

Sustainability Report 2020

allreal

Editorial

“Allreal builds value” – we are committed to this motto here at Allreal. Every year, we report on the value that we have created. We started producing our own sustainability reports back in 2019, giving ourselves the chance to take a more comprehensive look at our actions. Over the past year, we have started to draft a sustainability strategy that is due to be published during the second half of 2021. It will set out binding goals that will allow us to keep track of our progress going forward. At this early stage, we can already say with confidence that we will be significantly reducing the proportion of heating systems relying on fossil fuels in our own yield-producing properties between now and 2030.

This report highlights where we are creating value for our stakeholders. We use the Global Reporting Initiative (GRI) standards to provide you with a structured and, crucially, comparable overview of our company.

Our report focuses on four areas of responsibility: the environment, economic performance, employment and compliance. We reveal why we attach great importance to training, how we prevent accidents on our construction sites, how we are responding to the coronavirus pandemic, how we are reducing the energy consumption of our yield-producing properties, and what the biggest challenges are on the procurement market.

We are confident that economic success and commitment to sustainable solutions are not mutually exclusive. Indeed, we believe that they go hand in hand in the long term. We are committed to creating value for all of our stakeholders – now and in the future.

Roger Herzog
CEO

Environment

In terms of market value of yield-producing properties, Allreal is the third-largest listed property company in Switzerland. Across its two divisions – Real Estate and Projects & Development – the company is well aware of its environmental responsibilities. Sustainable construction, whether with high-quality construction materials or the use of renewable energy sources, seems to contradict the goal of cost-efficient construction – but only at first glance. The higher production costs are usually more than compensated for in the medium to long term by the lower operating expenses and longer life expectancy of the building.

Two decades of sustainable construction

In its 20-plus years of business, Allreal has made a name for itself as a pioneer and forerunner in the development, planning and realisation of environmentally exemplary projects. Allreal Generalunternehmung AG is a member of the Minergie Association and has realised around 600 Minergie buildings in projects for itself or for third parties since 2000. These include the zero-heating-energy Eulachhof complex in Winterthur, which received the Swiss Solar Award and the Watt d'Or Award. Moreover, Allreal's own Richti Wallisellen project became Switzerland's first site development project which meets the targets of the 2000-Watt society vision. In Mönchaltorf, Allreal realised one of the first residential complexes to comply with the Minergie A standard.

Reducing the urban heat island effect is a hot topic right now. The effects of the heat are felt so much more intensely in cities than anywhere else on hot days. Zurich is aiming to work with private property owners to boost the climate credentials in Zurich-West in particular given that it is one of the hardest-hit areas in the city. Allreal realised a six-floor commercial building at Hardstrasse 301 in the Escher-Wyss industrial area. The replacement new build completed in December 2020 was designed by Caruso St John Architects and has 5,800 square metres of floor space. From the top to the bottom of the sides of the building that face north and south, green concrete planters sit below each row of ribbon windows. And some 300 plants and shrubs are being grown across 180 square metres in those planters. With nature having been considered in the design of the outdoor spaces too, this property really does its bit to improve local climate conditions.

Energy consumption and CO₂ emissions

GRI 302-1, 302-2, 305-2

Energy consumption and greenhouse gas emissions can be reduced by renovating buildings and infrastructure in yield-producing properties. Facilities are also operated in a way which optimises energy as much as possible. By adopting this approach, Allreal is ensuring that the people inside the rented spaces are adequately comfortable whilst guaranteeing that the buildings are energy-efficient. For new-build projects, especially those it develops in-house, Allreal applies high standards (such as Minergie-P) and uses future-oriented technologies.

There are three main drivers for energy consumption:

Environmental conditions

As a significant proportion of the energy is required to heat the buildings, the environmental conditions during winter have a direct effect on consumption. The majority of changes in energy consumption are directly dependent on the accumulation of heating degree days.

Building operation and user behaviour

In addition to basic energy consumption, the occupancy of a rental space is primarily relevant to consumption. Generally speaking, this cannot be directly influenced by the building owner.

Building materials

The buildings and related infrastructure are upgraded according to the respective age of construction or renovation. As a rule, newer buildings account for lower specific energy consumption than older buildings. This is where the largest potential lies for reducing energy consumption and CO₂ emissions. Through major periodic refurbishments, the building materials and infrastructure in the portfolio properties are continuously modernised and adapted to the latest technology.

The reported energy consumption covers all yield-producing properties which were owned by Allreal in the financial year up to 31 December. Buildings which were not rented out during the reporting period owing to complete renovations or refurbishments are not included. If properties were transferred to the portfolio of yield-producing properties during the accounting period, these are included in the energy balance for the first time if consumption data is available for an entire billing period. As such, it may be that the number of properties with an energy evaluation is lower than the number of properties reported in the Annual Report.

In the 2020 financial year, these were 20 residential properties and 39 commercial properties with a total of 768,693 square metres of rentable space. The total has increased by 40,371 square metres compared to the previous year, with two more residential properties and one more commercial property having been added.

The overall energy consumption dropped by 2.3% to 66.02 gigawatt hours in total despite the fact that the rentable space increased by 4.8%. Furthermore, the proportion of energy provided by heating oil has been reduced further to 6.4%.

Allreal managed to cut back on the use of district heating by some considerable margin in the 2020 financial year – mainly by making good use of waste heat from the cooling systems at one of its largest yield-producing properties. This equates to a saving of 2.32 gigawatt hours or 10% compared to the previous year.

The energy consumption per square metre of rentable space within Allreal's yield-producing property portfolio has been steadily decreasing since 2015. And this trend is continuing despite the vacancy rate reaching a new record low of 1.4 % during the year under review. The energy intensity came in at 90 KWh/m² in 2020, compared to 92.2 KWh/m² in the previous year.

