

SUSTAINABILITY REPORT

2014



ECONOMY

ECOLOGY

SOCIAL AFFAIRS

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HAMBORNER REIT AG

HAMBORNER REIT AG is a listed public company that now operates exclusively in the property sector and is positioned as a portfolio holder for high-yield commercial properties. The company generates sustainable rental income in the basis of a solid portfolio of properties distributed throughout Germany. The portfolio focuses on attractive retail properties in the centres of major and medium-sized German cities in addition to high-footfall specialist stores and profitable offices and medical centres.

HAMBORNER REIT AG is distinguished by its many years of experience on the property and capital market, its lean and transparent corporate structure and its special proximity to its tenants. The company is a registered real estate investment trust (REIT) and benefits from corporation and trade tax exemption at company level.

LETTER FROM THE MANAGING BOARD

DEAR SHAREHOLDERS,

As we discussed in our 2013 annual report, the most important elements of our corporate philosophy can be summed up by the terms continuity, stability and solidity:

The HAMBORNER REIT AG of today – originally founded in 1953 as HAMBORNER Bergbau AG – got its start in the mining business. After moving on from coal mining at the beginning of the 1970s, it steadily developed into an asset management company and is today a cutting edge property company with a broadly diversified shareholder structure. In all these years, the good asset management practised by us and our predecessors has created sustainable value, and from that stable cash flows were generated. For many years, this has allowed the company to make reliable and attractive distributions to its shareholders. With our staff of currently 28, we manage our property portfolio almost exclusively internally. And we still enjoy a solid positioning thanks to the clear growth HAMBORNER has experienced since 2007. The growth of recent years – some of which took place in a highly turbulent economic and capital market setting – means that we have been able to leverage the potential that the company has always had. And we have an extremely solid financial structure with a REIT equity ratio of around 50%.

As an S-DAX company, HAMBORNER REIT AG is today a known player on the German capital market and a reliable partner in the property industry. In this function, we feel that we have an obligation – not just to the economy, but to the environment and society as well – to act responsibly. To document this commitment and our way of seeing things in more detail, we are delighted to today present to you the latest edition of our sustainability report including our progress report. Building on the data from last year, this year we have again compiled and analysed, where available, consumption data for some of our portfolio. Furthermore, we have added data, for example, for some of our single-tenant properties as we were provided with the necessary information by our tenants. In creating this report, as in the previous year, we followed the guidelines of the Global Reporting Initiative (GRI), the aim of which is to make companies' sustainability performance transparent and comparable.

Our goal for the coming years as well is to continue this successful course on which we have embarked, and in doing so systematically develop our clear focus on sustainability.

We hope that you will find this new edition of our sustainability report of interest, and that it helps to make HAMBORNER REIT AG a little more transparent for you.

We look forward to hearing your suggestions, tips or questions!



Dr. Rüdiger Mrotzek



Hans Richard Schmitz



PROGRESS REPORT

Key successes and challenges

Even in the second year of reporting on sustainability at HAMBORNER, it is clear to see where we stand in continuing our sustainability strategy. It is important to us to establish an awareness for sustainability in the company and at our partners. We have taken a good step forward in this in 2013. In cooperation with some of our large retail tenants, for the first time this report is also based on consumption data for electricity, heat and water handled by our tenants themselves.

However, despite some small advancements, compiling this data will continue to be a challenge moving ahead because our tenants are the only ones who have much of the consumption data, and we depend on the delivery of this data and must accept the amount of work this entails, including for the tenants. We would like to take this opportunity to thank all our business partners who supported us in this for the good cooperation to date in 2013.

In addition to expanding reporting and extending the reference portfolio, we are also still using the like-for-like approach that uses the consumption data only for those properties that remained in the portfolio from reporting year to reporting year. Buildings that are bought or sold during reporting periods are not included in the analysis as we do not have their consumption data for the full 12 months. In expanding and optimising our portfolio, we are continuing to pay attention to the economic, ecological and sociocultural aspects that distinguish the properties and locations as well.

Our aim is to constantly monitor and regularly improve progress relating to our goals. In line with our stakeholder approach (see p. 14/15), progress is shown appropriately for each interest group to ensure the necessary transparency.

Our investors/backers/business partners

Goals	Measures and successes in 2013	Achievement
Optimise the portfolio structure	We further optimised our portfolio in 2013. We bought four properties with an investment volume of €108.8 million and sold smaller properties with high administration requirements.	
Maintain and increase the quality of the portfolio	Total modernisation and maintenance expenses amounted to around €3.2 million in the 2013 financial year after €3.4 million in the previous year.	
Offer an attractive/stable dividend policy	As in 2012 and 2011, we are distributing a dividend of €0.40 per share for the 2013 financial year. Since 1990, we have increased our dividend from €0.15 to €0.40 per share.	
Maintain/establish and inform contacts	We constantly report to our investors, analysts and the press on our development and market trends. We held roadshows in Germany and at seven other European financial centres on more than 20 days in 2013.	
Low vacancy rate	We still have a very low vacancy rate (2013: 2.5%) and extremely low rental losses (2013: 0.1% of total rental volume).	

Our tenants

Goals	Measures and successes in 2013	Achievement
Collect tenant-based data	We organise regular meetings with our tenants for a constant dialogue. In cooperation with our three biggest tenants, we have provided tenant-based consumption data for the first time for 2013.	
Increase the number of certified buildings	In expanding our portfolio, we strictly adhere to sustainable criteria and a possible certification of the building. In 2013, "NuOffice" received the highest possible LEED certification – our tenants profit from its energy efficiency. Our office property in Berlin on the EUREF Campus also received LEED platinum certification in July 2014.	
Create win-win situations	We invest in the revitalisation and renovation of our properties. In return, we get to enjoy the extension of existing leases – as was the case with Edeka in Freiburg in 2013, when it extended its lease until 2029.	

- Goal achieved
- Ongoing/progress
- Begun

Our tenants

Goals	Measures and successes in 2013	Achievement
Optimise the use of space and adapting it as needed	In cooperation with our tenants, we regularly respond to their individual requirements. In 2013, for example, we converted office space in Bremen in line with the needs of a new tenant. Rental space was also adapted according to the wishes of our established tenants in Dortmund, Solingen and Münster, and in return they extended their leases for our properties.	

Our employees

Goals	Measures and successes in 2013	Achievement
Support training	We offer workshops, in-house training sessions and individual support. In 2013, the amount of time spent on all outside training taken by employees averaged at 16.3 hours per employee – around 10 hours more than in 2012.	
Consider individual employee requirements	Our corporate policy allows employees to balance their work and family lives, e.g. by offering flexible hours or easily providing parental leave. In 2013, one of our employees had the opportunity to take advantage of parental leave and another will do the same in 2014.	
Promote equal opportunities	Our focus is on the ongoing development of our employees, naturally regardless of sex or age. In 2013, 28% of positions were held by female employees. Around 44% of employees are 51 or older and around 12% of the staff is younger than 35.	
Trainees	In future, we look forward to exercising our responsibility and providing apprenticeship positions, e.g. for future property brokers. In 2013, we laid the foundation with the first organisational measures so that we can offer an apprenticeship from August 2014.	
Occupational health and safety	The safety of our employees matters to us. In 2013, we therefore also carried out corresponding tours of facilities with third-party safety experts. Furthermore, employees were given the opportunity to consult a company doctor and to take an eye test with an optician for people who work at computer monitors and a hearing test.	

- Goal achieved
- Ongoing/progress
- Begun



DUISBURG,
GOETHESTR. 45

Social environment

Goals	Measures and successes in 2013	Achievement
Engage in national and international organisations	HAMBORNER is a member of Initiative Corporate Governance and the German Property Federation (ZIA). In addition, we sponsor the Society of Property Researchers, Germany (gif) and the Cologne Institute for Economic Research. Alongside the requirements of the Global Reporting Initiative (GRI), the ZIA standards form the basis of our 2014 sustainability reporting.	
Work with local suppliers	We practice responsible sourcing and, when possible, hire local small and medium-sized enterprises.	
Corporate governance	Efficient cooperation between the Managing Board and the Supervisory Board, respecting shareholder interests and transparent corporate communications are key for us. In 2013, HAMBORNER again satisfied the highest corporate governance standards and largely complied with the respective recommendations of the applicable German Corporate Governance Code. Furthermore, the requirements of the Corporate Governance Code for the reporting of Managing Board remuneration in the annual report, which are not yet mandatory, were implemented in 2013.	

- Goal achieved
- Ongoing/progress
- Begun

SUSTAINABILITY HAS THREE DIMENSIONS

Companies that operate sustainably are characterised by economic, ecological and social future viability. This is true in general for the economy as a whole and its participants, as well as specifically for the property sector. Shareholders, tenants, the city and the environment can benefit in the long term only when the economic, ecological and social perspectives are reflected in management and all three are meaningfully combined. In addition to energy efficient buildings and the use of environmentally friendly materials, what count are the locations of the properties, the local tenant mix and customer focus. Generating stable cash flows is the basis for maintaining and increasing the value of the portfolio and thereby for long-term business success as well. Furthermore, sociocultural sustainability indicators and characteristics at both company and building level play a crucial role in responsible and sustainable management.

Economic sustainability

The criteria for economically sustainable business do not apply specifically to the property sector. Business performance is expressed in the usual indicators. However, these depend on the long-term economic success of the properties. A crucial factor for a reliable dividend policy and a for-profit listed company is the positive development of property values and rents. Various factors such as the vacancy rate or the number of new tenants are important indicators of a property's attractiveness. What is special about the economic dimension is its close interconnection with ecological aspects. Operating costs, for example, are a link between economy and ecology: A building with high energy efficiency has low operating costs, which can mean substantial savings for heating, cooling, electricity and water consumption. In addition, the way in which the value of a building develops is aided by high energy and space efficiency.

Ecological sustainability

Maintenance and modernisation work with the aim of improving a building's energy efficiency is key for an ecologically sustainable property company. The issues of electricity, heat and water consumption are of the utmost relevance under the as-

pect of environmental protection and reducing operating costs for tenants. Only property owners who enable the energy efficient management of their properties guarantee the enduring attractiveness of their buildings and thereby the long-term letting at fair prices. Figures for the consumption of energy and water play an important part in the assessment of ecological sustainability. In addition to efficiency in the consumption of energy, careful water use is also the way forward. For although more than two thirds of the Earth's surface are covered by water, it is still a scarce commodity. In addition to salt water and water in the form of ice and snow, the share of water available for human use in the form of fresh water is only 0.3%. From an ecological standpoint, reducing greenhouse gases is also one of the most important objectives, especially in the property industry. The German property sector and all its buildings account for around 40% of the country's CO₂ emissions. Reducing CO₂ emissions is a stated aim of the German government: It is aiming to reduce greenhouse gases by at least 40% (compared to 1990) by 2020 and by 80% to 95% by 2050.

