	<b>99.5 %</b> 0.0 pp
<b>Total Scope 2 emissions</b>	market-based	tonnes CO <sub>2</sub> e	<b>32.3</b>	<b>27.1</b> -16.1 %
<b>Total Scope 1+2 emissions</b>	location-based	tonnes CO <sub>2</sub> e	<b>6,396</b>	<b>5,694</b> -11.0 %
<b>Total Scope 1+2 emissions</b>	market-based	tonnes CO <sub>2</sub> e	<b>48.0</b>	<b>40.9</b> -14.7 %
<b>GHG intensities – Scope 1+2</b>				
Scope 1 per employee	tCO <sub>2</sub> e/empl/year	0.10	<b>0.08</b>	-12.9 %
Scope 2 per employee	location-based tCO <sub>2</sub> e/empl/year	38.7	<b>34.0</b>	-12.0 %
	market-based tCO <sub>2</sub> e/empl/year	0.20	<b>0.16</b>	-17.1 %
Scope 1+2 per employee	location-based tCO <sub>2</sub> e/empl/year	38.8	<b>34.1</b>	-12.0 %
	market-based tCO <sub>2</sub> e/empl/year	0.29	<b>0.25</b>	-15.8 %
Scope 1+2 per total lettable area	location-based kgCO <sub>2</sub> e/m <sup>2</sup> /year	4.1	<b>4.0</b>	-1.9 %
	market-based kgCO <sub>2</sub> e/m <sup>2</sup> /year	0.03	<b>0.03</b>	-6.0 %
Scope 1+2 per total OMV	location-based gCO <sub>2</sub> e/EUR/year	1.6	<b>1.4</b>	-11.7 %
	market-based gCO <sub>2</sub> e/EUR/year	0.01	<b>0.01</b>	-15.4 %

## Carbon emissions – alstria

	Units	2019	2020	Change
<b>Total indirect other GHG emissions – Scope 3</b>				
Business travel	tonnes CO <sub>2</sub> e	120	<b>38</b>	-68.2 %
Employee commutes	tonnes CO <sub>2</sub> e	183	<b>92</b>	-50.0 %
Tenant energy consumption – landlord obtained	tonnes CO <sub>2</sub> e	10,095	<b>8,375</b>	-17.0 %
Tenant energy consumption – tenant obtained	tonnes CO <sub>2</sub> e	20,430	<b>15,661</b>	-23.3 %
<b>Total Scope 3 emissions</b>	location-based	tonnes CO <sub>2</sub> e	<b>30,828</b>	<b>24,166</b> -21.6 %
<b>GHG reduction from tenant renewable electricity</b>		tonnes CO <sub>2</sub> e	<b>-1,282</b>	<b>-2,428</b> 89.4 %
<b>Proportion of GHG reductions in Scope 3</b>				
			<b>4.2 %</b>	<b>10.0 %</b> 5.9 pp
GHG from carbon offsetting, natural gas	tonnes CO <sub>2</sub> e	8,624	<b>8,186</b>	-5.1 %
<b>Total Scope 3 emissions</b>	market-based	tonnes CO <sub>2</sub> e	<b>29,546</b>	<b>21,738</b> -26.4 %
<b>Total Scope 1–3 emissions</b>	location-based	tonnes CO <sub>2</sub> e	<b>37,225</b>	<b>29,860</b> -19.8 %
<b>Total GHG reductions in Scope 1–3</b>				
		tonnes CO <sub>2</sub> e	<b>-7,630</b>	<b>-8,082</b> 5.9 %
<b>Proportion of GHG reductions in Scope 1–3</b>				
			<b>20.5 %</b>	<b>27.1 %</b> 6.6 pp
<b>Total Scope 1–3 emissions<sup>1)</sup></b>	market-based	tonnes CO <sub>2</sub> e	<b>29,594</b>	<b>21,779</b> -26.4 %
Ratio of Scope 1+2 in relation to Scope 3	location-based		20.7 %	<b>23.6 %</b> 2.8 pp
	market-based		0.2 %	<b>0.2 %</b> 0.0 pp
<b>GHG intensity – Scope 3</b>				
Scope 3 per employee	location-based tCO <sub>2</sub> e/empl/year	186.8	<b>146.5</b>	-21.6 %
	market-based tCO <sub>2</sub> e/empl/year	179.1	<b>131.7</b>	-26.4 %
Scope 3 per total lettable area	location-based kgCO <sub>2</sub> e/m <sup>2</sup> /year	23.3	<b>19.2</b>	-17.5 %
	market-based kgCO <sub>2</sub> e/m <sup>2</sup> /year	22.3	<b>17.3</b>	-22.5 %
Scope 3 per total OMV	location-based gCO <sub>2</sub> e/EUR/year	7.7	<b>6.0</b>	-22.2 %
	market-based gCO <sub>2</sub> e/EUR/year	7.4	<b>5.4</b>	-27.0 %

