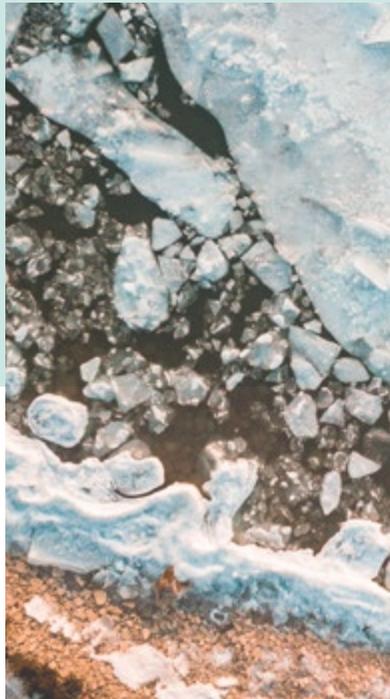




2019/20

Sustainability Report





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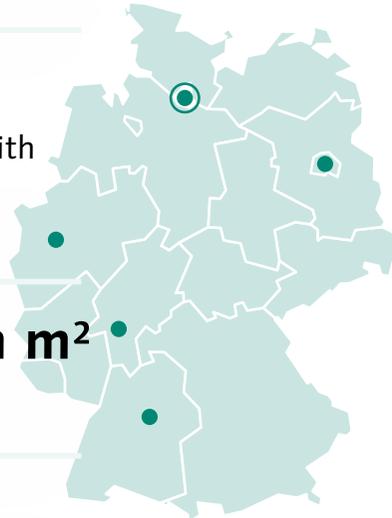
Sneak Peek at alstria

alstria office REIT-AG is Germany's leading office real estate company. As of December 31, 2019, we own and manage a portfolio of 116 buildings with a lettable area of around 1.5 million m² and a total value of EUR 4.5 billion. Our properties are located in the large and liquid German office markets of Hamburg, Düsseldorf, Frankfurt, Stuttgart, and Berlin, where we are represented by local operating offices. As a fully integrated company oriented toward the long term, alstria's 165 employees actively manage our buildings throughout their entire life cycle.

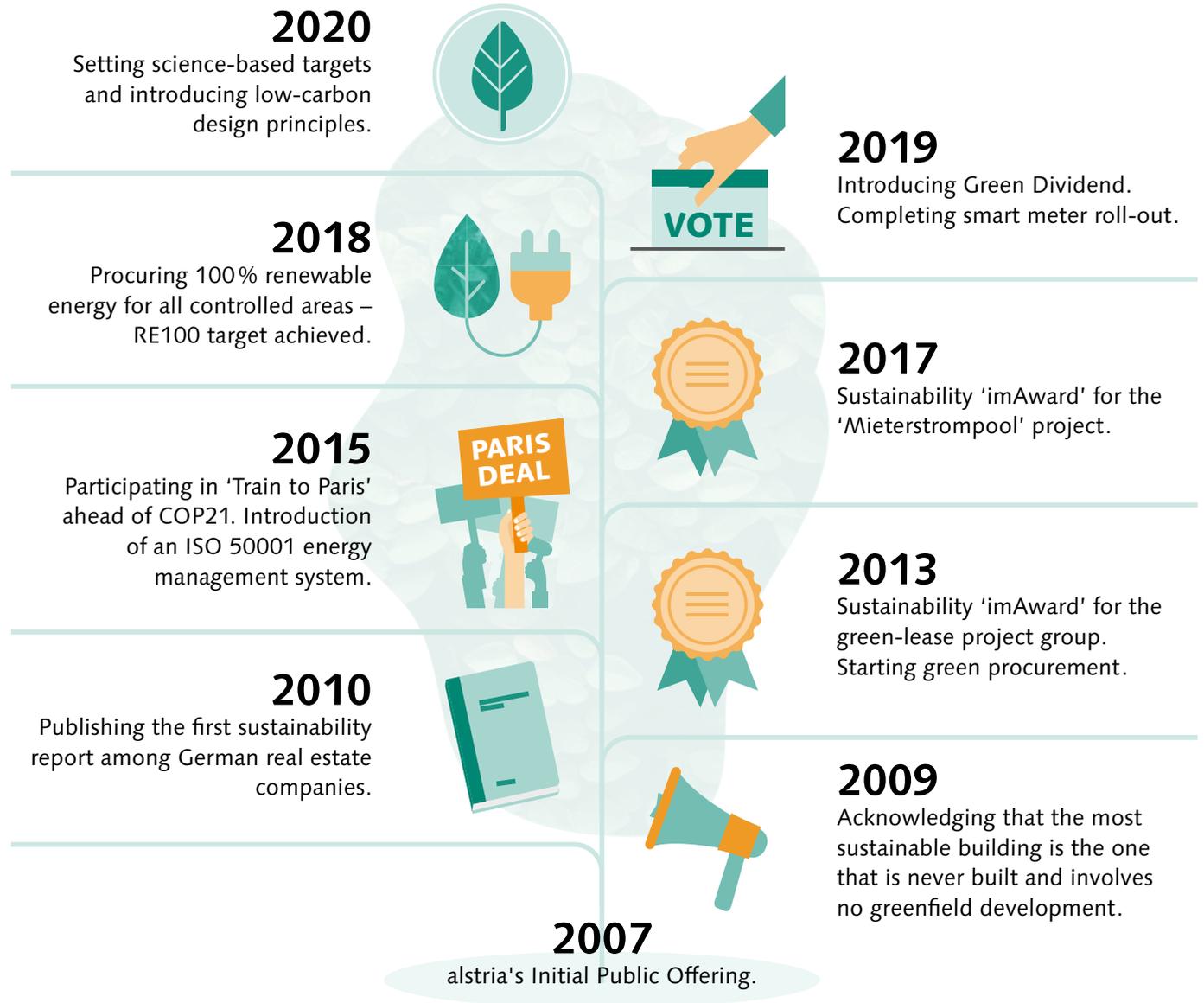
116 office buildings with a EUR 4.5 billion portfolio value

1.5 million m² of lettable space

5 coworking spaces



Our sustainability journey





Management Letter

Dear readers,

At the opening ceremony of the first UN climate conference in Berlin, back in 1995, the federal minister for the environment declared, 'Greenhouse gas emissions do not only have to be stabilized but have to be reduced as quickly as possible.' At the time, the CO₂ level measured at the Mauna Loa Observatory in Hawaii was 360 parts per million (ppm).

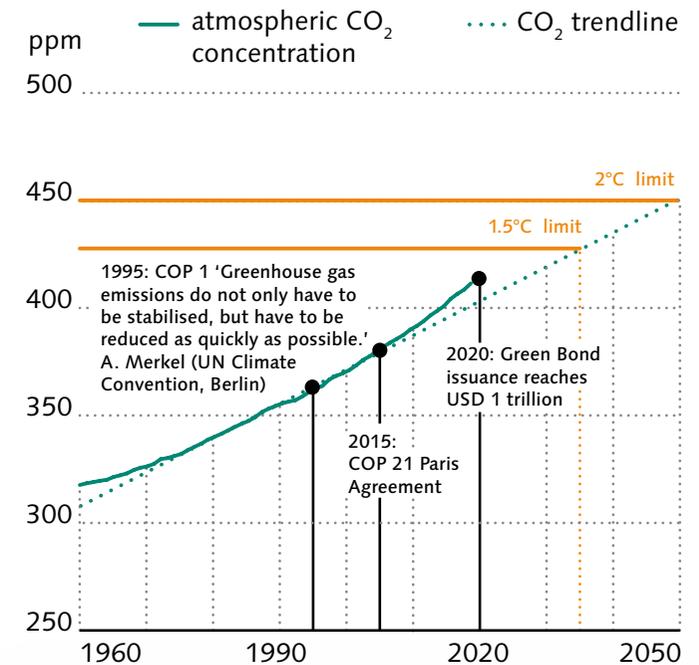
Fast forward to 2020: the 26th UN climate conference (now COP, or Conference of the Parties) is scheduled to take place in Glasgow; the federal minister for the environment is now the second-longest-serving German chancellor; green finance has taken off massively, with Green Bond issuance expected to exceed USD 1 trillion this year; and just last week, the EU parliament voted to increase the 2030 CO₂ reduction targets from the 55% proposed by the commission to 60% (from 1990 levels). The last measured CO₂ level at the Mauna Loa Observatory was at 413 ppm (October 10, 2020).

The evolution of the CO₂ concentration in the atmosphere shows very clearly that we collectively talk the talk but obviously fail to walk the walk. We have argued in previous management letters that the solution to the problem is well known. The introduction of a properly

priced carbon tax (at substantially higher levels than the current plans) would shift the paradigm. However, this is not what we aim to discuss today. After all, it is easy to place blame on others, but maybe we should look more into what we are doing as an industry and see whether we can introduce easy changes that may not provide full-scale solutions but would at least move the needle in the right direction.

The real estate industry has been focusing solely on the '40% of the world's energy'* that is consumed within its walls and the associated emissions. Given that most of the real estate DNA is in development, we naturally came to the conclusion that the best way to reduce real estate operational emissions was to build new 'green' buildings that would be less power hungry. Developing new assets was what we were striving to do, and conveniently, it also looked like the right thing to do. Using this approach, we avoided tackling two more important underlying issues: one, embedded carbon, the carbon emitted during the construction of a building; and two, the displacement issue, as a new building does not reduce emissions but merely adds new emissions that did not exist previously.

CO₂ concentration in the atmosphere



Source: www.esrl.noaa.gov/

*www.unepfi.org/publications/investment-publications/property-publications/sustainable-real-estate-investment-2/



Although there is no accepted methodology to calculate exactly how much embedded carbon is in a given construction, there are close estimates of an average: between 1,000 and 1,200 kg CO₂e/m² of newly built office space. It is no longer disputed that embedded carbon represents an increasing share of the overall lifecycle emission of an asset. Embedded carbon is expected* to represent 74% of total emissions from new buildings between 2020 and 2030 and 49% of the total emissions between 2020 and 2050.

More importantly, a new building, unlike a retrofit of an existing building, does not displace emissions, as it is not suppressing any existing emission source or reducing demand; it just imposes new energy demands on the system. In other words, new construction is part of the problem, not part of the solution. This remains true regardless of the labeling (Net Zero, LEED Platinum, or any other equivalent label) or the future efficiency of the asset.

If, as an industry, we are serious about having an impact on carbon emissions, we must address the embedded carbon question and stop arguing about the notion that it cannot be tackled because it cannot be precisely estimated. The easiest way to tackle this challenge is (as recommended by the WGBC**) to avoid new constructions that are not absolutely necessary (office buildings, shopping centers, and hotels are never absolutely necessary) in favor of refurbishing existing assets. This would allow the most effective use of existing embedded carbon while improving energy efficiency.

It has long been alstria's policy that the 'most sustainable building is the one that is never built.' Our goal is to avoid greenfield development and favor refurbishment. This year, for the first time, we will estimate the emissions that have been avoided using this approach. Our current refurbishment pipeline avoids the issuance of around 37,000 tons of CO₂e. At the current grid decarbonization

rate, it would take more than 100 years of operation of a new building to compensate for this number with operational savings.

In addition to these disclosures, this year, our report includes our newly approved science-based targets (which, as you may expect, disregard embedded emissions), our initial answers to the TCFD, and our shareholders' feedback with respect to the Green Dividend.

We hope you will enjoy reading it, and we are looking forward to our discussions.

Kind regards,

Olivier Elamine
Chief Executive Officer (CEO)

Alexander Dexne
Chief Financial Officer (CFO)

*Source: Architecture 2030, based on UN Environment Global Status report 2017, and EIA International Energy Outlook 2017.

**www.worldgbc.org/sites/default/files/WorldGBC_Bringing_Embodied_Carbon_Upfront.pdf, page 21.



Sustainability Approach

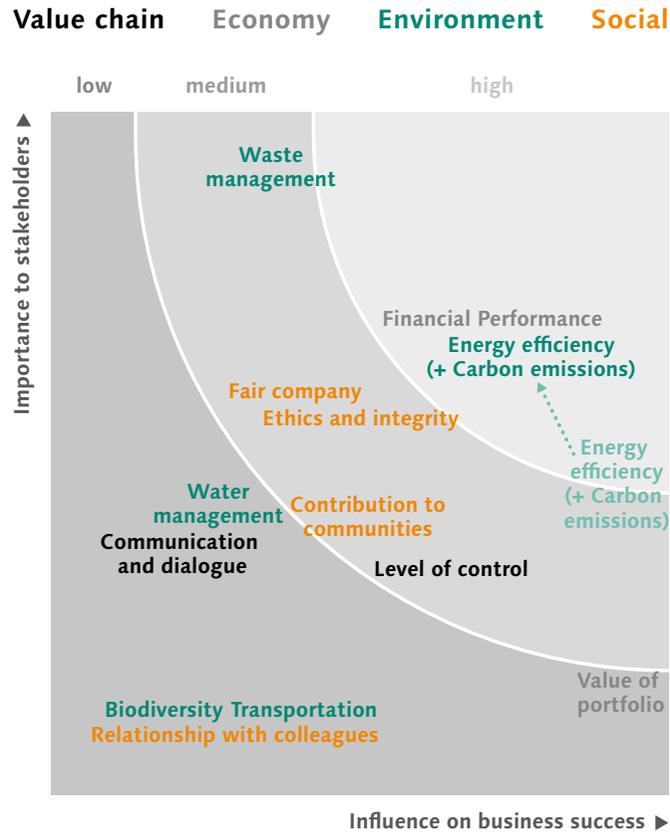
Sustainability has always been rooted in our company culture and business processes. It translates into our ability to deliver low-carbon buildings, healthy employees, and engaged communities. Further, it instills within us a deep responsibility to prevent climate change.

Our approach to materiality

The concept of materiality is central to corporate sustainability reporting because it helps organizations highlight and prioritize the ESG issues of greatest importance to their business models. We have completed regular materiality assessments since 2015 to inform our sustainability approach and reporting. Our material topics are presented in this report under the chapters 'Our Buildings,' 'Our People,' and 'Sound Business.' Except for the topic on reducing our carbon emissions, which has gained importance in recent years, all remaining topics are weighted the same.

Sustainability Report 2015/16, pages 24 to 27

Materiality matrix



Aligning with the SDGs

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

SDGs targets	See chapter
7.2, 7.3, 13.2	Carbon: The big picture
12.4	Energy and resources
9.1, 11.7	Carbon: The big picture
4.4, 8.6	Employee development
5.5, 8.5, 10.3	Diversity and inclusion
3.8	Work-life balance
10.3	Ethical conduct
17.7	Stakeholder engagement
11.4	Contribution to communities
8.7	Supply chain management



Sustainability integrated through the lifecycle of an asset



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

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

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

We retrofit existing buildings to create space that appeals to future customers, increasing the buildings' longevity and ultimately their financial value.

Our approach involves continuing to use the building superstructure (embedded carbon), reusing building materials when possible, and sensibly selecting durable, low-carbon building products. Redevelopment projects also contribute to the creation of new jobs in the local community.

We sell a property when we see the opportunity to deploy capital more effectively elsewhere. By selling properties in better condition than when we acquired them, we improve the building environment for our society.

alstria's low-carbon design principles



Our performance on ESG benchmarks 2019/2020*

CDP Climate Rating: B



GRESB Public Disclosure: A



EPRA sBPR: Gold Award



Bloomberg Gender-Equality Index:
63.81%



Sustainalytics ESG Risk Rating:
11.4% Low risk



MSCI ESG Rating: A



ISS-oekom Corporate Rating:
PRIME C+



RobecoSAM CSA:
59 points for 1st participation



Now a Part of **S&P Global**

*Our position in the ESG benchmarks refers to the financial year 2019 up to the third financial quarter of 2020 and involves the rating agencies with whom we interacted. Please note that other rating agencies may provide our ESG performance without receiving our feedback. This may lead in representing not the entire picture of our strategy. For more information, please see our website www.alstria.com/sustainability/#performance



Sustainability Management

We conduct our business with integrity and respect for the law, values we consider necessary to maintain our stakeholders' trust and profitably flourish. To live up to these values, we apply sound corporate governance practices across all levels of the organization and define clear responsibilities.

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

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

Departmental roles include:

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

At the highest governance level, the CSR Committee of the Supervisory Board oversees our sustainability activities to ensure the attainment of our goals.

Reviews of sustainability activities throughout the year





Stakeholder Engagement

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

Engaging with our key stakeholders

Business partners

One-on-one dialogue before new business relationships, weekly meetings with contractors during construction, complaint hotline



Employees

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



Tenants

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



Local communities

Press events, social media posts, site visits



Investors

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





Engaging with our industry

Every year, we participate in various working groups in our industry to promote transparency, innovation, and sustainability in real estate. This involvement allows us to anticipate future regulatory changes, identify new trends, and take part in new trend-setting processes. In 2019, we invested EUR 71,350 in support of the following groups.