Energy consumption contains the following components:

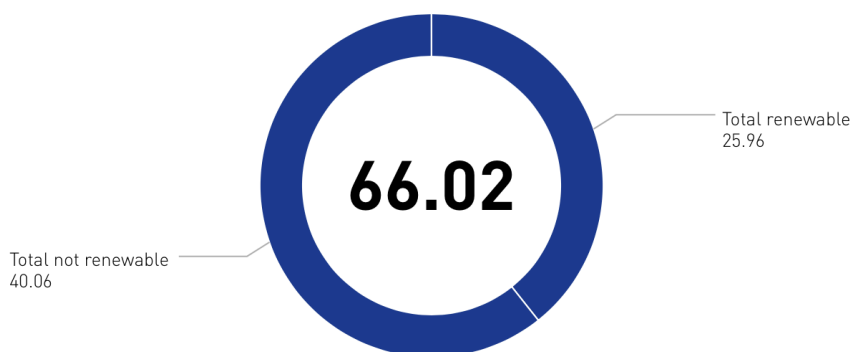
- Primary energy demand for room heating and electrical energy for heat pump systems
- Electrical energy used in the common areas and in general infrastructure, such as stairwells, corridors, lifts, refrigeration equipment and ventilation systems

The consumption of electrical energy inside the rented spaces is not taken into account. Tenants obtain this energy directly from suppliers.

Allreal is now also working to improve the quality of the electrical energy it purchases from third parties. The proportion of electricity produced by hydropower in Switzerland was 99.9% in the year under review. That equates to around 15,466,870 kilowatt hours. The remaining 0.1% of electricity is produced by solar power and waste incineration. Allreal does not rely on any electricity produced using fossil fuels or nuclear power.

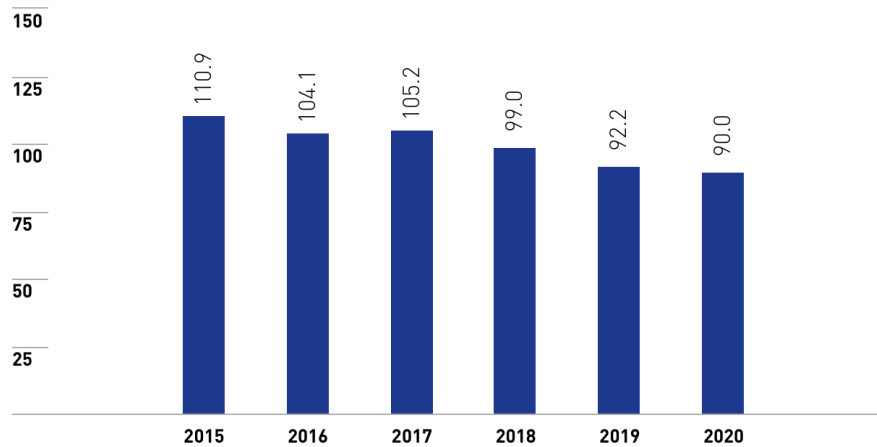
Energy consumption and CO₂ emissions were recorded in line with the recommendations of “Ökobilanzdaten im Baubereich 2009/1:2016” from KBOB/ecobau/IPB. This defines key figures for various energy sources – such as natural gas, heating oil, district heating and electricity – which take into account energy production, as well as distribution and provision.

Proportion of renewable energy
in GWh

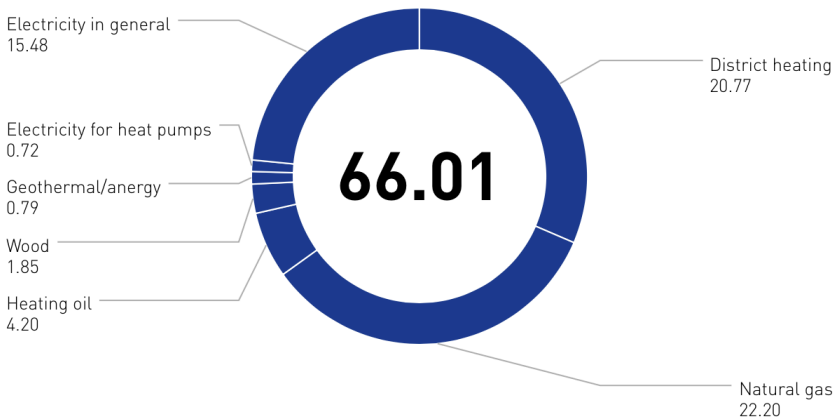


Total of 59 residential and commercial properties with a total rentable area of 768,693 m².

Energy intensity
in kWh/m² of rentable area



Overall energy consumption by source
in GWh



Total of 59 residential and commercial properties with a total rentable area of 768,693 m².

All of the energy sources that supply the buildings in Allreal’s portfolio are purchased from third parties. Allreal neither owns nor manages its own energy production plants, such as cogeneration plants, and therefore does not cause any direct greenhouse gas (GHG) emissions.

The indirect energy-related GHG emissions refer exclusively to the emission of carbon dioxide (CO₂). Other gases relevant to the greenhouse effect are not accounted for.

The amount of CO₂ emissions is calculated as a CO₂ equivalent based on the energy sources and the allocated key figures. The reporting and establishment of key figures is carried out in the same way as for reported energy consumption.

As no other relevant gases aside from CO₂ are emitted, it is not necessary to consider the global warming potential (GWP) and its effects over a period of 100 years. Reporting is carried out exclusively using the Allreal portfolio under review and does not contain any traded GHG emissions or any other indirect GHG emissions.

Indirect energy-related greenhouse gas emissions
in t CO₂ equivalent

8419

Indirect energy-related greenhouse gas emissions
in kg CO₂ equivalent/m² of rentable area

11.0

Economy

Allreal covers the entire property value chain, from development and realisation to long-term property investment including portfolio management, building management and property management. In all that it does, Allreal strives to achieve consistent qualitative growth, steady returns and a stable dividend payout policy for its shareholders aimed at dividend growth. Thanks to the synergies that result from this, combined with financial strength and short decision-making paths, Allreal is in an excellent position in every respect.

Allreal builds value

Allreal endeavours to achieve a return comparable to a direct investment in property for its shareholders, thus allowing them to participate in the company's economic success. Up to 100% of the Real Estate division's operating net profit is distributed to shareholders. For the 2020 financial year, the Board of Directors will propose a distribution of CHF 6.75 per share, corresponding to a distribution yield of 3.3%.