<sup>1)</sup>Values for 2019 were adjusted.



## Mobility data – alstria

	Units	2019	2020	Change
Cumulative distance of company vehicles	km	59,160	<b>49,025</b>	-17.1%
Cumulative distance of business travels	km	1,294,895	<b>246,364</b>	-81.0%
Number of all business trips		2,296	<b>596</b>	-74.0%
Cumulative distance of employee commuting	km	1,210,629	<b>605,314</b>	-50.0%

## Green building certificates – alstria

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

## Return on carbon emissions (ROCE) – alstria

	Units	2019	2020	Change
Scope 1+2 emissions, location-based	tCO <sub>2</sub> e	6,396	<b>5,694</b>	-11.0 %
Earnings before taxes (EBT)	EUR k	187,467	<b>177,063</b>	-5.5 %
ROCE	tCO <sub>2</sub> e/EUR m	34.12	<b>32.16</b>	-5.7 %

## Construction waste – alstria

	Units	2019	2020	Change
<b>Total weight of waste by disposal route<sup>1)</sup></b>			<b>Waste-Abs</b>	
Construction waste, mixed	m <sup>3</sup>	770	<b>13</b>	
Demolition waste, concrete, bricks	m <sup>3</sup>	1,566	<b>585</b>	
Demolition waste contaminated (asbestos)	m <sup>3</sup>	65	<b>0</b>	
Gypsum-based building materials	m <sup>3</sup>	338	<b>0</b>	
Insulating materials	m <sup>3</sup>	1,108	<b>123</b>	
Wood	m <sup>3</sup>	305	<b>8</b>	
Bituminous mixtures	m <sup>3</sup>	0	<b>33</b>	
<b>Total volume of construction waste</b>	<b>m<sup>3</sup></b>	<b>4,152</b>	<b>762</b>	-82 %
Construction waste, mixed	metric tonnes	1,597	<b>1,602</b>	0 %
Demolition waste, concrete, bricks	metric tonnes	1,539	<b>586</b>	-62 %
Demolition waste contaminated (asbestos)	metric tonnes	17	<b>9</b>	-49 %
Gypsum-based building materials	metric tonnes	1,164	<b>89</b>	-92 %
Insulating materials	metric tonnes	397	<b>66</b>	-83 %
Wood	metric tonnes	1,113	<b>32</b>	-97 %
Mixed metals	metric tonnes	34	<b>94</b>	176 %
Bituminous mixtures	metric tonnes	2	<b>24</b>	884 %
<b>Total weight of construction waste</b>	<b>metric tonnes</b>	<b>5,864</b>	<b>2,503</b>	-57 %

