

# Sustainability,

# 2021

**TAKEN FURTHER**

# Sustainability, taken further

**GRI** 102-1, 102-2, 102-6

HAMBORNER REIT AG is an industry leader thanks to its many years of experience in the property and capital market and its lean and transparent corporate structure. HAMBORNER REIT AG also assumes social and ecological responsibility in the context of its business activities. We focus on the material impact of our business model, while undertaking an in-depth review of our strategic decisions and all of the measures we take. Only by adopting a clear stance and maintaining our focus are we able to oversee the transformation process taking place in our industry, thereby ensuring the sustainability and future viability of our business model.

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# Letter from the Management Board

Dear readers,

**GRI 102-14**

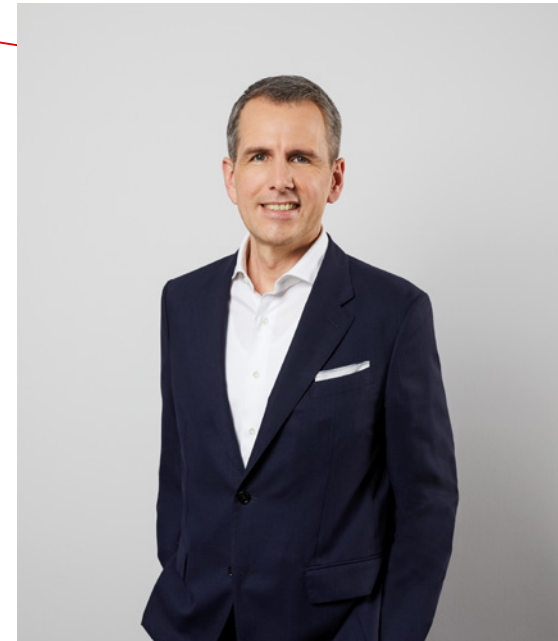
The process of transformation to create a real estate sector focused on sustainability has been making dynamic progress in recent months. Ever louder political and market-driven calls for improved environmental and social performance, as well as sustainable corporate governance, prompted us to revamp our sustainability strategy in the second half of 2020.

In order to actively address the growing trend towards ESG integration on the corporate, property and investment side, we started by expanding our internal organisational structures to ensure the efficient implementation of our sustainability activities. The establishment of our in-house sustainability committee was a key step in our quest to further integrate and strengthen ESG aspects in our business activities.

Over the last few months, our sustainability activities have focused in particular on environmental management and climate protection. The systematic tracking and analysis of climate-related and environmental data allowed us to prepare a full carbon footprint calculation for our head office and the carbon emissions associated with its operations for the very first time in the 2020 reporting year.



**HANS RICHARD SCHMITZ**  
Management Board of  
HAMBORNER REIT AG



**NICLAS KAROFF**  
Chief Executive Officer of  
HAMBORNER REIT AG

**Letter from the  
Management Board****GRI 102-10, 102-11, 102-14, 305-5**

The carbon footprint calculation forms the basis for identifying specific measures and potential courses of action to reduce carbon emissions in connection with our business activities. In addition, the tools established for our own head office are also to be used in the future to prepare environmental and carbon footprint calculations for our entire portfolio and ultimately to serve as a basis for the development of a climate strategy, as well as for the definition of specific carbon reduction targets.

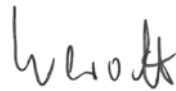
Despite the comparatively low level of emissions associated with our business activities at our head office, we have decided to offset all of the emissions that we generate there by making a targeted investment in a certified climate protection project, allowing us to achieve climate neutrality for the very first time in the 2020 reporting year.

We have been stepping up our dialogue with our tenants as part of our stakeholder engagement programme in recent months, allowing us to expand the analysis portfolio for environmental data relating to our existing properties considerably. In order to prepare for the fully digital capture and analysis of consumption data, we have also decided to introduce a software-based data management system to form the basis for the full analysis of carbon emissions spanning our entire property portfolio, an objective we have set ourselves for the medium term.

Further key progress in our sustainability management efforts has been made in the area of employee development, which is a top priority for us. In addition to the systematic implementation of our continuing professional development programme, which came hand in hand with a significant increase in the average number of CPD hours, we have raised further awareness among our employees of just how important our sustainability management programme is and what tasks lie ahead.

With our experienced and committed workforce behind us, we believe that we are well equipped to rise to the challenges of the future and are convinced that we will be able to forge ahead with our activities successfully on the basis of our strategic sustainability programme.

With this in mind, we hope that you enjoy an interesting read.



Niclas Karoff



Hans Richard Schmitz

# About this report

## **GRI** 102-45, 102-48, 102-49, 102-50, 102-51, 102-52, 102-53, 102-54, 102-56

This 2020/2021 report provides information on the sustainability management activities of HAMBORNER REIT AG. It provides facts and figures for the period from 1 January to 31 December 2020, including comparative figures from previous reporting cycles (publication date of the previous year's report: November 2020). It also contains information on the development and implementation of our sustainability strategy up until the editorial deadline in August 2021. The sustainability reports of HAMBORNER REIT AG are published once a year and provide supplementary non-financial information extending beyond the scope of the annual reports, which we usually publish in the first quarter of every calendar year. Corresponding references to the current annual report can be found in this document.

We record sustainability indicators for all areas of our business model. Tracking and evaluating environmental indicators and consumption data throughout our property portfolio continues to pose a particular challenge. In order to keep any gaps in the documentation of this data to a minimum, we are optimising our data capture methods on an ongoing basis. We have also reported both on absolute key figures for the past financial year and on various series of figures for the portfolio on a like-for-like basis, i.e. on properties that were owned by the company for the full year in both 2020 and 2019. Properties acquired or sold during the reporting period are not included. This means that the data series refer to exactly the same portfolio to facilitate a comparison.

In preparing this report, we have applied the internationally recognised sustainability reporting standards of the Global Reporting Initiative (GRI). This report has been prepared in accordance with the GRI Standards 'Core' option. We had the content index checked by GRI again for the purposes of this report (GRI content index service). The report has not been subjected to an additional external audit. As in previous years, other reference points for our sustainability management and external reporting are the Sustainability Best Practices Recommendations (sBPR) published by the European Public Real Estate Association (EPRA), the Practical Guidelines for Effective Social Action by the German Property Federation (ZIA) plus the German Corporate Governance Code and the recommendations of the Institute for Corporate Governance in the German Real Estate Industry (ICG). The current report also refers to three selected United Nations Sustainable Development Goals (SDGs) which HAMBORNER REIT AG considers to be essential in the context of its business activities.

The report is published in German and English and is available exclusively as a PDF that is available on the company's website at [www.hamborner.de/en](https://www.hamborner.de/en)

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# Strategy & management

## Sustainability strategy

As part of last year's revision of our corporate strategy, we identified key ESG criteria as part of a comprehensive materiality analysis and made the decision to expand our sustainability management organisation accordingly. The overall strategy of HAMBORNER REIT AG is aimed at value-adding growth through continuous optimisation and yield-driven expansion of the property portfolio. Expansion and optimisation measures are always implemented giving due consideration to market developments, growth opportunities and expected value-added potential. Not least due to the increasing relevance of sustainability issues, as well as the dynamic developments in the regulatory environment, future portfolio management activities will involve a separate assessment from an ESG perspective.

### GRI 305-5

The financial results of HAMBORNER REIT AG remain a key issue from a sustainability perspective. Environmental management and climate protection have also been shifted further into the spotlight. We will allocate the necessary resources to a sound climate strategy that also ensures the performance and future viability of our business model in the long term. Going forward, we aim to track carbon emissions throughout the entire property portfolio and implement measures to slash emissions in all business areas as a performance criterion. For

this reason, the carbon emissions generated and associated with our operations at our Duisburg head office were systematically recorded for the first time for the 2020 reporting year. We developed a set of tools as part of this process that will form the basis for tracking and analysing the emissions data of the properties in our portfolio in the future.

Responsibility for the sustainability strategy of HAMBORNER REIT AG is set to remain with the Management Board. Without the understanding and support of our employees and relevant external stakeholders, however, we cannot put our strategy into practice. As a result, we launched a comprehensive stakeholder engagement programme last year, on the basis of which we plan to systematically step up our dialogue with stakeholders over the next few years. The plan is to focus more on the option of working with our tenants to measure the environmental footprint of the buildings and taking appropriate optimisation measures.

In terms of our performance as a sustainable employer, we are still focusing on employee development and specifically on targeted continuing professional development for our employees. We will also be working at full tilt on the ongoing optimisation and digitalisation of our departmental and cross-departmental work processes.

We are guided by three out of the 17 global Sustainable Development Goals (SDGs) defined by the United Nations as reference points for our sustainability strategy. We have defined SDGs 7, 13 and 17, as well as the corresponding targets, as relevant. As with all of the strategic sustainability goals referred to above, we also develop operational objectives and measures from the SDGs and incorporate them into our strategic sustainability programme.

## Sustainability management

As part of last year's materiality review, we once again put our ESG action areas to the test, consolidated them and decided to expand our sustainability management organisation on this new basis. Formulating our sustainability strategy involved defining operational goals and measures that we have summarised in a strategic sustainability programme. These serve as strategic guidelines that will help us as we strive to achieve greater sustainability in all areas of our value chain and comprise ESG management approaches for the relevant business areas.

One key criterion for effective and successful sustainability management development and expansion is the feasibility of the planned measures. In view of the size of our organisation and HAMBORNER's limited staff capacities, our sustainability management system can only make a successful contribution to the future viability and performance of our business model if we continuously weigh up which resources are available in the short, medium and long term. At the same time, the work we do has to be supported by all our employees. This is also precisely why exact resource planning is a key success factor for our sustainability management.

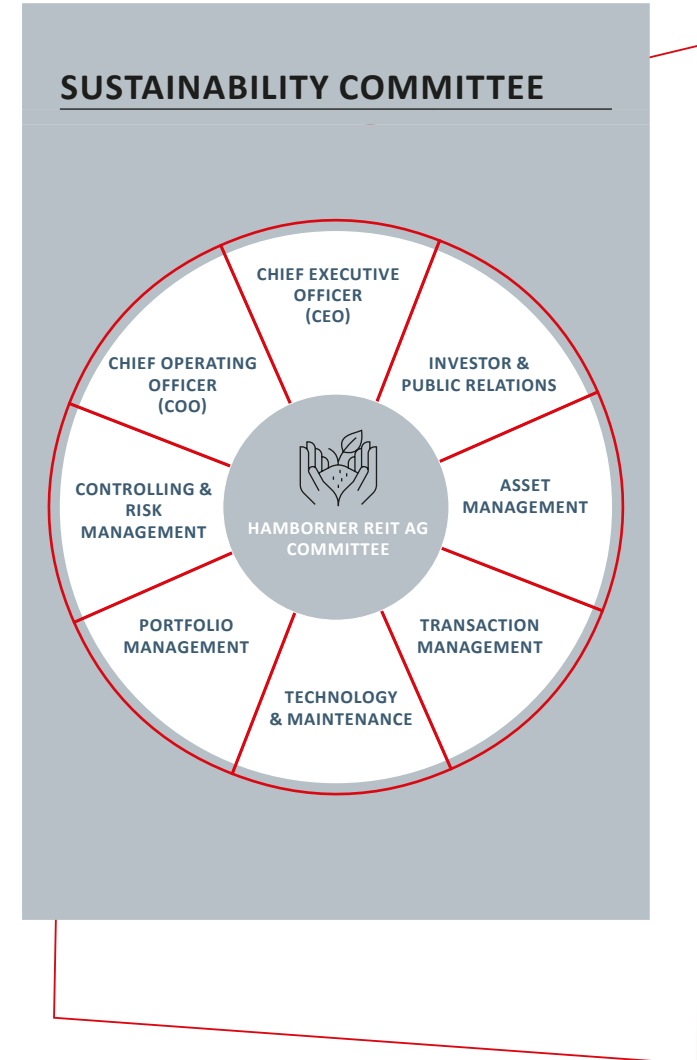
In recent months, we have optimised our internal sustainability management system further and appointed ESG officers in all relevant areas of the company. In future, these employees will manage internal departmental sustainability activities, as well as the necessary data management, and will also be involved in cross-departmental processes.

The involvement of relevant external stakeholders and partners is also crucial for the successful implementation of our sustainability strategy. We started planning and implementing our stakeholder engagement programme in 2020 and we are well on our way to establishing a systematic sustainability management system in all areas of our property portfolio and in partnership with our tenants, too. First and foremost, this means tracking and analysing the key emissions-related and environmental indicators in order to then achieve an ongoing improvement in our portfolio's environmental footprint.

Throughout all our strategic and operational planning, we are aware that sustainability management is a demanding and interdisciplinary task in which we must tackle issues and challenges that go beyond individual departments, keeping one eye on the big picture while overcoming compartmentalised thinking. Our in-house sustainability committee plays a central role in this process.

### SUSTAINABILITY COMMITTEE

In order to manage and plan our key sustainability activities, we set up an in-house sustainability committee in 2020 consisting of the Management Board and the managers in charge of the individual business areas.



The sustainability committee addresses relevant environmental, social and governance issues on a regular basis and is responsible for integrating and strengthening ESG aspects in the business activities of HAMBORNER REIT AG. The committee is directly involved in the strategy development and materiality process and formulates concrete topics and action areas relating to ESG management. It also oversees the implementation of company-wide sustainability activities.

The agenda of the quarterly meetings in 2020/2021, which were attended by all members of the committee, as well as by selected other employees from specific business areas, included in particular current legislative developments and the further development of the company's sustainability strategy. The committee also addressed the establishment of internal organisational structures in detail to ensure the efficient implementation of our sustainability activities and, within this context, looked at the topic of data management. Various options for making data collection and analysis more systematic were discussed. An audit catalogue was also developed in close cooperation with employees from the Transaction Management department. The catalogue will form the basis for a separate ESG acquisition audit and is to be applied, after being refined further, to future acquisition processes.

The agenda for the coming months will include revising the 'green lease clauses' in our standard lease agreements, implementing ESG criteria in our risk management system, developing specific key performance indicators relating to sustainability (ESG KPIs) and defining short-term and long-term ESG targets. We will also continue to work intensively on laying the organisational and procedural foundations for taking an inventory of carbon emissions in our property portfolio.