Since its flotation in 2000, Allreal has distributed a total of CHF 1.40 billion to shareholders.

Thanks to the careful handling of risk, sound financing and high earnings power, Allreal provides good conditions for sustainable, continuous growth in shareholder value.

Key operating and financial targets

Financial target

Return on equity excl. revaluation effect (annualised)	> 5%
Dividend payout policy – net profit within the Real Estate division	≤ 100%
Relative share performance – positive deviation from the SXI Real Estate Shares TR comparison index	> 0
Fixed interest rate period for financial liabilities	> 48 months
Weighted average unexpired lease term (WAULT)	> 48 months
Share of residential segment in total rental income	> 20%
Gross margin third-party projects Projects & Development division	> 12%

Financial covenants

Equity ratio	> 35%
Net gearing (ratio of net financial debt to equity)	< 150%
Interest coverage ratio	> 2.0
Debt relating to portfolio and development properties	< 70%

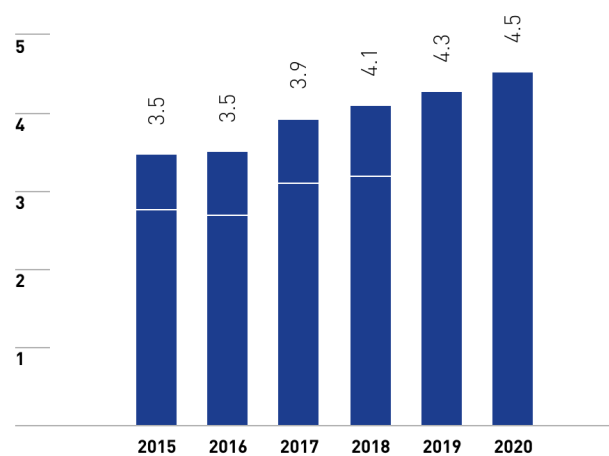
Real Estate division

Active management and continuous expansion of the portfolio guarantee stable value creation for the company in the long term. Allreal has its own in-house property management team, which manages just under 70% of properties in terms of market value. In-house specialists in building management and building services provide advice on new builds right from the planning phase and also ensure an economic course of action in the operation of yield-producing properties.

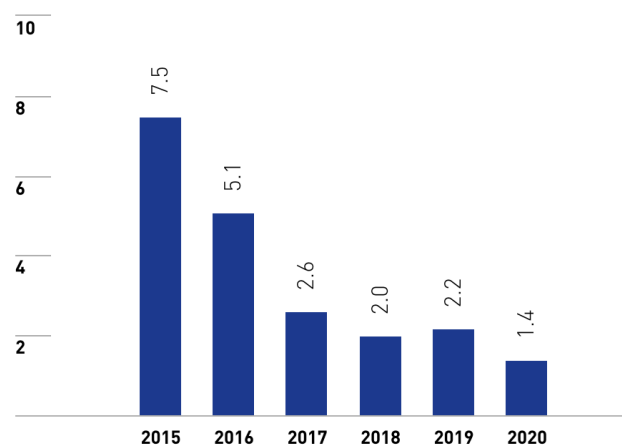
With full and partial renovation work being performed on a regular basis, the economic age of a third of the portfolio is under ten years and around two thirds of the portfolio have been modernised within the past 20 years.

With residential and commercial properties with a market value of around CHF 4.53 billion, Allreal has the third-largest property portfolio of all property companies listed on the Swiss Exchange.

Market value of portfolio
in CHF billion



Portfolio vacancy rate
in % (cumulative from gross target yield)



Allreal operates exclusively in Switzerland. Its investment properties are located predominantly in the economic centres of Zurich, Bern and Basel, and along the Lake Geneva area. The Projects & Development division, which has offices on Glattpark and in Bern, provides its services to large parts of German-speaking Switzerland.

Projects & Development division

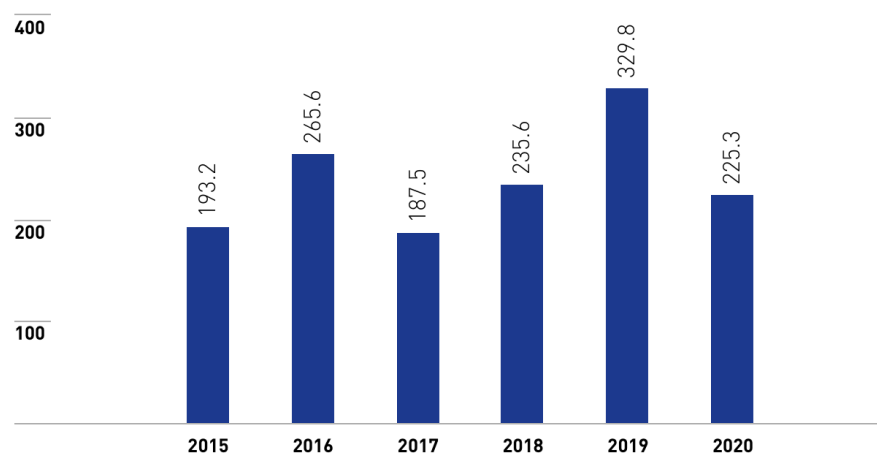
The Projects & Development division develops, plans and realises new builds, re-furbishments and renovations of all sizes and levels of complexity from a single source for private and institutional investors and developers, as well as for its own portfolio: from acquisition and use and cost analyses to the finished building with value creation that is sustainable in the long term.

Allreal is relying more and more on digital processes within its workflows. In 2020, the company started using BIM to plan and realise all of its own projects and selected projects for third parties.

Other services include the initial letting of rental premises and the sale of residential property developed and realised in-house by Allreal, as well as providing advice to private individuals, companies and institutional investors in real estate transactions.