<sup>1)</sup>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

Employee gender diversity	All employees			Non-Management			Management (Level 1+2)			Management Board			
	2019	2020	Change	2019	2020	Change	2019	2020	Change	2019	2020	Change	
Employees by gender	Diversity-Emp			Diversity-Emp			Diversity-Emp			Diversity-Emp			
Male	40.6 %	<b>41.9 %</b>	1.3 pp	37.5 %	<b>38.8 %</b>	1.3 pp	61.9 %	<b>65.0 %</b>	3 pp	100 %	<b>100 %</b>	0 pp	
Female	59.4 %	<b>58.1 %</b>	-1.3 pp	62.5 %	<b>61.2 %</b>	-1.3 pp	38.1 %	<b>35.0 %</b>	-3 pp	0 %	<b>0 %</b>	0 pp	
Employees by age group	Diversity-Emp			Diversity-Emp			Diversity-Emp			Diversity-Emp			
<30 years	21.2 %	<b>19.8 %</b>	-1.5 pp	23.6 %	<b>22.4 %</b>	-1.2 pp	4.8 %	<b>0.0 %</b>	-5 pp	0 %	<b>0 %</b>	0 pp	
30–50 years	69.7 %	<b>70.1 %</b>	0.4 pp	66.7 %	<b>67.3 %</b>	0.7 pp	90.5 %	<b>90.0 %</b>	0 pp	50 %	<b>50 %</b>	0 pp	
>50 years	9.1 %	<b>10.2 %</b>	1.1 pp	9.7 %	<b>10.2 %</b>	0.5 pp	4.8 %	<b>10.0 %</b>	5 pp	50 %	<b>50 %</b>	0 pp	
Gender pay ratio													
All employees			Non-Management			Management (Level 1+2)							
2019	2020	Change	2019	2020	Change	2019	2020	Change	2019	2020	Change	2019	
Pay gap women to men	Diversity-Pay			Diversity-Pay			Diversity-Pay						
Average remuneration	-38.1 %	<b>-39.1 %</b>	-1 pp	-22.3 %	<b>-25.5 %</b>	-3.2 pp	-15.2 %	<b>-20.5 %</b>	-5.3 pp				
Remuneration by same function	0.9 %	<b>9.1 %</b>	8 pp										
Employee training and development													
All employees			Non-Management			Management (Level 1+2)							
2019	2020	Change	2019	2020	Change	2019	2020	Change	2019	2020	Change	2019	
Average hours of training per year	Emp-Training			Emp-Training			Emp-Training						
All employees	34.0 h	<b>18.6 h</b>	-45.2 %	29.9 h	<b>16.7 h</b>	-44.1 %	62.1 h	<b>32.9 h</b>	-47.0 %				
Male employees	38.5 h	<b>20.3 h</b>	-47.2 %										
Female employees	30.9 h	<b>17.4 h</b>	-43.8 %										



#### New employee hires and employee turnover by gender

	All employees			Male employees			Female employees		
	2019	2020	Change	2019	2020	Change	2019	2020	Change
<b>New employees</b>	<b>Emp-Turnover</b>			<b>Emp-Turnover</b>			<b>Emp-Turnover</b>		
Total number of new employee hires	28	14	-50.0 %	10	7	-30.0 %	18	7	-61.1 %
- in head office	17	11	-35.3 %						
- in other local offices	11	3	-72.7 %						
Rate of new employee hires	17.0 %	8.4 %	-8.6 pp	6.1 %	4.2 %	-1.9 pp	10.9 %	4.2 %	-6.7 pp
<b>Leaving employees</b>	<b>Emp-Turnover</b>			<b>Emp-Turnover</b>			<b>Emp-Turnover</b>		
Total number of leaving employees	15	12	-20.0 %	7	4	-42.9 %	8	8	0.0 %
- in head office	10	8	-20.0 %						
- in other local offices	5	4	-20.0 %						
Rate of employee turnover	9.1 %	7.2 %	-21.0 %	4.2 %	2.4 %	-1.8 pp	4.8 %	4.8 %	-0.1 pp