## Data management

Robust and comprehensive data management is an important success factor for our sustainability management. Up until now, environmental indicators for our head office and our property portfolio have usually been recorded individually and managed in Excel spreadsheets. This approach is, however, time-consuming, ties up internal resources and, despite every effort to be thorough, is always prone to error. What is more, it is sometimes difficult and time-consuming to request consumption data from our tenants or the responsible utility companies.

This is why we made the decision in the second half of 2020 to engage a service provider whose responsibilities will include gradually converting electricity and gas meters in the entire portfolio to smart meters. This technical solution will initially be limited to the communal areas that we manage, as access to tenant consumption data is not (yet) permitted by law. The legislator has, however, announced the prospect of changes in the corresponding legal framework. As a result, the work on converting the meters for communal areas also involves meeting the technical prerequisites for moving tenant electricity and gas meters over to a smart metering system as well, enabling significantly more efficient data management for all parties involved.

Since the start of the conversion project in the autumn of 2020, more than 80% of our electricity meters have already been prepared for the switch to smart metering. Preparations were also made for the conversion of gas meters. We plan to have switched all electricity and gas meters from analogue to remote smart metering technology by the first quarter of 2022.

In order to prepare for the fully digital capture and analysis of consumption data for our existing properties, we have been scrutinising various potential external service providers and software-based data management systems in recent weeks. The system will be introduced in the near future.

As well as optimising and digitalising the collection of consumption data to form the basis for future analyses of carbon emissions spanning our entire property portfolio, we have systematised and expanded the collection of employee-specific data. Collecting and processing this data is largely the responsibility of the HR department.

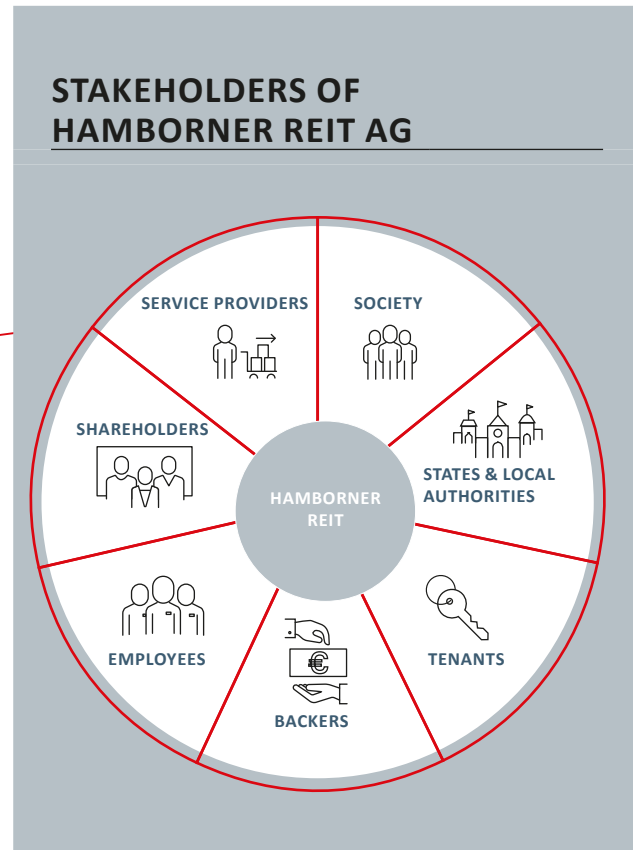
In future, all data relating to sustainability will be collected and evaluated systematically as part of a central process by an employee from Controlling who has been assigned primary responsibility for this task.



## Stakeholder management

**GRI 102-40, 102-42, 102-43**

We cannot implement our sustainability strategy without collaborating with our stakeholders. This is why, in the third quarter of 2020, with the support of external consultants, we first of all conducted a review of the stakeholders previously classified as relevant in connection with ESG issues. The results of this review served as a basis for developing a systematic stakeholder management approach for HAMBORNER REIT AG.



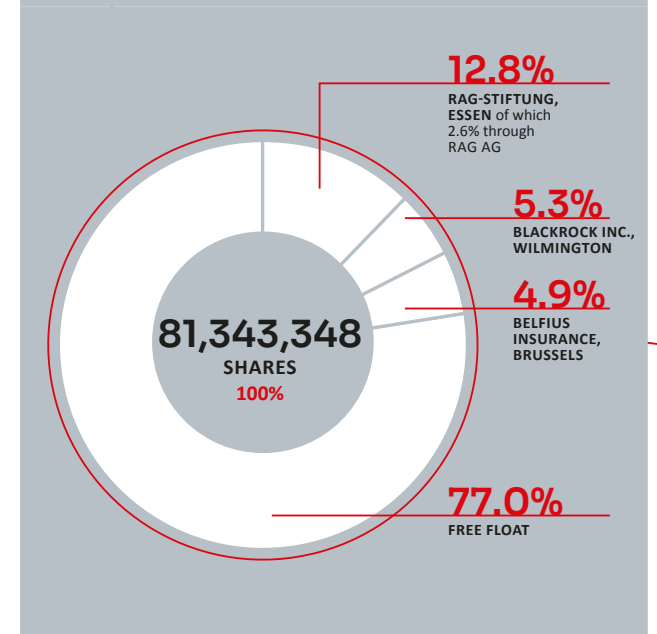
We have been stepping up our interaction with relevant stakeholders as part of our stakeholder engagement programme in recent months, focusing in particular on dialogue with the company’s shareholders and tenants, as well as with our employees.

Ongoing, transparent and reliable communication with our shareholders has traditionally been a top priority for us. As a result, as part of our investor relations work, we once again regularly reported on strategy, current business developments and our company’s prospects for the future in the reporting period. Our goal was to give shareholders a comprehensive impression of our company, enable a fair company valuation, and build confidence in the company.

Dialogue with our shareholders once again focused increasingly on sustainability aspects. We are still seeing a clear trend here, and expect that ESG criteria will play an ever bigger part in capital market participants’ decision-making processes in future. Our investor relations management will rise to meet these additional information expectations and increasingly include ESG issues in the corresponding dialogue and communication formats.

**GRI 102-5**

## SHAREHOLDER STRUCTURE AS OF 30 JUNE 2021



Employees from our Asset Management and Technology departments are engaged in constant dialogue with our tenants. In the reporting period, discussions centred even more around sustainability topics, focusing in particular on the exchange of consumption data in order to lay the foundation for capturing the environmental footprint of our properties in the future. Social issues have also been increasingly incorporated into our communication, with aspects such as security standards, building/home comfort, accessibility and family-friendly infrastructure being addressed. In the area of governance, the focus was on green leases and ongoing reviews as part of the 'Know-Your-Customer' process.

Not least due to the challenging overall conditions resulting from the coronavirus pandemic, dialogue with our staff was particularly intensive during the reporting period. Occupational health and safety concerns were, of course, a regular focal point of our communication. Our appeal as an employer and further flexibility in our employees' working models were also discussed in great depth. As announced in the context of last year's revision of our sustainability strategy, we used the employee survey dialogue format for the first time in the reporting period to gather additional insights and identify future action areas.

We also ask our partners to raise their own ESG issues on a regular basis as part of the stakeholder dialogue process. After performing the necessary internal checks, we use this impetus to identify further strategic and organisational measures if necessary. This also includes input and suggestions from our own ranks, which are taken into account in our measures to refine our sustainability management system. Our employees are, in turn, provided with comprehensive information on the progress and work results of the in-house sustainability committee. This means that we pursue our sustainability strategy together – with all internal stakeholders and in close collaboration with the relevant external stakeholders.




We made important progress in our stakeholder engagement activities in 2021 when we announced the development of codes of conduct for our employees and business partners. The codes were developed in cooperation with an external consultancy firm and the works council, and provide our employees and business partners with binding guidelines on how to act and make decisions in their day-to-day work. The documents are available for download on our [corporate website](#).





## STAKEHOLDER ENGAGEMENT

**GRI 102-43, 102-44**

While our systematic stakeholder management activities have only just begun, we expect our stakeholder engagement programme to become a dynamic process. We are counting on constructive dialogue and are pursuing the programme in the certainty that key ESG issues and objectives can only be discussed and achieved together.

### Stakeholder engagement at a glance

STAKEHOLDER GROUP	ACTION AREAS AND ISSUES FOR 2020 / 2021	COMMUNICATION / DIALOGUE FORMATS
Shareholders 	Corporate governance — Business policy geared towards sustainable growth — Consideration of ESG criteria in corporate governance	— (Virtual) roadshows and investor conferences — Shareholder forums — Individual investor meetings — Virtual Annual General Meeting — Talks and negotiations with banks — Annual and interim reports — Sustainability report — Press releases / mailings, etc. — Press / telephone conferences — Press articles / interviews, etc. — Corporate website — Social media
Backers 	Environmental management and climate protection — Future EU regulations — Carbon emissions related to business activities and within the property portfolio  Portfolio quality & optimisation — ESG aspects in the context of acquisition processes — Linking ESG strategy and manage to core approach — Property certifications  Other relevant topics — Green finance / ESG-based financing options	
Tenants 	Corporate governance — Green leases – sustainability clauses  Portfolio quality & optimisation — Operating cost optimisation — Property certifications  Environmental management and climate protection — Cooperation on collection of consumption data — Energy efficiency of the buildings	— Direct / personal dialogue between tenant representatives as well as asset and technical property managers — Property inspections / visits — Contracts (green leases, etc.) — Sustainability report

STAKEHOLDER GROUP	ACTION AREAS AND ISSUES FOR 2020 / 2021	COMMUNICATION / DIALOGUE FORMATS
<p>Employees</p> 	<p><b>All employees:</b>                      Employee development                      — Flexible working models                      — Individual continuing professional development</p> <p>Environmental management and climate protection                      — Communicating the sustainability strategy                      — Raising employee awareness of environmental and climate protection                      — ESG organisation and data management</p> <p>Portfolio quality &amp; optimisation                      — Involvement in portfolio analysis and optimisation process</p> <p>Corporate governance &amp; dialogue                      — Employee Code of Conduct                      — Compliance, data protection, IT security</p> <p>Other relevant topics                      — Process optimisation as part of sustainability management                      — Digitalisation and data management</p> <hr/> <p><b>In-house sustainability committee:</b>                      Internal strategy development, analysis and implementation of strategic issues, decision-making and measures, status, performance measurement, internal reporting</p>	<ul style="list-style-type: none"> <li>— Individual employee appraisals</li> <li>— Annual feedback meetings</li> <li>— Employee survey</li> <li>— Departmental meetings</li> <li>— Cross-departmental announcements and events</li> <li>— Employee training</li> <li>— Employee portal / HR software</li> <li>— Employee Code of Conduct</li> <li>— Intranet</li> <li>— Sustainability report</li> </ul> <hr/> <ul style="list-style-type: none"> <li>— Regular meetings of the in-house sustainability committee</li> </ul>
<p>Business partners and service providers</p> 	<p>Environmental management and climate protection                      — Verification of ESG criteria when awarding contracts                      — Business Partner Code of Conduct</p> <p>Corporate governance &amp; dialogue                      — Business Partner Code of Conduct                      — ‘Know-Your-Customer’ checks                      — Portfolio quality &amp; optimisation                      — Contracts in conjunction with the implementation of modernisation / energy efficiency measures</p>	<ul style="list-style-type: none"> <li>— Sustainability report</li> </ul>
<p>States and local authorities</p> 	<p>Portfolio quality &amp; optimisation                      — Integration of properties into urban and social landscape                      — Transport connections</p> <p>Environmental management and climate protection                      — Local public transport connection                      — Energy efficiency measures</p>	<ul style="list-style-type: none"> <li>— Written communication and personal dialogue with contacts at authorities</li> <li>— Work with associations</li> <li>— Involvement in local initiatives and interest groups</li> <li>— Sustainability report</li> </ul>
<p>Society</p> 	<p>Environmental management and climate protection                      — Ecological measures and regional commitment on part of the property owner</p> <p>Portfolio quality &amp; optimisation                      — Local shops, transport connections (public transport)</p>	<ul style="list-style-type: none"> <li>— Supporting social, political and entrepreneurial initiatives</li> <li>— Work with associations</li> <li>— Sustainability report</li> </ul>

## Materiality

### GRI 102-44, 102-46, 102-47

In 2020, with the assistance of independent external consultants, our in-house sustainability committee examined the ESG issues that had previously been considered material and the potential action areas.

The analysis considered not just the internal perspective, but also the ESG issues and expectations previously communicated by our external stakeholders. We anticipate further significant stimulus from our systematic stakeholder management activities moving ahead. In conjunction with the most recent materiality analysis, the external consultants also provided key information on political and market-driven developments as well as relevant trends.

The materiality process resulted in a consolidation of the ESG issues and action areas. The number of topics has been reduced overall. While economic success remains a central issue for HAMBORNER REIT AG, financial results will no longer be considered a critical sustainability issue in future.

The analysis was strictly guided by the principle of materiality – as regards both future operational measures and external reporting, which we see as an integral part of our sustainability management. At the same time, streamlining key action areas ties in with our principle of efficiently deploying HAMBORNER REIT AG's resources and efforts to the ESG issues we anticipate to have the most environmental and social impact, at the same time utilising the most effective levers for optimising our ESG performance. The following central ESG action areas were identified by the materiality analysis:

- Environmental management and climate protection
- Portfolio quality & optimisation
- Employee development
- Corporate governance & dialogue

In the future, ESG criteria will play a greater role in the principles for managing and monitoring the company going forward. We will also rise to meet the demand for greater accountability towards the risks and opportunities of our business model in connection with ESG issues.

We will advance environmental management across all divisions and leverage potential at all stages of the value chain – starting with the consumption of resources in our own offices and extending to the analysis of the relevant criteria at the level of our tenants and business partners.