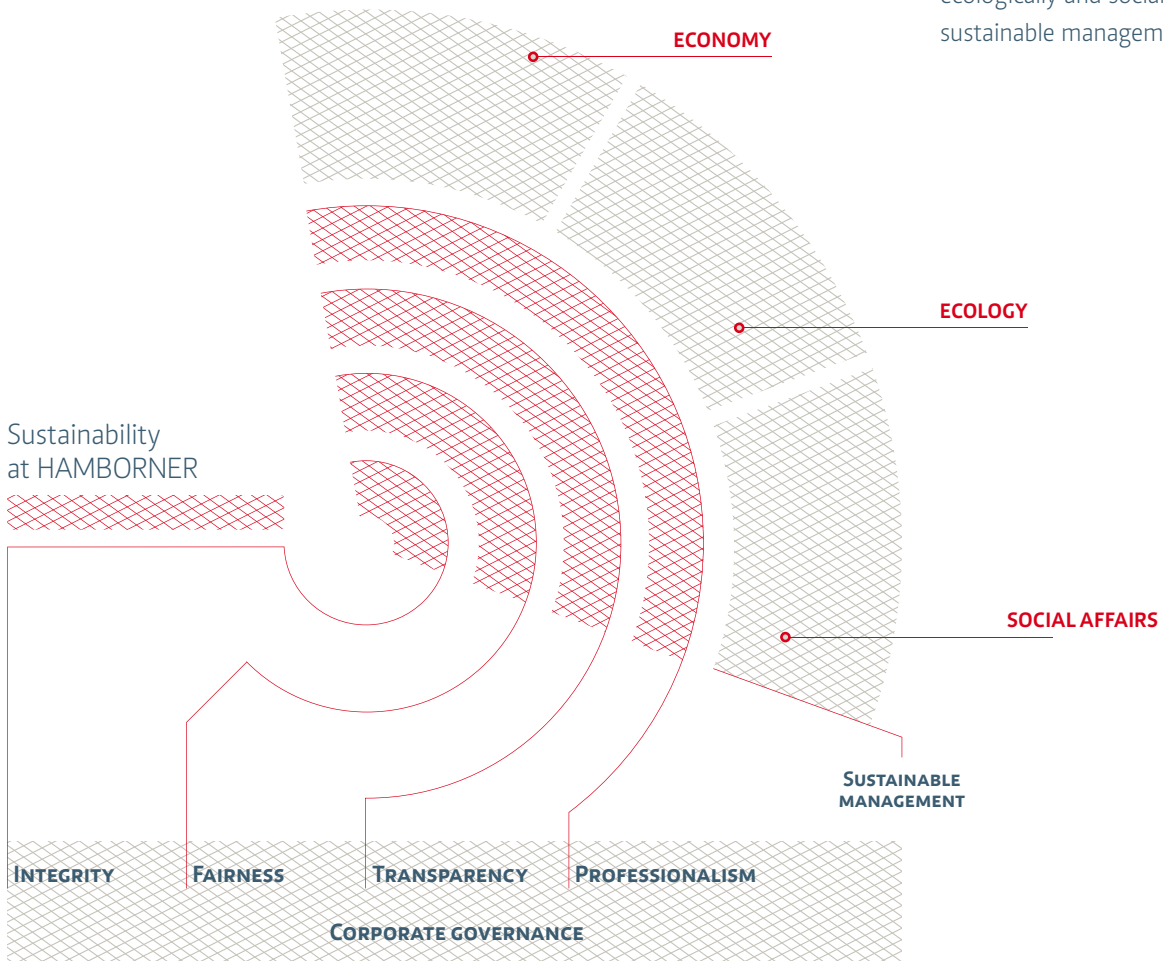
Social sustainability

Social (sociocultural) sustainability indicators relate solely to the reporting company and its employees. Measures taken to promote health, work/life balance and training result in higher employee satisfaction, lower staff turnover and a lower sick rate. Information on the share of women in a company, the ratio of men's basic salaries to those of women and details of the age structure are central indicators for how a company is pursuing socioculturally sustainable objectives. In addition to company indicators, social sustainability also comprises the buildings themselves. However, rather than figures or descriptions of specific measures, it is certain characteristics of the respective properties that categorise them as sustainable at building level. For example, in addition to social viability and accessibility, a building's integration into its city is a sociocultural criterion. Properties used for commercial purposes especially, whether in the middle of a city or on its outskirts, must fit the cityscape so as not to be seen as "foreign bodies", and they have to be easily reached by public transport, for example.

The diagram below reflects HAMBORNER REIT AG's concept of sustainability:

The four principles of integrity, fairness, transparency and professionalism form the basis for our sustainable management in each of the three sustainability dimensions "economy", "ecology" and "social affairs". Compliance with these principles is the requirement for sustainable business success and the foundation for our actions towards the environment and society.

Sustainability from three perspectives:
Corporate governance is the foundation for economically, ecologically and socially sustainable management



Corporate governance

Corporate governance, meaning the responsible management of a business at the economic, ecological and social level, is the foundation for sustainable business activity. Professionalism, transparency, integrity and fairness to stakeholders, business partners, tenants, employees and the public at large are the

foundation for running a business in the property sector and apply to all industries as well. Compliance with these four principles promotes confidence in the property industry and the company.

THREE PROPERTY CLASSES FOR SUSTAINABLE BUSINESS SUCCESS



LARGE-SCALE RETAIL IN
STUTT-GART-
ZUFFENHAUSEN

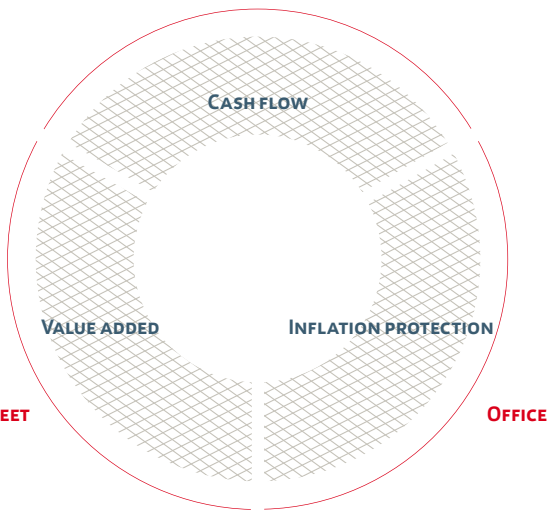
The long-term, sustainable management of office and retail property is the core competence of HAMBORNER REIT AG. Our business activities do not cover project development or services for third parties.

Our sustainable business success is built on and driven by the property portfolio's focus on the three property classes of large-scale retail properties, high street properties and high quality office and medical centres. In expanding the portfolio, we concentrate exclusively on Germany. This focus, combined with a balanced mix of the three property classes, allows us to bundle, structure and profitably leverage our expert knowledge.

Focus on office and retail

Locations in or near the centres of cities with relatively high purchasing power play an essential role in our commercial property portfolio. HAMBORNER's stores are largely high street properties. Within a city, these are found at the places with the highest footfall. Our high street properties are therefore usually in pedestrianised areas. Retailers here benefit from the shopping experience that draws large number of people into shopping centres and the spontaneous purchases that go beyond the weekly shop.

**LARGE-SCALE
RETAIL**



The mix of types of use in commercial property is a particular sign of a sustainable corporate strategy: Large-scale retail ensures a steady cash flow, thus forming the basis for ongoing dividend distributions. High street properties offer the potential for further value growth. Office properties, however, have greater protection against inflation as their rents are usually fully indexed.

Focus on Germany

In keeping with our focus on selected commercial properties in the retail and office segment, our business activities are also geographically concentrated. HAMBORNER REIT AG is strategically focused on Germany. Our concept of sustainability includes focusing on the cities and regions in Germany with persuasive socio-economic conditions such as positive population



**OFFICE PROPERTY
IN MÜNSTER**



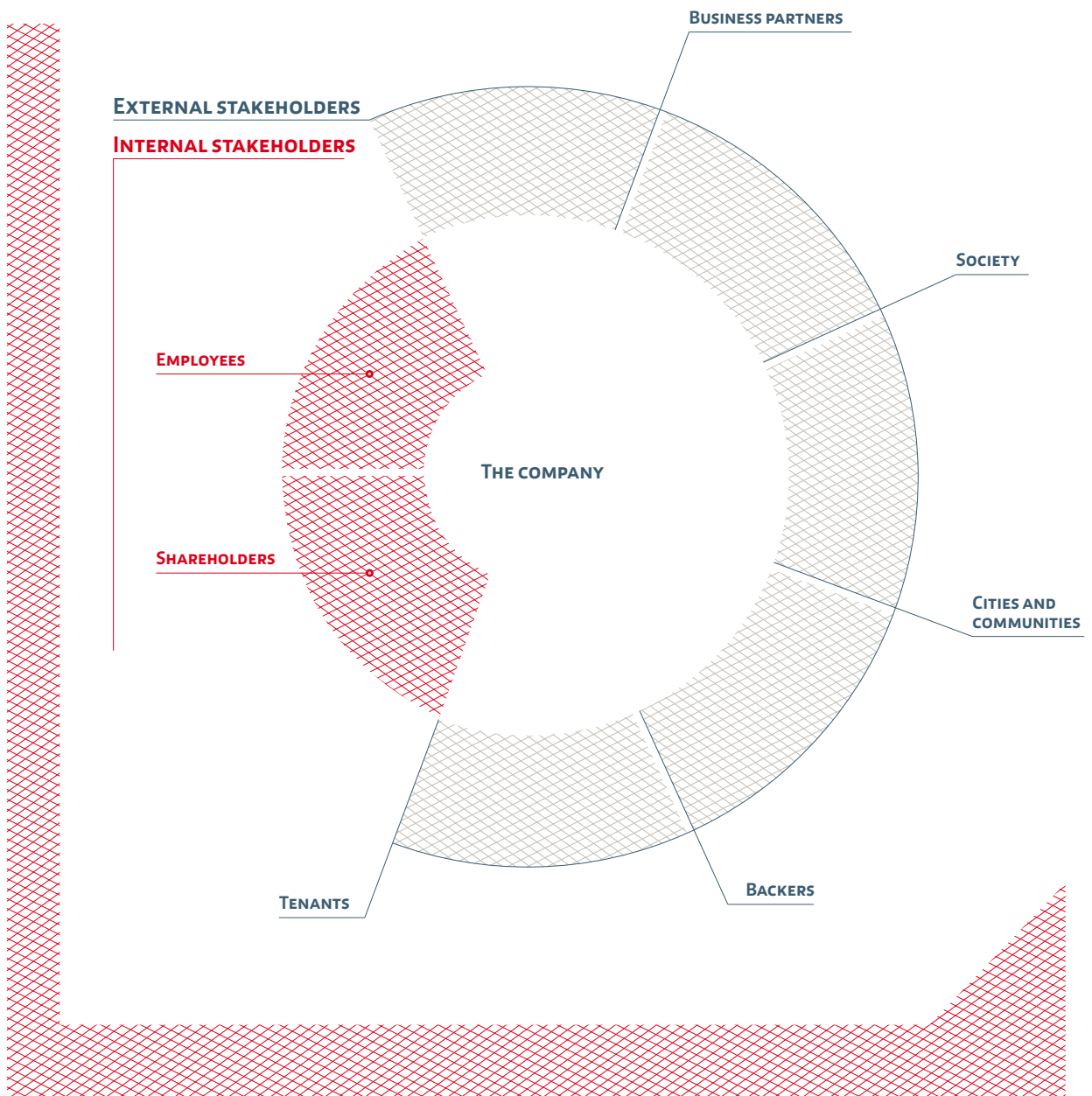
**HIGH STREET PROPERTY
AT A PRIME LANGENFELD
LOCATION**

In our large-scale retail properties, we pay close attention in market and location analysis to specialist stores and retail parks being located at lively and exclusive or hard-to-duplicate locations that have ample parking and that can be easily reached by public transport or by car. This makes preferred market positioning a possibility for our tenants.

High quality office buildings are a further important component of our portfolio. These are located in excellently developed commercial and technology parks, in city centres and attractive peripheral areas.

development and projections, a low unemployment rate and strong purchasing power. Cities in the south and southwest of Germany are currently interesting for purchases for precisely these reasons. In terms of size classes, we feel there are attractive investment opportunities in the medium-sized cities in particular – where the population exceeds 60,000 for high street properties and 100,000 for office and large-scale retail property. This approach means the advantage that market prices at these locations are subject to less fluctuation and higher returns are usually possible there than in the conurbations.

VARIED DEMANDS FROM DIFFERENT INTEREST GROUPS REQUIRE A PRONOUNCED SENSE OF RESPONSIBILITY



An economically, ecologically and socially sustainable business policy means striking the right balance in the expectations and needs of a wide range of stakeholders. Without this balance, positive corporate development geared towards sustainability in the interests of all stakeholders would not be possible. A sustainable business strategy can result only when the ecological and social objectives make equal sense from an economic perspective.

The composition of our stakeholders arises directly from our activities as a company. Our tenants, business partners and backers, not to mention society in general and the towns and communities in which our properties are located, rightly expect to have their different needs taken into consideration. Above and beyond this, HAMBORNER is naturally at the service of its shareholders and employees, who form the basis for successful corporate practice.

Internal stakeholders: Centred around shareholders and employees

As a listed company, we at HAMBORNER REIT AG have a special responsibility to our shareholders. Only companies that generate positive returns in the long term can also reliably satisfy their social and ecological duties and obligations over time. Direct contact with our shareholders is at the core of our investor relations activities. For recommendations and advice concerning the company's management, our shareholders can contact the investor relations department at any time. Furthermore, the annual and interim reports, press releases and ad hoc disclosures on the latest issues concerning the company ensure the necessary transparency, which is the basis for shareholder confidence.

In our sustainability report, the second edition of which is appearing this year, we would like to give our investors – and also our tenants, employees and the interested public at large – an additional, comprehensive source of information on HAMBORNER's concept of economic, ecological and social sustainability and its progress.

Regarding our employees, equal opportunities, advancement through training and taking into account individual employee requirements – for example by offering flexible working hours – count among HAMBORNER's core values at the social level of sustainable business strategy (see also from page 28 onwards).

"Diversity" is another area of concern and – where possible – we purposely ensure a balanced ratio of male and female, experienced and younger employees.