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

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

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

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

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

Stakeholder key interests

Tenant survey

We monitor and measure tenant satisfaction with our offered services from time to time. Our last survey dates from 2018 and remains relevant today, given that our key tenants have not changed. It reached a participation rate of 62%. Among the survey's positive results was that 76% of our tenants would recommend alstria to other partners. Yet, other questions revealed that we need to increase our communication and service offerings. Therefore, we decided to apply the following measures:

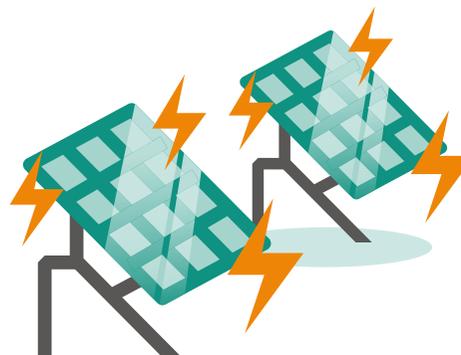
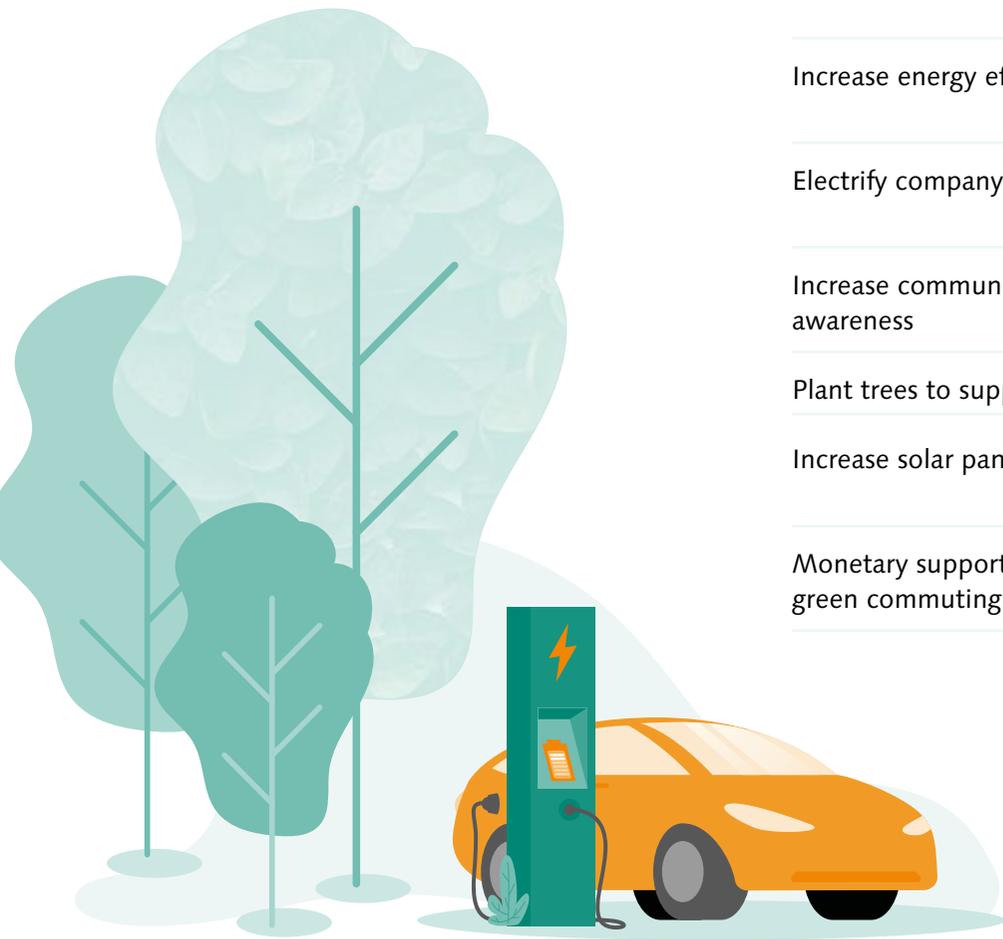
- › inspect all buildings within our 2019 portfolio to identify and remedy potential deficiencies,
- › apply a tight schedule of formal visits by our respective departments to tenants using discussion protocols, and
- › organize a workshop on customer management in 2019.





Employee workshop on climate change

In the proceedings of our annual workshop, we asked our employees to present their views and raise their concerns about how our company should respond to climate change. Their key interests help us update our approach to sustainability and increase our investment in climate adaptation.



Employee key interests

Company's response

Flexible working for fewer emissions from commuting	Provide free access to our coworking BEEHIVE, satellite office in Hamburg-Harburg, all employees working from home during COVID-19
Increase use of video conferences to reduce business travel	Invest in better IT equipment, provide recommendations on green travelling
Use less paper to reduce resource consumption	Introduction of Microsoft TEAMS, further development of internal IT-digital transformation
Increase energy efficiency in portfolio	Pilot projects on energy flexibility, EV-charging, PV, and low-carbon heating
Electrify company's car fleet	New company policy on offering exclusively electric or plug-in hybrid cars
Increase communication on climate issues to raise awareness	Introduction of low-carbon design principles for development projects
Plant trees to support climate resilience	Support study on the reforestation of brownfield land
Increase solar panels for renewable energy production	First pilot projects for our tenant, the City of Hamburg have started
Monetary support for public transport to increase green commuting	Raise the premium to cover the whole price of local public transport



Traditional key interests of our stakeholders

Create long-term value

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

Promote good governance and transparency

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

Retain reliability

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

Promote equal and fair treatment

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

Provide flexible space

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





Our Buildings



- 16 Key Environmental Figures
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Key Environmental Figures

All data refer to the 2019 calendar year.

Property use in the whole portfolio

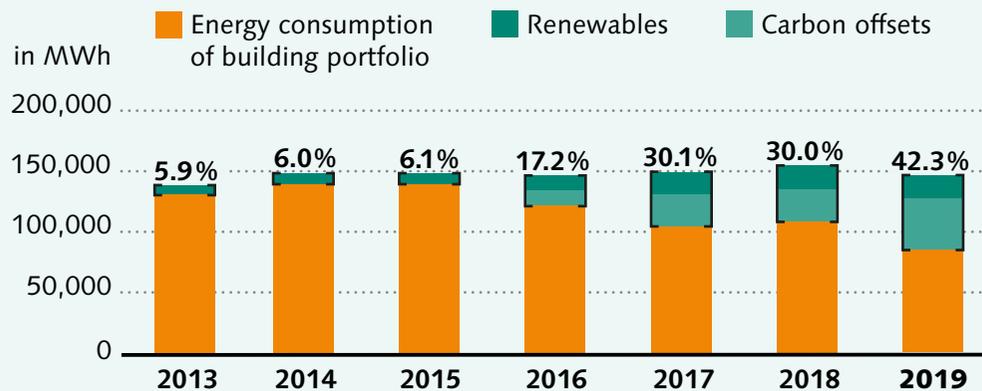


¹⁾ E.g. nursing homes.

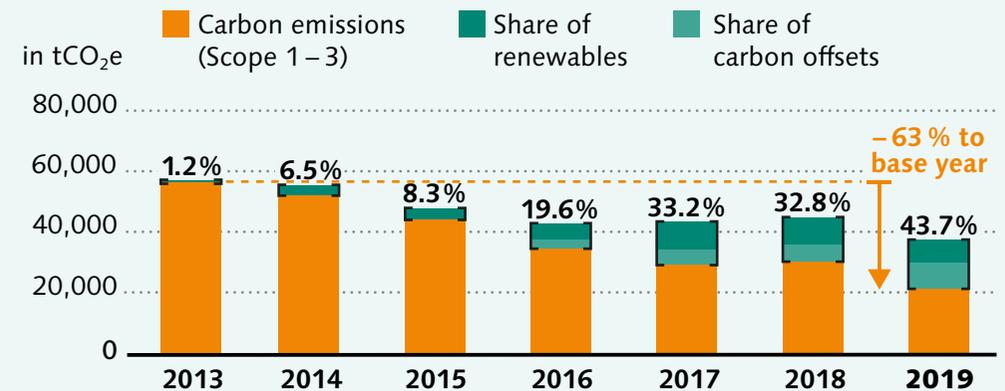
Smart meters in most of our multi-let buildings!



Share of renewable energy supply in the portfolio



CO₂-Reduction from renewables and carbon offsets





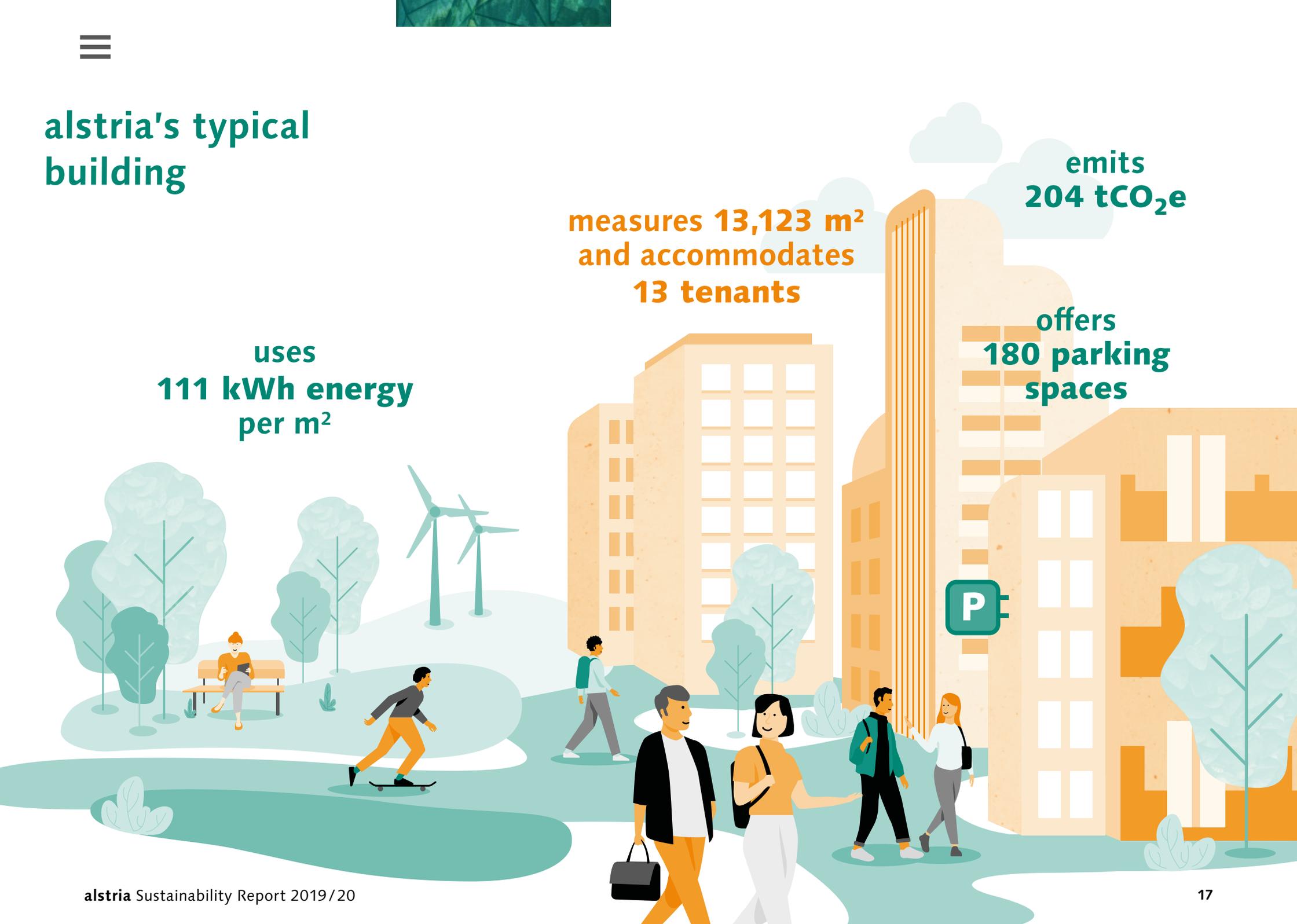
alstria's typical building

uses
111 kWh energy
per m²

measures **13,123 m²**
and accommodates
13 tenants

emits
204 tCO₂e

offers
180 parking
spaces





Carbon: The Big Picture

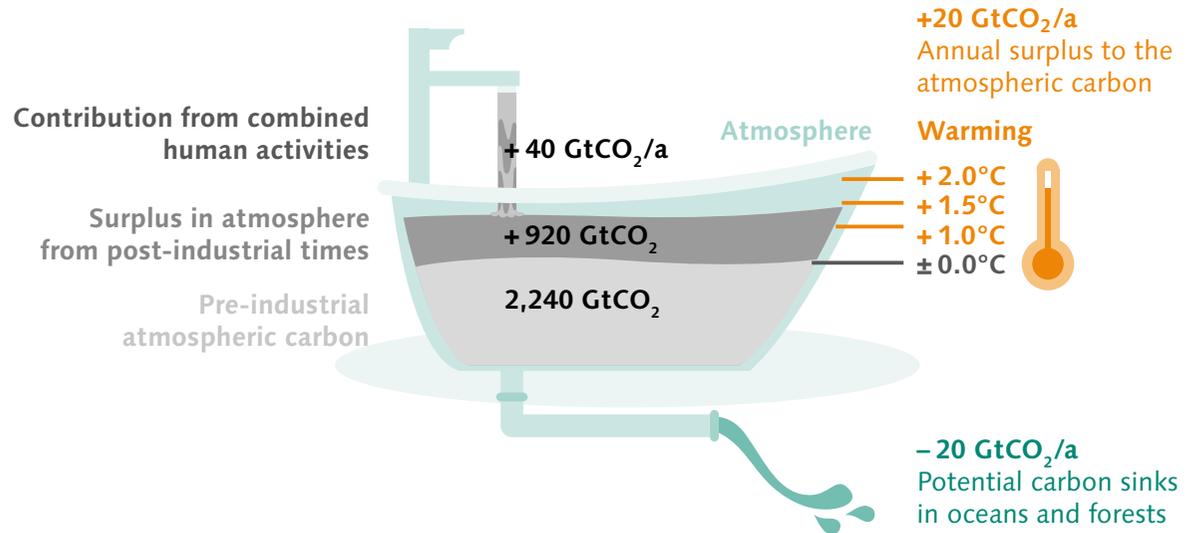
Germany aims to reduce greenhouse gas emissions by at least 55% by 2030, relative to 1990 emission levels. With the building sector accounting for around one-third of Germany's greenhouse gas emissions, our sector can be the catalyst for such change. Our business model has always revolved around the refurbishment of existing assets and, in doing so, substantially reducing the carbon emissions they generate during construction and operation.

Framing the climate problem – Understanding Net Zero

Human activities have a substantial impact on the carbon cycle. Burning fossil fuels, industrializing land use, and producing cement each transfer significant quantities of carbon into the atmosphere. As a result, the amount of carbon dioxide in the atmosphere is rising at a historically unprecedented pace.

The average temperature on the globe rises linearly with the increase in CO₂ concentration in the atmosphere. Let us view the atmosphere as a sort of giant bathtub*, with the water level corresponding to the level of CO₂ in the atmosphere. Before 1870, the level was stable, at around 2,240 GtCO₂. Within a century and a half, human activities have added an excess of about 917 GtCO₂ to the atmosphere, causing an approximately

The bathtub analogy



1.2°C increase in the average temperature of the Earth. Complying with the 1.5°C or 2°C carbon budget (Article 2, Paris Agreement) means that the carbon level in the atmosphere should not increase by more than 420 Gt (1.5°C), or 1,120 Gt (2°C). Beyond that, and the bathtub will overflow. We do not need to suppress all CO₂ emissions to avoid the overflow. We only need to strike a balance between emission and sinks.

The bathtub analogy illustrates the contribution of one's activity to the rest of the system and shows that carbon neutrality is neither an individual nor a corporate concept but can only be realized on a global level. The Net Zero Initiative**, which encourages companies to account not only for their induced emissions, but also for

third-party avoided emissions and the development of technologies that remove carbon from the atmosphere, has described this collective responsibility. An overview of our climate action is summarized in the following carbon dashboard. At a corporate level, Net Zero's claims are not holistic, rely heavily on questionable offsetting methods, and are not rooted in science, but in marketing. We do not think that this is the right approach. We are not a Net Zero company in that respect.

*Net Zero Initiative – A framework for collective carbon neutrality, by Carbone 4, April 2020.