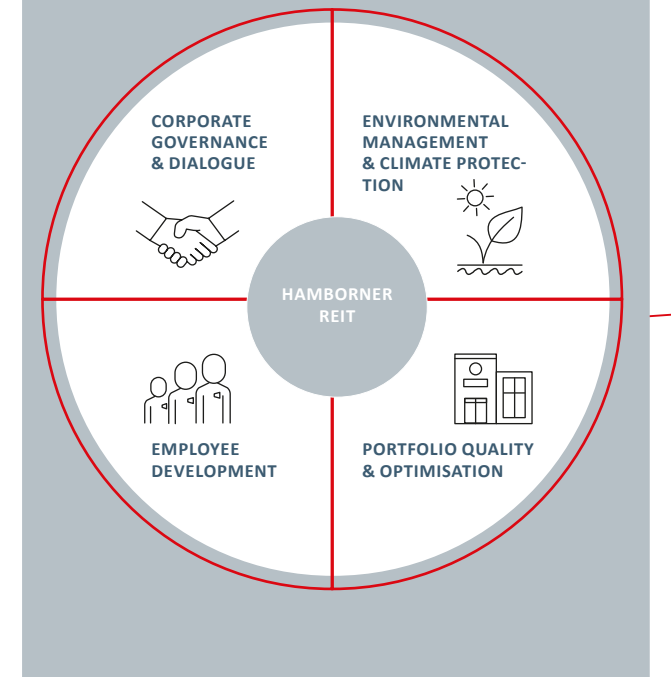
### GRI 305-5

There will be a much stronger focus on climate protection in future, and it will be examined separately from environmental management. Current political and market-driven developments clearly show us that the development of a well-founded climate strategy must be on our agenda in the short term if we are to ensure the future viability of our business model for the long term. As a result, we will provide the necessary resources to monitor carbon emission data for the entire property portfolio and implement measures to reduce GHG emissions in all business areas as a performance criterion.

In the area of portfolio quality & optimisation, in addition to the challenges of reducing our carbon footprint and our environmental impact (in conjunction with modernisation activities, for example), we will also consider social criteria such as building-specific security standards, user comfort, local public transport connections and aspects relating to relevant local sustainability programmes.

In employee development, the focus will remain on issues such as continuing professional development, equal opportunities and diversity, occupational health and safety and increasing HAMBORNER's appeal as an employer.

## MAIN AREAS OF ACTION WITHIN THE SUSTAINABILITY MANAGEMENT SYSTEM



## Management approaches

### GRI 103-1, 103-2, 103-3

We hope to use our systematic approach to sustainability management to continuously improve our ESG performance. For this reason, we take a very critical approach right from the beginning, when we are examining potential systems for analysing and managing key ESG issues. One fundamental question is whether the management system is right for the challenges in the action area concerned, and whether we can use it to efficiently analyse and manage the ecological and social impact of our business activities.

Our risk management system takes into account the individual needs and the business model of HAMBORNER REIT AG with a focus on practical implementation. It is legally compliant and subject to a regular internal audit, which in turn is also audited by an independent third-party auditing firm. The company's risk management and financial controlling system is geared towards contributing to the achievement of its goals. It extends from standardised investment analyses for individual projects to integrated budget and medium-term planning. Monthly controlling reports provide a timely indication of any deviations from planning; corresponding variance analyses are used to devise alternative courses of action.

Moving ahead, the management system will also address key ESG action areas and be closely integrated into operating processes, thereby enabling the prompt identification of risks and the implementation of corresponding countermeasures. Our tried-and-tested risk management system is also to comprise multiple stages in the ESG action areas and will be described in detail in a policy that is revised at regular intervals.

Ongoing risk reporting, streamlined organisational structures and transparent decision-making channels ensure that the Management Board is directly included in all transactions with an impact on risk. The ongoing development of the risk management system in relation to ESG criteria is planned for the short to medium term and is part of our strategic sustainability programme within the corporate governance & dialogue action area.

We also closely examine certified management systems and standards for value added for the company and its stakeholders. For example, our whistleblower system for identifying potential misconduct and legal violations within the company is certified according to DIN EN ISO/IEC 27001:2017, meaning that this instrument also satisfies the requirements of the General Data Protection Regulation (GDPR). In general, HAMBORNER REIT AG's compliance management system reflects a needs-driven approach built on the pillars of prevention, investigation and response, and is regularly adapted to reflect the latest demands and legal standards.

Our HR management is geared towards the requirements of the company and its employees. The relevant performance indicators are systematically tracked and regularly analysed. Regular employee appraisals and feedback meetings, ongoing dialogue with the works council and annual employee surveys form the basis of our management approach in the field of HR development.






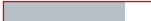





For the 2020 reporting period, we worked with an external consultancy firm to prepare a full carbon footprint for our head office and the carbon emissions associated with our operations there for the very first time. The objective was to identify action areas based on the current status and to illustrate options for reducing greenhouse gas emissions as part of a realistic decarbonisation path and a more environmentally friendly mode of operation in the years ahead.

The carbon footprint is designed to help us develop specific sustainability-related key performance indicators (ESG KPIs) which we intend to integrate into our managerial accounting activities and the company's management system in the future. As well as providing an analysis and supporting our decisions on how we can optimise our own environmental efforts, the instruments are also to be used in the future to track and analyse ESG KPIs throughout our property portfolio, thereby enabling a management system with efficient operating costs and a low resource impact. In the coming years, we will be providing our stakeholders with detailed information on this management approach, providing additional data on specific standards of the reporting framework we use, including in particular the presentation of quantitative indicators. This makes the carbon footprint a core element of our management approach in the environmental management and climate protection action area.

## Strategic sustainability programme

In order to ensure the structured implementation of our sustainability activities and the ongoing documentation of our progress, we developed a strategic sustainability programme last year. We consider

the sustainability programme to be the roadmap for achieving our sustainability goals in the key ESG action areas. These are tasks and challenges that relate directly to our core business.

STRATEGIC OBJECTIVE	DATE	MEASURES	STATUS*
<b>Environmental management &amp; climate protection</b>			
Analysis of carbon emissions at HAMBORNER's head office in Duisburg	By 2021	<ul style="list-style-type: none"> <li>— Collection and analysis of climate data (Scope 1/2)</li> <li>— Identifying processes and consumption points relevant to emissions in the upstream and downstream chain that relate directly to building management (Scope 3)</li> <li>— Creating a catalogue of potential measures for optimising the carbon footprint</li> <li>— Offsetting the carbon emissions generated by making investments in certified climate protection projects</li> </ul>	 Target achievement: 100%
Supplying communal areas with electricity from renewable energies	Since 2018		 Target achievement: 100%
Life cycle analysis of the entire property portfolio	From 2021	<ul style="list-style-type: none"> <li>— Expansion of data management</li> <li>— Systematic recording and analysis of sustainability data and information</li> <li>— Expansion of cooperation with tenants with regard to the collection of consumption data and the procurement of renewable energies</li> <li>— Implementation of new measurement instruments</li> </ul>	 Target achievement: 20%
Reduction in carbon emissions for the portfolio as a whole	From 2021	<ul style="list-style-type: none"> <li>— Measurement of consumption data for the portfolio as a whole</li> <li>— Implementation of new measurement instruments</li> <li>— Modernisation and energy efficiency measures</li> </ul>	 Target achievement: 10%
Systematic analysis of environmental standards in upstream and downstream processes	From 2021	<ul style="list-style-type: none"> <li>— Creating a catalogue for analysing the ecological criteria of strategically relevant business partners</li> <li>— Creating a catalogue of criteria for awarding contracts</li> <li>— Analysing the use of green cleaning products for communal areas</li> <li>— Analysing the disposal of hazardous substances in conjunction with demolition work</li> </ul>	 Ongoing
<b>Portfolio quality &amp; optimisation</b>			
Systematic analysis of ESG criteria in conjunction with property purchases	From 2021	<ul style="list-style-type: none"> <li>— Creation of a catalogue of potential criteria</li> </ul>	 Target achievement: 80%
Technical optimisation	From 2021	<ul style="list-style-type: none"> <li>— Building modernisation measures</li> </ul>	 Ongoing
Conclusion of sustainable and ecological leases (green leases)	From 2020	<ul style="list-style-type: none"> <li>— Reviewing terms of existing green leases</li> <li>— Creating a common reference framework</li> <li>— Active marketing of green leases</li> </ul>	 Ongoing
<b>Employee development</b>			
Continuing professional development	By 2025	<ul style="list-style-type: none"> <li>— Increasing the average number of CPD hours to at least 30 hours per employee</li> </ul>	 Target achievement: 57%
Employee satisfaction	By 2023	<ul style="list-style-type: none"> <li>— Increasing the employee satisfaction rate to at least 85%</li> </ul>	 Target achievement: 96%
Expanding health management and occupational safety measures	From 2020	<ul style="list-style-type: none"> <li>— Implementing a hygiene policy to curb viral infection risks</li> <li>— Systematic prevention of occupational accidents</li> </ul>	 Target achievement: 100%

STRATEGIC OBJECTIVE	DATE	MEASURES	STATUS*
Promoting diversity and equal opportunities	By 2022	— Increasing the share of women on the Management Board to 30%	Target achievement: 0%
		— Increasing the share of women at the second management level to 20%	Target achievement: 0%
Making working models more flexible	From 2020	— Creating corresponding agreements with the involvement of the works council	Target achievement: 100%
Safeguarding social standards in upstream and downstream processes	From 2021	— Examining minimum wage compliance at partner companies	Ongoing
<b>Corporate governance &amp; dialogue</b>			
Ongoing development of corporate governance structures in line with ESG criteria	From 2020	— Coordination and close cooperation with the Institute for Corporate Governance in the German Real Estate Industry — Consideration of the German Corporate Governance Code and issuing regular declarations of compliance — Development of CG guidelines for the sector in cooperation with industry representatives and associations	Ongoing
Expansion of sustainability management and strategic control of sustainability efforts	From 2020	— Internal workshops at management level — Regular materiality analyses and performance benchmarking	Target achievement: 100%
Involving employees in the development and implementation of the sustainability strategy	From 2020	— Internal workshops — Regular meetings of the sustainability committee	Target achievement: 100%
Increasing appeal to ESG-oriented investors by participating in relevant sustainability ratings / benchmarks	From 2020	— External reporting, including in accordance with GRI and EPRA — Application of relevant benchmarks and ratings	Target achievement: 30%
Systematic stakeholder management and intensification of stakeholder dialogue	From 2020	— Development and implementation of a stakeholder relations management approach and engagement programme — Implementation of dialogue formats	Ongoing
Ongoing development of risk management in relation to ESG risks	From 2021	— Consideration of corresponding criteria in the regular review of the risk management system	Target achievement: 20%

\* Degree of target achievement partly based on internal company assessments

**GRI 305-5**

We also support the United Nations Sustainable Development Goals, though our direct influence on these global goals is limited and focuses on the three goals and the associated targets set out below.

SDG	DEADLINE	TARGET
<b>7: Affordable and clean energy</b>	2030	— <b>7.2:</b> By 2030, increase substantially the share of renewable energy in the global energy mix  — <b>7.3:</b> By 2030, double the global rate of improvement in energy efficiency
<b>13: Take urgent action to combat climate change and its impacts</b>	2030	— <b>13.2:</b> Integrate climate change measures into national policies, strategies and planning
<b>17: Partnerships for the goals</b>	2030	— <b>17.17:</b> Encourage and promote effective public, public-private and civil society partnerships



# Governance & compliance

## Corporate governance

**GRI 102-16, 102-18, 102-22**

At HAMBORNER REIT AG, corporate governance encompasses strict principles and a clear framework for the management and monitoring of the company. In addition to implementing and monitoring guidelines, laws and rules of conduct, our corporate governance system also includes transparent decision-making processes within the company.

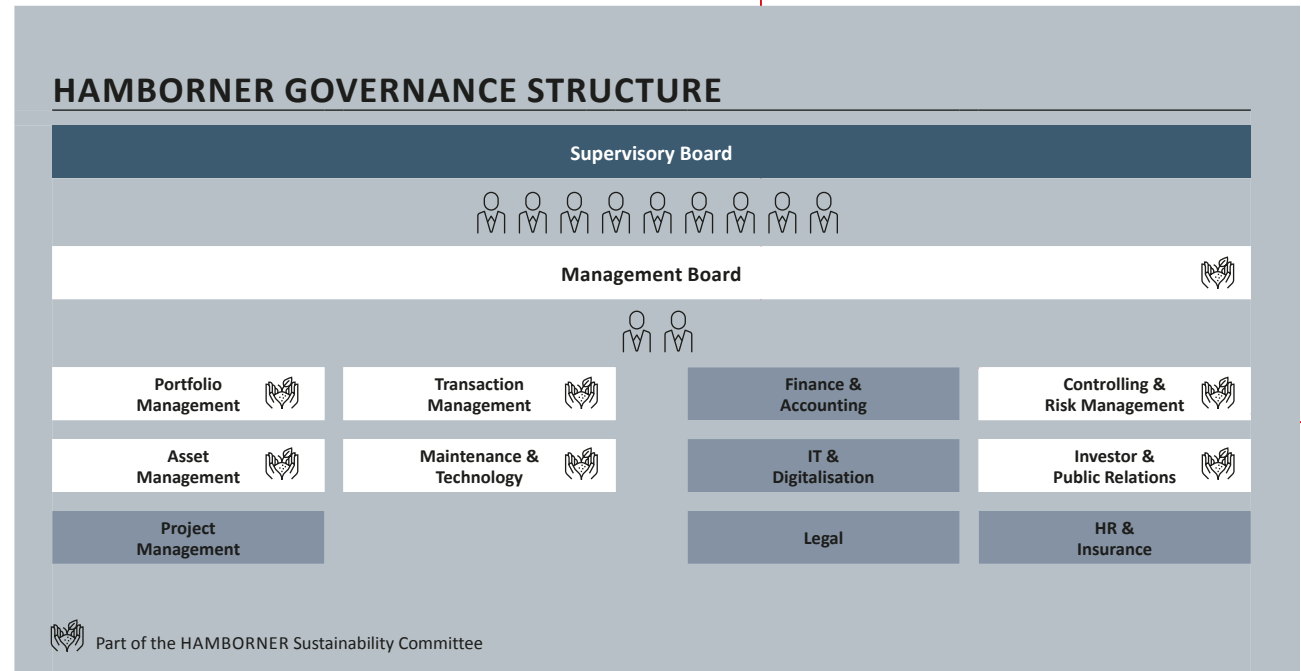
Good corporate governance does not just mean accountability for the organisational structure and compliance management, but also the vigilance of the company's managers and executive bodies as regards new risks and opportunities for the business model that arise in connection with ESG criteria.