External stakeholders: The tenants and social environment are what count

Regarding our interactions with our tenants, it is important to us to build up long-term relationships. A trusting cooperation is the only way to understand the needs of tenants and to devise individual solutions to problems. For this reason, our asset management is engaged in a continuous dialogue with our tenants. Moreover, the social environment – starting with business partners and backers to the general public to cities and communities – plays a significant role in our concept of sustainability. For example, wherever possible and reasonable, when doing modernisation and maintenance work, we work with smaller and medium-sized companies and tradesmen from around the respective properties and thereby aid the regional economy. We see our responsibility to the public and public administrations such as cities and communities in the ideal integration of our properties into their surroundings. When conducting refurbishment work, we therefore strive to maintain and protect historical buildings and façades with the aim of preserving a uniform cityscape. Properties that are perceived as "urban foreign bodies" are not accepted by the public, which negatively influences their letting prospects. In order to counteract vacancies and any declines in revenue experienced by our retail tenants, city marketing is a tool for increasing the attractiveness of city centres and ensuring sustainability. Attractive city centres have a strong pull, which in turn has a positive influence on footfall. Finally, we also practice our social responsibility through our membership in organisations and interest groups. With the aim of lending issues such as sustainability and corporate governance greater weight, particularly in the property sector, we are a member of the German Property Federation (ZIA), the European Public Real Estate Association (EPRA) and Initiative Corporate Governance der deutschen Immobilienwirtschaft e.V. among others. We also largely comply with the recommendations of the Government Commission on the German Corporate Governance Code (see also our latest declaration of compliance from December 2013 on our website).

NATIONAL AND INTERNATIONAL SUSTAINABILITY BENCHMARKS ARE VITAL TO US

In implementing its sustainable business management, HAMBORNER is guided by the principles and guidelines of the German Property Federation (ZIA) and the Global Reporting Initiative (GRI) and complies with the recommendations of the Government Commission on the German Corporate Governance Code. HAMBORNER is also a member of Initiative Corporate Governance der deutschen Immobilienwirtschaft e.V.

The standards of the ZIA and GRID define the content of our sustainability report. For example, the report describes the economic, ecological and social dimension of sustainability without ranking any of these higher than the others. All the information in this report is based on our own research. In addition, this year we have the consumption data provided by our tenants for the first time. The report is intended for all our stakeholders equally – shareholders, tenants, business partners, backers and employees (see also page 14).



ZIA Sustainability Code Voluntary commitment

Under the banner of the Federation of German Industries (BDI), the German Property Federation (ZIA), as a unified and comprehensive interest group, has taken on the social, economic and ecological responsibility of the property sector – the sector is today the third-largest branch of industry in Germany. Leading business representatives from the property industry in Germany, who consider sustainability to be fundamentally important and a business necessity for both their own operations and the industry as a whole, joined to form the ZIA and developed sustainability guidelines for the property sector. These are a guide and code for the industry to which companies can make a voluntary commitment. The core element of the code is the commitment to regular, annual reporting. With the aim of promoting a comprehensive understanding of sustainable action and contributing to more consistency and comparability within the property industry, HAMBORNER has made this voluntary commitment. Further information on the ZIA Sustainability Code can be found at:

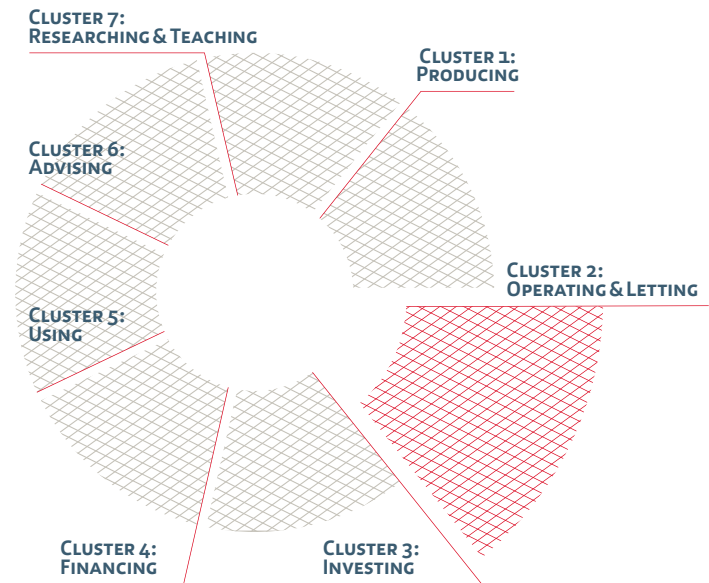
www.zia-deutschland.de/ueber-den-zia/nachhaltigkeitsleitfaden/.

The ZIA Industry Code The Voluntary Commitments of the Real Estate Industry

1. We are aware of the real estate industry's significance for sustainable growth and we accept the social responsibility this implies.
2. The principles of sustainability are an integral part of our company's value systems, strategies and structures.
3. When defining and pursuing our short-, medium- and long-term goals we use sustainability principles as our guideline.
4. Sustainability principles are taken into account in product and service development and they influence our selection of business partners.
5. Our staff recruitment, development, continued training and leadership are guided by the principles of sustainability.
6. We actively integrate our employees in our sustainability efforts and seek to win them for the cause.
7. We aim to exceed the statutory minimum requirements, achieve continuous improvements, and thereby set an example.
8. We publish our goals, measures, activities, and progress annually in sustainability reports and in our statements of account. In doing so, we concentrate on verifiable facts and operate on the basis of an industry standard that we actively help to disseminate.
9. In order to permit an industry-wide measurability of sustainability measures and to create transparency, we make the required information available to the public and to independent institutes.
10. By positioning ourselves as sustainable companies, we help to propagate adherence to the principles of sustainability inside and outside the real estate economy.

Structuring the property industry provides guidance

The central benchmark for business activity in the property industry is property. The life cycle of a property provides for a series of duties that together reflect the diversity of the industry and its companies. In order to appropriately address the specialisation of the individual companies and the different sustainability issues they each face, the ZIA has devised seven clusters that define activities in the property industry: "Producing", "Operating & Letting", "Investing", "Financing", "Using", "Advising" and "Researching & Teaching". As an asset manager and long-term operator of office and retail property, the "Operating & Letting" cluster is key to HAMBORNER and is the foundation of our sustainability concept.



GRI/EPRA reporting parameters

Adherence to a uniform standard is essential for better comparability of sustainability reports. The ZIA recommends adopting the reporting approach of the Global Reporting Initiative (GRI), which is already used around the world, or adapting it for the property industry. The GRI has defined internationally recognised and applicable guidelines for sustainability reports that HAMBORNER REIT AG follows. HAMBORNER uses the GRI's G3.1 Framework, which measures companies' economic, ecological and social performance. It also applies the EPRA Best Practices Recommendations and the Construction & Real Estate Sector Supplement (CRESS), which were specially developed for the property sector, to its sustainability reporting.

For more information on the GRI, please visit its website at www.globalreporting.org, or www.epra.com for EPRA and www.globalreporting.org/reporting/sector-guidance/construction-and-real-estate/ for CRESS. If you have any questions on this report or our activities in the area of sustainability, we would be delighted to hear from you at info@hamborner.de or for you to visit our website www.hamborner.de/nachhaltigkeit/.

This sustainability report satisfies the requirements of application level C. This has been confirmed by the GRI (see page 38). Further information on the different GRI application levels can be found in the graphic on page 39.

Governance

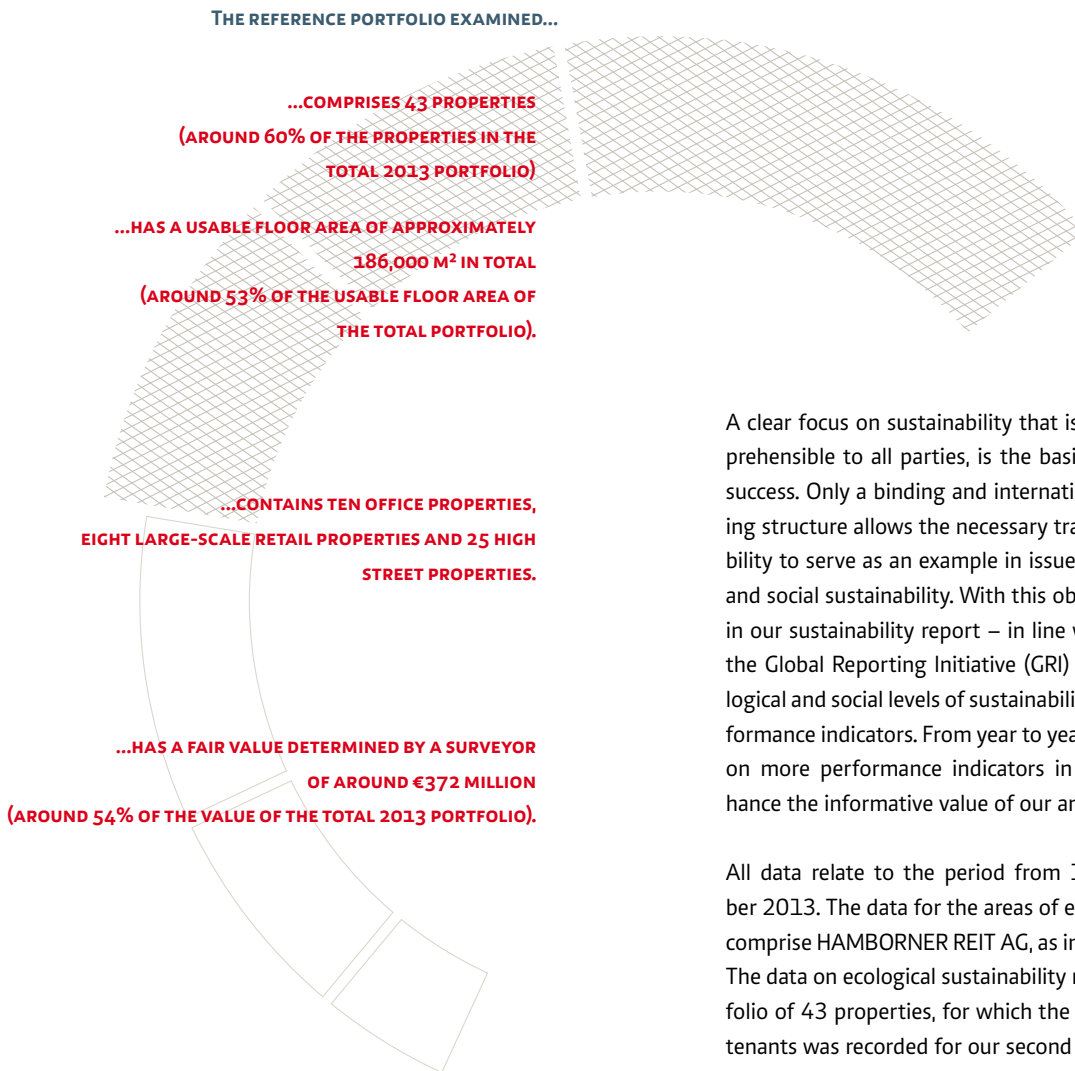
Corporate governance, which means a responsible approach to company management and control geared towards the creation of sustainable value added, is the foundation for sustainable business activity as intended and described by the ZIA Sustainability Code and the GRI/EPRA reporting parameters. Key aspects of good corporate governance include efficient cooperation between the Managing Board and the Supervisory Board, respecting shareholder interests and transparent corporate communications. Using a range of possible information and communications channels, we regularly and comprehensively inform our shareholders, all other capital market participants, financial market analysts, the relevant media and our employees of the company's situation and any significant changes in a timely manner.

HAMBORNER is guided by the German Corporate Governance Code. Our latest declaration of compliance with the recommendations of the German Corporate Governance Code from December 2013 has been published on our website: www.hamborner.de/Entsprechenserklaerung.218.0.html. Furthermore, HAMBORNER is a member of Initiative Corporate Governance der deutschen Immobilienwirtschaft e.V.

A detailed description of the structure and function of the Supervisory Board and the Managing Board including their duties, activities and remuneration can be found in the corporate governance report, a section of the 2013 annual report (from p. 15). The annual report can be downloaded from our website at <http://www.hamborner.de/Geschaeftsberichte.211.0.html>.

MEASURING SUSTAINABILITY: KEY PERFORMANCE INDICATORS

Measuring and comparing performance indicators for sustainability is a top priority at HAMBORNER for effective management. We focus on selected key performance indicators that allow us to measure our attainment of sustainability goals.



A clear focus on sustainability that is, at the same time, comprehensible to all parties, is the basis for long-term business success. Only a binding and internationally recognised reporting structure allows the necessary transparency and comparability to serve as an example in issues of economic, ecological and social sustainability. With this objective, we have reported in our sustainability report – in line with the specifications of the Global Reporting Initiative (GRI) – on the economic, ecological and social levels of sustainability using selected key performance indicators. From year to year, we would like to report on more performance indicators in order to constantly enhance the informative value of our annual reporting.