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

	< 30 years old			30–50 years old			> 50 years old		
	2019	2020	Change	2019	2020	Change	2019	2020	Change
<b>New employees</b>	<b>Emp-Turnover</b>			<b>Emp-Turnover</b>			<b>Emp-Turnover</b>		
Total number of new employee hires	14	9	-35.7 %	13	4	-69.2 %	1	1	0 %
Rate of new employee hires	8.5 %	5.4 %	-36.5 %	7.9 %	2.4 %	-5.5 pp	0.6 %	0.6 %	0.0 pp
<b>Leaving employees</b>	<b>Emp-Turnover</b>			<b>Emp-Turnover</b>			<b>Emp-Turnover</b>		
Total number of leaving employees	4	1	-75.0 %	11	11	0.0 %	0	0	0 %
Rate of employee turnover	2.4 %	0.6 %	-75.3 %	6.7 %	6.6 %	-0.1 pp	0.0 %	0.0 %	0.0 pp



## Employee health and safety

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

## Employee performance appraisals

	2019	2020	Change
Percentage of employees who received annual appraisals	Emp-Dev		
All employees	100 %	100 %	0.0 pp
Male employees	100 %	100 %	0.0 pp
Female employees	100 %	100 %	0.0 pp
Employees with non-managerial positions	100 %	100 %	0.0 pp
Managers reporting to the board	100 %	100 %	0.0 pp

## Asset health and safety assessments

	2019	2020	Change
Percentage of assets screened against health and safety issues	H&S-Asset		
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.	30–60 %	30–60 %	0.0 pp
Portfolio under development examined for hazardous substances and contaminants.	12.2 %	12.3 %	0.1 pp

## Asset health and safety compliance

	2019	2020	Change
Number of incidents	H&S-Comp		
Incidents of non-compliance with regulations and/or voluntary codes concerning helth and safety of our assets	0	0	0.0 pp
Fines, penalties or warnings	0	0	0.0 pp

## Community engagement, impact assessments and development programmes

	2019	2020	Change
Number of assets where social and environmental programmes were implemented	Compty-Eng		
Buildings that are located closed to public transportation hub	68.0 %	70.0 %	2.0 pp

## 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)

### GHG overview

	Units	Base year 1							Base year 2		
		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total Scope 1–3 emissions	location-based tCO <sub>2</sub> e	44,975	61,958	52,868	55,607	47,889	42,827	43,390	44,844	37,225	29,860
Change compared to base year 2013	location-based	–	–	–	5.2 %	–9.4 %	–19.0 %	–17.9 %	–15.2 %	–29.6 %	–43.5 %
Total GHG reduction from renewable electricity	tCO <sub>2</sub> e	–	–	–688	–3,630	–3,970	–5,495	–9,120	–9,260	–7,630	–8,082
Proportion of GHG reduction in Scope 1–3		–	–	1.3 %	6.5 %	8.3 %	12.8 %	21.0 %	20.6 %	20.5 %	27.1 %
Carbon offsets	tCO <sub>2</sub> e	–	–	–	–	–	2,912	5,265	5,447	8,624	8,625
Total Scope 1–3 emissions	market-based tCO <sub>2</sub> e	44,975	61,958	52,180	51,977	43,919	37,332	34,271	35,584	29,594	21,779
Change compared to base year 2013	market-based	–	–	–	–0.4 %	–15.8 %	–28.5 %	–34.3 %	–31.8 %	–43.3 %	–58.3 %
<b>Total Scope 1 emissions</b>	<b>tCO<sub>2</sub>e</b>	<b>39.0</b>	<b>29.0</b>	<b>14.6</b>	<b>13.0</b>	<b>15.4</b>	<b>17.0</b>	<b>18.1</b>	<b>17.3</b>	<b>15.7</b>	<b>13.8</b>
Total Scope 2 emissions	location-based tCO <sub>2</sub> e	902	2,321	3,028	4,255	6,046	6,943	8,531	8,646	6,381	5,680
<b>Total Scope 2 emissions</b>	<b>market-based tCO<sub>2</sub>e</b>	<b>902</b>	<b>2,321</b>	<b>2,340</b>	<b>626</b>	<b>2,420</b>	<b>1,501</b>	<b>165.1</b>	<b>20.4</b>	<b>32.3</b>	<b>27.1</b>
Total Scope 3 emissions	location-based tCO <sub>2</sub> e	44,034	59,608	49,825	51,339	41,828	35,867	34,841	36,181	30,828	24,166
<b>Total Scope 3 emissions</b>	<b>market-based tCO<sub>2</sub>e</b>	<b>44,034</b>	<b>59,608</b>	<b>49,825</b>	<b>51,339</b>	<b>41,484</b>	<b>35,813</b>	<b>34,087</b>	<b>35,547</b>	<b>29,546</b>	<b>21,738</b>
Total Scope 1–3 emissions	location-based tCO <sub>2</sub> e	44,975	61,958	52,868	55,607	47,889	42,827	43,390	44,844	37,225	29,860
Total Scope 1–3 emissions	market-based tCO <sub>2</sub> e	44,975	61,958	52,180	51,977	43,919	37,331	34,271	35,584	29,594	21,779