EBIT Allreal Group EBIT

in CHF million



Incl. revaluation gains

Key figures for 2020 at a glance

		2020* 31.12.2020	2019* 31.12.2019	Change in % ¹
Total sales ²	CHF million	563.8	543.8	3.7
Operating profit (EBIT) incl. revaluation gains	CHF million	225.3	329.8	-31.7
Net profit incl. revaluation effect ³	CHF million	167.2	243.2	-31.3
Operating profit (EBIT) excl. revaluation gains	CHF million	170.1	189.8	-10.4
Net profit excl. revaluation effect ³	CHF million	124.7	142.0	-12.2
Return on equity incl. revaluation effect ³	%	7.0	10.6	-3.6
Return on equity excl. revaluation effect ³	%	6.2	7.2	-1.0
Equity ratio on cut-off date	%	48.4	49.6	-1.2
Net gearing ⁴ on cut-off date	%	88.6	83.5	5.1

* Should no further particulars be given, values referring to the income statement concern the full year and balance sheet value the cut-off dates 31.12.2020 and 31.12.2019. The consolidated financial statements for 2020 were prepared in accordance with Swiss GAAP FER for the first time. The previous year's figures were adjusted accordingly.

1 Changes in number and percentage values are shown as an absolute difference

2 Income from rental of investment real estate plus completed project volume in the Projects & Development division

3 Revaluation effects correspond to gains from the revaluation of investment real estate less deferred taxes on revaluation

4 Borrowings minus cash and marketable securities as a percentage of equity

Society

Efficient, capable and motivated employees are especially important for successful long-term business activity. Allreal pays all employees – regardless of whether they are full-time or part-time – fair salaries which do not discriminate based on gender and are in line with the market, and provides above-average social and fringe benefits.

Staff development

GRI 404

Allreal attaches great importance to the continuous internal and external training of its staff across all hierarchical levels, and generally covers 100% of the costs incurred as well as the working hours. This ensures that employees are up to date with the latest technical developments and in a position to do their job well. Proven and continually optimised processes and highly trained employees with experience in construction and working methods guarantee effective workflows and enable the efficient application of new technologies.

In the 2020 financial year, Allreal employees underwent an average of 37.5 hours of further training. The company invested a total of CHF 202,854 in internal and external training, corresponding to an average of CHF 931 per employee.

All employees are entitled to at least five weeks of annual leave. Plus, an attractive working time model with a set number of hours to be worked during the year affords staff the flexibility to plan their own time. Pandemic aside, Allreal gives all employees with an office job the chance to work from home.

Employees are given a special gift for every five years of service, which could take the form of shares, annual leave allowance or a lump-sum payment. Allreal also has its own pension scheme with excellent benefits.

Allreal moved into its new head office – known as the Lightcube – on Glattpark in the summer of 2020 and this provided the perfect opportunity to create a modern working environment. At the Lightcube, each employee still has a dedicated workspace of their own, designed in line with the latest research into ergonomics. But they also have access to all kinds of other work zones that cater to specific requirements and types of tasks. For example, there are designated spaces for formal meetings and informal gatherings alongside areas designed for work requiring concentration, group efforts and collaboration on projects. This use of space improves efficiency, whilst making the workplace more dynamic, keeping employees moving and encouraging communication.

Several training sessions on ergonomics in the workplace allowed staff members to adapt their working space to suit their own personal needs based on tailored advice.

① Halfway through 2020, Allreal started offering to pay for yearly season passes for the local public transport network within the canton of Zurich, Bern or Basel if staff agreed to switch to public transport instead of driving their own cars.

Employment

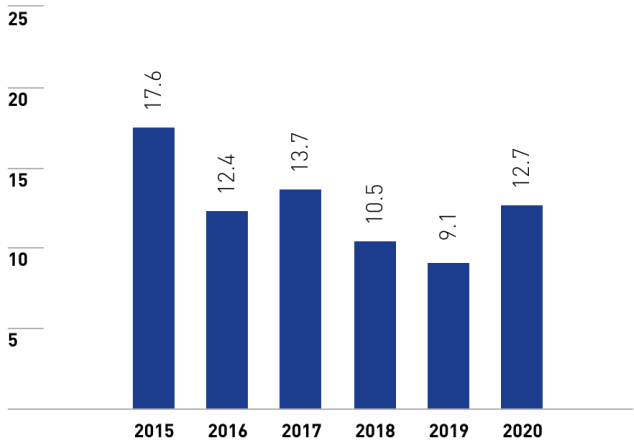
GRI 401-1, 401-2, 405

All Allreal employees receive an annual evaluation of their performance combined with target setting for the following year. This standardised process has been logged digitally since the last revision in 2019. This ensures a high level of transparency and fairness. Furthermore, an anonymous employee survey conducted every six months ensures that potential conflicts at the team level are recognised early on so that corresponding measures can be defined and implemented. In addition, an extended employee survey is conducted every two years – the last was in spring 2019. Group Management analyses the findings of these surveys and implements appropriate measures for improvement in a timely manner.

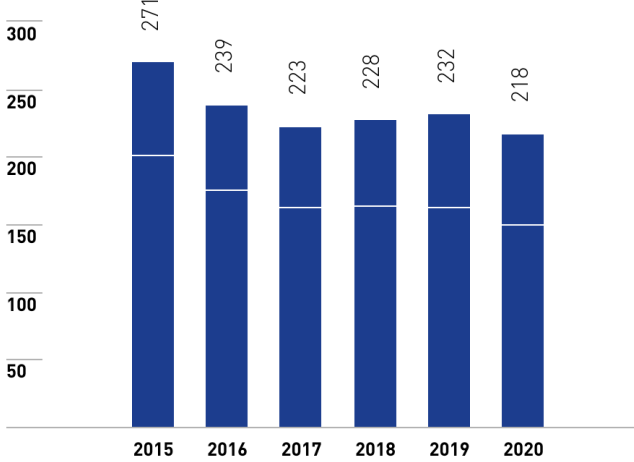
On 31 December 2020, the staff headcount stood at 218 employees, corresponding to 206 full-time equivalents. There was also one apprentice completing their training as a Swiss certified commercial employee at Allreal. The proportion of women across the entire workforce is 31.2% and has been continuously increasing in recent years. This development is set to continue in the same direction in the coming years. On the Board of Directors, the proportion of women stands at 14%. The turnover rate was 12.7% in the year under review. Although this is a slight increase on last year's rate, it is still in line with the long-term average.