As a result, we do not stop at existing governance structures, but instead continue to develop these and also make an active contribution to this process within our industry, for instance in cooperation with the Institute for Corporate Governance in the German Real Estate Industry. We also adhere to the requirements and recommendations of the Government Commission for the German Corporate Governance Code, although the Management Board and the Supervisory Board review the requirements associated with each amendment of the Code in detail before issuing the declaration of compliance.

In the context of corporate governance, respect for people and resources are the values that underpin the sustainability of HAMBORNER REIT AG's business success. Effective corporate governance structures are an important tool for ensuring our competitive standing in the long run and allowing us to be optimistic as we rise to future challenges on the property, capital and labour markets.

With this in mind, the corporate management team at HAMBORNER REIT AG ensures a common understanding of the values of openness and integrity as well as being responsible for the implementation and monitoring of guidelines, laws and rules of conduct. We rely on clear communication and management structures with flat hierarchies.

[Declaration on the company management](#)



## Compliance

Compliance with statutory provisions and regulations is a matter of course for HAMBORNER REIT AG and its employees. Legal and regulatory compliance in day-to-day work is also systematically safeguarded by a compliance programme that includes the following aspects and mechanisms:

### COMPLIANCE MANAGEMENT SYSTEM

#### GRI 205-2

Our compliance management system (CMS) is continuously revised and expanded. Issues relevant to compliance, and anti-discrimination and anti-corruption mechanisms are discussed, the relevant departments are also consulted, and corresponding measures are prepared. Furthermore, we use an accounting and performance-related control system and employ another management system that is directly checked against the CMS to identify potential risks.

### PREVENTION MEASURES

#### GRI 102-11, 404-2

We are continually stepping up our prevention measures to avoid compliance risks. All regulations and laws specific to the industry, and those that apply to multiple industries, are taken into account. Regular employee training on compliance issues and changes in legislation forms a standard part of our ongoing professional development curriculum. This allows us to ensure that compliance with regulations and the law is firmly established in our employees' day-to-day work.

### INTERNAL REPORTING SYSTEM

#### GRI 205-3, 206-1, 307-1, 419-1

HAMBORNER REIT AG implemented an electronic whistleblower system in 2017. The company's employees and third parties can use this system to report potential compliance violations of regulations and laws or corresponding misconduct within the company's sphere of influence to an external ombudsman as part of a process that protects their anonymity and involves minimal red tape. No compliance violations have been reported at HAMBORNER REIT AG since the whistleblower system was introduced in 2017 – meaning that there were no reports filed in the 2020 reporting year either. As a result, compliance is not a critical or significant sustainability issue for HAMBORNER REIT AG.

### MONITORING & SANCTIONS

As a component of operational risk management, the company's internal compliance systems as well as the corresponding organisational structures and processes are subject to regular monitoring in order to identify potential risks and allow preventive measures to be taken at an early stage. As part of its regular reporting, the Management Board provides the Supervisory Board with information on major compliance measures.

Addressing potential compliance violations is the responsibility of the Management Board. Clearly defined disciplinary measures are taken by the Management Board – and where appropriate in consultation with the external ombudsman – following the full investigation of a compliance violation. The measures are clearly defined in the company's compliance policy. They take into account the respective legal situation and are based on the severity of the violation and the damage done to the company.

## Data protection & IT security

Data protection and IT security are top priorities for HAMBORNER REIT AG. The legally compliant and responsible handling of data concerning our tenants, business partners and employees plays a key role in our business activities. The Management Board has been addressing the issue of data protection in detail for years now, and had already appointed a data protection officer back in 2011. The data protection officer reports directly to the Management Board and is involved in all data processing operations, advising and supporting all areas of the company in the implementation of data protection requirements. The data protection officer is also available as a port of call for internal and external stakeholders in the event of complaints or scenarios pointing towards a possible breach of data protection.

In order to be able to permanently safeguard the protection of company-related data and not least due to the increasing digitalisation of our business processes, the topic of IT security is particularly important to us. Specially trained IT staff review our IT security standards on an ongoing basis and adapt them to reflect the dynamic overall conditions. We take appropriate technical and organisational measures to ensure an effective level of protection that is commensurate with the risk involved. Our IT department attaches a great deal of importance to raising awareness among our employees and provides our workforce with regular and timely recommendations on how to deal with IT risks in our day-to-day work.

Since the spring of 2021, we have been a member of the Alliance for Cyber Security in Germany and, hand in hand with experts from other companies and organisations, are working towards the objective of shaping and further strengthening IT security in Germany and ultimately also within our company.

### GRI 418-1

Not least thanks to our high levels of data protection and stringent IT security standards, we can once again report no breaches of data protection regulations, no data losses and no major IT security incidents during the reporting period.

## ALLIANCE FOR CYBER SECURITY

The Alliance for Cyber Security is an initiative of the Federal Office for Information Security that was launched in 2012. It offers companies, associations, authorities and organisations a cooperative platform that allows them to share information on current threats and hands-on cyber security measures. Members benefit from the expertise of the initiative's numerous committed partners, allowing them to make significant improvements to the protection of their own IT infrastructure.

[www.allianz-fuer-cybersicherheit.de](http://www.allianz-fuer-cybersicherheit.de)



# Sustainability in our core business

**GRI 102-2, 102-4, 102-6, 201-1**

As an asset manager for commercial properties, we create value added, ensure stable and profitable business developments in the interests of our shareholders and take responsibility for our business activities in respect of other relevant stakeholder groups. Our core business comprises portfolio management and optimisation in addition

to the marketing of commercial rental space and properties in Germany. Going forward, we also plan to get involved in individual project developments to leverage potential for value added within the property portfolio in addition to possibly acquiring interests in investment partnerships.

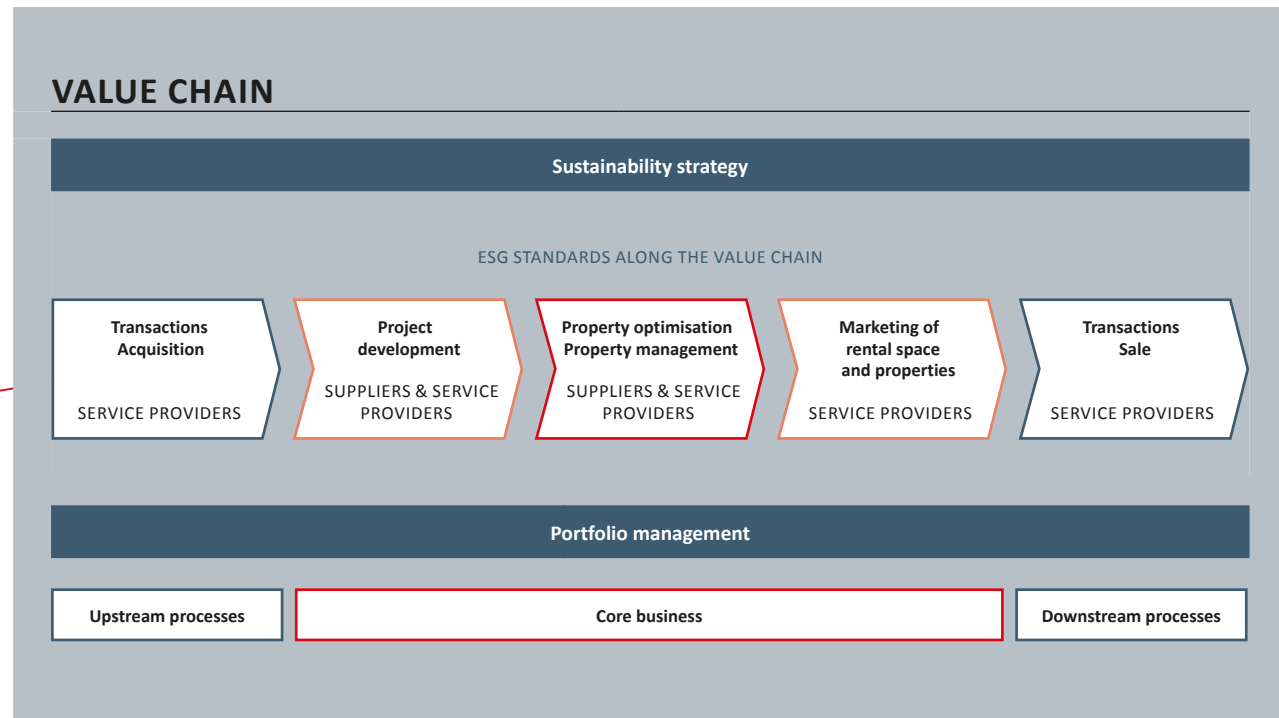
## Contribution to sustainable added value

**GRI 102-9, 308-1**

Our sustainability activities concentrate primarily on the stages of the value chain for which we have operational responsibility or in which we are directly involved. This is where we can exert the greatest influence and have the most effective levers at our disposal. We do not, however, work alone or in isolation from other players, which is why we promote a common understanding of sustainability among our partners, service providers and suppliers.

We are also increasingly exerting our influence over compliance with ESG criteria in the upstream and downstream processes of our core business. While we are going about this systematically, there are limits to the influence we have for various reasons. For instance, there is generally only limited potential for conducting a full life cycle analysis covering the entire history of our existing buildings, as the necessary data and information is either not available, or is not available in full, when properties are acquired.

We are, however, making progress in this regard as well. Our strategic sustainability programme includes plans for a systematic analysis of ESG criteria in conjunction with property acquisitions in the medium term. We are currently in the process of drafting a corresponding catalogue of criteria that will form the basis for a systematic assessment of a property's sustainability standards. The ESG catalogue currently comprises around 50 assessment criteria and sheds light on the environmental, social and ethical aspects of an investment. From 2022 onwards, we will be using this catalogue as standard and enhancing it on an ongoing basis. This separate analysis of an invest-



ment from an ESG perspective will allow us to assess the future viability of a property during the acquisition process and identify potential or necessary investments to optimise sustainability at an early stage. This means that we are playing an active part in this aspect of the dynamic shift towards a sustainability-oriented real estate sector as well.

Our influence over compliance with environmental standards in downstream processes tends to cease before the life cycle of the individual properties ends. This is because the buildings in our portfolio tend not to be demolished and our influence stops when the property is sold on.

We have a legal obligation to ensure social standards in our upstream and downstream processes. For example, we check minimum wage compliance and adherence to occupational safety standards at our partner companies on a regular basis.

**GRI 308-1, 414-1**

In our core business, we rely on various external services and products for day-to-day operations, and work with a number of other companies, suppliers and service providers. In building operations, these include facility or centre managers and skilled trades businesses. When it comes to rentals, tenant improvements, or the renovation or modernisation of our buildings, we work very closely with architects, engineers and various skilled tradespeople.

Our business relationships with our partners are based on the Business Partner Code of Conduct, which we introduced in the current year. We maintain clear and fair business relationships with all of our partners, and expect strict adherence to order and contract terms on both sides. Contracts are always awarded as part of a transparent process and only after we have received and compared corresponding quotations.

In the future, we intend to pay more attention to the use of environmentally friendly products and processes when awarding contracts. At the same time, we expect our external partners to also attach more weight to these competitive criteria so that we can join forces to make a bigger contribution to sustainable value added in the development, administration and optimisation of our property portfolio.

## Property portfolio

**GRI 102-7, 102-10, 201-1**

HAMBORNER REIT AG's corporate strategy is geared towards value-adding growth through the yield-driven expansion and optimisation of its commercial property portfolio.

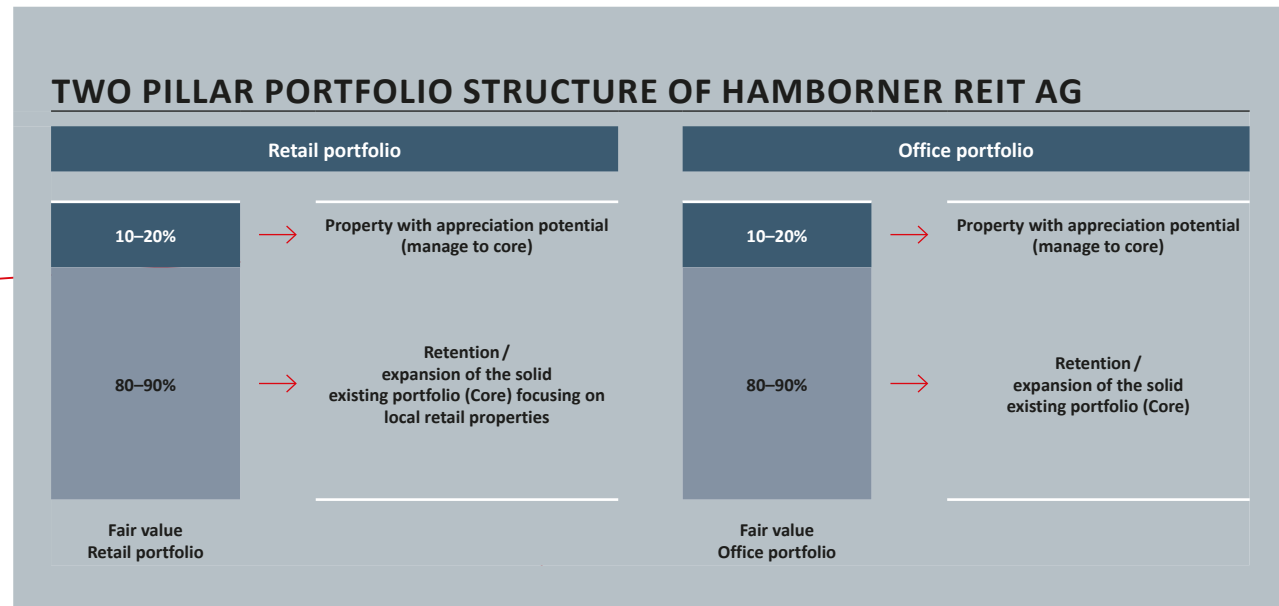
The company pursues an active portfolio strategy based on a two-pillar model and looks to invest in office and retail properties with an eye to regional diversification. Its objective is to safeguard profitability of the property portfolio in the long term by acquiring properties with an attractive yield-risk profile.