## Energy overview

	Units	Base year 1					Base year 2				
		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total energy consumption of building portfolio	MWh	112,111	121,819	135,961	116,619	160,918	146,425	149,505	154,610	146,238	128,467
Thereof from 100 % renewable sources	MWh	–	–	1,559	8,954	8,999	12,155	19,067	19,444	18,883	21,639
Proportion of 100 % renewable sources		–	–	1.1 %	7.7 %	5.6 %	8.3 %	12.8 %	12.6 %	12.9 %	16.8 %
<b>Detailed overview</b>											
<b>Total landlord-obtained electricity</b>	MWh	–	–	6,272	10,419	13,547	14,579	17,808	18,103	15,686	15,006
Electricity from 100 % renewable sources	MWh	–	–	1,559	8,954	8,219	11,445	17,481	18,103	15,686	15,005
Proportion of electricity from 100 % renewable sources		–	–	24.9 %	85.9 %	60.7 %	78.5 %	98.2 %	100 %	100 %	100 %
<b>Total tenant-obtained electricity</b>	MWh	60,021	47,264	53,621	47,349	55,893	36,561	39,128	41,717	37,575	29,093
Electricity from 100 % renewable sources	MWh	–	–	–	–	779	710	1,586	1,341	3,197	6,635
Proportion of electricity from 100 % renewable sources		–	–	–	–	1.4 %	1.9 %	4.1 %	3.2 %	8.5 %	22.8 % <sup>1)</sup>
<b>Total electricity</b>	MWh	60,021	47,264	59,893	57,768	69,440	51,140	56,936	59,820	53,261	44,099
<b>Total landlord-obtained fuels</b>	MWh	–	–	–	–	28,537	33,416	30,171	30,677	28,772	25,152
Natural gas with carbon offsets	MWh	–	–	–	–	–	12,976	25,993	26,892	28,420	24,984
Proportion of natural gas with carbon offsets		–	–	–	–	–	38.8 %	86.2 %	87.7 %	98.8 %	99.3 %
<b>Total tenant-obtained fuels</b>	MWh	–	–	–	–	18,318	15,737	16,573	17,525	16,527	17,576
Natural gas with carbon offsets	MWh	–	–	–	–	–	–	–	–	14,487	15,743
Proportion of natural gas with carbon offsets		–	–	–	–	–	–	–	–	87.7 %	89.6 %
<b>Total heating with fuels</b>	MWh	–	–	–	22,194	46,856	49,153	46,744	48,202	45,300	42,727
Total landlord-obtained DH&C	MWh	–	–	–	–	26,311	26,091	27,709	29,932	33,693	29,993
Total tenant-obtained DH&C	MWh	–	–	–	–	18,312	20,041	18,117	16,657	13,985	11,648
<b>Total DH&amp;C</b>	MWh	–	–	–	36,657	44,623	46,132	45,825	46,589	47,677	41,641
<b>Total heating</b>	MWh	52,090	74,555	76,068	58,851	91,478	95,285	92,569	94,790	92,977	84,368
Total energy consumption of building portfolio	MWh	112,111	121,819	135,961	116,619	160,918	146,425	149,505	154,610	146,238	128,467