In summer 2020, Allreal commissioned its first-ever equal pay audit in line with the provisions of the Swiss Gender Equality Act (GEA). The audit conducted by an independent consultancy firm and a separate audit office took the month of July 2020 as its point of reference and looked into data relating to 223 employees in total (68 women and 155 men). Taking differences in personal qualifications and other criteria relating to specific roles into account, the wage gap is 2.1% in favour of the women. The final report states that this statistical difference is negligible, meaning that men and women receive equal pay at Allreal in line with the provisions of GEA.

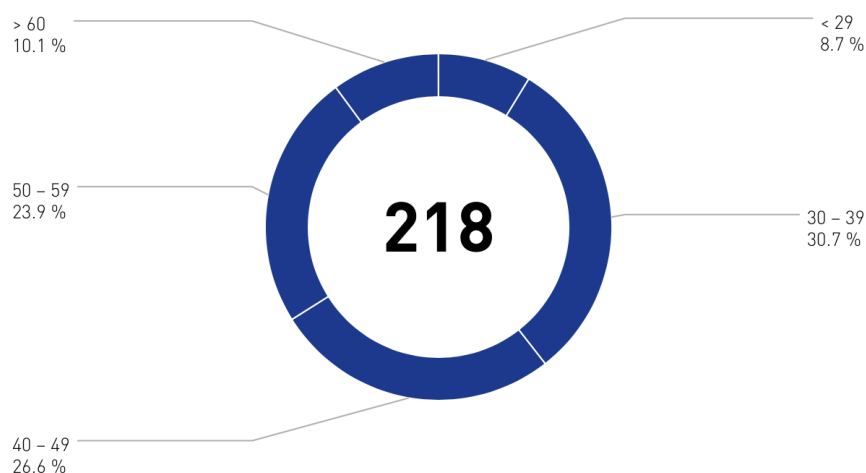
Fluctuation rates
in % of employees



Number of employees
persons



Employee age structure percentage share



Workplace health and safety

GRI 403-2

Workplace safety is a top priority for Allreal, with extra focus on construction sites. Project and site managers support and monitor contractors in planning and implementing all measures to prevent accidents. Emergency response officers are also on hand as the first line of response in any emergency situation at the office sites. They receive training in various safety topics several times a year to ensure that they are fit for this job. A total of nine incidents took place in 2020. Thanks to these measures, the company has more than halved the number of significant safety risks recorded per audit since the introduction of safety audit monitoring in 2016.

The direct costs for workplace health and safety, including safety equipment, training and checks, amounted to CHF 23,344 in the period under review.

During the course of the year under review, the individuals responsible for workplace health and safety conducted a total of 13 unannounced site audits and recorded their findings. In addition, they provided planning assistance to project teams working on different construction sites on three occasions. There was no need for any follow-up inspections owing to serious shortcomings relating to health and safety in the workplace. On the whole, there was a slight increase in the number of minor breaches at Allreal, but the number of serious shortcomings decreased further to an extremely low level.

In 2020, Allreal did not record any fatal or serious accidents on its construction sites. All in all, two females and four males suffered minor injuries during working hours, corresponding to 2.75% of the entire workforce. The six accidents resulted

in a total of 20.3 days of absence. Accident figures for Allreal contractors are not collated along with the other statistics.

In February 2020, the Office of Economy and Labour for the canton of Zurich conducted a workplace health and safety audit on Allreal. The result of the audit came back as excellent and the suggestions for improvements were implemented within the time frame specified.

New head office

When the company moved into its new head office on Glattpark, the emergency response protocols were fully revisited on site and the emergency response officers trained accordingly. As the building is so large, at least one defibrillator has now been installed on each floor in case of cardiac arrest. The other tenants in the building were also consulted when the emergency response protocols were being drawn up. An app is now used in the event that the building has to be evacuated, making it much easier to notify the emergency services properly.

Response to COVID-19

In response to the coronavirus crisis, the individuals responsible for workplace health and safety have drawn up a pandemic plan, which has been adjusted in line with any changes to the government guidance. Group Management has used the plan as the basis for implementing a number of measures, which reached their initial peak in the middle of March 2020 when all employees were asked to work from home unless they were required to supervise construction sites directly. The second wave of the pandemic forced the entire company to start working from home again on 20 October 2020.

The workplace safety coordinators have worked hard throughout the pandemic, coming up with a plan for ordering materials during a pandemic, adapting the sites and equipment in line with the pandemic plan, and so much more.

All employees with any symptoms have been required to inform a central internal department since the very start of the pandemic. A total of 88 cases were reported in the year under review, covering general cases of sickness, employees having to self-isolate after coming into close contact with someone who had tested positive for COVID-19, and employees testing positive for coronavirus themselves. As of 31 December 2020, Allreal had recorded 16 positive COVID-19 cases amongst its employees. Everyone affected has now recovered, having only suffered mild symptoms.

Occupational accident
incidents 2020

6

per 390,960 hours worked

Compliance

Integrated quality management

Allreal has a comprehensive and standardised quality and cost management system which is implemented consistently and updated regularly. The web-based database "Processes at Allreal for Quality" (PAQ) defines standards and processes, and provides all employees with tools such as regulations, templates and examples for their day-to-day work. All employees are trained at regular intervals on how to use PAQ, with the last session taking place in December 2019.

Procurement

As a total and general contractor, Allreal is liable for non-compliance with minimum wage laws or the statutory working conditions offered by both contractors and all of their sub-contractors in the supply chain. The high cost and time pressures so prevalent in the construction sector give rise to the risk of violations of labour and social security provisions. These not only involve quality risks, but also liability and reputation risks. Allreal strongly condemns illegal labour and wage dumping, and obliges all contractors to strictly adhere to the applicable provisions.

In 2020, Allreal did not record any violations on its construction sites. The company takes a range of actions to further minimise the risk of violations of the Posted Workers Act, including, for example, strict contract terms, an ID requirement for construction workers and access checks on large construction sites. Allreal created the Qualiconstruct programme in spring 2017 and works in very close partnership with selected companies which are known for their excellent track record in terms of quality, cost-effectiveness, credit standing and innovative capacity. Around 57 companies in 14 employment categories have joined the programme since its launch.