**www.carbone4.com/wp-content/uploads/2020/04/Carbone-4-NZI-Guide-lines-april-2020-2.pdf



alstria's carbon dashboard

		Reducing alstria's greenhouse gas (GHG) emissions		Reducing others' emissions		Developing carbon sinks	
		Induced emissions	Measures	Avoided emissions	Measures	Negative emissions	Measures
alstria's value chain	Under alstria's operational control	Company vehicles	Internal policy on electrifying company's fleet from 2020				
		Energy for alstria's own offices	Lowering energy demands, increasing efficiency, procuring renewable energy, and ISO 50001 energy management system				
		Energy procurement for shared services in alstria's portfolio	Framework contract for 100% renewable electricity procurement	Refurbishing and reusing existing buildings	Saving 30–60% of a building's embedded carbon by reusing foundations, slabs, columns, and facades	Carbonation process of concrete	Concrete absorbs CO ₂ from the atmosphere over its lifespan; it can absorb up to 25–50% of its initial CO ₂ from production
	Outside alstria's operational control	Submetered energy for tenant areas	Framework contract for 100% renewable electricity and procurement of climate compensated natural gas	Refurbishing buildings	Reducing more than 25% of energy consumption for tenants by lowering energy demands, increasing efficiency, and electrifying buildings		
		Low-carbon projects	Pilot projects on low carbon heating systems, renewable energy generation, and energy flexibility in alstria's portfolio	Tenant and employee electricity procurement	Offering affordable electricity from 100% renewable sources via 'Mieterstrompool' service		
		Low-carbon design principles	Incorporate carbon strategy into the design and planning of construction to minimize embedded carbon	Green Dividend	Engaging with alstria's shareholders and offering them information to help them to allocate capital where it will maximize climate impact		
	Business travel and employee commuting	Recommendations and incentives for the use of public transport and bicycles; Investment in better IT and com-tech systems to promote online meetings	Coworking business: BEEHIVE	Helping startups and alstria's tenants to avoid emissions by offering energy-efficient office space close to public transport	Joshua Tree Project	R&D and pilot projects related to forest management and circular economy	
Outside of alstria's value chain	Buying non energy-efficient assets	Refurbishing buildings to increase energy efficiency	Buying assets with good access to public transport	Reducing GHG emissions for tenants' commuting and business travel	GHG capture projects	Contribution to projects to develop CCS or carbon sinks via other products/services	
			Selling refurbished assets	Selling well-performing properties and thus lowering operational emissions for future owners			
			Contribution to GHG reduction projects	Carbon offsetting for unavoidable procurement of fossil fuels (e.g., tenant heating)			
			Pilot projects	Contributions to decarbonizing energy grids and mobility sector			

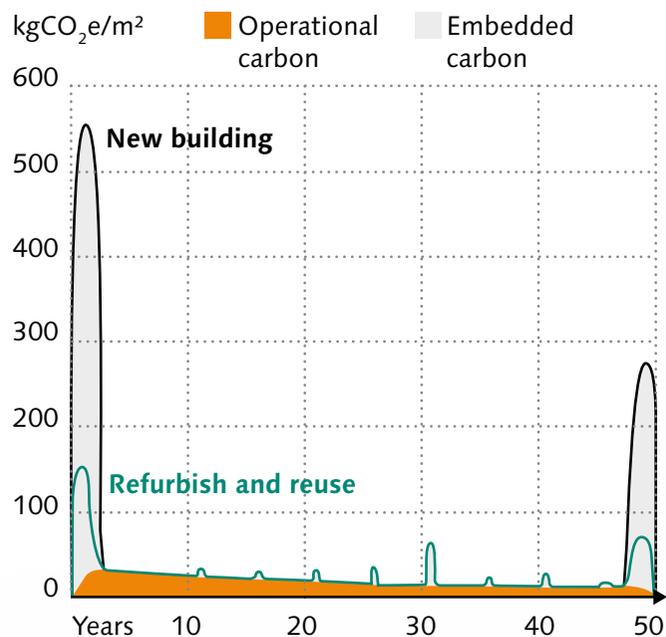


To refurbish or to replace: Framing the current carbon footprint debate

Everyone in real estate should recognize the impact of buildings on the concentration of carbon dioxide in the atmosphere. During construction or operation, buildings consume large quantities of energy and resources and emit considerable greenhouse gases. For this reason, the most sustainable building is the one that is never built, and the second most sustainable is the one that already exists and continues to be used. However, even EU regulators and the new EU 'Green taxonomy' only chase carbon neutrality by focussing solely on buildings' operational emissions. They fail to recognize the amount of pre-existing emissions embedded in the concrete and steel of buildings. Expressed in numbers*, a new building emits approximately 1,000 kgCO₂e per m² over its construction period (2–3 years). It will take another 50 years of operation at the current energy mix for the building to emit an equivalent amount of greenhouse gases.

It is our conviction that new buildings cannot be climate-neutral and will not solve the real-estate carbon puzzle. On the contrary, new constructions are an integral part of the problem. Larger, more immediate emissions from new constructions cannot justify potentially lower emissions from operations in the future. Hence, existing building fabric must be preserved and reused for as long as possible. Thereby, large carbon emissions can be immediately avoided. If new construction is required, then the use of concrete and steel should be reduced as much as possible, and low-carbon materials should be

CO₂-Lifecycle of a new vs. refurbished building



used instead. Buildings must also switch their fossil fuel heating to electric systems or connect to district heating networks to become low carbon. These are the two fundamental areas that building owners can influence and substantially impact. Our ideas on the underlying concepts are available at [alstria's low-carbon design principles](#)

Low-carbon heating transition

Carbon pricing on fossil fuels comes into effect in Germany in 2021. The price will only affect natural gas or oil used to heat buildings. The EU emissions trading system already includes using electricity and district heating to heat buildings, which will become more prominent in the future, due to their low-carbon nature. Our heating strategy from day one was to connect our buildings to district heating grids whenever possible. Most of our regional district heating suppliers have announced decarbonization strategies that include the following:

- › Increasing the share of renewables in district heating and phasing out coal by 2030;
- › Including industrial waste heat and waste incineration in the energy mix;
- › Developing thermal energy aquifer storage to allow for summer and winter heat exchange;
- › Building power-to-heat and hydrogen plants to allow surplus solar and wind power for heat.

Above all, municipal suppliers look to maintain the future heating costs at a socially acceptable level. The development of the district heating market toward low-carbon emissions confirms our strategy and empowers us to pursue further decarbonization measures.

*LETI Embodied Carbon Primer, January 2020 (www.leti.london).



Carbon: Managing our Impact

Managing the impact our business has on the environment starts with reducing our carbon emissions, encouraging reductions from tenant activities, and developing carbon sinks. Building a resilient portfolio is the only way to thrive in a climate-affected future.

Carbon emissions accounting

To classify our emissions properly, understanding how our properties consume energy and who controls the associated energy and carbon emissions is fundamental. Out of our 2019 portfolio of 116 buildings, we were able to cover the operational emissions of 101 properties, thereof 31 single-let properties and 70 multi-let properties in the year under review. The remaining properties were under construction or have recently been acquired or sold. The acquisition of data from our tenants, especially for single-let properties, is a common problem faced by German landlords, who must as a consequence of data privacy laws and regulation, rely entirely on the cooperation of their tenants and their monitoring systems.

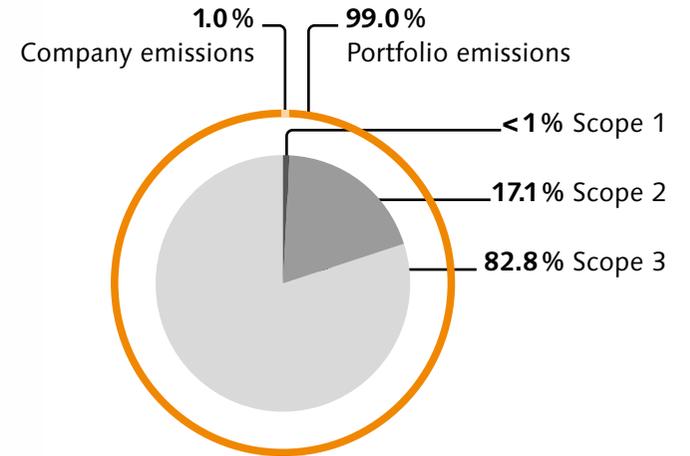
Taking the above into account, we divide our greenhouse gas emissions into three categories: emissions directly induced by our operating activities, emissions induced by our tenants' activities across the portfolio, and emissions resulting from our construction activities.

Company emissions

In line with the GHG Protocol methodology, we further divided our company's emissions into direct and indirect emissions. Direct GHG emissions (Scope 1) result from sources that alstria generates or controls, such as fuels for heating or purposes of mobility. Indirect emissions (Scope 2) are associated with the consumption of intermediate energy, such as electricity and heating/cooling for our offices. Other indirect emissions (Scope 3) include those arising from business travel or employee commutes. The company emissions made only a fraction of the total carbon emissions (37,225 tCO₂e) in 2019, which to 99% resulted from tenant activities in our portfolio.

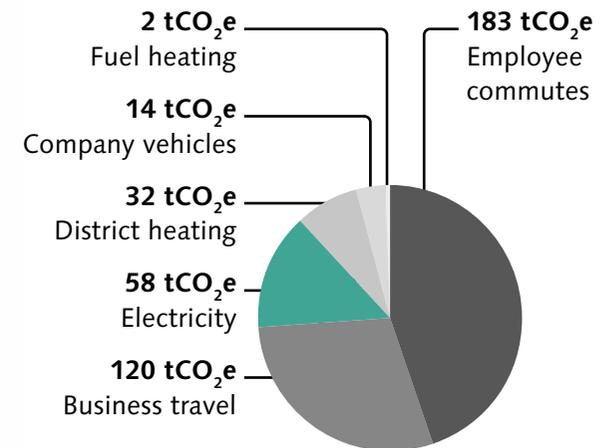
Emissions breakdown by scope

Total emissions (location-based): 37,225 tCO₂e



Company emissions breakdown

Total emissions (location-based): 410 tCO₂e



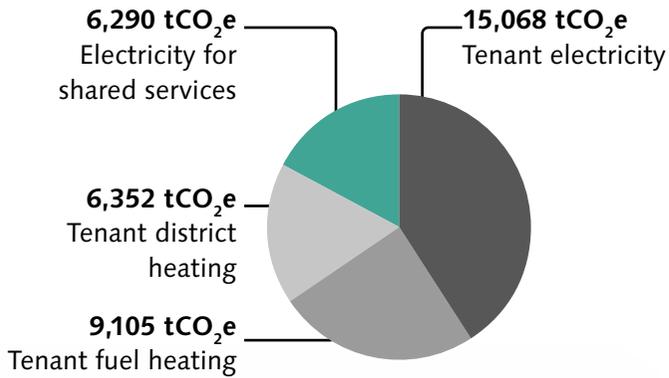


Portfolio emissions

Emissions resulting from the operation of buildings in our portfolio include those arising from the consumption of intermediate energy for electricity, heating/cooling in tenant areas and shared services (Scopes 2 and 3). Renewable energy and energy from renewable energy grids power an increasing part of our portfolio, and thus we are achieving lower operational emissions.

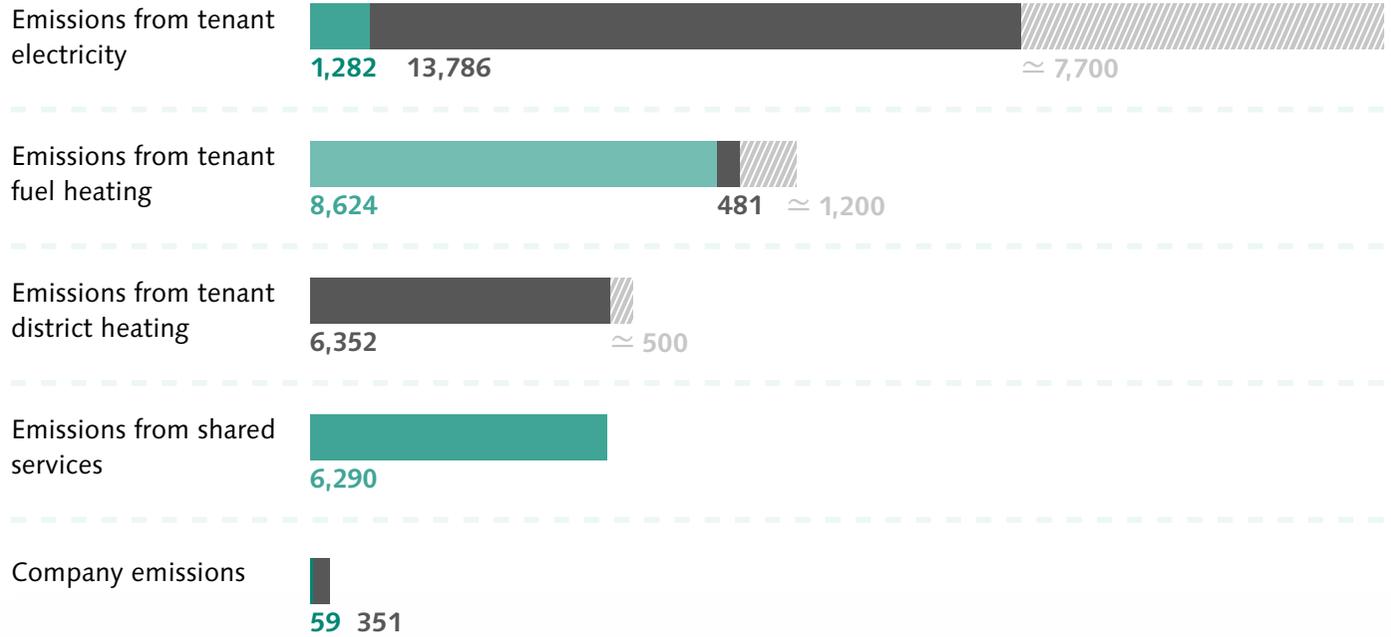
Portfolio emissions breakdown

Total emissions (location-based): 36,815 tCO₂e



Total emissions breakdown by energy source

■ Renewables in tCO₂e
 ■ Carbon offsets in tCO₂e
 ■ Conventional energy in tCO₂e
 Full coverage estimates





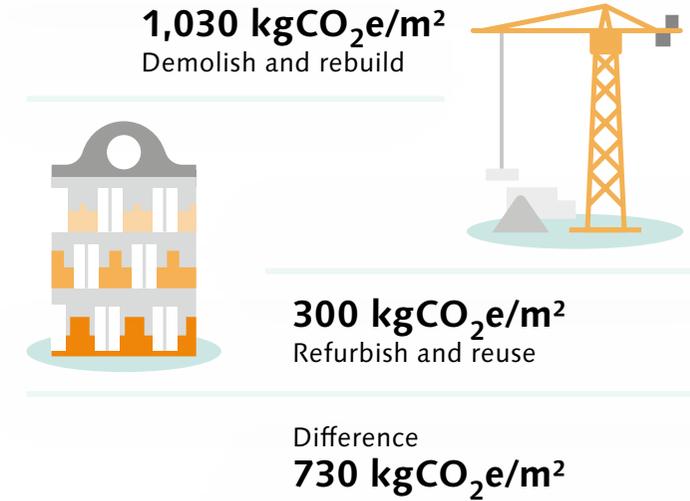
Embedded emissions

Assessing the embedded carbon of our development projects demonstrates the impact of our construction activities on the carbon lifecycle of a building. By doing so, we can identify the difference in embedded emissions between demolishing and replacing an old building and refurbishing and reusing an existing building.

For a typical office building, we estimate embedded emissions from construction to equal approximately 1,000 kgCO₂e/m², and emissions from demolition and disposal to equal approximately 30 kgCO₂e/m². Refurbishing an existing building allows for the reuse of 60 to 70% of the existing structure, thereby generating substantially less emissions than the construction of a new asset. For the emissions linked to the refurbishment of an existing asset, we estimate a drop in emissions at around 300 CO₂e/m².

The difference in embedded carbon between the two approaches is apparent (see right graphic), with a refurbishment project emitting approximately 730 fewer kgCO₂e/m² compared to a new building. This is equivalent to the entire operational emissions of a typical alstria building (40 kgCO₂e/m² per year) over 18 years, or to the operational carbon savings due to efficiency improvements in a new construction for more than 50 years.

The following table demonstrates our first attempt to assess the embedded carbon of our development projects based on available publications and alstria's historical data. In view of increasing our transparency, we will keep challenging our evaluation method and adopt the latest available embedded carbon measurements.



Embedded and operational carbon of alstria's development projects

		Embedded carbon				Operational carbon		
		Alternative A: New building	Alternative B: Refurbishment and reuse		Avoided emissions			
		Carbon from demolition & replacement ¹⁾	Proportion of preserved building parts ²⁾	Carbon from refurbishment activities	Difference between new vs. refurbished building	Annual operational carbon	Improved GHG efficiency after refurbishment ³⁾	Annual operational carbon savings
Development projects	Lettable area	[A]	[C]	[D ≈ (1 - C) * 1,030 kgCO ₂ e/m ² * A]	[E ≈ B - D]	[F ≈ 40 kgCO ₂ e/m ² * A]	[G]	[H ≈ F * G]
Amsinckstrasse 28 & 34	14,300 m ²	14,700 tCO ₂ e	70%	4,400 tCO ₂ e	10,300 tCO ₂ e	570 tCO ₂ e	30%	170 tCO ₂ e
Besenbinderhof 41	5,000 m ²	5,200 tCO ₂ e	60%	2,100 tCO ₂ e	3,100 tCO ₂ e	200 tCO ₂ e	30%	60 tCO ₂ e
Gustav-Nachtigal-Str. 3	16,800 m ²	17,300 tCO ₂ e	70%	5,200 tCO ₂ e	12,100 tCO ₂ e	670 tCO ₂ e	30%	200 tCO ₂ e
Carl-Reiß-Platz 1-3	17,500 m ²	18,000 tCO ₂ e	40%	10,800 tCO ₂ e	7,200 tCO ₂ e	700 tCO ₂ e	30%	210 tCO ₂ e
Gustav-Nachtigal-Str. 5	7,600 m ²	7,800 tCO ₂ e	60%	3,100 tCO ₂ e	4,700 tCO ₂ e	300 tCO ₂ e	30%	90 tCO ₂ e
Total		63,000 tCO₂e		25,600 tCO₂e	37,400 tCO₂e			730 tCO₂e

¹⁾Embedded carbon estimates at 1,030 kgCO₂e/m² for replacing existing and building new office buildings (Source: 'Embodied Carbon Primer' by LETI at www.leti.london/ecp, p. 24).

²⁾Preserved embedded carbon estimates at 40%–70% depending on replacing carbon-intensive building parts (Source: 'Embodied Carbon Primer' by LETI at www.leti.london/ecp, p. 26).

³⁾Minimum energy gains estimates after a typical alstria refurbishment project following the EU medium renovation threshold of 30–60%. (Sources: alstria's historical data; https://ec.europa.eu/energy/sites/ener/files/documents/1.final_report.pdf, p. 13).



Tracking performance – Science-based targets

We have been working for many years with internal targets to track the reduction of our operational carbon emissions. In 2020, we had our targets approved by the Science Based Targets initiative (SBTi). We believe that setting science-based targets is the only collective effort companies can make to ensure their decarbonization pathways are in line with what the latest climate scenarios say is necessary to meet the goals of the Paris Agreement.