<sup>1)</sup>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

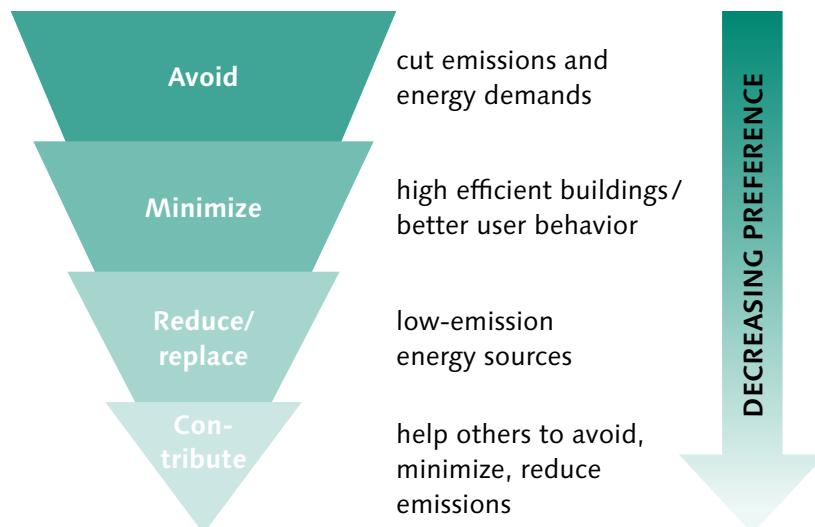
RECOMMENDED DISCLOSURE		RECOMMENDED DISCLOSURE	
Governance	References	Risk Management	References
<b>Disclose the organization's governance around climate-related risks and opportunities.</b>		<b>Disclose how the organization identifies, assesses, and manages climate-related risks.</b>	
a. Describe the board's oversight of climate-related risks and opportunities. Pages 9–10		a. Describe the organization's processes for identifying and assessing climate-related risks. Pages 9–10	
b. Describe management's role in assessing and managing climate-related risks and opportunities. Pages 9–10		b. Describe the organization's processes for managing climate-related risks. Pages 9–10	
Strategy		Metrics and Targets	
<b>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.</b>		<b>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.</b>	
a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term. Pages 16–24		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. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning. Pages 16–24		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 resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. Pages 16–24		c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets. Pages 34–36	

## F – CARBON DASHBOARD

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



### Reducing alstria's greenhouse gas (GHG) emissions

Induced emissions	Measures	Impact hierarchy	Annual reduction (tCO <sub>2</sub> e)	Annual potential (tCO <sub>2</sub> e)
Under alstria's operational control	<b>Company vehicles</b>	Internal policy on electrifying company's fleet from 2020	reduce/ replace	2 12
	<b>Energy for alstria's own offices</b>	Lowering energy demands, increasing efficiency, procuring renewable energy, and ISO 50001 energy management system	reduce/ replace	10 30
	<b>Energy procurement for shared services in alstria's portfolio</b>	Framework contract for 100 % renewable electricity procurement	reduce/ replace	50 50
	<b>Submetered energy for tenant areas</b>	Framework contract for 100 % renewable electricity and procurement of climate compensated natural gas	reduce/ replace	6,000 6,000
Outside alstria's operational control	<b>Low-carbon projects</b>	Pilot projects on low carbon heating systems, renewable energy generation, and energy flexibility in alstria's portfolio	reduce/ replace and minimize	500 10,000
	<b>Low-carbon design principles</b>	Incorporate carbon strategy in the design and planning of construction to minimize embodied carbon	avoid	12,450 20,000
Outside alstria's value chain	<b>Business travel and employee commuting</b>	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	avoid and minimize	100 300
	<b>Buying non energy-efficient assets</b>	Refurbishing buildings to increase energy efficiency	avoid and minimize per building	150 –