With regard to the retail portfolio structure, the company aims to keep the focus firmly on food shops and local retail properties. These properties form the basis for stable rental income that can be planned in the long term. Investment therefore targets the acquisition of core properties in office and retail sectors defined by high-quality locations and buildings, tenants with good credit standing, and long-term letting.

Besides expanding the existing stable core portfolio, our acquisition strategy foresees investment in manage to core properties which offer additional appreciation potential, specifically properties attracting greater leasing demand and those requiring redevelopment or repositioning. We seek to identify and develop existing appreciation potential based on the long-standing expertise at our disposal. In

order to ensure that our overall portfolio maintains its structure, we have set a target quota of around 10–20% of the total portfolio volume for properties classified as manage to core.

In addition to the yield-driven expansion of the property portfolio, our business activities focus on ongoing portfolio optimisation. Active and efficient portfolio management involves the regular review of our existing properties with regard to their consistency with our strategy, their risk-return profile, the stability of rental income and sustainability standards. In this context, we identified and sold a total of 18 properties between August 2020 and August 2021. Most of these properties are smaller inner-city high street stores that were no longer consistent with our strategy on account of their quality, rental situation or sustainability aspects.



In the interests of ensuring both the timely reinvestment of the sales proceeds and the continuous expansion of our portfolio, we continued to push ahead with our acquisition activities, and in the past 18 months have purchased a total of eight office and retail properties with a cumulative purchase price of around €162 million. As in previous years, sustainability aspects were taken into account in our investment decisions. All of the properties acquired are in a very good technical condition and meet state-of-the-art construction and energy efficiency standards. The new office building in Neu-Isenburg, for example, which was acquired in 2020, was awarded the 'platinum' top ranking following a certification process performed by the German Sustainable Building Council (DGNB).



The table below provides an overview of existing building certifications in our portfolio:

BUILDING CERTIFICATIONS IN THE PROPERTY PORTFOLIO	
<b>Certification</b>	
DGNB Gold	1
Share of total rental space	1.6%
Share of total market value	2.1%
DGNB Platinum	1
Share of total rental space	0.7%
Share of total market value	1.1%
LEED Platinum ('Core & Shell')	3
Share of total rental space	5.8%
Share of total market value	12.1%
<b>TOTAL</b>	<b>5</b>
<b>Share of total rental space</b>	<b>8.1%</b>
<b>Share of total market value</b>	<b>15.3%</b>

As of 30 June 2021  
Total portfolio rental space: 614,686 m<sup>2</sup>  
Total portfolio market value: €1,549,360,000

**NEU-ISENBURG**, Siemensstr. 10a  
The new office building has 4,500 m<sup>2</sup> of leasing space and received the top-ranking 'platinum' award from the German Sustainable Building Council (DGNB) after undergoing a certification process.

[Find out more](#)

In addition to expanding our core portfolio, with the acquisition of two office properties in Mainz and Stuttgart we have, for the first time, gained properties with significant potential for increased value, which is to be leveraged on the basis of comprehensive post-letting concepts as part of the manage to core approach. In line with our sustainability strategy, we will be performing extensive modernisation work in both locations. In Stuttgart, this will include modernising the building’s technical installations. In Mainz, we will also be carrying out numerous measures both inside and outside the building in the course of re-letting in the medium term in order to further improve the energy efficiency and the appearance of the building.

Another key part of portfolio management involves reviewing our existing properties on a regular basis to identify opportunities for optimisation. Targeted renovation and modernisation work contribute towards increasing the quality and appeal of our properties and have a strong effect on portfolio performance.

To maintain our high quality standards in the long term and to keep pace with our tenants’ growing needs, we invested a total of €5.6 million in modernising and maintaining our buildings in the 2020 financial year (previous year: €8.7 million). Over the course of the year, several of our portfolio properties were modernised in line with the latest energy efficiency standards to ensure the continued rental potential of the buildings and to preserve their value in the long term. Maintenance expenses amounted to €4.6 million (previous year: €5.5 million) and capex to €1.0 million (previous year: €3.2 million).

Measures particularly relevant to sustainability included investment in state-of-the-art heating and cooling technology (around €0.3 million) and roof renovation work with modern heat insulation (around €0.7 million).

## Tracking and analysis of environmental performance indicators in the property portfolio

So as to be able to analyse the environmental impact of the use of our portfolio, we have been tracking heating energy, electricity and water consumption data for all of our properties since 2012.

### GRI 302-2, 306-2

The overwhelming majority of our tenants provided us with their consumption data for the 2020 reporting year to facilitate this analysis. Since, however, some tenants were still sceptical about sharing information on sustainable building operations, we were, in some cases, unable to capture full environmental data in the past reporting cycle. Nevertheless, we managed to expand the pool of data available for the sub-portfolios analysed and for the like-for-like analysis, in some cases significantly. We were also able to obtain consumption data from previous years for individual properties that had not yet been recorded.

We have documented the key consumption indicators for our property portfolio that were available to us for the period from 2018 to 2020 below.

OVERVIEW OF ANALYSED PORTFOLIO	2020	2019	2018
Property portfolio as at year-end	80	79	78
<b>Heating energy consumption analysis</b>			
— Properties with usable data for the reporting year	63	58	53
— Properties with usable data for two years	57	44	51
<b>Electricity consumption analysis</b>			
— Properties with usable data for the reporting year	71	64	61
— Properties with usable data for two years	64	53	59
<b>Water consumption analysis</b>			
— Properties with usable data for the reporting year	67	61	60
— Properties with usable data for two years	60	47	47

A willingness to cooperate in providing data on energy consumption, water consumption and waste volumes, to which we do not have direct access as a landlord, is of fundamental importance for the purposes of performing a reliable life cycle analysis. As part of our stakeholder engagement programme, we will once again include these issues in our dialogue with tenants in the coming year, thereby also advancing the systematic tracking of other environmental and climate data for the whole of our portfolio. This is also intended to include the analysis of waste data moving ahead.

In addition to our stakeholder dialogue, in 2019 we created another effective lever for reliably sharing ESG data by introducing green leases. Unlike standard leases, green leases include an additional general clause intended to guarantee the regular sharing of data, thereby contributing to the ongoing growth of our analysis portfolio. In the coming months, we will be revising the ‘green lease clauses’ in our standard lease agreements, taking into account the current overall legal conditions and industry standards, and continue to actively



market them. We hope that this will boost acceptance of green leases among tenants and continuously increase the share of rental income attributable to green leases.

We have reviewed heating energy, electricity and water consumption within the analysis portfolios in detail below. Total consumption in 2020 and in previous years is as follows:

TOTAL CONSUMPTION OF ANALYSED SUB-PORTFOLIO	2020	2019	2018
<b>Heating energy consumption</b>			
Number of buildings analysed	63	58	53
<b>Total (in kWh)</b>	<b>30,408,764</b>	<b>26,692,631</b>	<b>27,015,451</b>
<b>Electricity consumption</b>			
Number of buildings analysed	71	64	61
<b>Total (in kWh)</b>	<b>38,402,912</b>	<b>28,353,442</b>	<b>32,570,873</b>
<b>Water consumption</b>			
Number of buildings analysed	67	61	60
<b>Total (in m³)</b>	<b>149,752</b>	<b>181,516</b>	<b>181,275</b>

**GRI 302-2, 302-3**

The analysis of the consumption indicators in the individual sub-portfolios produced the following results and details. It is important to bear in mind that the consumption values for individual office and retail properties in 2020 were influenced by partially restricted use by tenants as a result of the COVID-19 pandemic.

**HEATING ENERGY CONSUMPTION IN 2020**

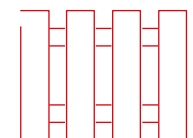
In 2020, heating energy consumption in the analysis portfolio of 63 properties amounted to 30,408,764 kWh. With a total usable floor area in the properties analysed of around 522,000 m² (84% of the HAMBORNER portfolio), average consumption amounts to 58.3 kWh per m². This represents an increase of 1.0% compared to the same period of the previous year or a decrease of 6.3% as against 2018.

AVERAGE HEATING ENERGY CONSUMPTION	2020	2019	2018
in kWh / m² of usable floor area	63 properties 521,664 m² of usable floor area 58.3	58 properties 462,755 m² of usable floor area 57.7	53 properties 434,393 m² of usable floor area 62.2
Overall portfolio	58.3	57.7	62.2
Office	50.9	60.0	62.9
Retail	60.8	56.7	61.9

**HEATING ENERGY CONSUMPTION IN THE LIKE-FOR-LIKE PORTFOLIO**

The like-for-like analysis portfolio for heating energy consumption in 2019 and 2020 comprises a total of 57 properties, meaning that the analysis portfolio was expanded significantly to include another 13 properties.

The 43 retail and 14 office properties account for almost three quarters of the total properties in our portfolio in 2020 and have a total usable floor area of around 477,000 m². The analysis included consumption data for buildings heated by gas, district heating or oil, with gas and district heating dominating the sub-portfolio with a share of 61% and 32% respectively. In the 57 properties, a total of 27,824,575 kWh of thermal energy was consumed. The consumption value for 2019 was 29,219,629 kWh, meaning that the current value is down by 4.8%.



**Heating energy consumption**

-4.8%

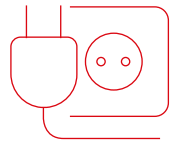
like-for-like

## ELECTRICITY CONSUMPTION IN 2020

### GRI 302-4

The sub-portfolio for the analysis of electricity consumption was expanded to include seven properties in 2020, bringing the total number of properties to 71. In terms of total usable floor area, the sub-portfolio spanned a total of 574,461 m<sup>2</sup>, or around 90% of the total area of the HAMBORNER portfolio.

In 2020, shared and tenant electricity consumption amounted to 38,402,912 kWh. The value for the analysis portfolio in 2019, which at that time still consisted of 64 properties, had stood at 28,353,442 kWh. It is not, however, appropriate to provide an average value for the entire sub-portfolio at this point, as there is still only data available on general electricity consumption for some of the properties, and general electricity consumption cannot be shown in relation to the total usable floor area of the sub-portfolio. As we mentioned earlier, we are still aiming to expand the data we capture to include consumption at portfolio and individual property level, and to obtain additional data on electricity usage by our tenants.



## Electricity consumption

-6.9%

like-for-like

## ELECTRICITY CONSUMPTION IN THE LIKE-FOR-LIKE PORTFOLIO

### GRI 302-4

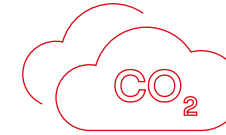
Of the 71 properties in total, there is usable data available for 64 properties for 2019 and 2020. This sub-portfolio has a total usable floor area of 528,922 m<sup>2</sup>. This corresponds to 80% of the total usable floor area of the HAMBORNER portfolio. Electricity consumption recorded in the 64 buildings amounted to a total of 34,997,877 kWh in 2020. Total consumption of 37,578,731 kWh was recorded for the same sub-portfolio in 2019. This means that, compared to the previous year, electricity consumption was down by a total of 6.9%, with a drop of 6.6% for retail properties and 8.8% for office properties.

## GREENHOUSE GAS EMISSIONS

### GRI 305-2, 305-4

In order to guarantee a valid pool of data for the carbon emissions associated with our properties, we intend to enhance the quality of our analysis in the coming years and to gradually switch to a differentiated analysis of market- and location-based carbon emission factors. In calculating the consumption and emissions data documented below for 2019 and 2020, we used the carbon conversion factor published by the German Environment Agency for the German electricity mix of 0.53 kg per kWh.

Converted into carbon emissions, the total electricity consumption of the 71 properties analysed in 2020 of 38,402,912 kWh caused carbon emissions of 20,354 tonnes.



## Carbon emissions

-7.6%

like-for-like

### GRI 305-5

Back in 2017, the course was set for further reducing emissions of greenhouse gas and we launched an invitation to tender for the future supply of our portfolio properties with shared electricity. By the end of 2020, all existing properties in which HAMBORNER is responsible for supplying the communal areas were supplied with electricity from renewable sources. This means that we have achieved this objective, which we defined as part of our sustainability programme, on time. A new invitation to tender for the electricity supply for our communal areas is planned for 2022.

## GREENHOUSE GAS EMISSIONS IN THE LIKE-FOR-LIKE PORTFOLIO

### GRI 305-4, 305-5

In the 2020 reporting year, the 64 properties in the like-for-like portfolio caused carbon emissions of 18,549 tonnes. In 2019, carbon emissions for the same properties amounted to 20,067 tonnes, meaning that greenhouse gas emissions were down by 7.6%.

**WATER CONSUMPTION IN 2020**

**GRI 303-3**

All properties in the portfolio are generally supplied with water by the relevant municipal water utility companies, most of which obtain their resources from groundwater and to a much lesser degree from surface and spring waters.

The sub-portfolio for the analysis of water consumption in 2020 comprised 67 properties, six properties more than last year. The total usable floor area of the sub-portfolio analysed was 555,198 m<sup>2</sup>. Water consumption by the 67 properties analysed totalled 149,752 m<sup>3</sup> in 2020. Based on the total usable floor area, average consumption was 0.27 m<sup>3</sup> per m<sup>2</sup>. Water consumption was therefore down significantly by 22.1% in total year-on-year. While average water consumption in the retail properties analysed fell by 22.7%, consumption in office properties declined by 21.3%.

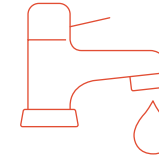
AVERAGE WATER CONSUMPTION	2020	2019	2018
	67 properties 555,198 m <sup>2</sup> of usable floor area	61 properties 524,513 m <sup>2</sup> of usable floor area	60 properties 488,656 m <sup>2</sup> of usable floor area
in m <sup>3</sup> /m <sup>2</sup> of usable floor area			
Overall portfolio	0.27	0.35	0.37
Office	0.17	0.22	0.31
Retail	0.31	0.40	0.40

**WATER CONSUMPTION IN THE LIKE-FOR-LIKE PORTFOLIO**

**GRI 303-3**

Water consumption data for a like-for-like comparison of 2019 and 2020 was available for a total of 60 properties. This means that 13 additional properties were included in the like-for-like analysis compared to the previous year.