Our targets and performance against our 2018 as base year are presented below. Our scope 1 target is in line with a well-below 2.0°C trajectory, whereas our scope 2 target is in line with a 1.5°C trajectory. The scope 3 (downstream leased assets) target has been assessed but is yet to be classified.

alstria's science-based targets

A commitment to reduce our absolute scope 1 GHG emissions by 30% by 2030 from 2018 as a base year.



Base-year emissions 2018

Degree of target achievement 2019



A commitment to continue sourcing 100% renewable energy through 2030.



A commitment to reduce our absolute scope 3 GHG emissions (downstream leased assets for full portfolio coverage) by 30% by 2030 from 2018 as a base year.



Key actions to meet our targets – Renewable procurement

For our scope 1 target, we have decided to electrify our company's vehicle fleet starting in 2021, and we expect substantial reductions in the following years.

To maintain our 100% renewable energy sourcing (Scope 2 emissions), we have centralized energy procurement across our portfolio since 2016. We issued our first framework contract for a four-year period (2016–2019) and included the procurement of renewable electricity for all landlord-shared services in our portfolio and offices. Over the entire issuance period, we achieved approximately 31,500 tCO₂e in savings – a 30% reduction in energy costs, or around EUR 2.5 million. We pass these savings on to our tenants, who bear the costs of utilities in the common areas of our portfolio. In 2019, we signed a new framework contract for 2020–2021 with extended requirements on renewables that include the physical coupling of electricity generation and 20% of energy from plants younger than three years.

For our scope 3 target (downstream leased assets), we systematically advise our tenants to join our renewable energy procurement contract, thus allowing them to reduce their own emissions. This approach benefits both parties: tenants can access cheaper energy negotiated by alstria, and alstria can increase its buying power, thereby achieving better pricing for the utility costs it bears. Individual tenants may contract directly with the utility company (at alstria's discretion), which allows them to keep the clean energy contract even in case of a disposal of the asset by alstria. Participation in the framework contract has already contributed to an 8.5% reduction of total tenant emissions in 2019.

¹⁾The 93% target achievement results mainly from the different CO₂ factors we used for calculating our tenant emissions from electricity and heating in 2019. The full coverage projection for tenant electricity includes for the first time in 2019 records from the tenant electricity pool, and thus prevents a one-to-one comparison between the years 2019 and 2018. We will continue reporting on our performance against our science-based targets in the next years and reevaluate our emissions when necessary.

'Carbon Dashboard' table, page 19

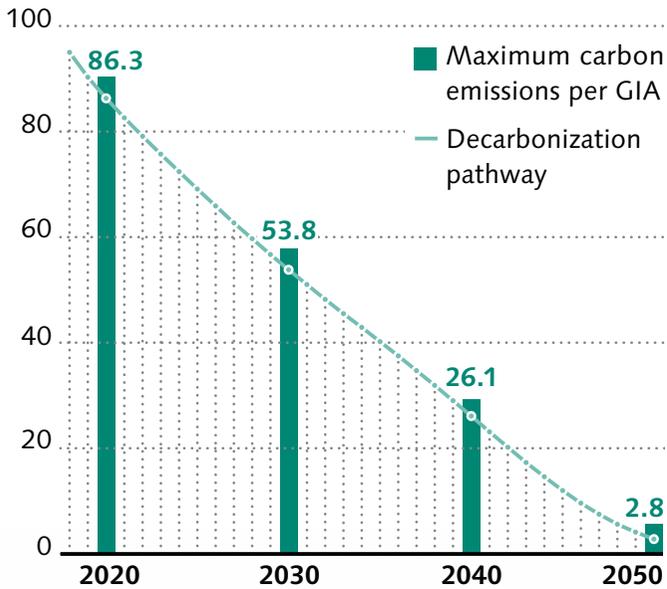


Double checking our decarbonization pathway

In addition to the well-established science-based targets method, we track our annual emissions per lettable area with the CRREM Tool. The tool provides companies with Paris-aligned decarbonization and energy reduction pathways defined by country and building type. The distinction between types of property use is particularly relevant for real estate owners such as alstria, whose portfolio is almost entirely offices. alstria was an early baker of CRREM. www.crrem.eu/tool/

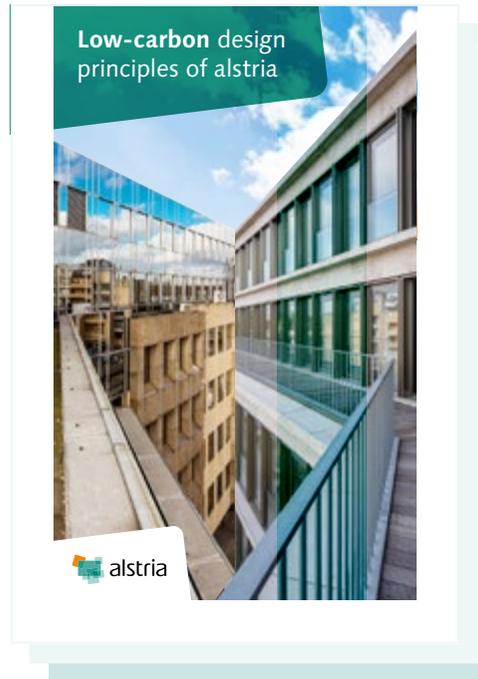
Decarbonization pathway for office buildings in Germany – CRREM Tool, version 1.4

in kgCO₂e/m²a



Acting: Low-carbon design principles

We recently introduced a series of low-carbon design principles providing our developers and service providers with a framework to balance and test the different components of a low-carbon design. The recommendations reflect the EU's current climate strategy and offer our industry a low-carbon pathway to potentially reach carbon neutrality.



[alstria's low-carbon design principles](#)

To begin, we identified five core concepts to guide our employees in applying our low-carbon design principles in all future refurbishment projects. These concepts are as follows:



I. We do not define climate change policies, but we apply them.



II. alstria is a for-profit organization.



III. We need to maximize the use of carbon that has already been spent.



IV. Less construction is the way forward.



V. Compensation is not the answer.



Next, we have established principles that we believe can help reduce carbon emissions in our industry:

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

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

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

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

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

6. First, reduce energy demand: Optimize the building envelope and focus on passive solutions. For example,

an airtight façade with mass behaving as a temperature buffer can reduce heating demands. In addition, challenge design-driven technical equipment and instead, favour equipment that offers more comfort and flexibility

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

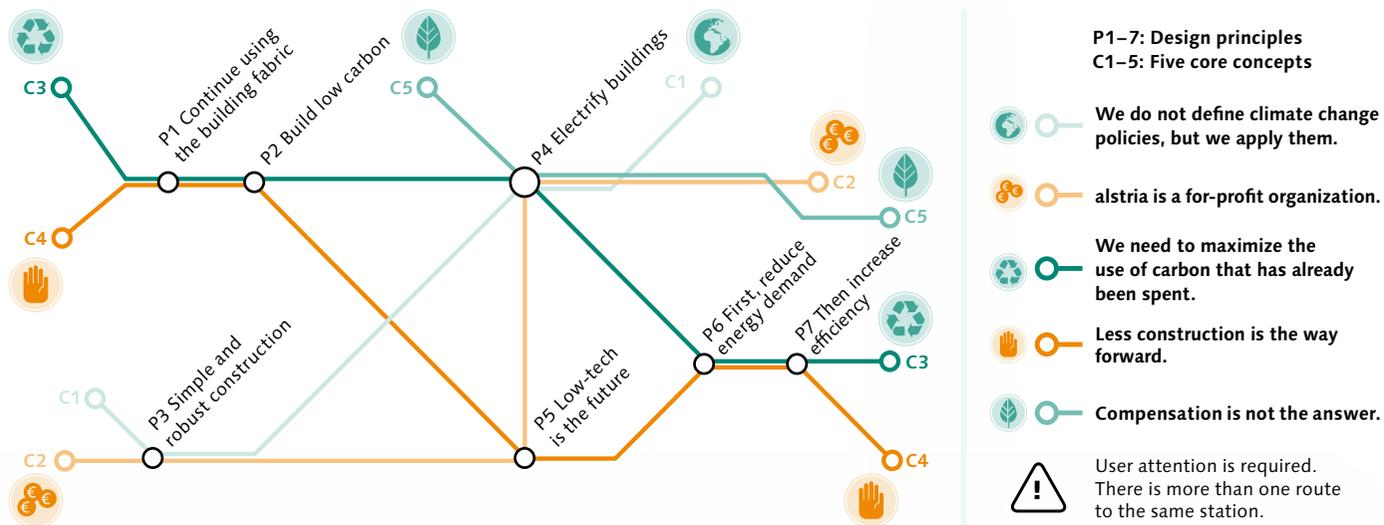
Low-carbon principles incorporated in our development pipeline

We are making good progress across our development program, which reflects 8%* of our portfolio volume. Our current development pipeline comprises five projects with a total leasable area of 61,200 m², representing an average capex of 1,300 per m². Importantly, we have designed our pipeline with flexibility, enabling us to slow down our commitments while still progressing as we deal with the impact of COVID-19.

As we only refurbish properties within our own portfolio, we can design and plan the project while the asset is still yielding profits. We determine the scope and depth of the refurbishment by taking into consideration the need to provide the asset with a new life that will meet tenants' demands, improve overall efficiency, and yield positive returns. We do not strive to maximize, but to optimize, in order to achieve a balanced project. The table below illustrates this approach on light of the low-carbon design principles.

*alstria's development portfolio comprised 184,000 m² in 2019, representing 8% of portfolio volume. The development portfolio presented in this report comprises 61,200 m² and refers to the actual projects on which alstria has already set refurbishment measures.

Mapping of low-carbon design principles





Applying our low-carbon design principles in our development projects

Development projects	Lettable area	Asset class	Embedded carbon			Operational carbon			
			1. Building fabric reuse	2. Low-carbon building materials	3. Simple and robust construction	4. Building electrification & grid decarbonization	5. Low-tech design	6. Reduced energy demand	7. Improved energy efficiency
Amsinckstrasse 28 & 34 [under construction]	14,300 m ²	office	Reusing building shell	New modern wooden-aluminum windows	Flexible building design and tenant fit-out	Connection to district heating	Night cooling, exterior sun shading of windows, no building management system (BMS)	New façade and roof insulation, new windows compliant with EnEV guidelines	New and efficient building equipment, LED lighting
Besenbinderhof 41 [under construction]	5,000 m ²	office	Reusing most of the existing building structure and building an extension	New wooden windows	Flexible building design and tenant fit-out	Connection to district heating	No BMS installed	New roof insulation	New and efficient building equipment, LED lighting
Gustav-Nachtigal-Str. 3 [under construction]	16,800	office	Reusing most of the existing building structure		Flexible building design and tenant fit-out		Natural ventilation, exterior sun shading of windows, no BMS	New windows compliant with EnEV guidelines	New and efficient building equipment, LED lighting
Carl-Reiß-Platz 1–3 [under construction]	17,500	office/residential	House 1 and 2: Reusing most of the existing building structure and building an extension. House 3: Reusing existing foundations and basement level	House 2: Extension with wood ceiling	Flexible building design and tenant fit-out	Connection to district heating	Natural ventilation, exterior sun shading of windows, no BMS	House 1 and 2: New windows and roof insulation compliant with EnEV guidelines. House 3: New building designed according to EnEV guidelines	New and efficient building equipment, LED lighting
Gustav-Nachtigal-Str. 5 [planning]	7,600	office	Reusing most of the existing building structure		Flexible building design and tenant fit-out		Natural ventilation, exterior sun shading of windows, no BMS	New windows compliant with EnEV guidelines	New and efficient building equipment, LED lighting



Energy and Resources

We closely monitor energy and water consumption, as well as the waste generated across our portfolio. Based on these values, we identify measures for reducing consumption and thus operating costs, improving our flexibility from the energy grid, and providing comfort to our tenants.

Energy consumption

Energy consumption in our company is divided into:

- > Electricity and heating consumed in tenant areas
- > Electricity consumed in landlord's shared services
- > Electricity and heating consumed in our offices

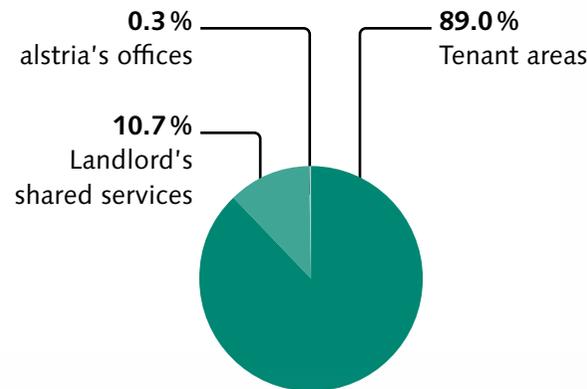
Tenant areas

The largest share (89.0%) of energy consumption originated from tenant areas in 2019 and equals 130,552 MWh. The remaining portion (16,062 MWh) resulted from energy consumption from the landlord shared services in our buildings and our offices. Reducing the total energy consumption of our portfolio relies on a strong collaboration with our tenants and on our understanding of the consumption behavior in our buildings. We thus began to replace conventional submetering systems to modern ones in 2020 to monitor the energy distribution in our buildings in real time.

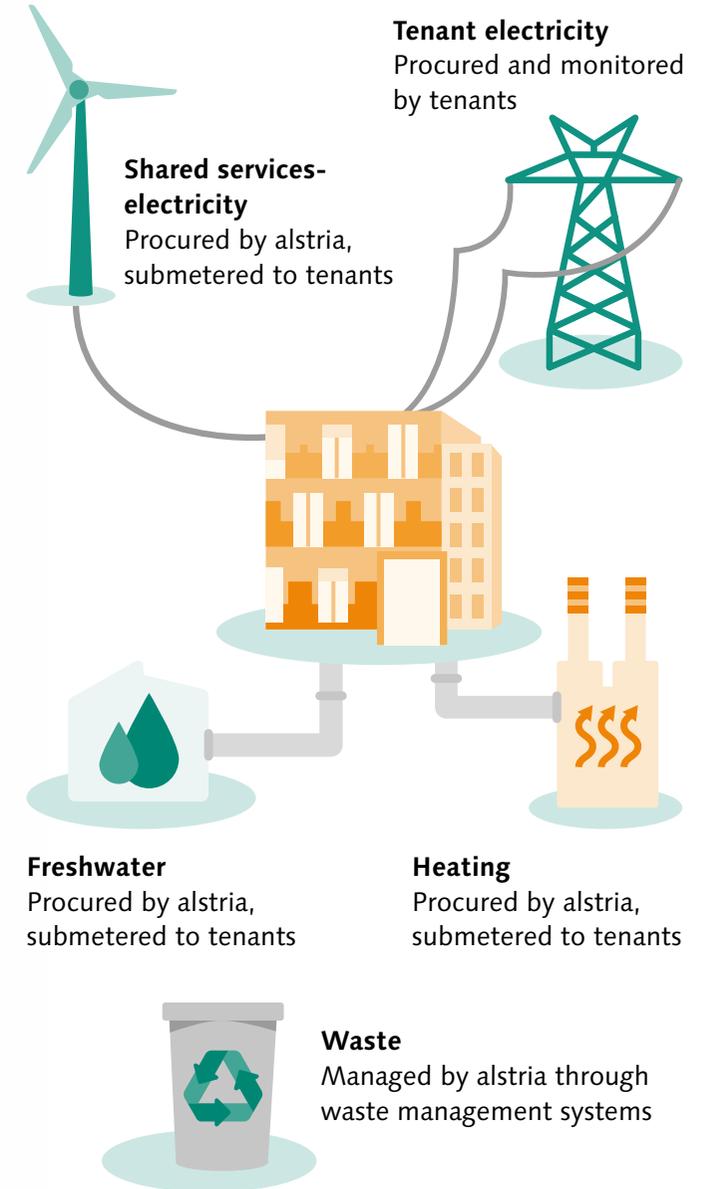
By 2021, we will start to apply smart metering to tenant areas as well, which will allow us to acquire real-time data and to uncover inefficiencies in the operation of our buildings. From time to time, we also run pilot projects in select buildings in our portfolio to explore opportunities to lower energy demands or increase energy savings. The most recent projects involve electric vehicle charging and low-carbon heating (for more information, please refer to the 'Pilot projects' section on page 30. Furthermore, we run awareness campaigns at our properties, reminding tenants of the importance of minimizing energy use.

Energy consumption by tenancy

Total energy consumption: 146,614 MWh



Breakdown of energy and resources in multi-let buildings





Heating

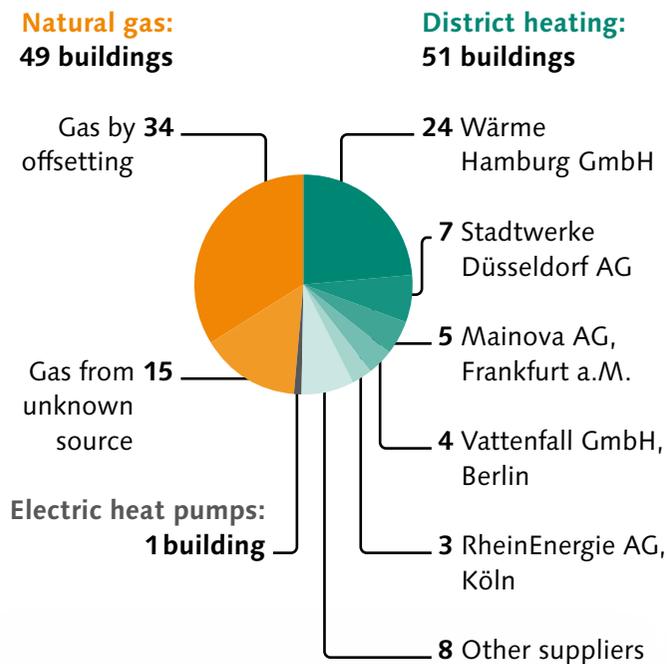
For the biggest part of our portfolio, we select the heating system and submeter energy for our tenants. Considering the carbon backpack of various heating options, we favor the following in order of preference: electric heat pumps, district heating/cooling, low-carbon heating, and natural gas. Most of our buildings in 2019 (51 of 101) were connected to district heating. We strongly believe that this option benefits the environment, as it uses waste heat that would otherwise be lost. When heat pumps are not economically competitive, and access to a district heating grid is unavailable, we replace conventional heating at the end of their economic life with high-efficient heating plants and compensate for the necessary fuels. However, carbon offsetting is not the path that we want to pursue long term. We see a future of affordable electric heat pumps, Power-to-X, hydrogen and other low-carbon heating technologies.