All data relate to the period from 1 January to 31 December 2013. The data for the areas of economy and social affairs comprise HAMBORNER REIT AG, as in our 2013 annual report. The data on ecological sustainability relate to a reference portfolio of 43 properties, for which the consumption data of our tenants was recorded for our second sustainability report. The reference portfolio of 43 properties analysed in this report accounts for around 60% of our total portfolio by number of properties and therefore reflects a majority of our holdings.

ÖKONOMISCHE NACHHALTIGKEIT

The basis for economically sustainable business management is an overview of a variety of economic criteria and performance indicators. A low vacancy rate, appropriate investment in maintenance and modernisation work, a positive trend in the value of the property portfolio, sustainable cash flows and a dependable dividend policy are at the heart of HAMBORNER's business activities as a for-profit, listed company. As much as possible, we endeavour to meet the requirements of our shareholders, tenants, employees and partners, and those of the social setting. Given our status as a REIT company, we are required to distribute most of our profits – 90% of net income for the year as calculated according to the German Commercial Code.

The 2013 financial year was a successful financial year for the company and one geared towards sustainable growth and sustainable property management.

We have been able to acquire a series of attractive properties. NuOffice in Munich – which is now finally certified to LEED platinum standard – was handed over to us at the beginning of January 2013. In March, this was followed by the office property on the EUREF Campus in Berlin, which also received LEED platinum certification in July 2014. At the end of May we added a mixed-use property in Bayreuth to our portfolio, finally followed in December by the newly built OBI store in Hamburg. The value of our portfolio thus increased by almost €115 million and so amounted to around €692 million as at 31 December 2013. Furthermore, we signed a purchase agreement for a high street property in Bad Homburg. The property was transferred to us in January 2014.

However, our lasting business success also means regularly reviewing our portfolio for properties no longer consistent with strategy. This way we identify properties that are not a good fit for HAMBORNER any more on account of their size, location or management intensity. In 2013, we sold four smaller properties with more intensive administration requirements in Moers, Oberhausen, Wuppertal and Hanover. Here, annual rental income of around €0.8 million was offset by rental agreements for 13 commercial and 31 residential properties. The management capacity that this has freed up can now be used elsewhere to sustainably create value.



In addition to acquiring new buildings, HAMBORNER is continuously investing in its existing portfolio in order to maintain the high quality standards of its properties in the long term and to meet the requirements of its tenants. In the 2013 financial year, we invested €3.2 million in the modernisation and maintenance of our buildings. In the context of planned maintenance, extensive work was done in individual projects on roofs, façades and building services facilities to enhance the energy efficiency of the properties in question and thereby ensure their long-term letting prospects. A key task in building maintenance is the coordination and performance of conversion work for new and follow-on rental agreements.

The more major renovation and revitalisation work at three locations in 2013: The biggest single measure in 2013 was the revitalisation of the EDEKA Cash & Carry in Robert-Bunsen-Str., Freiburg. Extensive maintenance and modernisation work was begun here for €1.1 million. In return, the tenant EDEKA extended its lease until 2029. Half of the expenses will be paid off in the form of a rent increase over the term of the lease. An area of around 1,500 m² in our office building in Hermann-Köhl-Str., Bremen, was converted for around €0.3 million in the context of a new letting in line with the tenant's requirements. Refurbishment work including the parking deck was performed for our Kaufland store at Hauptstrasse 96, Mosbach, for an expense of around €0.2 million.

A LOOK AT OUR FIGURES

In our communications with stakeholders, we look at performance indicators that express information in compressed form and that are clearly defined. All the key figures are derived from the income statement and balance sheet of HAMBORNER REIT AG. In addition to the investments in new property projects in the past year, our business figures also reflect our growth in 2013. Alongside the current figures for the past year, the development of the last three years is also shown below to document the long-term stability and profitability of the company.

Funds from operations (FFO)

As an indicator of the company's long-term performance, this figure shows how much cash flow is generated from operating activities (income from property management) and is available for investments, repayments and dividend distributions to shareholders in particular. A positive development in FFO is the basis for ensuring sustainable distributions. FFO consists of net rental income, interest income and other operating income less all costs for staff, administration, interest and other expenses. HAMBORNER calculates its FFO conservatively without including income from disposals. In 2013, FFO amounted to approximately €23.8 million or €0.52 per share and was therefore around 26% higher than the FFO for 2012 (around €18.9 million). FFO climbed by more than 48% as against 2011. In addition to FFO, we also report adjusted funds from operations (AFFO) by adjusting for maintenance and modernisation expenses capitalised (capex) and not recognised as an expense in the reporting year. This amounted to €22.8 million in 2013 after around €17.6 million in the previous year and €14.1 million in 2011.

Net asset value (NAV)

Net asset value (NAV) is an important economic indicator for value-oriented management. It reflects the economic equity of the company. It is determined by the fair values of the company's assets – essentially the value of properties – net of the borrowed capital. At the end of 2013, HAMBORNER's NAV was approximately €375 million or €8.25 per share. HAMBORNER's goal is to increase its NAV through value-adding measures. However, in addition to internal options for influencing NAV, it is also subject to external factors. For example, NAV is dependent on developments on the property market due to changes in fair values. NAV is also a key factor in analysing the return on equity. The FFO yield is FFO in relation to NAV as at the end of the year. For 2013 the FFO yield was 6.3% – after 5.1% in the previous year and around 5.4% in 2011.

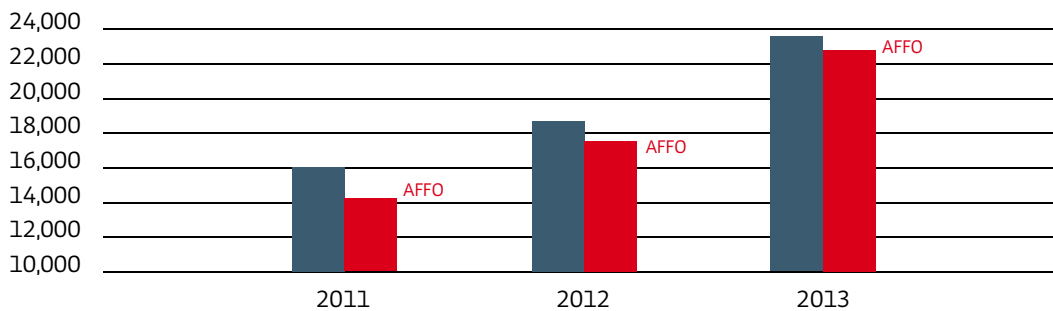
Loan-to-value (LTV)

LTV is the financial liabilities of the company (less cash and cash equivalents) in relation to the fair value of the property portfolio. The lower the calculated value, the lower the risk of loss to lenders – and therefore the lower the interest expenses as well. As a result of the acquisition of further properties, HAMBORNER increased the value of its portfolio to a total of around €692 million in 2013 after around €580 million in 2012 and €504 million in 2011. Comparing net financial liabilities, which rose as a result of portfolio growth, to portfolio fair value, the company has an LTV ratio of 43.7% (2012: 34.2%; 2011: 39.1%). An appropriate LTV is an important requirement for the stability of the company. Furthermore, REIT status prescribes a minimum equity ratio of 45%, hence LTV has to be kept at a low level for this reason alone.

Rental and leasing income, occupancy rate

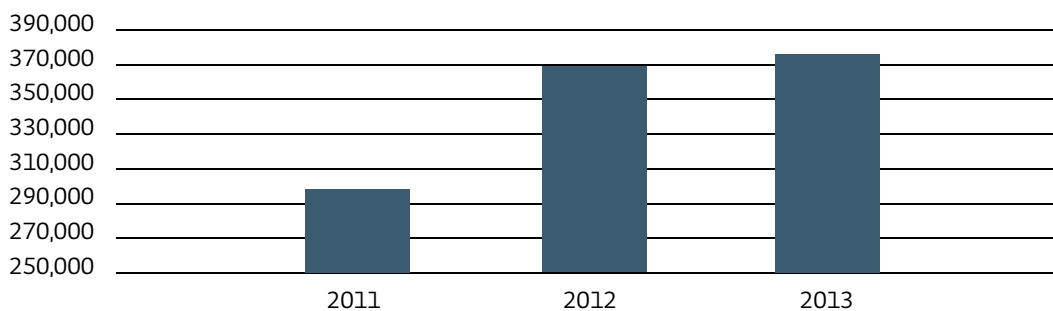
HAMBORNER's rental and leasing income amounted to approximately €45 million in 2013. This figure therefore rose significantly by €8.2 million compared to 2012 as a result of new investments. On a like-for-like basis – i.e. comparing the properties that were held in the portfolio throughout 2012 and 2013 – net rents were down slightly by around 1.5% year-on-year overall at €35.1 million (previous year: €35.5 million). As expected, uncollectable receivables and individual value adjustments remained at a very low level in the reporting year at around €31 thousand (previous year: €40 thousand). The high letting rate of 97.5% including rent guarantees shows that HAMBORNER's tenant loyalty measures and letting activities are progressing successfully. The total vacancy rate of 2.5% in 2013 is only slightly above the previous year's level (1.9%).

Rising trend: FFO development 2011 – 2013 [FFO/AFFO in € thousand]

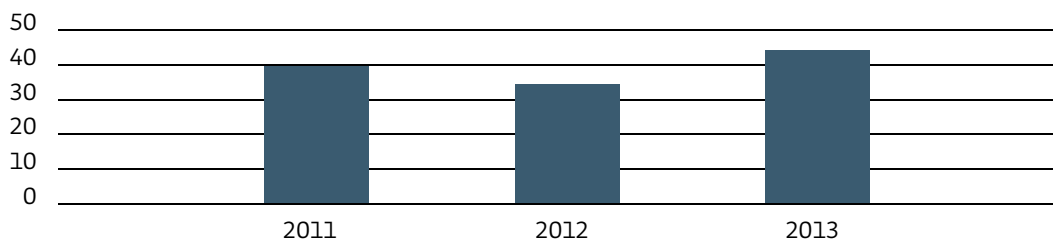


Stable net asset value:

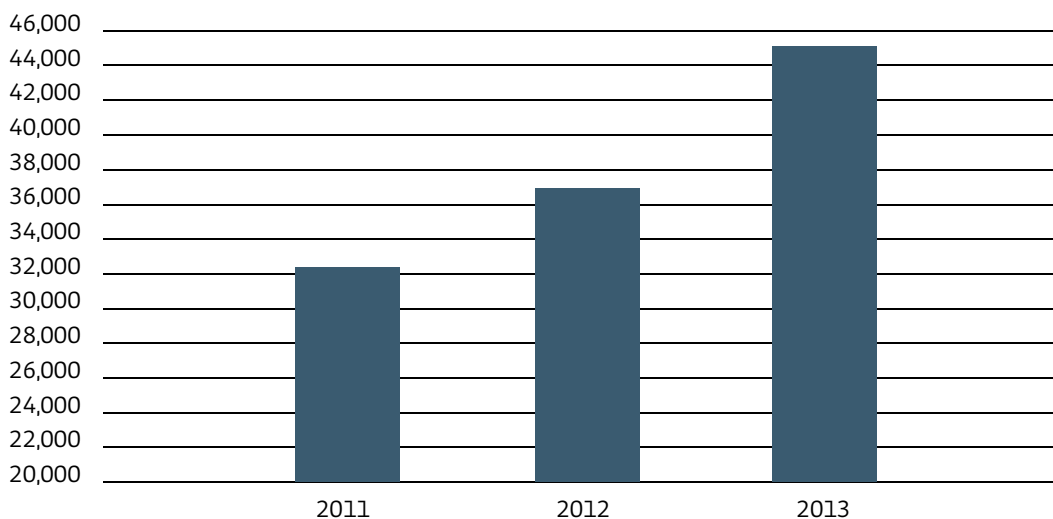
NAV development 2011 – 2013 [NAV in € thousand]



Low risk of loss: LTV development 2011 – 2013 [LTV in %]



Continuous rise: Development in rent/lease income 2011 – 2013 [income in € thousand]