The usable floor area of the 60 properties is equivalent to around 83% of the overall HAMBORNER portfolio. Total water consumption in 2020 amounted to 142,886 m<sup>3</sup> in the 42 retail and 18 office properties. Water consumption for the same sub-portfolio was 168,066 m<sup>3</sup> in 2019. This marks a year-on-year reduction of 15.0% in total. Consumption in the office properties analysed was down 19.8% on the previous year, while water consumption was down by 13.7% in the retail properties analysed.



**Water consumption**

**-15.0%**

like-for-like

## Environmental management and climate protection

other branches. Energy and water consumption and waste volumes at the Duisburg head office were as follows in 2020:

As part of last year's revamp of our sustainability strategy, we defined environmental management and climate protection as our top priorities. While data management and the associated measures relating to our portfolio of rented properties can only be implemented in the medium term and in cooperation with our tenants, our own head office in Duisburg gives us the chance to collect reliable data of our own, and then to take potential optimisation action in the field of environmental management and climate protection.

### GRI 302-3

HAMBORNER REIT AG's head office in Duisburg employed a total average workforce of 48 in the 2020 financial year. There are no

ENERGY AND WATER CONSUMPTION / WASTE VOLUMES AT THE DUISBURG HEAD OFFICE	GRI 302-1, 303-1, 305-5, 306-2	2020	2019	2018	Δ SINCE 2018
Usable floor area in m <sup>2</sup>		1,630	1,630	1,630	n/a
Number of employees (annual average)		48	43	38	+26.3%
<b>Heating energy consumption</b>					
Total consumption in kWh		39,912	43,701	42,321	-5.7%
in kWh/m <sup>2</sup>		24	27	26	-7.7%
in kWh/employee		832	1,016	1,114	-25.3%
<b>Electricity consumption</b>					
Total consumption in kWh		130,500	119,600	120,200	+8.6%
in kWh/m <sup>2</sup>		80	73	74	+8.1%
in kWh/employee		2,719	2,781	3,163	-14.0%
<b>Water consumption</b>					
Total consumption in m <sup>3</sup>		413*	413	490	-11.6%
in m <sup>3</sup> /m <sup>2</sup>		0.3	0.3	0.3	n/a
in m <sup>3</sup> /employee		8.6	9.6	12.9	-33.3%
<b>Waste volumes</b>					
Total residual waste volume in m <sup>3</sup>		25.0	25.0	25.0	n/a
Residual waste in m <sup>3</sup> /m <sup>2</sup>		0.015	0.015	0.015	n/a
Residual waste in m <sup>3</sup> /employee		0.521	0.581	0.658	-20.8%
Total recycling waste volume in m <sup>3</sup>		7.8	7.8	7.8	n/a
Recycling waste in m <sup>3</sup> /m <sup>2</sup>		0.005	0.005	0.005	n/a
Recycling waste in m <sup>3</sup> /employee		0.163	0.181	0.205	-20.5%
Total paper waste in m <sup>3</sup>		28.6	28.6	28.6	n/a
Paper waste in m <sup>3</sup> /m <sup>2</sup>		0.018	0.018	0.018	n/a
Paper waste in m <sup>3</sup> /employee		0.596	0.665	0.753	-20.8%

\* Due to water damage at the head office in the 2020 reporting year, the consumption value from the previous year is used

This is why we made the decision in the 2020 reporting year to expand the tracking and analysis of climate-related and environmental data systematically and to prepare a full carbon footprint calculation for our head office and the carbon emissions associated with its operations for the very first time. We received support from an external independent consultancy firm in this process. Going forward, the carbon footprint calculation is designed not only to be used to report to our stakeholders, but also to form the basis for identifying further measures and potential courses of action to reduce carbon emissions in connection with our business activities. In addition, the expertise and tools established for our own head office are also to be used in the future to prepare environmental and carbon footprint calculations for our entire portfolio and ultimately to serve as a basis for the development of a climate strategy, as well as for the definition of specific carbon reduction targets.

Environmental management  
and climate protection

## GRI 305-1, 305-2, 305-3, 305-4, 305-5

In methodological terms, the footprint calculation was prepared in accordance with the Greenhouse Gas Protocol (GHG Protocol). We started by calculating and documenting the emissions that we ourselves produce at our own head office (Scope 1) and the emissions associated with purchased energy (Scope 2). As part of a second step, we analysed our Scope 3 emissions data by identifying processes and consumption points relevant to emissions in the upstream and downstream chain that relate directly to building management.

The upstream chain includes, among other things, emissions from the extraction, production and transportation of fuels that have not yet been included in Scope 1 and 2. Examples of upstream emissions from fossil fuel combustion. The downstream chain includes, for example, emissions relating to waste and wastewater disposal.

Taking the emissions categories presented above into account, HAMBORNER's carbon footprint for 2020 is as follows:

## EMISSIONS CATEGORIES ACCORDING TO THE GHG PROTOCOL

Scope 1	Scope 2	Scope 3
Gas consumption on site	Electricity consumption on site	Drinking water and beverage consumption on site
Fuel consumption on site		Residual waste volume on site
		Business travel
		Commuting

## 2020 CARBON FOOTPRINT / DUISBURG HEAD OFFICE

GRI 305-1, 305-2, 305-3, 305-4, 305-5

## Energy source

	QUANTITY	UNIT	EMISSION FACTOR	UNIT	KG CO <sub>2</sub>	SHARE TOTAL EMISSIONS
Electricity	130,500.0	kWh	–	kg CO <sub>2</sub> e / kWh	0.0	0.0%
Gas	3,200.0	m <sup>3</sup>	0.201	kg CO <sub>2</sub> e / m <sup>3</sup>	643.2	0.6%
Company vehicles (petrol)	6,858.0	litres	2.854	kg CO <sub>2</sub> e / l	19,572.7	19.5%
Company vehicles (diesel)	1,518.0	litres	3.058	kg CO <sub>2</sub> e / l	4,642.0	4.6%
Rail travel	28,205.0	km	0.029	kg CO <sub>2</sub> e / pkm	817.9	0.8%
Air travel	61,493.0	km	0.214	kg CO <sub>2</sub> e / pkm	13,159.5	13.1%
Commuting to work (car / public transport)	250,470.0	km	0.143	kg CO <sub>2</sub> e / pkm	35,817.2	35.6%
Drinking water	413.0	m <sup>3</sup>	0.35	kg CO <sub>2</sub> e / m <sup>3</sup>	144.6	0.2%
Waste	3.75	t	335	kg CO <sub>2</sub> e / t	1,256.3	1.2%
Drinks					5,581.0	5.5%
Upstream / downstream fuel / energy-related emissions					19,010.0	18.9%
<b>TOTAL EMISSIONS</b>					<b>100,644.4</b>	<b>100.0%</b>

## Environmental management and climate protection

When analysing the carbon footprint for 2020, it is important to remember that the emissions data is influenced by the temporary move to remote working during the pandemic and, in particular, reduced travel by employees. The data recorded for Scope 1 and 2, as well as for the selected Scope 3 categories, was converted using current emission factors made available by recognised institutions (e.g. the German Environment Agency and the Federal Office for Economic Affairs and Export Control) and verified by our external consultants. The key figures on commuting were collected as part of a survey in which 86.7% of our employees participated. The distance in kilometres was then extrapolated to reflect the average number of employees in 2020.

Ultimately, carbon emissions totalling around 100.6 tonnes were generated in connection with our business activities in Duisburg. Energy consumption is currently dominated by electricity. Since, however, we only purchase electricity from renewable sources, the electricity purchased is not included in the footprint calculation. Commuting by our employees, the fuel consumption associated with company vehicles, and business travel have a significant impact on our carbon footprint. Gas and water consumption, as well as waste, play less of a role.

### GRI 305-4

After the data collected was analysed, we drew up a catalogue of potential measures to further reduce current greenhouse gas emissions in our processes. The analysis identified the following reduction potential, to provide but a few examples:

- **Electricity consumption:** Electricity consumption can be reduced further, for example, by opting for alternative lighting solutions and using waste heat from air conditioning units for energy. We will also be looking into the options available for installing a photovoltaic system in the near future.
- **Fuel consumption:** In terms of our employees' commuting, our options are limited, but a gradual shift to electric mobility is within the realms of possibility. With this in mind, we adopted a revised company car policy in the first half of 2020 which grants second-level management employees the entitlement to use an electric or hybrid vehicle. As far as our vehicle fleet is concerned, we have already been able to improve our carbon footprint considerably by purchasing energy-efficient vehicles. At the present time, around 83% of our fleet has been replaced by hybrid vehicles. We expect to have transitioned our entire vehicle fleet to electric mobility by the end of 2022. We will be continuing to expand the charging infrastructure at our head office in parallel with this process.
- **Business travel:** To further reduce emissions associated with travel, and in particular with air and rail travel, our employees are being encouraged to make greater use of digital conferencing formats in the future. The number of domestic flights is also to be reduced, with efforts being made to take the train as a means of transport that generates lower emissions.

Despite our comparatively low level of emissions and the opportunities to further reduce our carbon footprint as set out above, it is not possible for us to use our head office or continue with our business activities successfully without generating some amount of residual emissions. This is why we entered into cooperation with the organisation ClimatePartner in 2020. This cooperation will allow us to offset all of the emissions generated in connection with our business activities by making targeted investments in certified climate protection projects across the globe.

As part of the offsetting process, ClimatePartner started by conducting an in-depth review of our carbon footprint and, as part of this process, added further emissions within our upstream business processes that we were unable to calculate. In order to ensure that the greenhouse gas emissions generated are offset in full, ClimatePartner applies a flat-rate safety margin of 10% to the carbon footprint calculated. Taking into account our calculated carbon emissions of 100.6 tonnes, the total amount to be offset for the 2020 reporting year was around 110.7 tonnes of CO<sub>2</sub>. By offsetting the emissions generated in full through an investment in a certified wind power project in Aruba, HAMBORNER REIT AG achieved climate neutrality for its business activities for the first time in the 2020 reporting year.

# Climate neutrality

As part of our quest to identify additional ways of contributing to the planet's environmental equilibrium, we entered into cooperation with the organisation ClimatePartner. Supporting a certified non-profit climate project not only allows us to make a positive contribution, but has also resulted in us being awarded the climate neutrality seal.



## CLIMATE NEUTRALITY THANKS TO INVESTMENT IN GLOBAL CLIMATE PROTECTION PROJECTS

Companies, processes and products are described as climate neutral if their carbon emissions have been calculated and offset by means of an investment in internationally recognised climate protection projects. Alongside avoidance and reduction measures, this offsetting of carbon emissions is a key component of a holistic global climate protection strategy. Greenhouse gases such as CO<sub>2</sub> tend to be distributed evenly in the atmosphere, which is why the greenhouse gas concentration is roughly the same everywhere on Earth. This means that, when it comes to the global greenhouse gas concentration, it is irrelevant where emissions are caused or offset. Emissions that cannot be avoided locally can therefore be offset by climate protection projects elsewhere.

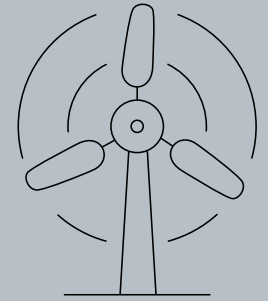
# 126.1

gigawatt hours of electricity  
generated

## OUR SUPPORT FOR WIND ENERGY ON ARUBA

The power supply on the Caribbean island of Aruba is reliant mainly on diesel and other fossil fuels. There are two big disadvantages to this: these energy sources have to be imported by sea from abroad, and they are responsible for a considerable volume of carbon emissions. The climate protection project, on the other hand, is adopting a pioneering approach by harnessing the island's natural energy resource: wind.

A wind farm with ten turbines and a total output of 30 megawatts has been built on the island's east coast in Vader Piet. It generates 126.1 gigawatt hours of electricity every year, or up to 15% of the total electricity generated on Aruba. This means that the project saves around 152,783 tonnes of CO<sub>2</sub> a year, as well as making the Caribbean island more independent in its energy supply. As Aruba's very first wind farm, Vader Piet is also seen as a major pioneering project for renewable energy in the region as a whole.



VADER PIET WIND FARM

[Find out more](#)

# Sustainable employer

## GRI 102-8

In examining our key sustainability issues in 2020, we once again took a critical look at HAMBORNER REIT AG's responsibility as an employer. Employee development was once again defined as a key action area.

The information below only contains the key sustainability-related data that we have identified. Further information and key figures on HAMBORNER as a sustainable employer, including quantitative data broken down by gender, age and employee category, are available for download on our [website](#).

We were able to gain important insights with regard to our social sustainability standards in the reporting year as part of the employee survey that we conducted for the first time. With a participation rate of 70.2%, the results are representative and reveal an encouraging employee satisfaction rate of 82%.

“The work I do makes a real contribution to the success of HAMBORNER REIT AG.”

say 85% of the participating employees

In the survey, 97% of the participating employees emphasised that a successful future for HAMBORNER was important to them. This reflects our successful efforts to keep our staff with the company in the long term. Around 70% of the participants believe that we are making significant progress with our IT equipment and digitalisation in general. Another encouraging result of the survey is that almost 85% of respondents believe their work makes a clear contribution to the success of HAMBORNER as a whole.

Two aspects that we will be addressing more intensively in the follow-up to the survey are the topics of employer appeal and teamwork. Two-thirds of the workforce see us as an attractive employer. While around 18% of the participants described teamwork within the company as being either very good or good, around 67% of respondents described teamwork as being mostly good. This result can be traced back in part to the special circumstances and the fact that most employees have been working remotely over the past year. Nevertheless, we want to enter into dialogue with our employees on this topic and identify additional measures to further strengthen both teamwork within the company and HAMBORNER's appeal as an employer. We intend to keep conducting regular employee surveys in the future and incorporate the findings into the further development of our sustainability strategy.

Not least because we want our company to continue to grow, thorough and comprehensive HR planning is crucial. At every operational level and in every area of the company, we require a sufficient number of qualified and dedicated employees. As a result, we will continue to review our HR capacities on a regular basis in future, actively recruiting for individual divisions and departments as necessary.