Allreal has also been working with another similar information system – Informationssystem Allianz Bau (ISAB) – since March 2020. The data-based electronic platform, supported by the major social partners within the construction and renovation trades, aims to maximise transparency surrounding contractors' compliance with the minimum working conditions in place. Allreal requires all construction companies to register with ISAB before working with them.

During the period under review, Allreal awarded 99.7% of work to companies and suppliers based in Switzerland.

Allreal site managers, who are deployed on site and present for the entire construction period, monitor and manage compliance with standards and laws as well as the quality of execution.

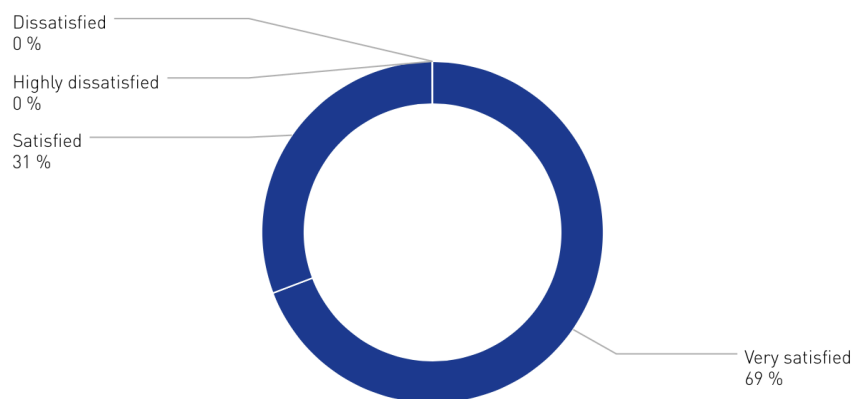
The company's own service organisation ensures that any defects that occur after the building has been handed over to the developer or owner are rectified in a fast and straightforward way. A specially developed, efficient online platform is available to those responsible for the administration of corrective action. Systematically recording the defects also guarantees that any clusters of defects are discovered and taken into account when planning going forward.

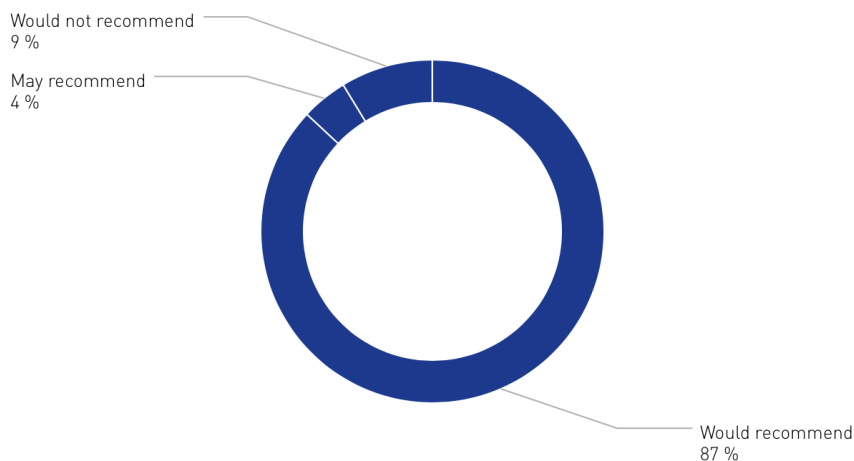
As part of an initiative launched in the previous year to review maintenance services provided by third parties at portfolio properties, the building management team within the Real Estate division reviewed, updated and retendered ten contracts with facility management service providers during 2020. These contracts cover annual basic services amounting to around CHF 1.96 million. One result of the review process is that invoices for incidental costs are more detailed, providing Allreal customers with maximum transparency and cutting down their costs.

Customer surveys

Once construction work is complete, both customers who have purchased residential property from Allreal and a selection of developers of third-party projects are given the opportunity to evaluate the company and make specific suggestions for improvement using a standardised questionnaire. During the 2020 financial year, 36 questionnaires were returned. In the overall assessment, 69% of developers of third-party projects were "very satisfied" with Allreal and the remaining 31% were "satisfied". 87% of the customers who purchased residential property said they would recommend Allreal.

Customer satisfaction – developers of third-party projects
rating / percentage share



Customer satisfaction – buyers of residential property
 rating / percentage share


In autumn 2020, the property management team within the Real Estate division ran a representative customer survey on tenants in residential and commercial properties. A total of 287 tenants were included in the survey to assess the service provided by the in-house property management department and by external management companies working on behalf of Allreal. 33% of surveys were completed.

Ten points were raised as assessment criteria and opinions were given on a scale of one to four. An impressive average score of 3.29 was achieved across all of the criteria. People completing the survey also had the chance to add any further comments.

The survey brought to light some useful suggestions for ways to optimise the services on offer. The results were studied in depth with the relevant teams and action was taken accordingly.

The in-house property management department performed particularly well, confirming that the strategy of managing as many properties as possible in-house is a plus for customers and Allreal alike.

Allreal Code of Conduct

GRI 205

The Code of Conduct, which is binding for the entire Allreal Group, outlines the business conduct expected of employees and business partners and defines the guidelines that must be respected and followed with no exceptions or limitations. It also stipulates the sanctions in the event of violations. Observance of high ethical standards characterised by personal responsibility, and strict adherence to all legislation of significance to the company form the basis of all entrepreneurial activity.

Once a year, employees of Allreal are given in-depth training in one specific area of the Code of Conduct. The training on bullying and discrimination in the workplace scheduled for 2020 had to be postponed to the following year due to the coronavirus pandemic.

As part of the revision of the Code of Conduct in 2018, the following corruption risks were defined as being considerable and taken into account by Allreal: the award of planning and sub-contracting services, the award of property management and facility management contracts, the acquisition of development properties, the acquisition of GC/TC contracts and the purchase/sale of yield-producing properties. 2018 was also the last year in which compulsory training covered the subject of corruption. All in all, 234 people – or 98% of employees – attended the event. In the 2020 financial year, no incidents related to suspected corruption were reported.