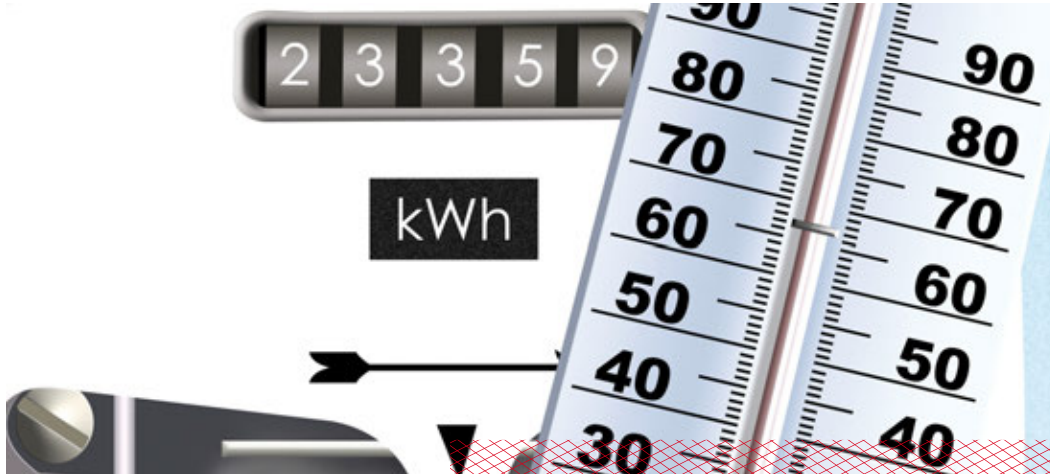


ECONOMY

Selected economic performance indicators

		2013	2012	2011
Number of properties managed		(72 at 55 locations)	69 (at 53)	69 (at 51)
Income from rents and leases	€ thou.	45,227	36,993	32,160
Net rental income	€ thou.	40,933	33,229	28,244
Operating result	€ thou.	20,416	17,509	14,888
EBITDA	€ thou.	37,149	30,381	26,225
EBIT	€ thou.	20,770	18,393	17,120
FFO	€ thou.	23,786	18,877	16,029
FFO yield	in %	6.3	5.1	5.4
Net profit for the year	€ thou.	8,521	7,741	7,865
Total assets	€ thou.	631,712	541,437	462,493
Equity	€ thou.	271,744	276,752	215,131
REIT equity ratio	in %	52.5	60.3	55.7
Loan-to-value (LTV)	in %	43.7	34.2	39.1
Fair value of property portfolio	€ thou.	691,830	579,510	504,432
Net asset value (NAV)	€ thou.	375,337	371,823	299,328
Acquisitions/disposals	No.	4/1	3/3	8/4
Capitalised expenditure (capex)	€ thou.	1,029	1,269	1,960
Total vacancies	in %	2.5	1.9	1.8
Top 10 tenants		EDEKA Kaufland OBI AREVA NP SFC Energy Esteé Lauder Comp. Schneider Electric Telefonica O2 REWE Kaspersky Labs	EDEKA Kaufland OBI AREVA NP SFC Energy Telefonica O2 REWE Bundesag. f. A. Kaspersky Labs Douglas Hold.	Kaufland EDEKA OBI AREVA NP SFC Energy Telefonica O2 REWE Bundesag. f. A. dm-Markt Kaspersky Labs
Employees (incl. Managing Board)	No.	27	26	28

ECOLOGICAL SUSTAINABILITY



Particular importance is attached to the ecologically sustainable management of our buildings. The issues of electricity, heat and water consumption are highly relevant both in terms of environmental protection and of minimising operating costs for our tenants. We therefore review our property portfolio at regular intervals and perform maintenance work, taking into account improved energy efficiency, where this is economically reasonable. This way we can safeguard the attractiveness and long-term letting of our properties.

In order to continuously monitor the ecological impact of our buildings, we have analysed the environmental data for energy and water consumption for the second year in a row. In the sub-portfolio we looked at, which consists of 43 properties (around 60% of the properties in our full 2013 portfolio) and which is used to analyse various consumption data, for the first time we also included consumption data handled by our tenants themselves. Together with our partners from large-scale retail, we are therefore going one step further this year and creating the basis for future year-on-year comparisons of consumption data for single-tenant properties as well. We see this as considerable progress as the consumption data for the properties in which tenants deal directly with their providers is generally not provided to our company. We are aware that this data collection is not complete. In the years ahead as well, our goal is to increase the number of properties for which we can report consumption data.

Consumption of resources

In the consumption analysis for heating energy, electricity and water segments below we have presented the current 2013/2012 comparison on the one hand and the respective consumption in total and per square metre for the sub-portfolio in 2013 on the other. In accordance with the like-for-like approach, the year-on-year comparison is based on the same properties for both years. As in the 2013 sustainability report, this two-year analysis is intended to reveal a trend, but cannot be extrapolated to future years for the same properties on account of property acquisitions and disposals. We will therefore present a current year-on-year comparison for each reporting year.

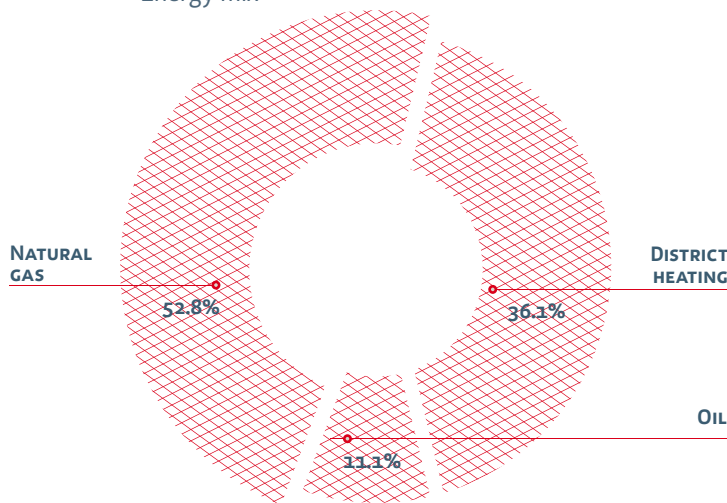
We have also stated the total consumption of heating energy, electricity and water plus average consumption at square metre level (usable floor area) for a sub-portfolio for 2013 in addition to the year-on-year comparison. For the first time this year, this analysis also contains the consumption data that we have received from tenants themselves.

Year-on-year comparison of heating energy consumption (like-for-like)

A total of 36 properties – of which 27 retail/commercial and nine office properties – form the basis for the 2013/2012 comparison of heating energy consumption. We can therefore report on exactly half of the properties in our total portfolio. This corresponds to a share of around 31% of the total space let in 2013. To guarantee the comparability of the current consumption data for 2013 with those of the previous year in line with the like-for-like approach, only the properties for which we have data for the full year in 2013 and 2012 were analysed. The analysis includes buildings heated by gas, district heating or oil. Gas and district heating are the dominant types of heating in this sub-portfolio with respective shares of around 53% and 36%. In total, the 36 properties used 10,122,207 kWh for heating in 2013. In 2012, the heating energy consumption of the same properties had totalled 9,370,975 kWh.

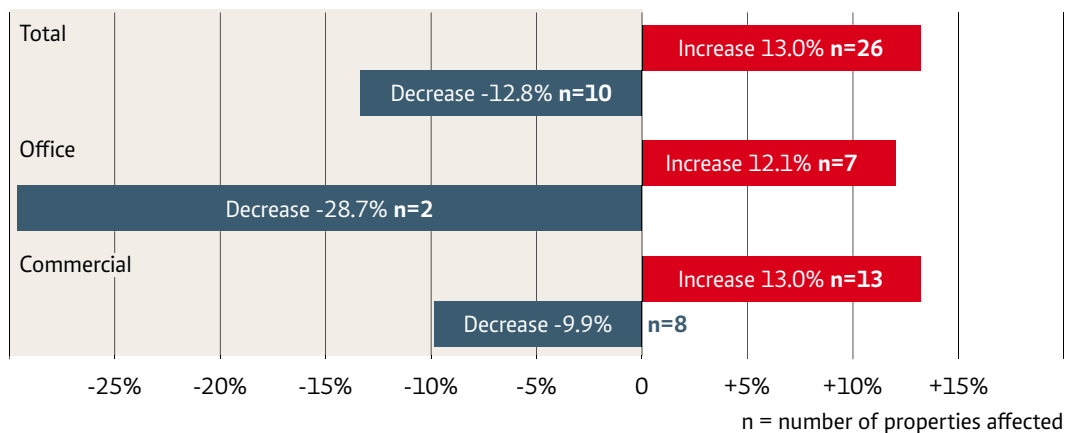
Heating energy consumption by energy source

Energy mix



For all properties in the sub-portfolio, the (slight) increase in heating energy consumption of 8% as against the previous year can be explained in part by the record 2012/2013 winter. For example, according to information from the German Weather Service, March 2013 was the coldest March in 25 years. It brought record snowfall and record low temperatures – the Rhine-Main area was under almost 20 cm of snow in the middle of March. At 0.3°C overall, the average temperature of the 2012/2013 winter was significantly lower than the average for the last 30 years of 1.0°C.

Heating energy consumption: Average increase/decrease (median)



Heating energy consumption in 2013 (2012)¹⁾

Of the 72 properties in our overall portfolio, data for 42 properties that were in the portfolio for an entire year were used in the analysis of heating energy consumption in 2013. Overall, the heating energy consumption of this sub-portfolio amounted to 13,607,072 kWh. Average consumption for the 167,827.57 m² of total usable floor area in the sub-portfolio (47.5% of the area of the total portfolio) was 81.1 kWh/m².

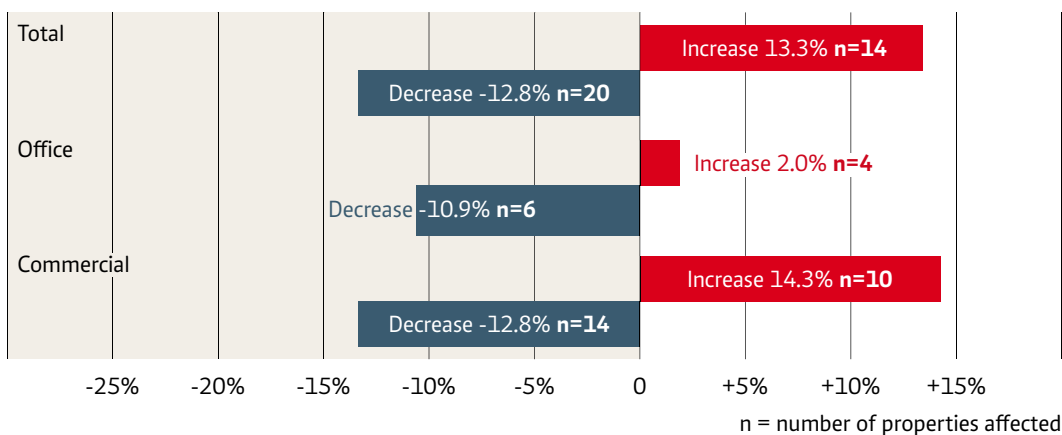
Average consumption in kWh/m ² of usable floor area	Portfolio	Office	Commercial
2013: 42 properties, usable area of around 168,000 m ²	81.1	91.9	77.1
2012: 40 properties, usable area of around 124,000 m ²	85.4	85.1	85.5

Year-on-year comparison of electricity consumption (like-for-like)

For its like-for-like analysis of electricity consumption, HAMBORNER can currently use consumption data for shared electricity only as our tenants have separate agreements with electricity providers for their own electricity consumption.

In 2013, we sourced our shared electricity for more than half of our properties from the Bochum municipal utilities, thereby reducing administrative expenses. The other properties source their shared electricity from the respective municipal utilities at their location. A total of 34 properties for which consumption data are available for the years 2013 and 2012 were analysed – three more than in the 2013 report. This corresponds to a share of around 47% by number of all the properties in the portfolio in 2013. A total of 2,260,314 kWh of shared electricity was used by 34 buildings looked at here in 2013. Applying the like-for-like approach, shared electricity consumption in the previous year amounted to 2,365,224 kWh. The drop in consumption comparing 2013 and 2012 was therefore 4.4%, though office properties posted slightly stronger declines in shared electricity consumption than the commercial properties in the sub-portfolios (4.9% and 3.6% respectively).

Electricity consumption: Average increase/decrease (median)



¹⁾ Owing to additions and disposals of properties, the sub-portfolios analysed here may differ according to number of properties and usable area. In addition, consumption data handled by our tenants themselves was included for the first time in 2013.

Electricity consumption 2013

The sub-portfolio for the analysis of electricity consumption in 2013 consists of 43 properties with a total usable floor area of 185,716.72 m². Shared and tenant electricity consumption of 8,926,814 kWh was registered for this sub-portfolio in 2013. The big difference compared to electricity consumption in 2012 (1,010,424 kWh for a sub-portfolio of 33 properties) is due to the fact that, for the first time, we can also show the “tenant-based” consumption for six properties (specialist stores) for 2013 and because ten properties were added to the sub-portfolio.

It is not appropriate to state an average value for the entire sub-portfolio as general electricity consumption (for common areas) cannot be shown relative to the total usable floor area of the sub-portfolio.