# 82%

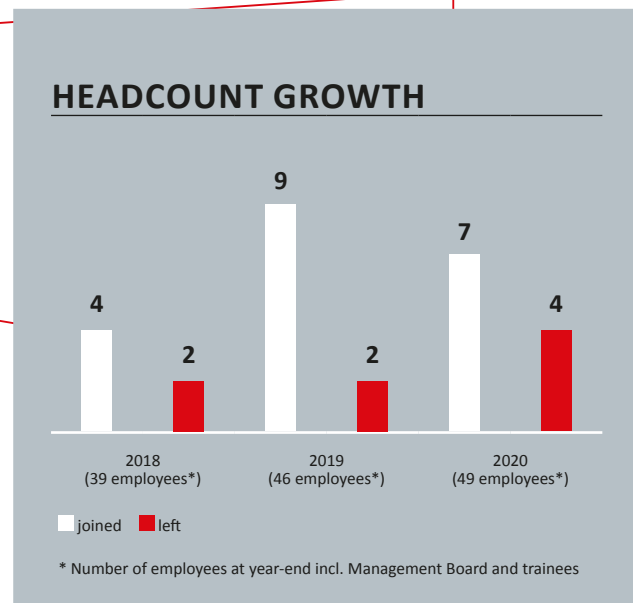
## employee satisfaction rate

## GRI 102-8, 401-1, 401-3

Taking into account the members of the Management Board and our trainees, HAMBORNER REIT AG had a total of 49 employees at the end of 2020 (previous year: 46). The Management Board consists of two members, while the second management level is made up of seven people. The share of employees with a permanent employment contract is around 96% (previous year: 91%). 45 employees worked full-time (previous year: 40), while two worked part-time (previous year: 4). The company employed two trainees for the first time in 2020 (previous year: 1) and plans to expand its commitment in this area and train two employees on a permanent basis going forward. In principle, the entire HAMBORNER workforce is entitled to take parental leave. Six employees made use of this option in the reporting year (previous year: 5). Two employees returned from parental leave in 2020, meaning that the 100% of staff on parental leave opted to return to work / stay with the company.



The diagram below provides an overview of the changes in HAMBORNER's headcount:



9.2  
average years of service

Employee turnover once again remained consistently low at HAMBORNER REIT AG by market standards over the past year. The average length of service at the end of 2020 was 9.2 years, up again in a year-on-year comparison (previous year: 8.9 years). Moving ahead, we can only retain qualified members of staff in the long term if we continue to position ourselves as an attractive and reliable employer that offers its employees intriguing job profiles and development prospects.

**GRI 404-2**

This is why we have firmly established the expansion of continuing professional development, as well as a continuous increase in training hours per employee and year, in our strategic sustainability goals. Within this context, we launched a training initiative in 2020 that gives all employees access to HR development measures. The individual requirements are determined by the competent heads of department in regular employee appraisals and in close consultation with the Management Board. Our aim is to work with our employees to identify their potential and interests, develop their skills and make better use of their abilities.

**GRI 404-1**

As a result of our efforts to step up our continuing professional development measures, our employees attended an average of 17 hours of continuing professional development sessions in 2020. This was around 55% higher than the average figure for 2019 (11 hours). Training courses in the reporting period covered topics such as human resources management, building condition analysis, refurbishment planning, commercial tenancy law, occupational safety, data protection and compliance. Significantly increasing the number of training hours allows us not only to make a positive contribution to employee retention, but also to make additional progress as we move towards our sustainability goals.

17

CDP hours per employee  
(+55% over 2019)

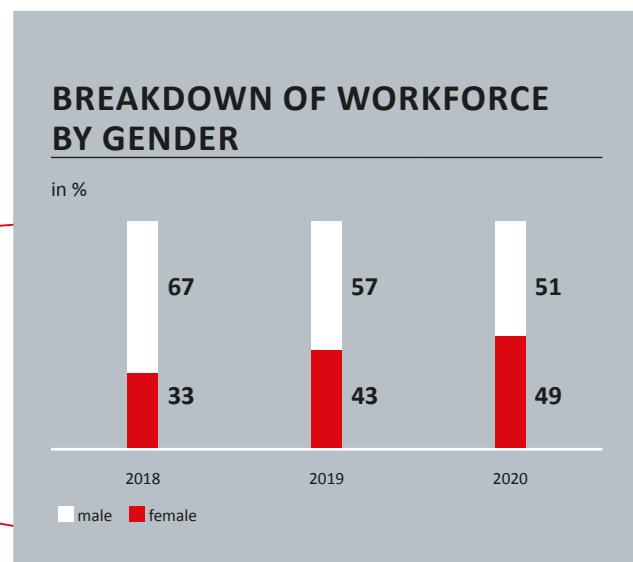
**GRI 102-8**

Another angle for the development of our employees and the positioning of HAMBORNER REIT AG as a modern employer is to create concepts for more flexible working models that take into account issues such as work-life balance and reasonable options for working from home and individual part-time agreements. As a result, a comprehensive remote working policy was developed in close cooperation between the Management Board, the HR department and the works council in 2021 and was implemented with the adoption of a corresponding Works Council / Employer Agreement in August 2021.

**GRI 405-1, 406-1**

HAMBORNER REIT AG has traditionally attached a great deal of importance to the topics of equal opportunities and diversity. The equal treatment of our employees is monitored continuously and ensured by our corporate governance principles and mechanisms, as well as by our (HR) management. Our day-to-day actions are guided by clear principles of ethics and integrity. This also means that no aspect of diversity (gender, nationality, ethnicity, religion and ideology, disability, age, sexual orientation or identity) puts employees at a disadvantage with regard to their area of responsibility or their remuneration. The effectiveness of our commitment in this area is reflected, among other things, in the fact that, once again, no cases of discrimination were reported during the reporting period.

HAMBORNER REIT AG's workforce structure is balanced in its breakdown of both gender and age.



**GRI 405-1**

HAMBORNER REIT AG's nine-strong Supervisory Board has consisted of one third female members since 2015, meaning that the company already complies with the gender quota required by law in full. The Supervisory Board has set the target for a gender quota of 30% to be met in the Management Board by 30 June 2022. The Management Board currently consists of two male members. The target quota is to be taken into account in the upcoming succession planning for a Management Board position that will be vacant from the end of 2022. As in the past, however, the selection process will continue to focus on the skills profile for the Management Board as a whole, as well as the candidates' professional and personal expertise.

**GRI 405-1**

The Management Board has also addressed the statutory requirements for the equal participation of women and men in management positions and has defined a gender quota of 20% for the second man-

agement level. At present, the company's second management tier consists exclusively of male employees. This is due in particular to the fact that staff turnover has been extremely low in recent years and no additional positions have been created within the second management level. The target quota is an objective that the company intends to fill in the future depending on future staffing needs or new management positions to be filled.

**GRI 405-2**

The current imbalance between female and male managers is also reflected in the salary structure of our workforce. In the reporting year, the average salary paid to women in the company was around 63% of the salary paid to men (previous year: around 60%). This figure is based on a direct comparison of the average salary of all male and female employees, excluding the Management Board and trainees. We have not provided a breakdown by age or area of responsibility due to the comparatively small size of the workforce and the resulting data protection concerns. We plan to gradually eliminate the discrepancy in the remuneration structure in the future and will look into further measures and alternative courses of action in order to achieve this.

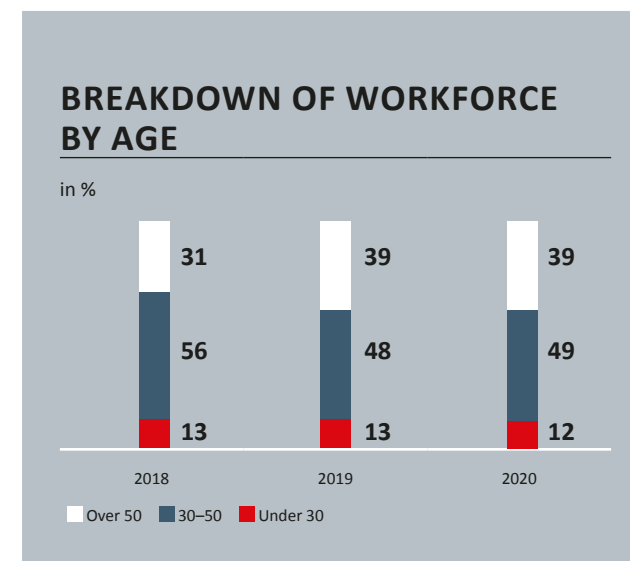
**GRI 102-41**

HAMBORNER REIT AG is not bound by collective bargaining agreements. In terms of employee remuneration, individual basic salaries are agreed with employees based on their job profiles. If necessary, we identify the sort of duties that can be deemed equivalent to each other on the basis of the specific requirements. At the same time, we ensure that the diversity aspects listed above do not affect the outcome of negotiations. We operate on the principle that all employees receive fair and competitive remuneration which is regularly reviewed and adjusted, if necessary, to reflect individual performance and qualifications or changes in overall conditions.

**GRI 102-35, 102-36, 102-37, 102-38, 102-39**

With regard to the remuneration system and the remuneration structure for members of the Management Board, we strictly adhere to the transparency regulations set out by the legislator and the corre-

sponding regulations that apply to listed public limited companies. The Act Implementing the Second Shareholders' Rights Directive ('ARUG II'), which came into force on 1 January 2020, requires the supervisory board of listed companies to adopt a clear and comprehensible remuneration system for management board members from next year onwards, and to have this system regularly approved by the annual general meeting. The Management Board remuneration system revised in 2021 and adopted by the Supervisory Board already complies with the provisions set out in ARUG II and the recommendations included in the amendment to the German Corporate Governance Code. The system was approved by the 2021 Annual General Meeting with a clear majority. The Supervisory Board remuneration system also complies with all of the statutory requirements and governance standards and was also approved by a clear majority at this year's Annual General Meeting. Further information on the remuneration system for the Supervisory Board and the Management Board can be found in the remuneration report in the current [Annual Report](#).



**GRI 403-3**

Not least due to the ongoing COVID-19 pandemic, particular attention was paid to health management and occupational safety during the reporting period. Far-reaching preventative measures, including a comprehensive hygiene policy and a temporary switch to remote working, allowed us to succeed in largely containing the risk of infection by the virus for our staff.

**GRI 102-8, 403-1, 403-7**

Internal responsibility for health management and occupational safety lies with our work health and safety committee, which meets on a regular basis and consists of our safety officers, the Management Board, a representative of the works council, the company doctor and external security experts.

**GRI 403-2, 403-9, 403-10**

The effectiveness of our preventative measures is reflected, among other things, in the sickness rate, which fell further to 3.1% in 2020 (previous year: 3.8%) and below the statistical average in Germany (4.3% according to the German National Association of Statutory Health Insurance Funds). The average number of sick days per employee was 7.1 (previous year: 8.8). In the year under review, the company once again reported no occupational illnesses or fatalities, and the number of injuries fell to zero (previous year: 5). As a result, the injury rate came to 0% (previous year: 11.4%).

Occupational health and safety will remain a top priority for us. We will continue to take all of the necessary measures, insofar as they are within our power, to ensure the health of our employees and provide them with a working environment in which they are protected from risks and hazards.

**GRI 403-4, 403-5, 403-6, 403-8, 404-2**

This is another area in which employee development is a decisive factor. Targeted prevention and training measures allow us to avoid accidents and work-related illnesses. Consequently, all employees undergo regular training on occupational safety, fire and health protection. When employees are travelling on business, however, we cannot influence all risk factors. This is why we have taken out a group accident insurance policy for the employees who travel on business for HAMBORNER REIT AG in addition to the statutory accident insurance.

**GRI 414-1**

We also check our partner companies' stringent compliance with occupational health and safety and social standards as standard. The same applies to checks on payment of the minimum wage.

One major challenge in the reporting period lay in raising further awareness among, and preparing, our employees for new tasks in the context of our sustainability management drive. As part of the process for revising our sustainability strategy, we entered into constructive dialogue with all employees regarding the full range of sustainability-related topics. We not only addressed the strategic sustainability targets developed by our in-house sustainability committee, but also developed department-specific as well as cross-departmental organisational measures and processes. Our employees will continue to play an active role in the further development of our sustainability strategy and be involved in key decision-making processes in the years ahead, too. After all, it is ultimately essential for our future goals to be understood, supported and implemented by all employees.



The HAMBORNER office property is part of the EUREF campus in Berlin's Schöneberg district. The property, which is located on an area of around 5.5 hectares in the urban district, showcases modern, energy efficient construction methods and high quality living.

[Find out more](#)

# Social responsibility & commitment

Our sustainability report primarily documents the key ESG issues in the specific context of our core business and the resulting challenges and measures. In this section, we look at supplementary aspects of our direct and indirect influence over social development at the level of the federal states and municipalities in which we are represented and briefly describe our voluntary social commitment beyond our core business.

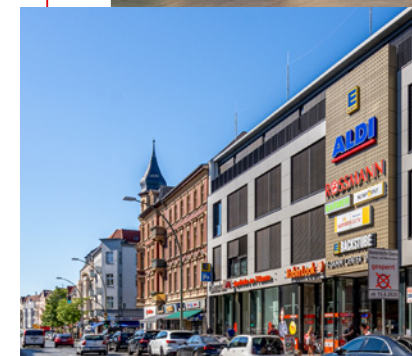
## GRI 203-1

HAMBORNER REIT AG already shoulders considerable social responsibility as an employer for just under 50 people, and indirectly for their families as well. We can also exert a significant influence over the development of the social and urban surroundings of our properties. This is because our properties are a physical part of the infrastructure of their cities and communities.

On top of this, by letting our commercial properties, we indirectly help to safeguard local shops in the areas in which our properties are located. HAMBORNER's retail portfolio is made up primarily of properties housing local shops. A large proportion of our tenants focus on trading in daily essentials (especially food retail), the value of which was made especially clear during the COVID-19 pandemic.

While the local shop segment reaped considerable benefits from the pandemic, some HAMBORNER tenant groups were unable to escape the impact of the crisis unscathed. Due to the closures imposed by the authorities as part of the nationwide lockdown, for example, tenants from the inner-city retail sector or catering businesses were particularly hard hit and were at times unable to pay their rent or were only able to make reduced payments. Our employees sought contact with the tenants concerned at an early stage and developed customised solutions giving due consideration to the interests of everyone involved in a process of dialogue based on partnership and trust. Ultimately, amicable agreements were reached with the majority of the tenants concerned. These ranged from rent deferrals to temporary discounts for the outstanding rent payments. In return, a large number of tenants have made a commitment to the HAMBORNER properties and extended their leases ahead of schedule.