Allreal Code of Conduct (PDF):

www.allreal.ch/nc/fileadmin/user_upload/redakteure/ueber_allreal/allreal-gruppe/Code_of_Conduct.pdf

Independent external notification body

GRI 307, 406, 418, 419

Both employees and third parties who discover or suspect violations of applicable laws or the Code of Conduct are able to report these to an independent external body. The report is submitted via an online form which is available from the Allreal Intranet and on the company website. The use of a third-party provider guarantees the whistleblower's anonymity and the confidential handling of information in all circumstances. The independent external notification body ensures that there are no negative consequences for a whistleblower as a result of making contact.

In addition to the existing independent external notification body, which is also happy to help third parties, Allreal started working with the specialist [Swiss centre addressing bullying and harassment in the workplace](#) in the fourth quarter of 2020. The centre is on hand to advise employees and members of the group management team who are concerned about signs of bullying, sexual harassment and discrimination in the workplace, with anonymity maintained at all times. A training session is being arranged for employees in 2021. During the period under review, there were no reports of bullying, sexual harassment or discrimination in the workplace.

There were also no reports of violations of the protection of customer data or freedom from discrimination in 2020. Similarly, Allreal was not sanctioned or fined for any failure to comply with social and economic legislation and regulations or failure to comply with environmental laws in the period under review.

Appendix and index

Stakeholders

Allreal wishes to conduct real dialogue with its stakeholders. To this end, the company has created and established various platforms over the last few years. These include customer satisfaction surveys, extended employee surveys and training sessions on the Code of Conduct, which have a direct impact on the continuing development of products and communication channels. The most important stakeholders and the contact intervals are defined as follows (in alphabetical order):

Administration/authorities	As required
Meetings	
Postal mail	
E-mail	
Telephone conversations	
Clients/customers	As required
Online surveys	
Meetings	
E-mail	
Telephone conversations	
Events	
Websites	
Contractors/suppliers	Frequently
Meetings	
Postal mail	
E-mail	
Telephone conversations	
Employees	Frequently
Intranet	
E-mail	
Events	
Surveys	
Online form for suggestions for improvement	
Independent notification body in the event of improper conduct	
Training	
Financial analysts/investors	Regularly
Events	
Webcast	
E-mail	
Media	As required
Media releases	
E-mail	
Telephone conversations	

The public	As required
E-mail	
Websites	
Postal mail	
Telephone conversations	
Events	
Shareholders	Regularly
Reporting	
General Meeting	
Website	
Webcast	

Key topics

In dialogue with the most important stakeholders, the company has defined the following key topics for Allreal:

Environment

Allreal has and assumes environmental responsibilities. On the one hand, energy consumption and greenhouse gas emissions can be reduced by renovating buildings and infrastructure in yield-producing properties. On the other, Allreal is applying demanding standards and using future-oriented technologies for new-builds, especially those it develops in-house.

Employment

Allreal attaches importance to being an attractive employer. At a time of record-low unemployment rates and correspondingly strong demand for specialist staff in the various professional groups employed at Allreal, it is important that the company's employees can develop further and receive support in the process. As a real estate company with its own Projects & Development division, the prevention of accidents is a top priority for Allreal. Freedom from discrimination, equal wages and equal opportunities are all put into practice at Allreal.

Compliance

Allreal treats its contractors, customers and partners as equals, and is a fair and reliable negotiation partner. Compliance with the applicable rules and laws – especially provisions relating to labour and social insurance – is of particular importance to the company.

Economic performance

Since its flotation 20 years ago, the company has been successfully operating in the Swiss real estate market and generates stable, recurring returns for owners. A large number of tenants, employees and contractors depend on the healthy financial development of the company. Allreal is convinced that the economic success of a company must be consistent with sustainable and responsible working practices.

GRI Content Index 2020

This report has been prepared in accordance with the
GRI Standards: Core option

102	General Disclosures 2016	
	Organisational Profile	
102-1	Name of organisation	Allreal Holding AG
102-2	Activities, brands, products, and services	2020 Annual Report – Business model and strategy 2020 CSR – Economy
102-3	Location of headquarters	Legal HQ: CH-6340 Baar Operational HQ: CH-8152 Glattpark
102-4	Location of operations	Switzerland
102-5	Ownership and legal form	2020 Annual Report – Corporate Governance
102-6	Markets served	Switzerland
102-7	Scale of the organisation	2020 CSR – Society
102-8	Information on employees and other workers	2020 CSR – Society
102-9	Supply chain	2020 CSR – Economy
102-10	Significant changes to the organization and its supply chain	Relocation of the operational headquarters on 13 July 2020
102-11	Precautionary Principle or approach	2020 Annual Report – Notes on the consolidated statement of comprehensive income
102-12	External initiatives	None
102-13	Membership of associations	– Verband der Immobilien-Investoren – Schweizer Verband für Wohnungswesen – Avenir Suisse – Zürcher Hauseigentümerverband – Forum Energie – Verein Minergie – Zürcher Studiengesellschaft für Bau- und Verkehrsfragen
	Strategy	
102-14	Statement from senior decision-maker	2020 CSR – Editorial
	Ethics and Integrity	
102-16	Values, principles, standards, and norms of behaviour	Code of Conduct of 28 August 2018: www.allreal.ch/nc/fileadmin/user_upload/redakteure/ueber_allreal/allreal-gruppe/Code_of_Conduct.pdf
	Governance	
102-18	Governance structure	2020 Annual Report – Organisation
	Stakeholder Engagement	
102-40	List of stakeholder groups	2020 CSR – GRI
102-41	Collective bargaining agreements	0% of employees covered by collective agreements
102-42	Identifying and selecting stakeholders	2020 CSR – GRI
102-43	Approach to stakeholder engagement	2020 CSR – GRI
102-44	Key topics and concerns raised	2020 CSR – GRI 2020 CSR – Compliance
	Reporting Practice	
102-45	Entities included in the consolidated financial statements	2020 Annual Report – Corporate Governance
102-46	Defining report content and topic boundaries	2020 CSR – GRI
102-47	List of material topics	2020 CSR – GRI
102-48	Restatements of information	Only comparisons were made with previous reports if the data collection was based on the same principles
102-49	Changes in reporting	None
102-50	Reporting period	Calendar year, 1.1.–31.12.2020
102-51	Date of most recent report	26 February 2020
102-52	Reporting cycle	Annual