Converted into CO₂ emissions, the total electricity consumption of the current sub-portfolio of 8,926,814 kWh corresponds to CO₂ emissions of 4,909,748 kg of CO₂ per year. To simplify the conversion of our electricity consumption data, we use the conversion factor published by the German Federal Environment Agency for the Germany electricity mix of 0.55 (value for 2010).

WHAT EXACTLY IS CO₂ AND WHY IS IT HARMFUL TO THE CLIMATE?

CO₂ is the chemical formula for carbon dioxide, as colourless, odourless and non-flammable gas. The gas is a natural component of our air with a share of 0.04%. CO₂ is created both by burning substances that contain carbon, such as fossil fuels, and by natural process, such as respiration or digestion by living beings. Under normal conditions (0°C, 1013.25 hPa), the volume of a tonne of CO₂ is 509.4 m³. This corresponds roughly to the amount of water in a pool measuring 25 m long, 10 m wide and 2 m deep.

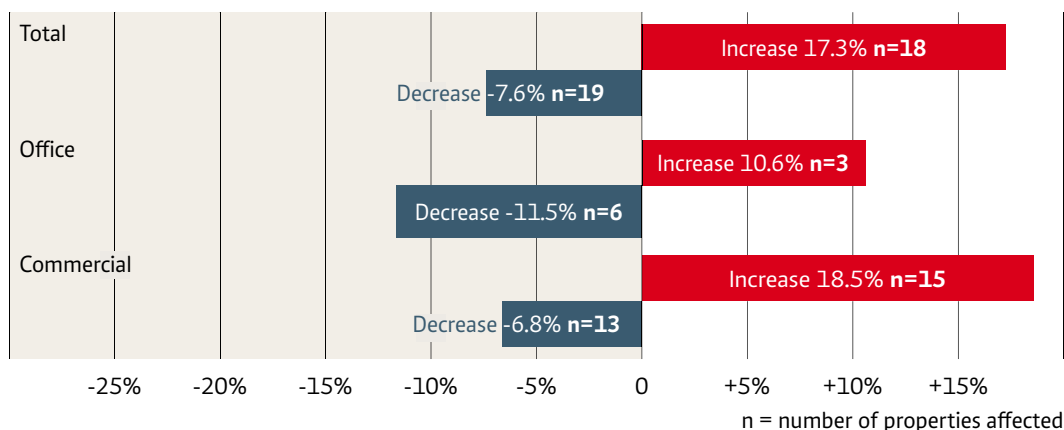
CO₂ is a greenhouse gas and, as its concentration in the atmosphere increases, contributes to the warming of the Earth's climate. This is due to the fact that a greater amount of the Earth's thermal radiation is reflected by the layer of greenhouse gases. If the concentration of CO₂ in the air increases too much, this can lead to permanent global warming and thus a permanent imbalance in our ecosystem. (Source: www.arktik.de)

Year-on-year comparison of water consumption (like-for-like)

To analyse water consumption, we compiled the data for 39 properties for the 2013/2012 comparison. This corresponds to around 54% of properties by number and approximately 38% by total area let. Overall, water consumption for the properties analysed amounted to 32,920 m³ in 2013. For the same property database, water consumption in 2012 was 30,362 m³, hence a slight increase of around 8% in total was registered from 2012 to 2013.

Comparing office (11) and commercial (28) properties, there has been a relatively strong decline in water consumption at our office properties. Water consumption was reduced by 10% when comparing 2013 and 2012. The average (median) also shows a stronger drop in water consumption at office properties of 11.5%. As an amount, the average increase was less than this at 10.6% (see also water consumption graphic).

Water consumption: Average increase/decrease (median) ²⁾



Water consumption in 2013 (2012)³⁾

Data for 43 properties were analysed for water consumption in 2013 and the total “tenant-based” consumption is reported for three properties (specialist stores). Overall, the water consumption of this sub-portfolio amounted to 41,023 m³. Average consumption for the 175,707.36 m² of total usable floor area in the sub-portfolio (around 50% of the area of the total portfolio) was 0.23 m³/m².

Average consumption in m ³ /m ² of usable area	Portfolio	Office	Commercial
2013: 43 properties, usable area of around 176,000 m ²	0.23	0.22	0.25
2012: 43 properties, usable area of around 147,000 m ²	0.26	0.23	0.28

Consumption of resources in 2013 reporting year (compared to 2012, like-for-like)

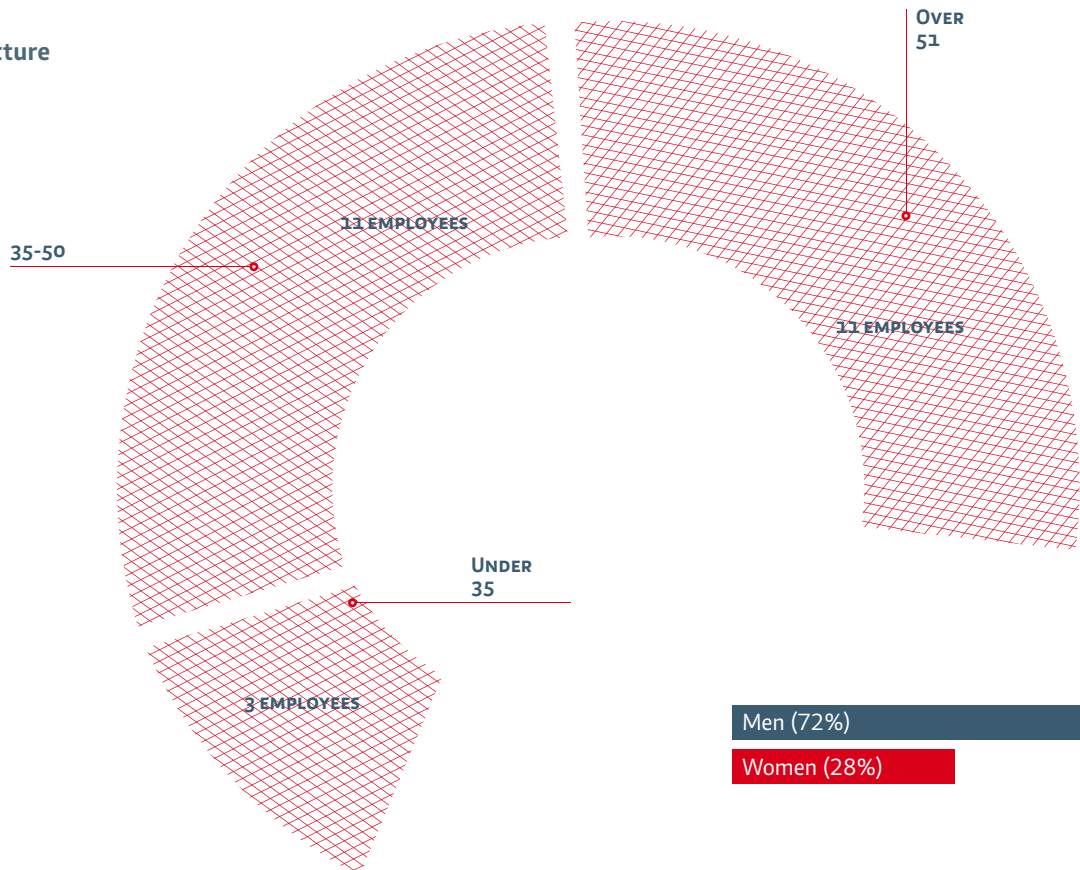
Building energy consumption	2013	2012
Heating		
Number of buildings analysed	36	36
Total kWh	10,122,207	9,370,975
Electricity (shared electricity)		
Number of buildings analysed	34	34
Total kWh	2,260,314	2,365,224
Building water consumption		
Number of buildings analysed	39	39
Total m ³	32,920	30,362

²⁾ There was no change in water consumption from 2012 to 2013 for two office properties. The graphic therefore shows 37 properties in the overall analysis rather than 39.

³⁾ Owing to additions and disposals of properties, the sub-portfolios analysed here may differ according to number of properties and usable area. In addition, consumption data handled by our tenants themselves was included for the first time in 2013.

SOCIAL SUSTAINABILITY

Age structure



Responsibility

As an office and retail property portfolio holder and a listed company, HAMBORNER shoulders a great deal of responsibility towards its shareholders, tenants and business partners. It is highly important to us to maintain a positive and trusting relationship with our tenants, to listen to their individual requirements and to devise as tailored solutions as possible. Together with our business partners, we aspire to a high level of quality and dependability. Everyone benefits from this – not least our shareholders. Furthermore, we feel a sense of responsibility – for our staff as an employer, for the social and urban surroundings of our properties as a property company and for establishing issues such as sustainability and corporate governance as a member of various organisations and initiatives.

Our employees

With the onward growth of HAMBORNER REIT AG, the company's employees also face ever increasing demands. A crucial factor for the ongoing success of the company is therefore a dependable, motivated and competent workforce that helps the company to achieve its goals and ensures HAMBORNER's future positive development. It is highly important to us that all employees are supported and trained in line with their individual ideas and their respective professional requirements. The time taken for external training participated in by employees averaged 16.3 hours per employee in 2013. We also provide our employees with internal training on topics such as compliance and data protection.



Equal opportunities in an ambitious company

HAMBORNER is a company geared to growth with a total of 25 employees as at the end of 2013 (not including the Managing Board). The staff breaks down as 28% female and 72% male. In terms of employee remuneration, different basic salaries have been agreed with employees based on their respective job profiles. Naturally, no distinction is made between the sexes.

HAMBORNER's corporate policy creates the preconditions to allow a work/life balance. By offering flexible working hours with half-days or reducing weekly hours on a transitional basis as required, we give our staff the chance to combine their professional and family wishes. Furthermore, HAMBORNER's corporate policy also includes maintaining an equal mix of young and experienced employees. At present, 44% of our employees are in the 35 to 50 age range, another 44% of employees are 51 or older and 12% of the workforce is less than 35.

Absenteeism

With regard to time absent due to illness, our goal is to reduce this to a minimum. In 2013, our employees were unable to work due to illness for an average of 3.16 days. The average in 2012 had been 9.1 days.

Thanks to an external safety officer and a company doctor, HAMBORNER also ensures that employees can speak to experts about health and work safety issues at regular intervals or as required. Employees have also been trained in first aid. In addition, free eye exams every two years are offered to – and frequently taken by – staff who work at computer monitors.

Social benefits

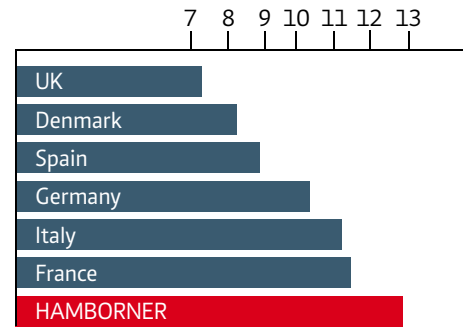
In addition to statutory accident insurance, HAMBORNER has taken out group accident insurance for employees who travel on business. Moreover, we pay savings schemes and anniversary bonuses.

As for pensions, many HAMBORNER employees have taken out direct insurance or pay into a pension fund in addition to their statutory scheme. Depending on the agreements in the employee's contract, some of these contributions are employer-financed. Furthermore, HAMBORNER also covers the flat-rate tax incurred on employee-financed agreements.

New hires/departing employees



Tenure in years



Long service

We consider it a commendation that fluctuation at HAMBORNER is at a constantly low level and that employees remain loyal to us for longer than average. While the average length of time employees spend in a job in Germany is approximately 11 years, according to the Institute for Employment Research (IAB) as at the time of the last survey in 2010 – and this figure has not changed significantly since the result of 10.3 years in the first survey in 1992 – the average length of service at our company is around 12.6 years. The long tenure of HAMBORNER employees is also clear by European standards. As shown by an IAB study analysing the UK, Denmark, France, Italy and Spain in addition to Germany, the average length of employment does not exceed 12 years anywhere. The averages in the UK, Denmark and Spain are significantly shorter than in Germany at 7.3, 8.2 and 8.9 years, while in Italy and France they are a little higher at 11.2 and 11.5 years.

Our surroundings

Our properties are a part of their respective cities and communities, and therefore add to the cityscape. Thus, it matters to us, when carrying out refurbishments for example, that we respect the corresponding city and preservation statutes and guarantee the protection of historic façades. This ensures the preservation of a consistent cityscape – which is in our interests as well – and aids the ideal integration of our properties into their surroundings. In general city marketing activities as well, we play our part on a case-by-case basis to enhance the attractiveness of city centres and thereby footfall for our properties in pedestrianised areas.