We made another social contribution in Mosbach, Baden-Württemberg, where we provided an area spanning around 1,200 m<sup>2</sup> for use as a vaccination centre. We worked closely with the district authorities and Mosbach town council to make this possible. The vaccination centre opened its doors at the beginning of 2021 and was able to make a key contribution to the success of the vaccination campaign in the Neckar-Odenwald district.



**T-DAMM-CENTER**, Berlin  
The former tram depot in the Tempelhof district was revitalised in 2015 and combines historic building substance with modern retail flair.

[Find out more](#)

We also see our contribution to coherent city development as a way of demonstrating our social responsibility. In our modernisation and refurbishment efforts, we pay close attention to the relevant city centre and preservation statutes, for example to ensure the protection of listed façades. This generally ensures the preservation of a uniform townscape as well as ensuring that properties blend adequately into their surroundings.

**GRI 102-12, 102-13, 102-22, 413-1**

As at 30 June 2021, HAMBORNER REIT AG owned 69 properties in 52 different municipalities and towns in Germany. We maintain contacts going back years with local authorities and agencies in many of these locations. We regularly take part in local business initiatives, interest groups and marketing measures to further increase the appeal of locations and footfall for our properties.

The Management Board and employees of HAMBORNER REIT AG are also involved in various organisations, initiatives and interest groups, such as the German Property Federation (ZIA), the European Public Real Estate Association (EPRA) and the Institute for Corporate Governance in the German Real Estate Industry (ICG). In 2021, we also added membership of the Alliance for Cyber Security to the list.

As part of our involvement in various organisations and initiatives, we are actively contributing to the shift towards a sustainability-oriented property industry that practices social responsibility.

We also demonstrate social engagement outside our core business and independently of the company's actual value added by supporting local social projects. We focus on charitable organisations and projects that support education and skills acquisition programmes for young people in particular. And we can also build bridges with our industry by supporting education and research institutions, such as the German Society of Property Researchers (gif e.V.).



# Glossary & names

## GLOSSARY & NAMES

CO <sub>2</sub>	Carbon dioxide is a gas primarily generated by the combustion of fossil fuels. The increase in CO <sub>2</sub> in the atmosphere is considered to be a primary cause of climate change.
ESG	This stands for 'environmental, social and corporate governance' and first became established in the finance sector before increasingly spreading to other sectors as well.
European Public Real Estate Association (EPRA)	EPRA is a European association of listed property companies. It represents financial analysts, investors, auditors and consultants in addition to companies. EPRA publishes the Sustainability Best Practices Recommendations (sBPR) as a frame of reference for sustainability management and reporting in the property sector. <a href="http://www.epra.com">www.epra.com</a>
German Property Federation (ZIA)	ZIA e.V. is the leading interest group for the German property industry. It represents and promotes the interests of its members through wide-ranging public partnerships, policy initiatives and administrative projects. The association supports the industry in addressing sustainability issues, for example through publication of practical guidelines on effective social responsibility in the German property industry.
German Society of Property Researchers (gif e. V.)	gif promotes property industry research and teaching. It builds bridges between academia and the business world, establishes standards to increase market transparency and advances the professionalisation of the industry. <a href="http://www.gif-ev.de">www.gif-ev.de</a>
German Sustainable Building Council (DGNB)	The DGNB is a non-profit organisation whose purpose is to transform the construction and property market so that quality is seen as synonymous with responsibility and sustainability. <a href="http://www.dgnb.de/en">www.dgnb.de/en</a>
Global Reporting Initiative (GRI)	The initiative develops internationally recognised guidelines for sustainability reporting by incorporating a variety of stakeholders and is constantly updating them to reflect changes in overall and market conditions. The GRI is a partner to the United Nations Environment Programme (UNEP). The GRI Secretariat is based in Amsterdam. <a href="http://www.globalreporting.org">www.globalreporting.org</a>
Government Commission for the German Corporate Governance Code	The Government Commission set up by the German Ministry of Justice in September 2001 passed the first version of the German Corporate Governance Code on 26 February 2002. It has been regularly amended since then.
Greenhouse Gas Protocol (GHG Protocol)	The Greenhouse Gas Protocol (GHG Protocol) is a globally recognised standard for quantifying and managing greenhouse gas emissions. It is used by numerous companies in different sectors, NGOs and governments. The reporting framework is supplemented by recommendations for projects aimed at reducing emissions.
Institute for Corporate Governance in the German Real Estate Industry (ICG)	The institute's aim is to devise and establish principles of transparent and professional corporate governance in the property industry. <a href="http://icg-institut.de/en">icg-institut.de/en</a>

## GLOSSARY & NAMES

Leadership in Energy and Environmental Design (LEED)	A globally recognised method developed by the US Green Building Council to classify and certify buildings that are sustainable or have high environmental performance.
Like-for-like approach	Changes within a portfolio due to acquisitions and disposals can cause the indicators presented to differ significantly from the values for the previous year. Like-for-like performance indicators are calculated taking such portfolio changes into account. This means that the like-for-like approach provides additional useful information when analysing the performance of property portfolios.
Real Estate Investment Trust (REIT)	Listed companies with tax transparency that invest exclusively in commercial properties. REITs facilitate indirect investment in properties for investors through the purchase of shares. The majority of the profit is distributed. Taxation is exclusively at the level of the individual investor (tax transparency).
Stakeholder	The term describes (relevant) stakeholders of a company, i.e. any people, groups or institutions directly or indirectly affected by the activities of a company or that have some interest in such activities. Stakeholders seek to influence the company and should be involved in strategic decisions. The stakeholder approach is especially important in the context of developing ESG / sustainability strategies.
Sustainability	In business terms, sustainability means considering ecological, financial and social aspects in connection with core business and with upstream and downstream processes.

# GRI content index



**GRI 102-54, 102-55**

The Sustainability Report of HAMBORNER REIT AG for the 2020 reporting cycle is based on the Sustainability Reporting Standards of the Global Reporting Initiative (GRI). This report has been prepared in accordance with the GRI Standards 'Core' option. It complies with the standards (2016) set by the Global Reporting Initiative in addition to the new standards on water and effluents (303, 2018) and occupational health and safety (403, 2018). For the GRI Content Index Ser-

vice, the GRI Services department has reviewed the clarity of the information presented in the GRI content index and the accuracy of the references for all disclosures with the corresponding sections in the main body of the report. This service was performed for the German version of the report.

Furthermore, EPRA's Sustainability Best Practices Recommendations (sBPR) and ZIA's Sustainability Guideline recommend individual GRI

Standards for documenting key issues. As a result, the table also provides an overview of which of these key performance standards EPRA or ZIA recommend reporting.

GRI STANDARD	INFORMATION	PAGE
<b>GRI 101: FOUNDATION</b>		
<b>GRI 102: GENERAL DISCLOSURES</b>		
<b>Organisational profile</b>		
102-1	Name of the organisation	2
102-2	Activities, brands, products, and services	2
102-3	Location of headquarters	44, 20
102-4	Location of operations	20
102-5	Ownership and legal form	10
102-6	Markets served	2, 20
102-7	Scale of the organisation	22
102-8	Information on employees and other workers	32, 33, 35
102-9	Supply chain	20
102-10	Significant changes to the organisation and its supply chain	3, 4, 22
102-11	Precautionary Principle or approach	4, 18
102-12	External initiatives	37
102-13	Membership of associations	37

GRI STANDARD	INFORMATION	PAGE
<b>Strategy</b>		
102-14	Statement from senior decision-maker	3, 4
<b>Ethics and integrity</b>		
102-16	Values, principles, standards, and norms of behaviour	17
<b>Governance</b>		
102-18	Governance structure	17
102-22	Composition of the highest governance body and its committees	17
102-35	Remuneration policies	34
102-36	Process for determining remuneration	34
102-37	Stakeholders' involvement in remuneration	34
102-38	Annual total compensation ratio	34
102-39	Percentage increase in annual total compensation ratio	34
<b>Stakeholder engagement</b>		
102-40	List of stakeholder groups	9
102-41	Collective bargaining agreements	34
102-42	Identifying and selecting stakeholders	9
102-43	Approach to stakeholder engagement	9, 11
102-44	Key topics and concerns raised	11, 13
<b>Reporting procedure</b>		
102-45	Entities included in the consolidated financial statements	5
102-46	Defining report content and topic Boundaries	13
102-47	List of material topics	13
102-48	Restatements of information	5
102-49	Changes in reporting	5
102-50	Reporting period	5
102-51	Date of most recent report	5
102-52	Reporting cycle	5
102-53	Contact point for questions regarding the report	5, 44
102-54	Claims of reporting in accordance with the GRI Standards	5, 39
102-55	GRI content index	from p. 39
102-56	External assurance	5



GRI STANDARD	INFORMATION	PAGE	NOTE ON OMISSIONS AND OTHER INFORMATION	EPRA	ZIA
<b>GRI 103: MANAGEMENT APPROACH</b>					
103-1	Explanation of the material topic and its Boundary	14		✓	✓
103-2	The management approach and its components	14		✓	✓
103-3	Evaluation of the management approach	14		✓	✓
<b>MATERIAL TOPICS</b>					
<b>GRI 200: ECONOMIC</b>					
<b>GRI 201: ECONOMIC PERFORMANCE 2016</b>					
201-1	Direct economic value generated and distributed	20, 22			✓
<b>GRI 203: INDIRECT ECONOMIC IMPACTS</b>					
203-1	Infrastructure investments and services supported	36			
<b>GRI 205: ANTI-CORRUPTION 2016</b>					
205-2	Communication and training about anti-corruption policies and procedures	18			
205-3	Confirmed incidents of corruption and actions taken	18			
<b>GRI 206: ANTI-COMPETITIVE BEHAVIOUR 2016</b>					
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	18			
<b>GRI 300: ENVIRONMENTAL</b>					
<b>GRI 301: MATERIALS 2016</b>					
301-2	Recycled input materials used		While the ecological quality and properties of the materials used were considered in construction projects, renovation work in the property portfolio and at the Duisburg head office in previous years, there was however no systematic documentation. This is set to change in future with life cycle analyses planned for the entire portfolio. In addition, options for the increased use of recycled building materials are to be considered.		
<b>GRI 302: ENERGY 2016</b>					
302-1	Energy consumption within the organisation	28		✓	✓
302-2	Energy consumption outside of the organisation	24, 25			✓
302-3	Energy intensity	25, 28		✓	✓ (CRESS 1)
302-4	Reduction of energy consumption	26			

GRI STANDARD	INFORMATION	PAGE	NOTE ON OMISSIONS AND OTHER INFORMATION	EPRA	ZIA
<b>GRI 303: WATER AND EFFLUENTS 2018</b>					
303-1	Total water withdrawal	28		✓	✓
303-2	Water sources significantly affected by withdrawal of water	27	HAMBORNER REIT does not operate any production facilities. At the head office, the company obtains tap water from the local water company and discharges it into the sewage system.		
303-3	Water recycled and reused	27			
<b>GRI 305: EMISSIONS 2016</b>					
305-1	Direct (Scope 1) GHG emissions	29		✓	
305-2	Energy indirect (Scope 2) GHG emissions	26, 29		✓	✓
305-3	Other indirect (Scope 3) GHG emissions	29			
305-4	GHG emissions intensity	26, 29, 30		✓	
305-5	Reduction of GHG emissions	4, 6, 13, 16, 26, 28, 29			
<b>GRI 306: EFFLUENTS AND WASTE 2016</b>					
306-2	Waste by type and disposal method	24, 28		✓	✓
<b>GRI 307: ENVIRONMENTAL COMPLIANCE 2016</b>					
307-1	Non-compliance with environmental laws and regulations	18			
<b>GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016</b>					
308-1	New suppliers that were screened using environmental criteria	20, 21			
<b>GRI 400: SOCIAL</b>					
<b>GRI 401: EMPLOYMENT 2016</b>					
401-1	New employee hires and employee turnover	32			✓
401-3	Parental leave	32			
<b>GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018</b>					
403-1	Occupational health and safety management system	35			
403-2	Hazard identification, risk assessment, and incident investigation	35			
403-3	Occupational health services	35			
403-4	Worker participation, consultation, and communication on occupational health and safety	35			
403-5	Worker training on occupational health and safety	35			
403-6	Promotion of worker health	35			
403-8	Workers covered by an occupational health and safety management system	35			
403-9	Work-related injuries	35			
403-10	Work-related ill health	35			

GRI STANDARD	INFORMATION	PAGE	NOTE ON OMISSIONS AND OTHER INFORMATION	EPRA	ZIA
<b>GRI 404: TRAINING AND EDUCATION 2016</b>					
404-1	Average hours of training per year per employee	33		✓	
404-2	Programmes for upgrading employee skills and transition assistance programmes	18, 33, 35			✓
<b>GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016</b>					
405-1	Diversity of governance bodies and employees	33, 34		✓	
405-2	Ratio of basic salary and remuneration of women to men	34			
<b>GRI 406: NON-DISCRIMINATION 2016</b>					
406-1	Incidents of discrimination and corrective actions taken	33			
<b>GRI 413: LOCAL COMMUNITIES 2016</b>					
413-1	Operations with local community engagement, impact assessments, and development programmes	37		✓	
<b>GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016</b>					
414-1	New suppliers that were screened using social criteria	21, 35			
<b>GRI 418: CUSTOMER PRIVACY 2018</b>					
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	19			
<b>GRI 419: SOCIOECONOMIC COMPLIANCE 2016</b>					
419-1	Non-compliance with laws and regulations in the social and economic area	18			

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## FORWARD-LOOKING STATEMENTS

This sustainability report contains, among other things, forward-looking statements based on certain assumptions and expectations as at the time of publication of this sustainability report. They therefore entail risks and uncertainties and are contingent on factors that HAMBORNER REIT AG can neither influence nor predict with certainty at the current time. These include future market conditions and economic developments, the conduct of other market participants, the attainment of anticipated synergy effects and legal and political decisions. HAMBORNER REIT AG does not guarantee the accuracy or completeness of the information provided here.