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102-53	Contact point for questions regarding the report	2020 CSR – Contact
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option
102-55	GRI content index	
102-56	External assurance	This report has not been externally audited
201	Economic Performance 2016	
103-1/2/3	Management approach	
201-1	Direct economic value generated and distributed	2020 CSR – Economy 2020 Annual Report – Annual accounts
201-3	Defined benefit plan obligations and other retirement plans	2020 Annual Report – Notes to the consolidated financial statements
201-4	Financial assistance received from government	No financial assistance received from government
204	Procurement Practices 2016	
103-1/2/3	Management approach	
204-1	Proportion of spending on local suppliers	2020 CSR – Compliance
205	Anti-Corruption 2016	
103-1/2/3	Management approach	
205-1	Operations assessed for risks related to corruption	
205-2	Communication and training about anti-corruption policies and procedures	2020 CSR – Compliance
205-3	Confirmed incidents of corruption and actions taken	2020 CSR – Compliance
302	Energy 2016	
103-1/2/3	Management approach	
302-1	Energy consumption within the organization	2020 CSR – Environment
302-3	Energy intensity	2020 CSR – Environment
305	Emissions 2016	
103-1/2/3	Management approach	
305-1	Direct (Scope 1) GHG emissions	2020 CSR – Environment
305-2	Energy indirect (Scope 2) GHG emissions	2020 CSR – Environment
307	Environmental Compliance 2016	
103-1/2/3	Management approach	
307-1	Non-compliance with environmental laws and regulations	2020 CSR – Compliance
401	Employment 2016	
103-1/2/3	Management approach	
401-1	New employee hires and employee turnover	2020 CSR – Society
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	None. Identical company services and benefits for all employees
403	Occupational Health and Safety 2016	
103-1/2/3	Management approach	
403-2	Hazard identification, risk assessment, and incident investigation	2020 CSR – Society
404	Training and Education 2016	
103-1/2/3	Management approach	
404-1	Average hours of training per year per employee	2020 CSR – Society
404-2	Programs for upgrading employee skills and transition assistance programs	2020 CSR – Society
404-3	Percentage of employees receiving regular performance and career development reviews	2020 CSR – Society

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103-1/2/3	Management approach	
405-1	Diversity of governance bodies and employees	2020 Annual Report – Organisation 2020 CSR – Society
405-2	Ratio of basic salary and remuneration of women to men	

406

Non-Discrimination 2016

103-1/2/3	Management approach	
406-1	Incidents of discrimination and corrective actions taken	2020 CSR – Compliance

418

Customer Privacy 2016

103-1/2/3	Management approach	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2020 CSR – Compliance

419

Socio-economic Compliance 2016

103-1/2/3	Management approach	
419-1	Non-compliance with laws and regulations in the social and economic area	2020 CSR – Compliance

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GRI 401: Employment 2020

Period under review 01.01.2020–31.12.2020

GRI 401-1 a: New employees by age group and gender

Age group	Number of employees	Rate
< 29	2	
30–39	8	
40–49	4	
> 60	2	
Total	16	7.3 %

Gender	Number of employees
Male	11
Female	5
Total	16

GRI 401-1b: Fluctuation by age group and gender

Age group	Number of employees	Rate
< 29	5	
30–39	13	
40–49	6	
50–59	5	
Total number of employees	29	13.3 %
Total in full-time equivalents		12.7 %

Gender	Number of employees
Male	23
Female	6
Total	29

GRI 405: Diversity and equal opportunities 2020

Period under review 01.01.2020–31.12.2020

GRI 405-1b: Age structure

Gender	Number of employees	Share in %
Male	150	
< 29	13	68.4
30–39	41	61.2
40–49	42	72.4
50–59	38	73.1
> 60	16	72.7
Female	68	
< 29	6	31.6
30–39	26	38.8
40–49	16	27.6
50–59	14	26.9
> 60	6	27.3
Total	218	

GRI 405-2a: Ratio of basic salary and remuneration of women to basic salary and remuneration of men.

Period under review 01.01.2020–31.12.2020

Basic salary 2020

Function groups	F	M	Percentage deviation F/M ¹	Avg. age	F	M	Avg. years of service	Comments
	Number of employees	Number of employees			Avg. age	Avg. years of service		
Commercial assistant function	19	2	47.2	45	9	25	2	
Project/site/junior site manager	23	76	-10.7	40	6	43	11	
Team leader excl. division manager	3	24	-14.4	36	6	49	12	
Supporting functions (Reception/housekeeping)	3	3	-12.6	55	10	50	1	
Specialist function in realisation	6	10	-1.7	47	5	47	10	
Employees with specialist responsibility	14	22	-13.0	40	5	41	5	
Total	68	137	-5.5	44	7	42	7	

Remuneration 2020

Function groups	F	M	Percentage deviation F/M ¹	Avg. age	F	M	Avg. years of service	Comments
	Number of employees	Number of employees			Avg. age	Avg. years of service		
Commercial assistant function	19	2	48.4	45	9	25	2	Age and years of service
Project/site/junior site manager	23	76	-12.8	40	6	43	11	Years of service
Team leader excl. division manager	3	24	-14.3	36	6	49	12	Age and years of service
Supporting functions	3	3	-13.1	55	10	50	1	Comparison difficult due to the variety of different functions in this group
Specialist function in realisation	6	10	-2.0	47	5	47	10	Years of service
Employees with specialist responsibility	14	22	-14.6	40	5	41	5	Comparison difficult due to the wide variety of different functions in this group
Total	68	137	-6.4	44	7	42	7	

¹ Positive deviation = higher value for female employees, negative deviation = higher value for male employees
 - Excl. group management, section managers, division managers
 - Deviations can be explained by the age and/or years of service except for the "Employees with specialist responsibility" category

Values deviating from the result of the equal pay audit are due to different data evaluation methods being used