Our commitment

HAMBORNER is a member of various organisations and interest groups that aim firstly to foster and guarantee the issues of sustainability, corporate governance and general communication by, and understanding for, the property sector. Secondly, HAMBORNER is doing political work all the time as a member of committees. We are actively involved in association work with the aim of being excellently informed of future developments in the property sector and being able to shape them as well. It is also a matter of concern to us to assist in property sector research and teaching. Sponsoring the Society of Property Researchers, Germany (gif) and the Cologne Institute for Economic Research is part of our corporate commitment. A description of the initiatives mentioned here can be found in the glossary on pages 36 to 37.

OUTLOOK



More information: www.nuoffice.de

Sustainability goals

Our sustainability strategy is aimed at taking into account the interests of all stakeholders and finding a balance between their many different needs. In our second sustainability report, we are continuing the documentation of our economic, ecological and social commitment and can report on the developments and progress affecting the respective stakeholders to varying degrees (see also pages 6 - 9). Moving ahead as well, all our business decisions will be consistent with sustainable principles – from an investment strategy that combines building sustainability with an attractive return to conversions, new construction and maintenance measures.

Our aspiration

Our company focuses on non-financial information on social and ecological aspects of business activities just as much as the report on the financial figures – independently of the EU Directive on mandatory sustainability reporting for listed companies, banks, financial service providers and insurance companies⁴⁾. Our next step will be to tackle the updated recommendations of the Global Reporting Initiative (GRI) and publish our 2015 sustainability report 2015 in line with the G4 standard. We are therefore still following international standards in the disclosure of our sustainability information.

In expanding our portfolios, we pay strict attention to a balanced mix of economic, ecological and sociocultural criteria. This is true of project developments, new construction work and portfolio properties. The acquisition of the “T-Damm Center” in Berlin-Tempelhof still under development, the completion of “NuOffice” in Munich and the planned conversion of our corporate headquarters in Duisburg are three current examples of HAMBORNER’s sustainable outlook. Furthermore, maintaining a stable dividend policy is an important and top priority for us. We again paid a dividend of 40 cents per share in 2014, thereby continuing our dividend-oriented, sustainability-driven business policy. The dividend per share for the 2012 and 2011 financial years was also 40 cents after 37 cents in 2010.

⁴⁾ On 15 April 2014 the European Parliament and the EU Member State Committee approved the proposal by the EU Commission requiring companies to report non-financial information. It is expected that the EU Council will endorse the Directive at the end of September 2014. The EU Directive will then have to be implemented in German law by the end of 2016.



Area revitalisation: T-Damm Center

As part of our portfolio optimisation, we are pursuing the strategy of buying larger properties and at the same time selling smaller properties with more intensive management requirements. In April 2014 we therefore signed a purchase agreement for the “T-Damm Center” on Tempelhofer Damm in Berlin, showing that – after thorough due diligence – we also have faith in the revitalisation of locations previously used for different purposes. The T-Damm Center comprises a new section and an existing building. In future, this symbiosis will form an attractive centre in conjunction with an historic market hall. Keeping the historic building goes hand-in-hand with a fundamental refurbishment of the market hall, both to preserve the location’s identity and to meet current demands of retail properties. The hall, now a listed building, was built between 1924 and 1925 as a tram depot where up to 100 trams could undergo maintenance work. At the end of the 1990s, the hall was converted into a market, though it failed to attract enough customers as there was no connection to the main Tempelhofer Damm traffic route. With the aim of revitalising the location and allowing a new utilisation concept, the two buildings facing Tempelhofer Damm will be replaced by a new building. The new construction and refurbishment will create a contemporary blend of uses. Construction is scheduled to begin in summer 2014 – HAMBORNER is expected to take possession of the completed property from the project developer at the end of 2015.

Security through public sector tenants

When selecting new office properties, in addition to the micro and macro-location we also consider the quality of our tenants in particular. This is because only tenants of good credit quality ensure the reliable rental income that we need for the sustainable and value-adding management of the property. We are therefore also happy to lease to tenants operating in the public sector:

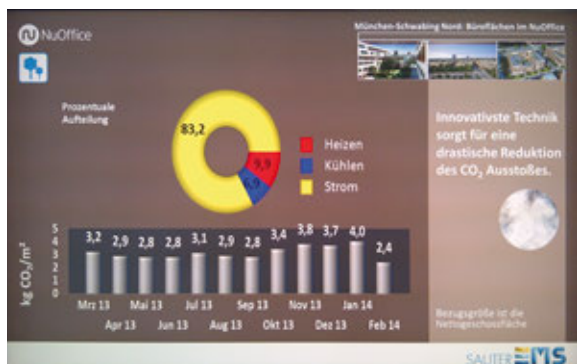
In May 2014 we signed the purchase agreement for an administrative centre in Aachen. The long-term tenant in this office property, with its spacious areas and large number of parking spaces, will be the Aachen job centre. For us this means a low risk of default, a secure cash flow and manageable administrative expenses. But the tenant is not the only thing that makes this DGNB silver-certified building an attractive investment. The Aachen location enjoys an international reputation as a city of extraordinary technological expertise. Such a high concentration of research and development capacity is hard to find at any other location in Europe. Automotive and railway technology, medical and biotechnology, information and communications technology, mechanical engineering and the key issue for the future of energy are bundled and focused here. The city benefits from its highly accessible location in the Germany/Netherlands/Belgium triangle.

Portfolio optimisation: Selling properties not consistent with strategy

Parallel to our acquisitions, we are also taking advantage of the good current market situation to sell smaller properties no longer consistent with strategy. In 2014, we have already sold a high street property in Berlin's Schloßstrasse in the Steglitz-Zehlendorf district in addition to a total of three properties in Oberhausen, Moers and Wuppertal. Annual rental income of around €0.6 million was offset by 11 commercial and 29 residential leases with corresponding administrative expenses. Furthermore, we sold two properties in Hanover and Frankfurt. We will continue to systematically implement this strategy of acquisition and sale activities in the coming years as well.

Certified sustainability: NuOffice

After its platinum LEED certification in 2013, our Parkstadt Schwabing office property in Munich received a major award for its sustainable design this year as well. In April 2014, the European Commission presented NuOffice with the Green Building Award in recognition of its extensive insulation, the use of a photovoltaics system and the absorption heat pump used with district heating to heat the building. Combined, these measures mean that NuOffice needs only around 15% of the primary energy stipulated by the EU as its reference value – the energy saving for 2013 therefore amounted to 85%. This figure gives NuOffice the number one spot in the rankings of Europe's most energy efficient buildings in the "new build" category. Second and third places were taken by the Trotec Office Building near the Austrian city of Linz (2013 energy saving: 79.9%) and the Telekomconsult Arena in Växjö, Sweden (2013 energy saving 2013: 75%).



GREEN BUILDING MONITOR INSTALLED IN NUOFFICE FOYER.

Users and visitors to the office complex are presented data regarding current building and facility operations and their current energy consumption on screen. This is intended to promote a more responsible interaction with the building and the energy required.



Exemplary tenants

We love it when our tenants initiate or promote sustainable projects as well. Leading by what we think is extraordinarily good example is the Schüren Bakery at our “Sass am Markt” property in Langenfeld. Since June 2014, the programme there has been:

“Fill her up on the house, please, with a cup of coffee and piece of strawberry torte.”

On its own initiative, our tenant has installed a charging station for electric cars in the first floor of our parking garage in the “Sass am Markt” property. In future, electric car drivers will be able to use two type 2 connections and two normal Schuko connections. At the beginning of June, 30 electric car drivers travelled from all over North-Rhine Westfalia to attend the official opening of the first outlet of the “Kreuz Hilden charging park” by “Ihr Bäcker Schüren”. Electric cars can now be charged for free at our property in Langenfeld.

Our tenant also stays true to its principles in its choice of company cars. The “Ihr Bäcker Schüren” team delivers to mainly large customers such as retirement homes and organic shops in cars that run on 100% electric power. Naturally, the vehicles are charged on green electricity generated by hydroelectric power (from the grid) or the bakery’s own photovoltaic system. From 2006 to 2012, the company replaced all its diesel delivery vehicles with natural gas-driven ones. Our tenant was already awarded the international sustainability prize ECO CARE for its sustainable overall concept in 2010. More information can be found at www.ihr-baeker-schuren.de.



Steeped in tradition: HAMBORNER's headquarters

HAMBORNER will remain true to its name and its headquarters in the Hamborn quarter of Duisburg in future as well. The success story of HAMBORNER REIT AG, which goes back 60 years now, will continue at the place it was born with a three-story extension to the building at Goethestrasse 45 planned for 2015. We will be using the land that we own for this, which will not only save costs, it will also save on the travel time that would be needed for offices at different locations.

In the past 60 years, our company has gone from being a solid mining company to a successful – and no less solid – listed property portfolio manager. The planning for the extension of the head office is largely complete – building work will begin next year.

IMPORTANT TERMS AND ABBREVIATIONS

AFFO

Adjusted funds from operations (see also FFO)

CAPEX

Capital expenditure

Cash flow

Net total of the inflows and outflows of cash in a period

Compliance

Term for compliance with laws and regulations in companies in addition to voluntary codes. The entirety of the principles and measures employed by a company in compliance with certain regulations and therefore to avoid violations in a company is referred to as the compliance management system.

District heating

Describes a form of heat supply to provide buildings with heating and warm water on the basis of insulated systems of pipes.

EBIT

Earnings before interest and taxes (income taxes only)

EBITDA

Earnings before interest, taxes (income taxes only), depreciation and amortisation

EEWärmeG

Law to promote the use of renewable energies for heating (German Act on the Promotion of Renewable Energies in the Heat Sector).

EPRA

European Public Real Estate Association – European association of listed property companies. It also represents financial analysts, investors, auditors and consultants in addition to companies.

FFO/AFFO

Funds from operations: Performance indicator for operating business and also a key control parameter of the company. FFO is used within the framework of value-oriented corporate management to show the funds generated, which are available to shareholders for investments, repayments and dividend distributions in particular. Adjusted for maintenance and modernisation expenditure not recognised as an expense in the financial year, this figure is known as AFFO.

gif e.V. (Society of Property Researchers, Germany)

Gesellschaft für immobilienwirtschaftliche Forschung e.V. (gif): gif promotes property industry research and teaching. It creates bridges between science and the economy, establishes standards to increase market transparency and advances the professionalisation of the industry.

GRI

The Global Reporting Initiative develops internationally recognised guidelines for sustainability reporting by incorporating a variety of stakeholders and is constantly adjusting these. The GRI is a partner to the United Nations Environment Programme (UNEP). The GRI Secretariat is based in Amsterdam.

Government Commission on the German Corporate Governance Code

The Government Commission set up by the German Minister of Justice in September 2001 passed the German Corporate Governance Code on 26 February 2002.

Initiative Corporate Governance der deutschen Immobilienwirtschaft e.V.

The Initiative's aim is to devise and establish principles of transparent and professional corporate governance in the property industry.

Institut der deutschen Wirtschaft e. V. (Cologne Institute for Economic Research)

The Cologne Institute for Economic Research (IW) is supported by associations and private industry. On a scientific basis, it prepares analyses and statements on all issues of economic and social policy, the education and training system and social development. In addition to its own programme of work, it also performs research on behalf of third parties. Its employees are contacts from the worlds of politics, media, administration and other institutions.

Key performance indicators (KPIs)

Special performance indicators or figures with which, for example, a company's performance in the field of sustainability is measured.

LEED

Leadership in Energy and Environmental Design – a standard developed in the United States of America for the development and planning of highly ecological buildings.

Like-for-like approach

Comparison of same database for two or more years

LTV

Loan-to-value: Represents the financial liabilities of the company as a proportion of the fair value of its investment property portfolio, taking into account cash and cash equivalents.

NAV

The net asset value reflects the economic equity of the company. It is determined by the fair values of the company's assets – essentially the value of properties – net of the borrowed capital.

REIT

Abbreviated form for real estate investment trust. Listed company that invests solely in property. Facilitates indirect investment in properties for investors through the purchase of shares. The majority of profits are distributed. Taxation occurs at investor level only (tax transparency).

REIT equity ratio

Corresponds to the equity coverage ratio in accordance with section 15 in conjunction with section 12(1) sentence 2 of the German REIT Act, i.e. the ratio of equity (on a fair value basis) to the fair value of immovable assets. The equity on fair value basis is calculated from the total reported equity and hidden reserves. At HAMBORNER, immovable assets consist of the property portfolio of the company and undeveloped land, consisting primarily of agricultural land and forests.

ZIA

The German Property Federation (ZIA) is one of the most important interest groups in the industry. It sees itself as the voice of the property industry and speaks with its members, including 23 associations, for 37,000 companies in the industry.