alstria portfolio



## Reducing others' emissions

	Avoided emissions	Measures	Impact hierarchy	Annual reduction (tCO <sub>2</sub> e)	Annual potential (tCO <sub>2</sub> e)	
Under alstria's operational control	<b>Refurbishing and reusing existing buildings</b>	Saving more than 60% of a building's embedded carbon by reusing foundations, slabs, columns and facades	avoid	see LCDP	see LCDP	
Outside alstria's operational control	<b>Refurbishing buildings</b>	Reducing more than 25% of energy consumption for tenants by lowering energy demands, increasing efficiency and electrifying buildings	minimize	730	3,000	
	<b>Tenant and employee electricity procurement</b>	Offering affordable electricity from 100% renewable sources via 'Nieterstrompool' service	reduce/replace	200	20,000	
	<b>Green Dividend</b>	Engaging with alstria's shareholders and enabling renewable energy generation projects (PV) that are financially not viable otherwise.	avoid and minimize	350	10,000	
	<b>Coworking business – beehive.work</b>	Helping start-ups and alstria's tenants to avoid emissions by offering energy-efficient office space close to public transport	minimize	100	–	
Outside alstria's value chain	<b>Buying assets with good access to public transport</b>	Reducing GHG emissions for tenants' commuting and business travel	minimize	100 per building	–	
	<b>Selling refurbished assets</b>	Selling well-performing properties and thus lowering operational emissions for future owners	minimize	150 per building	–	
	<b>Contribution to GHG reduction projects</b>	Carbon offsetting for unavoidable procurement of fossil fuels (e.g. tenant heating)	contribute	6,900	–	
	<b>Pilot projects</b>	Contributions to decarbonize energy grids and mobility sector	contribute	1,000	–	

## Developing carbon sinks

	Negative emissions	Measures	Impact hierarchy	Annual reduction (tCO <sub>2</sub> e)	Annual potential (tCO <sub>2</sub> e)	
Under alstria's operational control	<b>Carbonation process of concrete</b>	Concrete absorbs CO <sub>2</sub> from the atmosphere over its lifespan; it can absorb up to 25–50% of its initial CO <sub>2</sub> from production	contribute	–	–	
Outside alstria's operational control	<b>Joshua Tree Project</b>	R&D and pilot projects related to forest management and circular economy	contribute	–	–	
Outside alstria's value chain	<b>GHG capture projects</b>	Contribution to projects to develop CCS or carbon sinks via other products/services	contribute	–	–	



# 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.

## CO<sub>2</sub>

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.

## CO<sub>2</sub>e

Carbon dioxide equivalent, or 'CO<sub>2</sub>e,' is a term that describes various greenhouse gases using a common unit. For any quantity and type of greenhouse gas, CO<sub>2</sub>e signifies the amount of CO<sub>2</sub> 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 (kgCO<sub>2</sub>e)

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.



## EPRA sBPR

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.

## kgCO<sub>2</sub>e

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 (kgCO<sub>2</sub>e)

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 (kgCO<sub>2</sub>e)

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

Life cycle stage A1–3: Product stage (also known as 'cradle to gate'), kgCO<sub>2</sub>e 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, kgCO<sub>2</sub>e released during the transport of materials/products to the site, energy usage due to activities on site (site huts, machinery use, etc.), and the kgCO<sub>2</sub>e associated with the production, transportation and end of life processing of materials wasted on site.

Life cycle stage B: Use stage, kgCO<sub>2</sub>e 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, kgCO<sub>2</sub>e 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 kgCO<sub>2</sub>e 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.

# Building Your Future

**The most sustainable building  
is the one that is never built.**



**Published by**  
**alstria office REIT-AG**

Steinstr. 7  
20095 Hamburg, Germany  
[www.alstria.com](http://www.alstria.com)  
[www.beehive.work/en/](http://www.beehive.work/en/)

**Publication date**

November 4, 2021  
[www.alstria.com/sr/](http://www.alstria.com/sr/)

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