Electricity

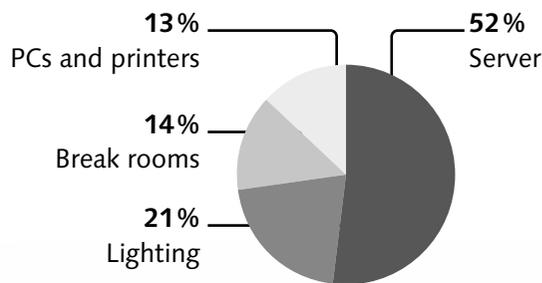
Tenants in Germany obtain electricity directly from energy suppliers, without landlords' involvement. However, since 2017, we have offered our tenants and employees alike a service for procuring 100% renewable energy in attractive prices, thereby helping them to reduce their own carbon footprints (www.mieterstrompool.de).

In the area of renewable energy generation, we currently explore the use of solar panels in our buildings following the evolution of the legal framework allowing to sell self-generated electricity to tenants. In 2019, the solar capacity installed in two buildings in our portfolio generated 2,505 kWh. This energy was fed into the grid.

Heating systems in alstria's portfolio by source



Electricity consumption in alstria's head office by source



Landlord's shared services

The part in our portfolio where we have the greatest impact is the shared services in our buildings (e.g., corridors, hallways, lobbies, toilets, and technical areas) provided for the comfort and use of all occupants in multi-let buildings. These services have run exclusively with 100% renewable energy since 2018, and the majority (58 of 70 multi let buildings) has been tracked in real time with the use of smart meters or energy management systems since 2019. The consumption of energy in these areas refers only to electricity and accounted for 15,686 MWh in 2019.

alstria's offices

We aspire to use our corporate offices as a platform for testing new technologies, and we draw results that can eventually impact other areas in our portfolio as we pursue our goal of reducing energy consumption. We therefore run an energy management system yearly according to ISO 50001 to identify appropriate energy-efficiency measures. Another technology we use, mainly for recognizing deficiencies, is smart metering, which has been available in all of our offices since 2016. Our own electricity demand is completely covered by 100% renewable energy since 2016.

In 2019, energy consumption accounted for 376 MWh – 33% higher than the previous year – mainly due to the relocation of our head office to larger offices, as well as additional employee growth.

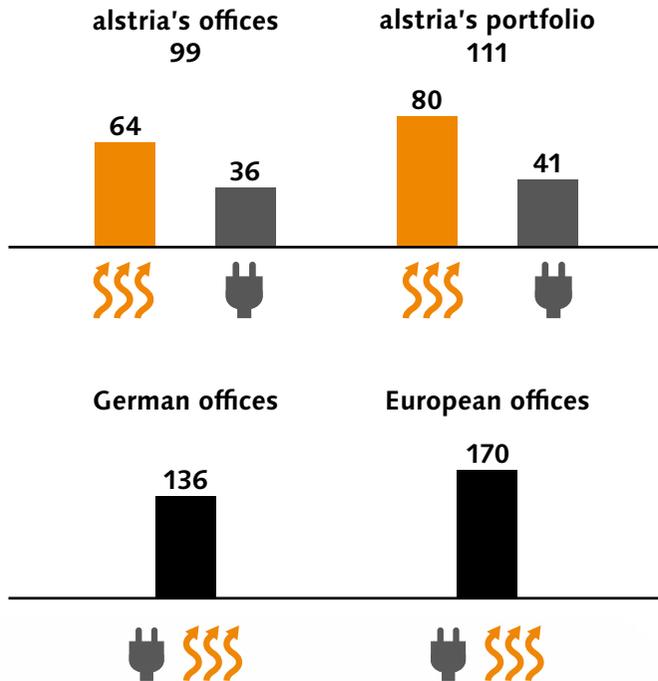


How does alstria compare with others?

Our offices are evidently efficient compared with our tenants' offices. Similarly, the energy consumed per m² in our tenant offices is much lower than the average amount of energy consumed in German and European offices. The benchmarks that we have used refer to existing office buildings and derive from Deutsche Energie-Agentur 2018 and GRESB 2019 accordingly.

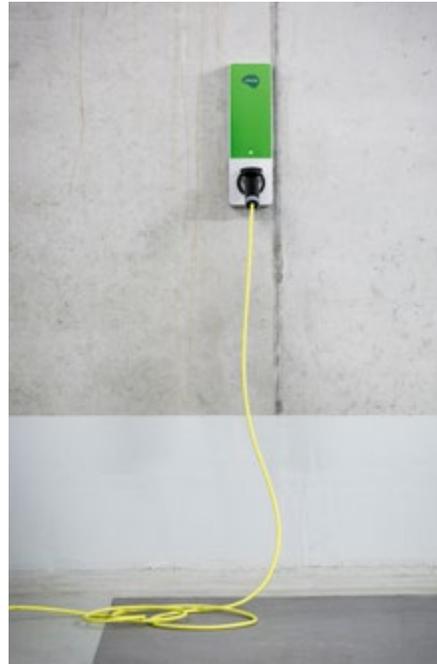
Energy intensities

in kWh/m² per year



Pilot project: EV-charging with dynamic load management

To take advantage of governmental incentives promoting electric vehicles (EV), we have begun pilot projects on installing EV-charging solutions across our portfolio in collaboration with various providers. This enables us to prepare for the increased demand in e-mobility expected from customers in the next few years. To provide our buildings with the maximum capacity of charging stations, we are now installing dynamic load management systems. Such systems allow us to expand our buildings' energy flexibility by balancing buildings' electricity demands with their EVs and move forward with energy generation and storage.



Pilot project: District heating to go

In collaboration with our environmental service provider, Buhck Group, we have started a pilot project to supply buildings in our portfolio with heat from waste incineration. What is unique in this project is that heat from a regional biogas plant that cannot be fed into a local district heating grid is stored in containers and transported directly to our properties. In this way, excess energy in the biogas plant that would have otherwise been lost is now used to cover our buildings heating demands by replacing around 60% of previously used fossil-fuel heating.



Water consumption

The use of water in our company is divided into:

- > Water used in tenant areas
- > Water used in our offices

Tenant areas

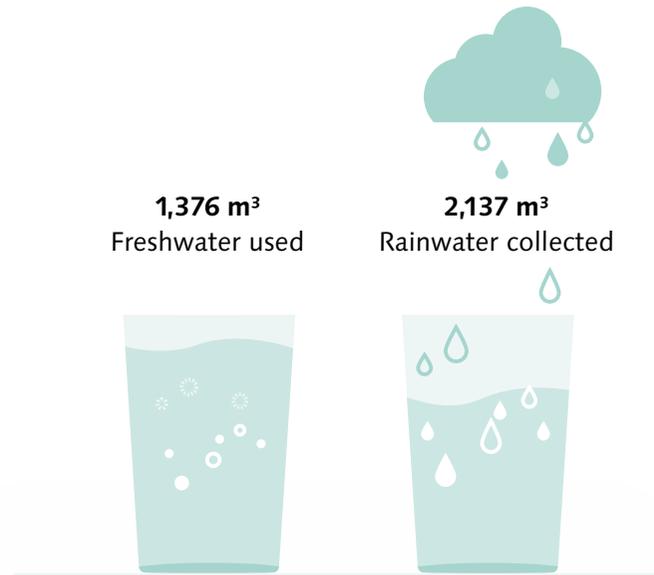
No water stress generally exists in Germany, where our business operations take place. However, some metropolitan regions in Germany face water challenges (e.g., overloaded sewers) due to an increasingly scaling rate of rainfall events. For our part, whenever we refurbish one of our buildings, we try to include a rainwater collection or stormwater retention system, as well as greywater systems for toilets or sprinklers. We also regularly run controls on the sewer pipes across our portfolio to detect significant liquid spills.

Water in our portfolio is procured exclusively from local authorities – either through our tenants or through us – and submetered directly to them. The use of water in our buildings is for tea kitchens, toilets, and green areas. In 2019, our portfolio's water consumption was 305,200 m³.

alstria's offices

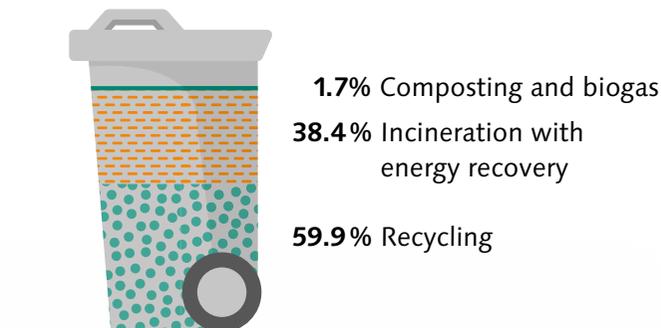
We use water in our corporate offices responsibly and have water-saving devices installed in tea kitchens, toilets, and green areas. Freshwater consumption amounted to 1,376 m³ in our offices, 55% higher than the previous year. This is mainly due to the additional amenities provided in our head office (fitness and shower facilities, as well as chilled and hot drinking water dispensers in all break rooms).

Water use in alstria's offices



Waste in alstria's portfolio by disposal route

Total waste consumption: 1,866 t



Waste generation

Waste generation in our company is divided into:

- > Waste generated in tenant areas
- > Waste generated in our offices
- > Waste from construction activities

Tenant areas

To reduce waste produced by our tenants, we have applied a waste management system run by an environmental service provider from Northern Germany across our portfolio. In 2019, this system covered 71 of 101 buildings. Our goal is to eventually include all buildings from our portfolio in this system and to improve our recycling rate.

alstria's offices

To reduce paper use across the company, we have introduced a company-wide document management system and digital communication platforms. In 2019, we printed on 534,000 sheets of paper (3,040 kg), which corresponds to approximately 13 sheets of paper per employee per working day. The paper used is FSC certified. We also regularly inform our employees about our waste separation process.

Construction waste

Our building approach to retrofitting rather than demolishing generates much less waste and uses less energy. Specialized waste disposal companies collect and treat waste from our construction activities according to German standards. 90% of the waste is recycled. In 2019, 5,864 t and 4,152 m³ of waste were generated at 18 construction sites and large tenant fit-outs.



Workplace Experience

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

Healthy office buildings

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

- › health and safety,
- › a human-centered office layout adding comfort,
- › connections to transportation and recreational areas, and
- › accessibility.

Health and safety

Before any significant acquisition, we run due diligence to examine all potential safety, regulatory, and environmental risks thoroughly that could pose health risks to the buildings' occupants and to surrounding communities.

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

Before any refurbishment activity begins, we communicate the timeline of our construction activities to immediate neighbors. When conflicts of interest arise, we try to react immediately and find solutions for office users and tenants, which may include rescheduling our heavy construction work to Saturdays to minimize noise and disturbance.

During refurbishment, the appointed construction company oversees its workers' health and safety. Furthermore, BG BAU, the body responsible for statutory accident insurance for the construction industry, regularly supervises our construction sites to ensure the safety and training of construction company workers. As required by German law, we appoint one health and safety coordinator (SiGeKo) for each construction site to ensure optimal occupational health and safety standards. When necessary, SiGeKo can proceed with closing a site or with discharging workers or construction companies. In 2019, no fatal accidents occurred at our construction sites or in our offices.

Human-centered office layout

Our office layout design encompasses diverse principles that affect the human life inside our buildings positively such as good lighting; indoor air quality; thermal, acoustic, and visual comfort; ergonomics; and the incorporation of spaces for recreational activities.

The outbreak of the COVID-19 pandemic presented us with new challenges to providing healthy indoor environments within our buildings. Some of the measures being put into place in our offices and common areas of our buildings to promote indoor air quality include:

- › reviewing procedures to ensure adequate fresh air ventilation, the filtration of return air, and acceptable thermal comfort across our offices;
- › limiting the occupancy of spaces to maintain physical distancing across our offices;
- › experimenting with smart building technologies that can assist with people counting and access-control systems; and
- › running informational campaigns across our portfolio to encourage people to maintain social distancing rules and promote the use of staircases.



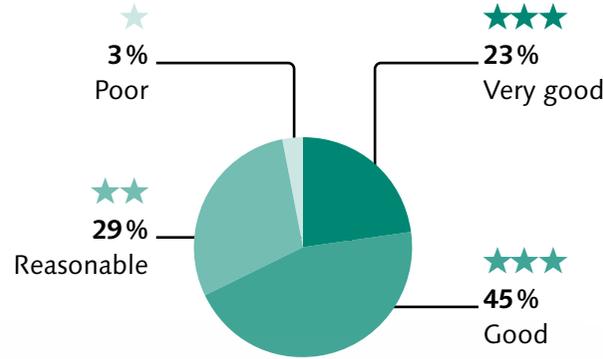
Offices with access to public transport

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

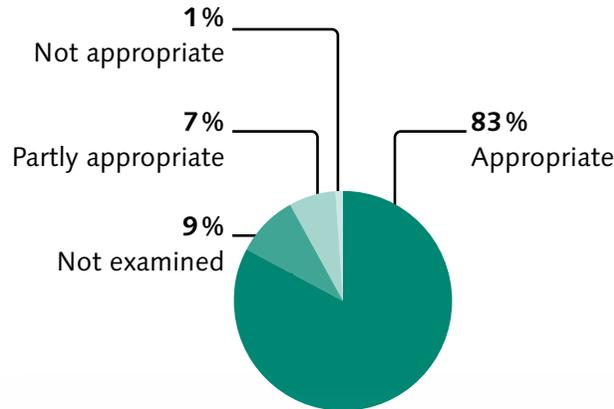
- > distance to public transport (metros, buses, trams, bicycle-sharing, and ridesharing);
- > distance to airports, railway stations, and highways;
- > access to electric-vehicle charging stations;
- > distance to food supplies, drugstores, pharmacies, banks, and cafés; and
- > distance to recreation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

The results of our most recent study showed that 68.0% of our portfolio has good to very good access to transportation systems and local supplies. This is attributable mainly to the composition of our portfolio, with buildings situated in dense metropolitan areas.

Evaluation of portfolio for transport access



Evaluation of portfolio's accessibility



Offices with barrier-free access

We want every office user to feel comfortable in our premises. Thus, we aim to offer common areas that are safe for people with disabilities. To gain better insight into our portfolio's disability-friendliness, we have examined our common areas under the following criteria:

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

For all of the examined properties, 83% met our criteria for barrier-free buildings, demonstrating that most of our buildings are appropriate for people with disabilities, and the remaining buildings can be modified easily.



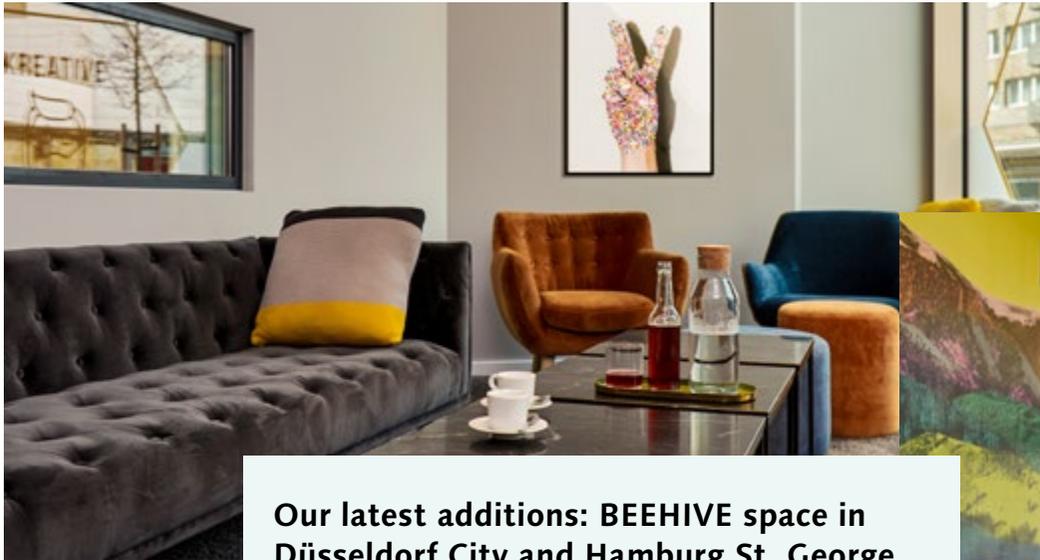
News from our coworking business BEEHIVE

For four years now, the BEEHIVE team has welcomed thousands of freelancers, founders, start-ups, and journalists as well as anyone who wants to enjoy the benefits of a coworking environment in our BEEHIVES. Run on a 24/7 basis with 365-day access to flexible workspaces across major cities in Germany, our coworking business offers not only a place to work but also a place to grow. New business contacts and a platform for start-ups are only the beginning of a journey that will drive the future of real estate.