Statement GRI Application Level Check

GRI hereby states that **HAMBORNER REIT AG** has presented its report “Sustainability Report 2014” to GRI’s Report Services which have concluded that the report fulfills the requirement of Application Level C.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 31 July 2014

Ásthildur Hjaltadóttir
Director Services
Global Reporting Initiative



The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world’s most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check 23 July 2014. GRI explicitly excludes the statement being applied to any later changes to such material.

GRI LEVEL

REPORT APPLICATION LEVEL	C	C+	B	B+	A	A+	
STANDARD DISCLOSURES	PROFILE DISCLOSURES OUTPUT	Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15	REPORT EXTERNALLY ASSURED	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17	REPORT EXTERNALLY ASSURED	Same as requirement for Level B	REPORT EXTERNALLY ASSURED
	DISCLOSURES ON MANAGEMENT APPROACH OUTPUT	Not Required	REPORT EXTERNALLY ASSURED	Management Approach Disclosures for each Indicator Category	REPORT EXTERNALLY ASSURED	Management Approach disclosed for each Indicator Category	REPORT EXTERNALLY ASSURED
	PERFORMANCE INDICATORS & SECTOR SUPPLEMENT PERFORMANCE INDICATORS OUTPUT	Report fully on a minimum of any 10 Performance Indicators, including at least one from each of: social, economic, and environment.**	REPORT EXTERNALLY ASSURED	Report fully on a minimum of any 20 Performance Indicators, at least one from each of: economic, environment, human rights, labor, society, product responsibility.***	REPORT EXTERNALLY ASSURED	Respond on each core and Sector Supplement* indicator with due regard to the materiality Principle by either: a) reporting on the indicator or b) explaining the reason for its omission.	REPORT EXTERNALLY ASSURED

* Sector supplement in final version

** Performance Indicators may be selected from any finalized Sector Supplement, but 7 of the 10 must be from the original GRI Guidelines

*** Performance Indicators may be selected from any finalized Sector Supplement, but 14 of the 20 must be from the original GRI Guidelines

G3.1 Content Index – Construction and Real Estate Sector Supplement – GRI Application Level C

STANDARD DISCLOSURES PART I: PROFILE DISCLOSURES

1. STRATEGY AND ANALYSIS

Profile Disclosure	Disclosure	Level of Reporting	Location of Disclosure	Reason for omission	Explanation for the reason for omission
1.1	Statement from the most senior decision-maker of the organization.	Fully	page 5		

2. ORGANIZATIONAL PROFILE

Profile Disclosure	Disclosure	Level of Reporting	Location of Disclosure	Reason for omission	Explanation for the reason for omission
2.1	Name of the organization.	Fully	page 4		
2.2	Primary brands, products, and/or services.	Fully	page 4		
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	page 4		
2.4	Location of organization's headquarters.	Fully	page 44		
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	page 4		
2.6	Nature of ownership and legal form.	Fully	page 4		
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	page 4		
2.8 comm	Scale of the reporting organization.	Fully	pages 22, 28; 5 operations + Managing Board (see also 4.1)		
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	page 30 (number of employees), no other significant changes		
2.10	Awards received in the reporting period.	Fully	„Silver Award 2013“ LACP Annual Report Competition		

3. REPORT PARAMETERS

3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	page 18		
3.2	Date of most recent previous report (if any).	Fully	September 2013		
3.3	Reporting cycle (annual, biennial, etc.)	Fully	annual, page 18		
3.4	Contact point for questions regarding the report or its contents.	Fully	page 44		
3.5	Process for defining report content.	Fully	pages 16, 17		
3.6 comm	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Fully	The report just refers to Germany, no other specific limitations on the scope or boundary of the report.		
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Fully	No specific limitations on the scope or boundary of the report		
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Fully	There were no joint ventures, subsidiaries...		
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Fully	There were no re-statements necessary.		
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	for the first time addition of ecological data that the tenants manage by themselves, page 16		
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	pages 40–43		

4. GOVERNANCE, COMMITMENTS AND ENGAGEMENT

4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Fully	Managing Board and departments (technical services, real estate management, accountancy, human resources & investor relations). The managing board is responsible for strategy setting and company development.		
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	Board and supervisory board are different persons.		

Profile Disclosure	Disclosure	Level of Reporting	Location of Disclosure	Reason for omission	Explanation for the reason for omission
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	Fully	There is a supervisory board.		
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	page 15		
4.14 COMM	List of stakeholder groups engaged by the organization.	Fully	pages 14, 15		
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	pages 14, 15		

STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS

ECONOMIC PERFORMANCE

Indicator	Disclosure	Level of Reporting	Location of Disclosure
ECONOMIC PERFORMANCE			
EC1 COMM	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Not	
EC2 COMM	Financial implications and other risks and opportunities for the organization's activities due to climate change and other sustainability issues.	Fully	page 33, Hamborner responds with investments in energetic renovations and objects as well as in energy saving measures.
EC3	Coverage of the organization's defined benefit plan obligations.	Fully	page 29
EC4	Significant financial assistance received from government.	Not	inapplicable

MARKET PRESENCE

EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	Not	
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Fully	page 15
EC7 COMM	Procedures for local hiring and proportion of senior management and all direct employees, contractors and sub-contractors hired from the local community at significant locations of operation.	Partially	partially on page 11

INDIRECT ECONOMIC IMPACTS

EC8 COMM	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Partially	pages 15, 30
EC9 COMM	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Not	

ENVIRONMENTAL

MATERIALS

EN1 COMM	Materials used by weight, value or volume.	Not	inapplicable
EN2 COMM	Percentage of materials used that are recycled and reused input materials.	Not	inapplicable

Energy

EN3 COMM	Direct energy consumption by primary energy source.	Fully	no direct energy consumption resulting from own generators, etc.
EN4 COMM	Indirect energy consumption by primary source.	Partially	page 24, only heat energy by source, for its own consumption the reporting organization purchased 32.700 KWh electricity (2013)
CRE1	Building energy intensity.	Partially	pages 24, 25, only heat energy
EN5 COMM	Energy saved due to conservation and efficiency improvements.	Fully	pages 7, 33
EN6 COMM	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Fully	pages 7, 33
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Fully	pages 7, 33

Water

EN8 COMM	Total water withdrawal by source.	Fully	pages 26, 27, only water provided by the municipalities (tap water) is used, no own wells, no using of rain water
EN9 COMM	Water sources significantly affected by withdrawal of water.	Not	Data can not be determined at this time.
EN10 COMM	Percentage and total volume of water recycled and reused.	Not	Data can not be determined at this time.
CRE2	Building water intensity.	Fully	page 26

Biodiversity

EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Not	Data can not be determined at this time.
EN12 COMM	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Not	inapplicable
EN13 COMM	Habitats protected or restored.	Not	inapplicable
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Not	inapplicable
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Not	inapplicable

EMISSIONS, EFFLUENTS AND WASTE

EN16 COMM	Total direct and indirect greenhouse gas emissions by weight.	Partially	4.909.748 kg CO ₂ referring only to electricity
EN17 COMM	Other relevant indirect greenhouse gas emissions by weight.	Not	Data can not be determined at this time.
CRE3	Greenhouse gas emissions intensity from buildings.	Not	Data can not be determined at this time.
CRE4	Greenhouse gas emissions intensity from new construction and redevelopment activity.	Not	Data can not be determined at this time.

Indicator	Disclosure	Level of Reporting	Location of Disclosure
EMISSIONS, EFFLUENTS AND WASTE			
EN18 COMM	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Not	Data can not be determined at this time.
EN19	Emissions of ozone-depleting substances by weight.	Not	Data can not be determined at this time.
EN20	NOx, SOx, and other significant air emissions by type and weight.	Not	Data can not be determined at this time.
EN21 COMM	Total water discharge by quality and destination.	Not	Data can not be determined at this time.
EN22 COMM	Total weight of waste by type and disposal method.	Not	Data can not be determined at this time.
EN23	Total number and volume of significant spills.	Not	Data can not be determined at this time.
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Not	inapplicable
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Not	inapplicable
LAND DEGRADATION, CONTAMINATION AND REMEDIATION			
CRE5	Land and other assets remediated and in need of remediation for the existing or intended land use according to applicable legal designations.	Not	inapplicable
PRODUCTS AND SERVICES			
EN26 COMM	Initiatives to enhance efficiency and mitigate environmental impacts of products and services, and extent of impact mitigation.	Fully	page 33
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Not	inapplicable
COMPLIANCE			
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	no fines
TRANSPORT			
EN29 COMM	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Not	inapplicable
OVERALL			
EN30	Total environmental protection expenditures and investments by type.	Not	Data can not be determined at this time.
SOCIAL: LABOR PRACTICES AND DECENT WORK			
EMPLOYMENT			
LA1 COMM	Total workforce by employment type, employment contract, and region, broken down by gender.	Partially	Total workforce broken down by gender.
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Fully	page 30, 4 new employees (16,0 %), 1x female, 3x male, 1x age up to 35, 2x age 35-50, 1x age over 50, North Rhine-Westphalia; employee turnover 3 in total (12,0 %), 3x female, 1x age 35-50, 2x age up to 35, North Rhine-Westphalia
LA3 COMM	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Not	inapplicable
LA15	Return to work and retention rates after parental leave, by gender.	Not	
LABOR/MANAGEMENT RELATIONS			
LA4	Percentage of employees covered by collective bargaining agreements.	Not	inapplicable
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Not	
OCCUPATIONAL HEALTH AND SAFETY			
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Not	inapplicable
LA7 COMM	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	Fully	page 29
CRE6	Percentage of the organization operating in verified compliance with an internationally recognized health and safety management system.	Not	
LA8 COMM	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Fully	pages 28, 29
LA9	Health and safety topics covered in formal agreements with trade unions.	Fully	page 29
TRAINING AND EDUCATION			
LA10 COMM	Average hours of training per year per employee by gender, and by employee category.	Partially	no distinction by gender and employee category
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Fully	page 28
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	Not	
DIVERSITY AND EQUAL OPPORTUNITY			
LA13 COMM	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Fully	page 28
EQUAL REMUNERATION FOR WOMEN AND MEN			
LA14 COMM	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Fully	page 29
SOCIAL: HUMAN RIGHTS			
INVESTMENT AND PROCUREMENT PRACTICES			
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	Not	
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	Not	
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Not	
NON-DISCRIMINATION			
HR4 COMM	Total number of incidents of discrimination and actions taken.	Fully	no incidents

Indicator	Disclosure	Level of Reporting	Location of Disclosure
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING			
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	Not	
CHILD LABOR			
HR6 COMM	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	Fully	page 28, all employees are older than 18 years
PREVENTION OF FORCED AND COMPULSORY LABOR			
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	Not	
SECURITY PRACTICES			
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Not	
INDIGENOUS RIGHTS			
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Not	inapplicable
ASSESSMENT			
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	Not	
REMEDIATION			
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	Not	
SOCIAL: SOCIETY			
LOCAL COMMUNITIES			
SO1 COMM	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Not	inapplicable
SO9 COMM	Operations with significant potential or actual negative and positive impacts on local communities.	Not	inapplicable
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Not	inapplicable
CRE7	Number of persons voluntarily and involuntarily displaced and/or resettled by development, broken down by project.	Not	inapplicable
CORRUPTION			
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Partially	page 11, Corporate Governance
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Partially	page 11, Corporate Governance
SO4	Actions taken in response to incidents of corruption.	Partially	page 11, Corporate Governance
PUBLIC POLICY			
SO5 COMM	Public policy positions and participation in public policy development and lobbying.	Fully	pages 16-17, 30
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Fully	none
ANTI-COMPETITIVE BEHAVIOR			
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Fully	none
COMPLIANCE			
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	No fines or non-monetary sanctions
SOCIAL: PRODUCT RESPONSIBILITY			
CUSTOMER HEALTH AND SAFETY			
PR1 COMM	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Not	
PR2 COMM	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Not	
PRODUCT AND SERVICE LABELLING			
PR3 COMM	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Fully	For every property: Energy consumption certificate for non-residential properties according to paragraphs 16ff. of the energy conservation act (EnEV), http://www.enevonline.org/enev_2009_volltext/enev_2009_16_ausstellung-verwendung_energieausweise.htm
CRE8	Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation and redevelopment.	Fully	page 33
PR4 COMM	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Fully	No incidents
PR5 COMM	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Not	Data can not be determined at this time.
MARKETING COMMUNICATIONS			
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Not	inapplicable
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Fully	No incidents
CUSTOMER PRIVACY			
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Fully	No incidents
COMPLIANCE			
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Fully	No fines.

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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 does not guarantee the accuracy or completeness of the information provided here.