 *Join our BEEHIVE and ask for exclusive offers if you are one of our tenants.*



BEEHIVE Team



Our latest additions: BEEHIVE space in Düsseldorf City and Hamburg St. George





Feel-good temperature at BEEHIVEs

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

BEEHIVE partnering up

We believe in a sharing economy and provide a variety of products and services from our partners to our coworkers. Technical appliance and electric vehicle rentals, reduced sport-club memberships, and marketing consulting are just the beginning of an ever-increasing list. After all, this is what our slogan stands for: 'Work. Better. Together.'

BEEHIVE Partners

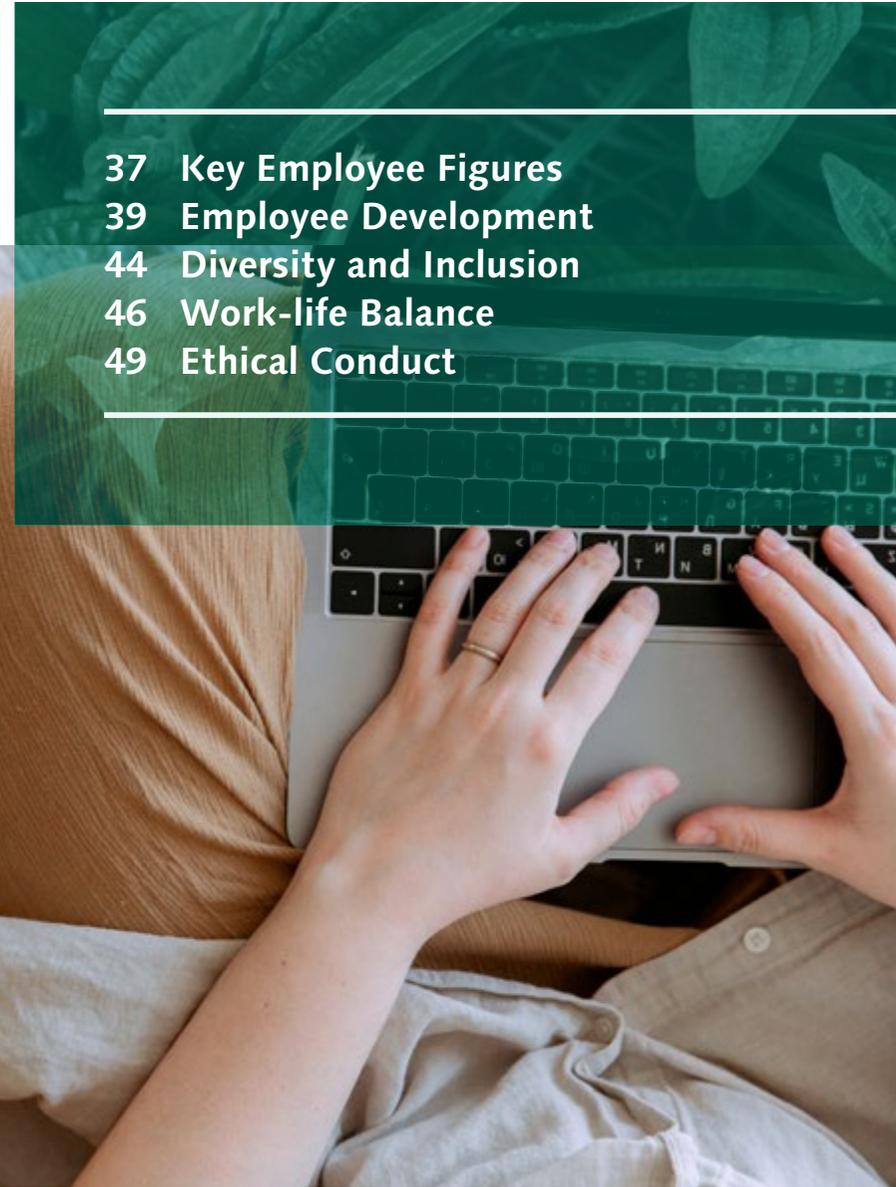


BEEHIVE master class

We stay connected to our community, including during the coronavirus pandemic, by offering free master classes via videoconferences. Most recently, a broad range of experts was brought together to provide insights on growth, mindset, networking, online marketing, and sustainability.



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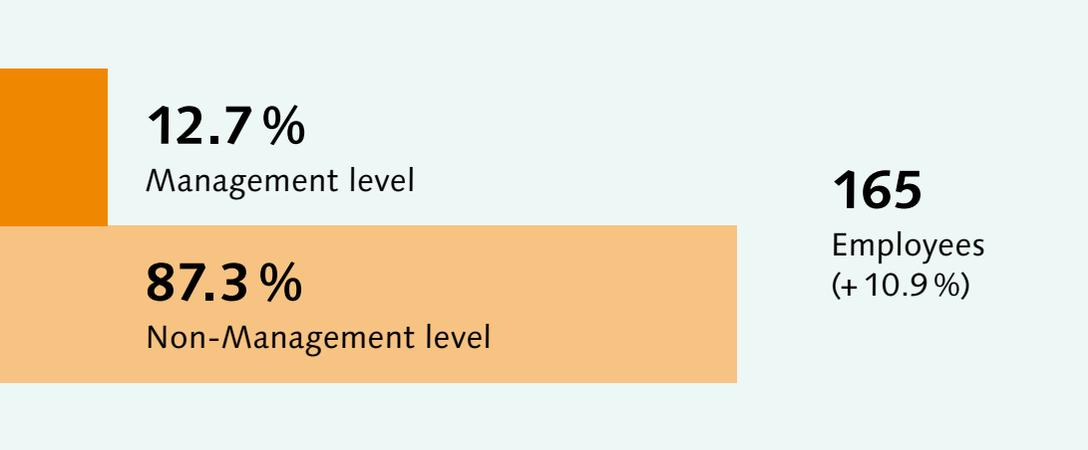
Our People



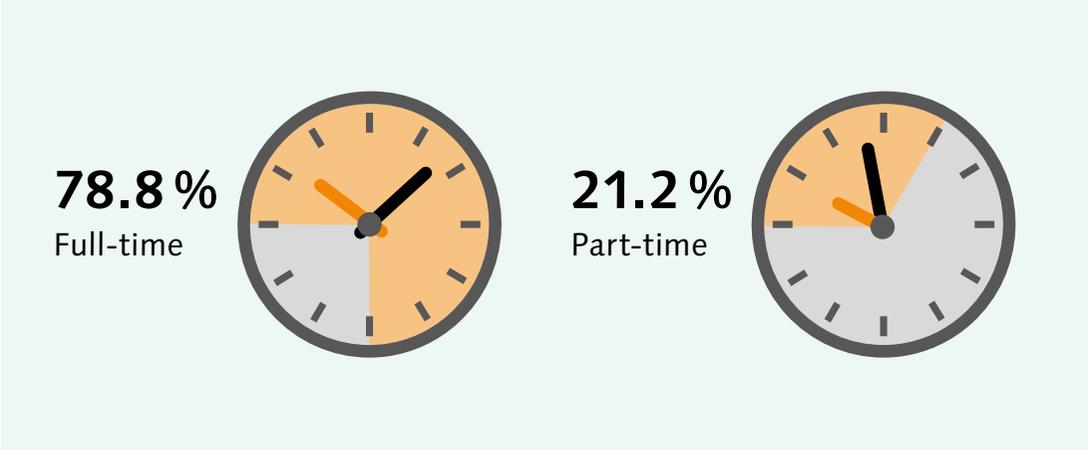
Key Employee Figures

All data refer to the 2019 calendar year.

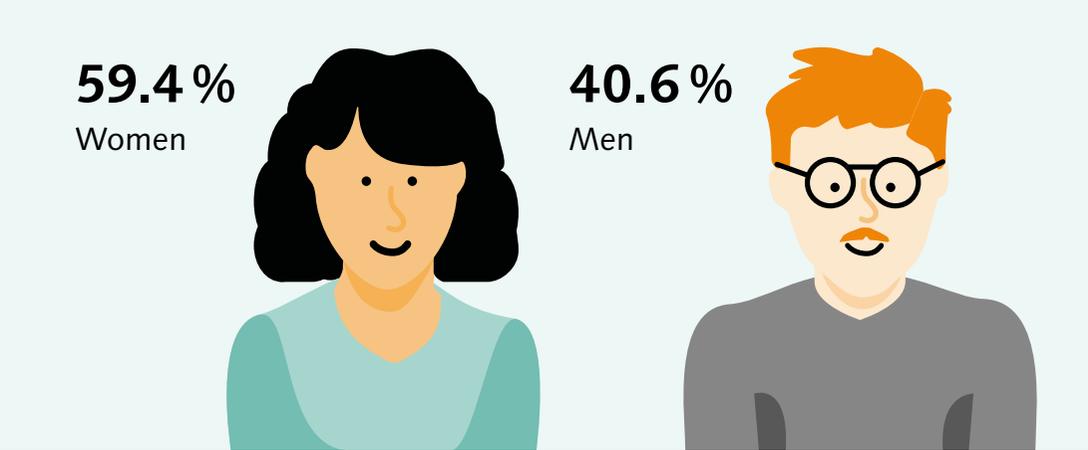
Who we are



Employees by type



Employees by gender



Employee survey results





alstria's typical employee

takes 30 days of vacation

is 38 years old

is 10.1 days sick¹⁾

receives 4.3 days of training²⁾



¹⁾German average of 10.9 days, data from Institut für Arbeitsmarkt- und Berufsforschung.

²⁾Working 8-hour days.



Employee Development

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

HR agenda

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

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

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

Our people in 2019

In 2019, we employed 165 employees, 10.7% more than the previous year. Fifteen employees left alstria that year, representing a turnover rate of 9.1%, of which 8.5% (14 employees) was voluntary. Most of our employees (66.1%) work in operating departments, including asset management, transactions and development. The rest (33.9%) work in support departments, including finance and controlling, legal, IT and office administration. Our managers – employees who lead teams with a reporting line two levels or less from the Management Board – account for 12.7% of our staff. These are further divided into first-level managers (leadership team) and second-level managers, with the rest of our staff (87.3%) having no extended managerial responsibilities.

We offer stable jobs and provide long-term career prospects facilitated by the number of permanent contracts. Of our 165 employees in 2019, only 5.5% worked under fixed-term contracts, mainly those in trainee positions. For more information on our trainee program, see the 'Young talents' paragraph.

We strive to allow our employees to grow in their current positions, and we devote time and resources training them to succeed in their new roles. When our employees' needs change or the opportunities arise, we encourage transfers to equivalent positions in different teams and promote from within in the event of an in-house vacancy. In 2019, three employees were internally promoted to senior positions.

alstria's teams

Operations

- › Real Estate Operations
- › Development
- › Transactions & Market Intelligence
- › Sustainability & Future Research
- › Coworking business BEEHIVE

Finance & Administration

- › Accounting & Reporting
- › Capital Markets & Corporate Finance
- › IT
- › Legal
- › Office Administration
- › Human Resources





Compensation system

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

Some employees (essentially non-managers) are given a one-time option to choose between two compensation schemes: (i) a fixed compensation or (ii) a (lower) fixed and variable compensation. The first provides more certainty, and the second one provides for a potential higher total compensation. Managers' compensation packages always include a fixed salary and a variable, with the proportion of variable as part of the total compensation increasing with seniority. In detail, the variable compensation includes an annual bonus tied to individual performance and annual stock awards (so-called profit

participation rights) that vest over two years and are triggered by the company's share performance over the period.

In 2019, 69.1% of our employees were granted variable compensation. In addition, we offer all our employees a wide range of benefits, which are outlined on page 48, including a company pension.

Employees working for alstria are protected against discrimination by our nondiscrimination policy, which also covers remuneration. For more information, see the chapter titled 'Diversity and Inclusion.' In addition, across the organization, we provide good working conditions and adhere to the statutory minimum payment standards. With regard to our employees' freedom of association and collective bargaining, the company recognizes the rights of all employees to form a workers' council, set up employee representation and carry out collective bargaining to regulate working conditions. All above commitments are laid down in our [Code of Conduct](#)

Compensation structure

As of Dec. 31, 2019	Fixed and variable compensation ¹⁾	Annual increase	Bonus portion	Long-term incentives portion
Average compensation across the company	EUR 88,724	0.7 %	12.4 %	18.6 %
CEO compensation	EUR 1,127,000 ²⁾	0.1 %	20.5 %	39.0 %

¹⁾Total granted compensation without insurance and pension benefits.

²⁾The difference of CEO total compensation to median employee compensation is a multiple of 17.9 (2018: 18.7).

Employee survey

We ask our employees to give us feedback on the effectiveness of our human resources practices annually. alstria's second anonymous employee survey was conducted in 2019 and received a participation rate of 84% (2018: 86%). The results of this survey showed our managers' strong adherence to high-quality standards and their internal respect for coworkers. It also highlighted areas of improvement, which included conflict resolution programs and employee development plans.

Feedback is a two-way street, and we make sure that all our employees receive personal feedback from their direct managers as part of the company's annual performance reviews.

Employee engagement 2019



Highly engaged
76 %



Moderately engaged
17 %



Disengaged
7 %

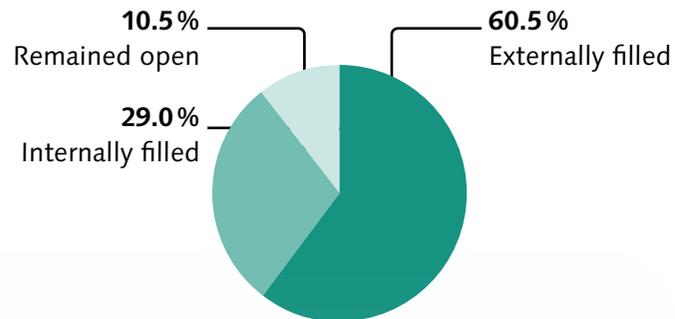


Recruiting and employer branding

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

Recruitments 2019

38 open positions



With a focus on young professionals, we have increased our presence at universities by holding expert presentations and continuing to support students in their academic work. In 2019, we contributed to nine academic theses and four projects. Three of the students we engaged during their studies were offered positions at alstria.



An active year for alstria at job fairs

Young talents

Trainee programs hold a special place in our corporate culture. They ease cooperation between various departments and long-term succession planning within the company. Therefore, we hire young professionals every year to complete a two-year program specially designed to provide hands-on experience with our real estate business. During these two years, the trainees change position every six months to a different team within the company, allowing them to gain experience and insights into the different parts of our business.

We organize assessment days to select our trainees. On these days, participants can demonstrate their skills in various individual and group tasks and gain insight into our corporate culture and future areas of job responsibility. Since the program's inception in 2013, we have hired 18 trainees; nine now belong to our permanent staff, and five are yet to finish their traineeships. In addition, we supported six apprenticeships.



Welcome on board

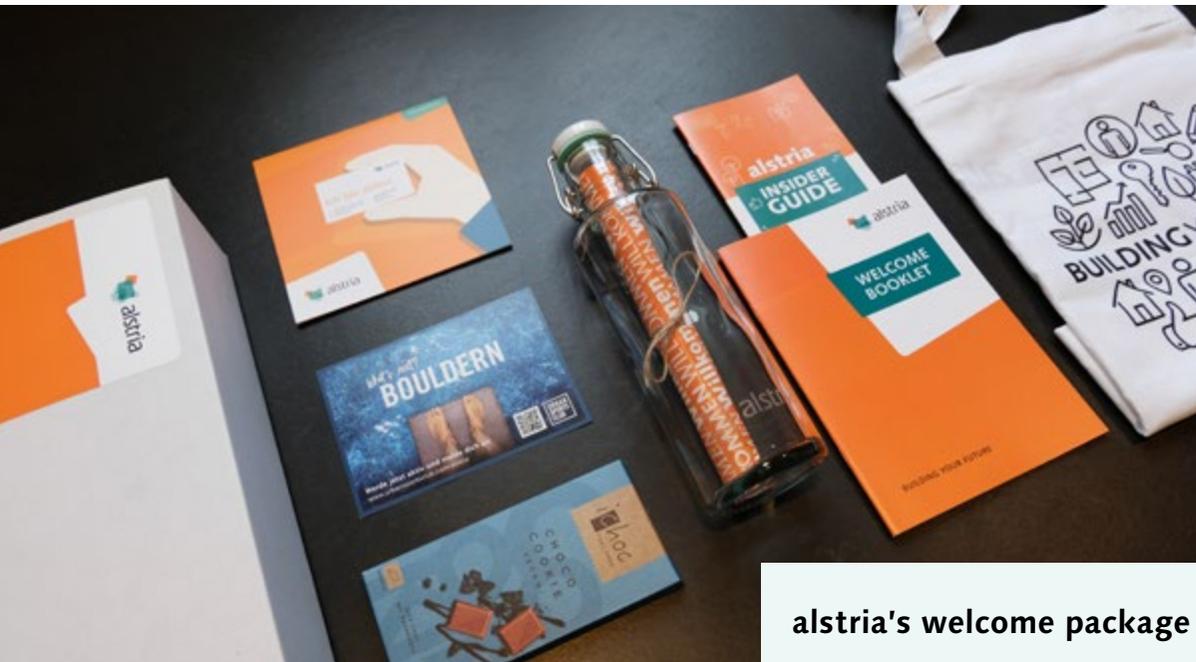
We warmly welcome our employees to their first day at work by introducing them to our office premises and our staff. Upon starting, each employee is assigned to an HR associate who remains available for any questions. The respective department is in turn responsible for providing employee-specific training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

Training programs

We offer our employees a wide range of training opportunities to ensure they are equipped with the necessary skills to take on new challenges. During the annual appraisal meetings, employees build their individual training plans in collaboration with their managers and members of the HR team. Upon completion of a training program, participants and their direct managers can evaluate the effectiveness of the program to tailor their future training plans more effectively.

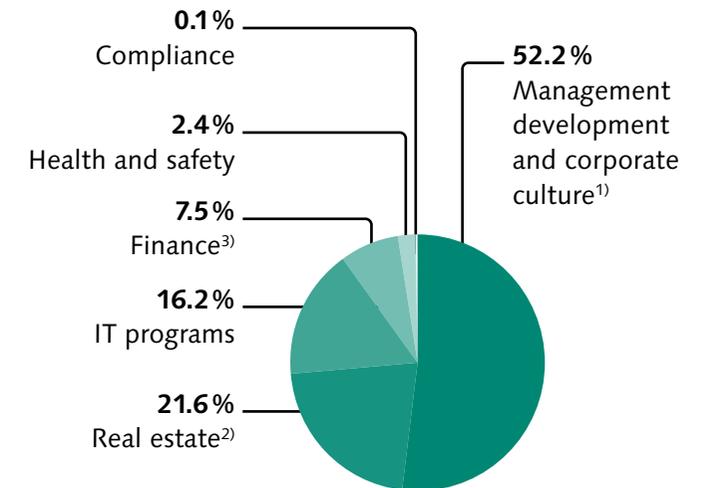


EUR 2,400
per employee for training



alstria's welcome package

Training categories 2019



¹⁾ Inclusion of new topics in 2019 for management development and corporate culture categories prevents a year-to-year comparison.

²⁾ Including real estate, development, transactions, sustainability and energy topics.

³⁾ Including legal, finance, controlling, accounting and office administration topics.



In 2019, we continued promoting our corporate culture and enhancing the leadership skills of our managers. This training comprised 52.2% of the total number of training hours provided. Another highlight was our off-site team event. This event lasted two days and included a workshop on alstria's sustainability strategy in which employees could genuinely contribute ideas to the company's future and raise awareness on climate issues. For more information on the outcomes of this workshop, please refer to page 13.

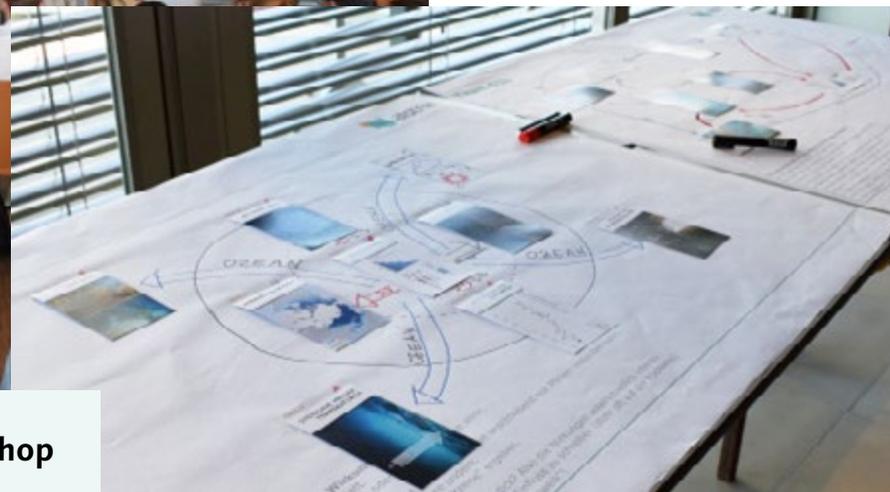
A detailed breakdown of all training programs offered in the year appears in the 'Training categories 2019' graphic.

In total, we invested EUR 395,744 in training, which represents an average of EUR 2,398 per employee – an increase of 28% from the previous year. This is attributed to our continuous investments in developing our managers and an improved data management system. Each employee received an average of 34.0 hours of training (2018: 35.8 hours).

alstria academy

Recently, we introduced a round of discussions held by employees for employees. We believe sharing knowledge and interesting stories across departments can encourage internal communication and build a stronger corporate culture. In addition, we invited experts from various fields to support our continuous learning. Some of the topics discussed in 2019/2020 are listed below:

- > Digital transformation in real estate
- > Cultural exchange – learning from the intercultural experiences of colleagues
- > Time management methods
- > Mental health improvement



Our annual company workshop



Diversity and Inclusion

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

Diversity makes us stronger

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

With workshops and talks, we raise awareness among our employees and managers about various dimensions of diversity. We also take measures in the areas of recruitment and employee development to foster diversity and equal opportunity throughout the company.

Employees who experience or witness discriminatory incidents must report these to their direct managers and/or the compliance officer. In addition, all employees have access to our external 24/7 whistleblower hotline through which they can anonymously and confidentially report relevant breaches that they would feel uncomfortable reporting directly in the organization. Employees will face no sanctions due to reporting incidents. In 2019, no incidents of discrimination were reported.

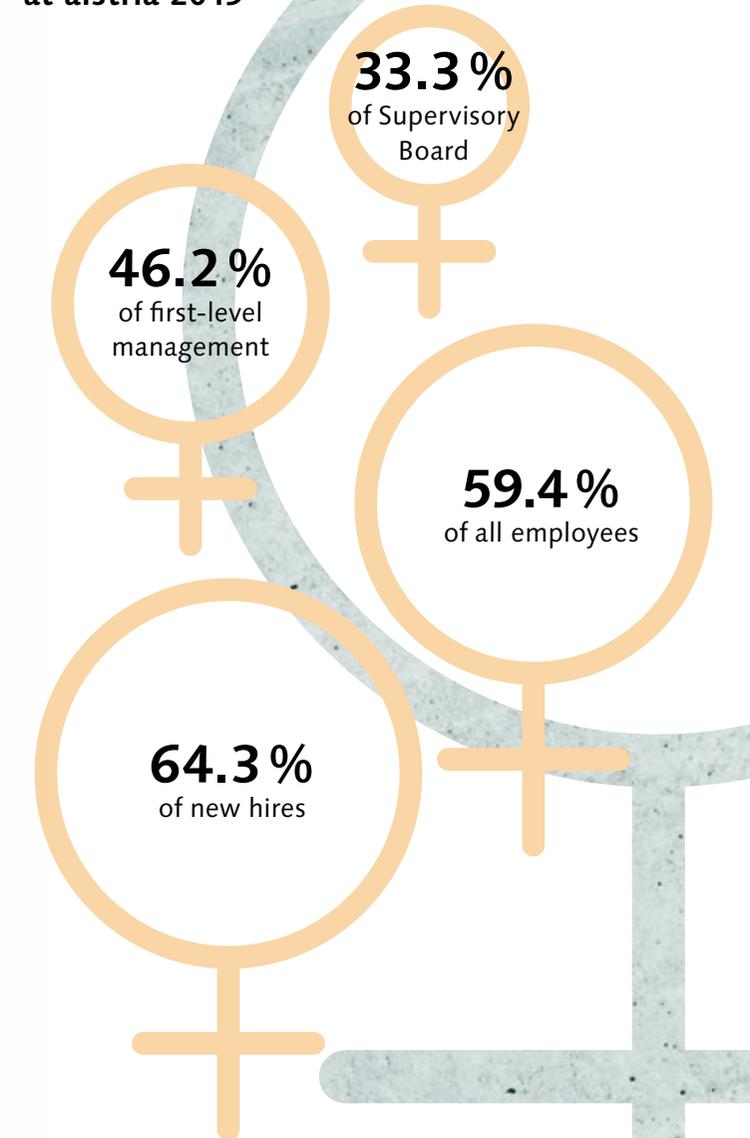
Gender diversity

Our Management Board is committed to promoting gender diversity and increasing the representation of women in management positions. In 2019, 98 women and 67 men worked for alstria, reflecting a female-to-male ratio of 59.4% to 40.6%.

Although we firmly believe that candidates applying for any job position need to be selected based on their talent and not on their gender, we recognize our industry has a deficit of women in management positions. Our Management Board has, therefore, set a 30% target quota for women in the first management level, and our Supervisory Board has assigned itself a similar target for its own composition. Both targets applied for 2021 and were overreached in 2019, with women covering 46.2% of first-level management positions and 33.3% of Supervisory Board positions.

We are proud that our approach to gender diversity has recently been recognized by the 2020 Bloomberg Gender-Equality Index.

Representation of women at alstria 2019





Gender pay gap

Our Management Board strives to provide equal remuneration for similar job assignments across the company. To promote pay parity, alstria monitors and compares the annual pay of women and men across all management levels.

Although women are well represented in our company – 59 % female, 41 % male – the gender pay gap increased slightly (+2 % points) in favor of male employees compared to last year. We are confident that our pay gap is not caused by our approach to setting pay levels but is driven by the structure of our workforce. We have significantly more women (62.5 %) than men (37.5 %) in

non-management roles (administration and support) and a higher number of men (61.9 %) than women (38.1 %) in management roles. We also believe that some real estate and technical core disciplines that tend to attract a higher market pay are underrepresented by female candidates.

Further, we monitor the gender pay gap across individuals with similar job assignments and experience. Under these conditions, our pay gap is almost nonexistent, with women earning 0.9 % more than men in 2019 (2018: 5.8 %)*.

Pay gap across employee categories

As of Dec. 31, 2019	Female	Male	Pay gap (f/m) fixed compensation	Pay gap (f/m) total compensation
Management level (1st and 2nd)	38.1 %	61.9 %	-1.0 % ¹⁾	-15.2 % ¹⁾
Non-management level	62.5 %	37.5 %	-15.0 %	-22.3 %
Employees with similar job assignments	57.5 %	42.5 %	2.2 %	0.9 %

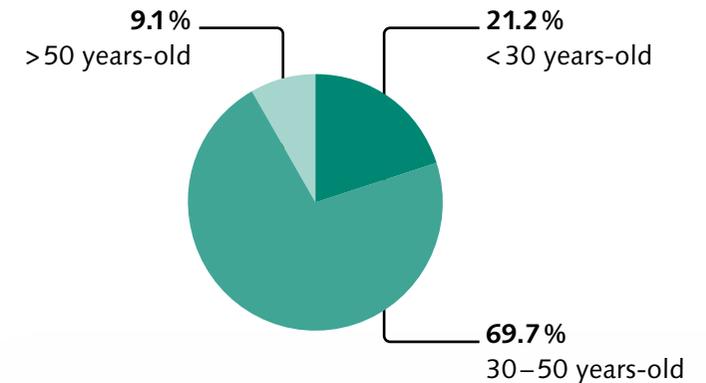
¹⁾ Employees who were absent for more than two months, newly hired / released or promoted to this category during the reporting year are excluded from the consolidation basis.

*In this group, we classify employees with comparable jobs to better demonstrate the pay gap across the company.

Age diversity

We remain a young company, with 56.4 % of our employees being millennials (i. e., born between the years 1981 – 1996) and an average employee age of 38. As the pension age and the number of years each employee works for the company increase, we expect to have equal representation of four generations working together in the future. This new normal calls for flexibility and foresight in management. We, thus, respect, recruit and promote employees regardless of age. Retirement programs are not yet applied at our company, as our staff has not approached retirement age.

Employee age structure 2019





Work-life Balance

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

Health and safety management

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

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



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

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

To increase awareness among our employees of health and safety, we provide training upon hiring, which is organized by the security officer and complemented by annual updates. Each employee bears responsibility for following the health and safety policy and reporting potential risks. In addition, we offer free participation in first aid courses every three years. In 2019, 3.0% of our employees took part in these courses and hold first aid certificates.



Health and well-being programs

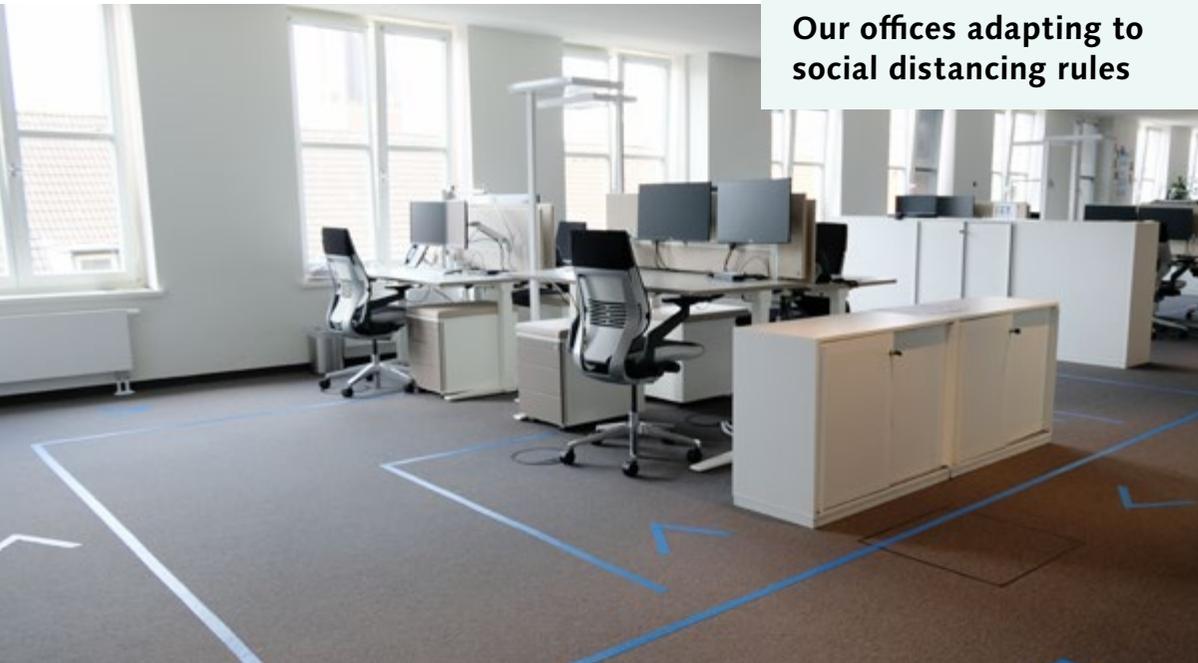
To ensure our employees remain healthy, we support them with a yearly influenza vaccine, vision care according to DGUV principle G37 and business-travel accident insurance. In extension, we support our employees' physical well-being by subsidizing monthly memberships to a sports club available in all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

We also have been paying close attention to the impact of mental health. We have thus formed an internal task force to spot the triggers and signs of mental health issues within our working environment. Most recently, we introduced a mental health app, 'Selfapy,'

which offers psychological support for people with stress, depression, anxiety or eating disorders. The scientifically approved app service is supported by regular telephone calls and a message function with a personal psychologist.

All these measures contributed to a relatively low number of sick days per employee in 2019 (10.1 days*), of which 9.6 days correspond to employee illnesses as opposed to caring for sick children. In 2019, we recorded no fatalities across the organization, but we did record two work-related injuries.

Our offices adapting to social distancing rules



*German average of 10.9 days; data from Institut für Arbeitsmarkt- und Berufsforschung.

Flexible working

Besides statutory rights, we offer our employees trust-based working hours, which they can arrange with their direct managers considering their own and the business' needs. Our employees can choose to work off-site, for example, at our coworking business (BEEHIVE) or at our newly rented office space in Harburg, Hamburg – a pilot project for our employees living on the city outskirts. At the time of writing, working from home has been alstria's default working position to protect our employees from the COVID-19 pandemic. To maintain successful remote work, we equip our employees with laptops, mobile phones and 24-hour remote access to the company's infrastructure and IT support.

Family support

We support our employees' balance of work and family responsibilities by offering (at their request) part-time and job-sharing models. Upon returning to work, new parents are welcomed to choose their suitable working model, and we provide the same working conditions for full and part-time employees. In 2019, the number of employees working part-time increased by 9%, compared to 19.5% last year. One-fourth of our employees who lead teams work part-time as well.

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



Adaptable workspace

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

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

The design of our head offices is replicated in all our local offices in Germany, which are adjusted to the climate needs of the regions; for example, Stuttgart's offices are enhanced with cooling systems.

Corporate benefits

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

Public transport pass: We contribute a monthly payment of EUR 44 for use of public transportation, limited to the cities where our offices are located.

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

Tuition grant: Under certain conditions, we support employees' academic pursuits by paying tuition fees and offering flextime.

Company cars: We provide company cars to managers, technicians and selected other employees; for example, those who must work off-site.

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



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

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

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

Fitness: We subsidize membership for all employees at the Urban Sports Club.

Jobrad: We provide leasing options of e-bikes and bikes to all employees.





Ethical Conduct

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

Compliance system

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

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

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

Code of conduct for employees

- › Group's commitment to protecting human rights
- › Conflict of interest management
- › Group's refusal to tolerate discrimination, harassment or intimidation in any form
- › Zero tolerance of child and forced labor practices, right to freedom of association
- › Occupational health and safety promotion
- › Environmental protection
- › Accountability for compliance to the code
- › Reporting potential misconduct

 *Code of conduct for employees*



Corruption and bribery policy

By corruption, we mean the acceptance or granting of advantages that may unfairly influence business decisions. Failure to prevent corrupt behavior can have negative consequences not only for the perpetrator but also for the company's reputation in the market. Based on German criminal law provisions on bribery and corruptibility, we have set a limit of gifts and hospitality to be accepted during any business relation between a company employee and any third party. This limit is communicated in our CoC and applies in extenso to suppliers that might be acting on behalf of alstria.

Furthermore, we enable financial contributions to lobby groups, German political parties or individuals made by our employees on behalf of the company only in accordance with the law and following formal approval of the Management Board. In 2019, no financial contributions were approved in these categories.

To protect the group from corruption risks, we have implemented an early-warning risk identification system that evaluates and monitors all associated risks on a quarterly basis at minimum. The compliance officer oversees the compliance with anti-corruption practices. In addition, we maintain a four-eye principle as a control mechanism for most internal processes. In 2019, no incidents of corruption in relation to employees and business partners were officially reported to alstria.

Human rights policy

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

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

To mitigate potential impacts, we have a compliance management system in place designed to observe the adherence of high ethical standards within our organization. Those ethical standards also apply to the drafting of contracts with suppliers for minimizing noncompliance to human rights. In 2019, no violation of human rights was recorded across our organization.





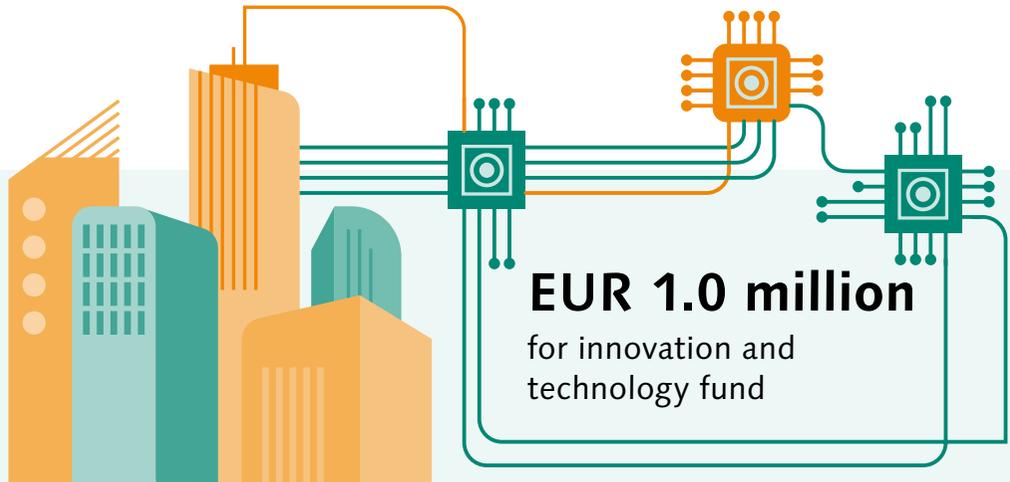
Sound Business

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Key Financial Figures

All data refer to the 2019 calendar year.

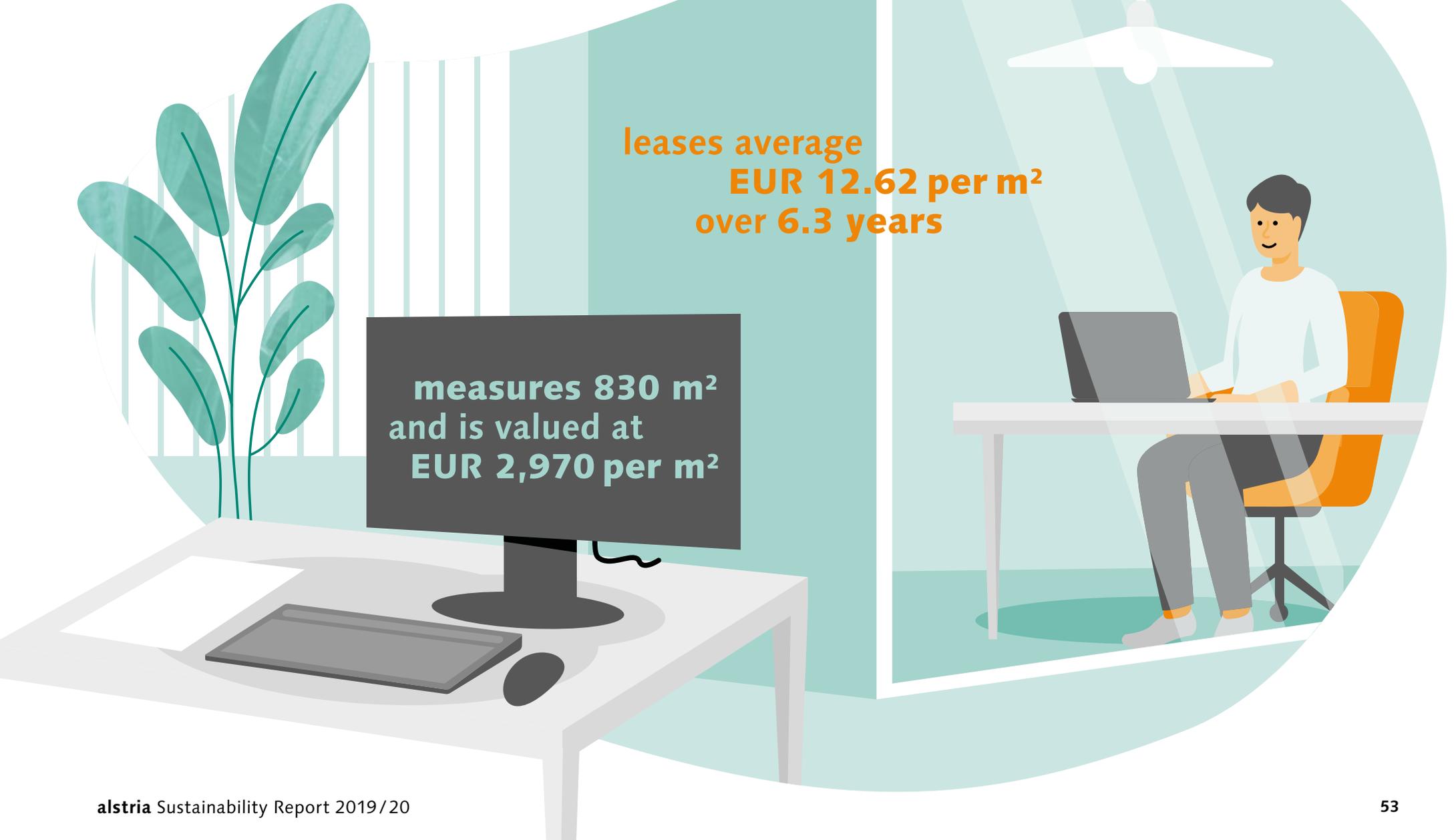




alstria's average office space

leases average
EUR 12.62 per m²
over 6.3 years

measures 830 m²
and is valued at
EUR 2,970 per m²





Inclusive Financial Growth

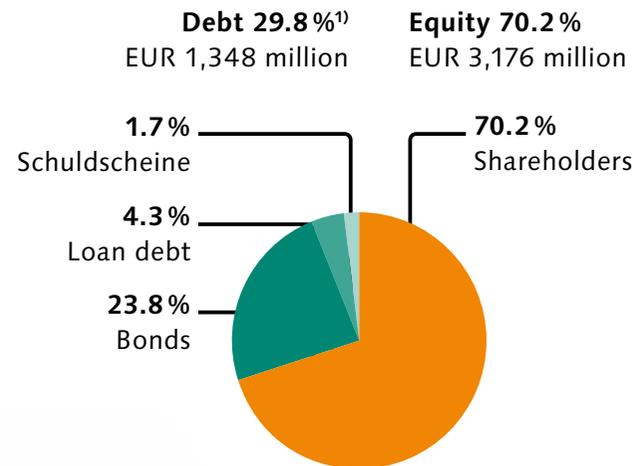
Our solid financial performance allows us to invest in measures and technologies that reduce the environmental impact of our operations. Moreover, it enables the creation of new, well-paying jobs and gives us the opportunity to contribute to the communities in which we operate.

Our financial profile

We report primarily on changes in the company's structure and financial performance in our annual report, as well as in the investor relations section of our website. In the following infographics, we provide financial information that we consider particularly important to delivering our sustainability goals.

alstria's Company Report 2019, p. 45

Sources of financing 2019



EUR 208.0 m
Contractual rent

¹⁾ Assuming repayment of Schulschein (EUR 37 m) and bond (EUR 327 m) maturing in 2020/21 using available cash.

Distribution of capital 2019

Suppliers and contractors: EUR 129.8 m capex/opex

Shareholders: EUR 92.3 m paid in dividends (and EUR 1.8 m of Green Dividend)

Debt providers: EUR 27.5 m paid in interest

Government: EUR 19.6 m paid in taxes (EUR 8.2 m paid in taxes on land and buildings as an agent)

Employees: EUR 18.4 m paid in salaries

Local communities: EUR 0.6 m in local contributions



Financing the climate transition – Green Dividend

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

In that spirit, this year we introduced a new innovative tool called the 'Green Dividend' at our annual general meeting (AGM). The objective of the Green Dividend is to provide an answer to two key questions: (i) When it comes to climate change, should we invest outside of the financial norm? (ii) If yes, are we the best positioned to do so?

Our shareholders chose in the AGM 2020 for the dividend to be paid out and thus the proposed projects will not be implemented.

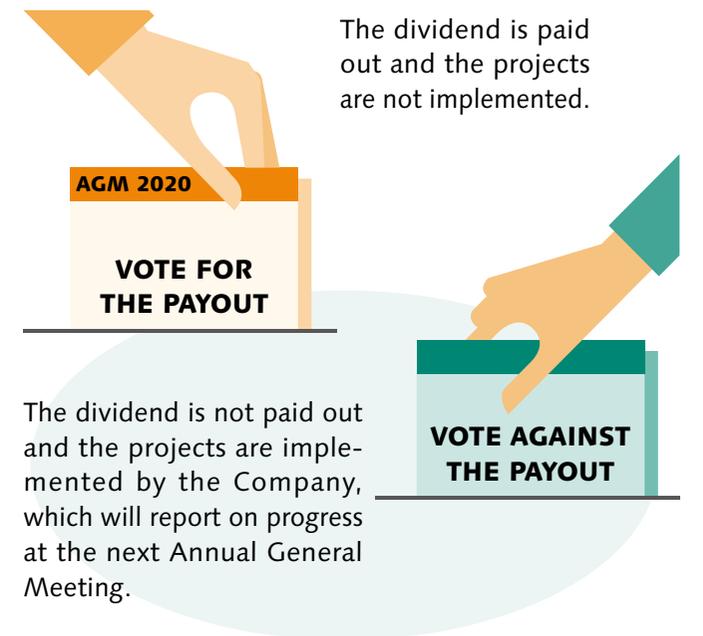
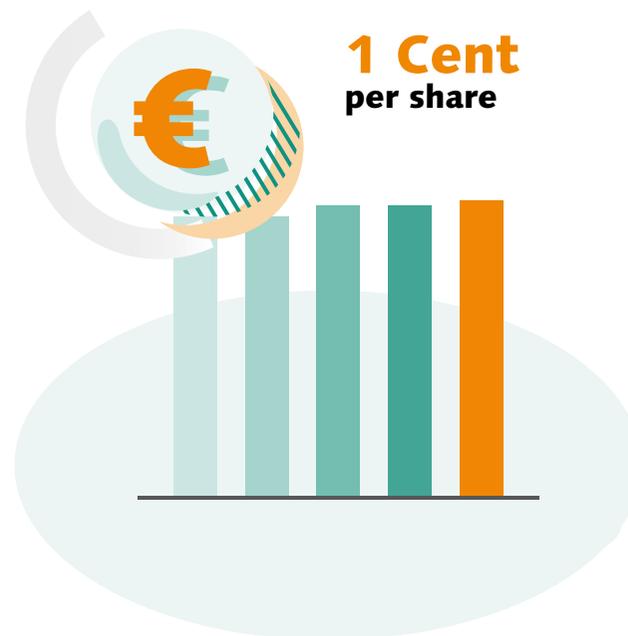
www.green-dividend.com

How does it work?

The Company identifies projects that would not be financed solely based on financial criteria, as well as expected non financial benefits.

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

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



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

The dividend is not paid out and the projects are implemented by the Company, which will report on progress at the next Annual General Meeting.



Supporting our tenants during COVID-19

We remained in close contact with our tenants during the COVID-19 pandemic to identify individual solutions that could support their businesses and safeguard our rental income. Up to November 2020, we waived rent payments of a total amount of EUR 0.7m for our worst affected retail tenants, namely mom-and-pop shops that have always paid their rent on time in the past. During lockdown, none of them was able to generate revenue.

Tenant categories that received rent waivers during the pandemic

Total amount of waived rent: EUR 0.7 million

Mom-and-pop shops

EUR 573,897

Small- and medium-sized enterprises

EUR 141,194

Large domestic corporations: EUR 0

Large multinational corporations: EUR 0

Government tenants: EUR 0

» We hope that you and your colleagues are also doing well. Your positive answer means a lot to us. Thank you for that. This crisis can only be solved together, now, and especially afterwards. «

Travel agency

» Thank you for your understanding and your help regarding the situation created by the corona crisis. Your support, is a sign for us that we will not be left alone with our problems. [...] We have so far taken advantage of all the possibilities offered and assume that we can bridge the corona stagnation together. We would therefore like to thank you once again for your support and wish you to remain healthy. «

Restaurant



Responding to TCFD

In this section, we lay out our response to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) with the intention to provide our stakeholders with greater transparency into how our business deals with climate-related risks and opportunities.

Governance and risk management

Describe the company's risk management system for climate-related risks and opportunities and how the Board maintains an oversight over the system.

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

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

Further, the results of the quarterly risk assessments are presented to the Audit Committee of the Supervisory Board, which supports the Board in reviewing the effectiveness of the risk management and internal control processes during the year. The company also conducts internal audits that are independent of the company's operations. The Management Board and Audit committee receive the results of these internal audits.

The evaluation of opportunities is carried out in the context of annual and quarterly budget planning. The process includes a careful analysis of the market and of the opportunities related to the properties held in the portfolio. These evaluations include the assessment of such criteria as tenant needs, property categories, and regulatory changes. The Board receives updates on the monitoring of growth initiatives and opportunities, including those related to climate change, during the process of budget approval.

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

Describe management's role in assessing and managing climate-related risks and opportunities.

Our Head of Sustainability & Future Research carries out the ongoing oversight of climate-related issues and the implementation of the company's sustainability program. He reports directly to the CEO and regularly updates the Board on the performance of our sustainability programs. For a full description of his responsibilities, see the 'Sustainability Management' chapter.

Strategy and risk management

Describe the company's identified climate-related risks and opportunities for the short, medium and long term and the related management plan.

Our business is exposed to both physical and transitional risks and opportunities stemming from climate change. We assess the impact of climate-related risks through quantitative and qualitative scenario analysis. In our view, the short term is up to three years aligned with our company's financial planning, the medium term is up to 10 years (until 2030) aligned with our self-imposed science-based targets, and the long term extends from 2030 to 2100, supporting the long-term nature of our business and Europe and Germany's climate action plans.





Physical risks

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

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

For our business, the effects of extreme weather events essentially concern the capital costs to repair a damaged structure and the operating costs resulting from reduced revenues due to business interruption. Most of this risk is currently insured. Potential risk exists if insurance premiums go up in the future.

Our management plan includes:

- › Regularly updating the risk assessment, taking into consideration the newest climate change scenarios.
- › Insuring the portfolio to cover the total value of our assets as per balance sheet to mitigate negative financial consequences of risk manifestation (including loss of rent).
- › Integrating our Due Diligence and acquisition approaches to address the capital expenditure costs required to upgrade assets in due time to meet new climate-friendly regulations.
- › Regularly upgrading our assets as part of our lifecycle approach.

Policy and legal risks

After the Paris Agreement, Germany adopted national climate targets that are intended to impose stringent obligations on the building sector by 2050. These will in effect amplify the need for more renovations per year. Failing to meet new climate regulations may decrease the attractiveness of our assets, which may in turn lower their rental potential and, ultimately, decrease the company's revenues. Failing to meet new regulations may also increase the company's compliance costs.

Our management plan includes:

- › Ongoing monitoring of and compliance with applicable laws and standards.
- › Participating in industry bodies to monitor emerging legislation promptly.



Market and reputation risks

Climate change has shaped our tenants' behavior, and today they require flexible office space that includes energy-efficient solutions. Failing to respond to the growing demand for modern building services may reduce the attractiveness of our assets, which may subsequently decrease their rental potential.

Our management plan includes:

- › Flexible office layouts that we can easily adapt to tenants' needs.
- › Extra services for tenants to run offices more efficiently (e.g., Mieterstrompool and coworking spaces).
- › Focusing our business approach on operational excellence to improve our services to clients.

Systemic risks

Our business is, for all practical purposes, relatively immune to potential climate change impacts. Our assets are located in areas with relatively limited climate sensitivity, and in most cases, the policy and regulatory risks are predictable and the adaptation needs of the assets are part of the natural repositioning of the assets in their markets.

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

Climate-related opportunities

The transition from a carbon-based economy to a carbon-lite economy will present a substantial number of opportunities for companies like alstria. Only a small portion of the build environment is currently prepared for such a transition. Managing the current real estate stock through this transition will require not only a substantial amount of capital, but also substantial operating skills. Although neither of these is in short supply, only a few real estate players combine both skills under one roof. We believe we are one of them and should as such substantially benefit over time from the opportunity.



Describe the impact of climate-related risks and opportunities on the company's business, strategy, and financial planning.

Our strategy for climate change spans all areas of our business, including financing, acquisitions, development, and operations. The best illustration of the impact of climate change risks and opportunities on our business is our commitment not to pursue ground-up development (green field or brown field).

Concerning the carbon lifecycle of our assets, our current assessment is that newly constructed assets have a negative CO₂ contribution irrespective of their operational efficiency because of the carbon needed for their construction (i. e., embedded carbon). Our policy is therefore to retrofit existing buildings only, thus reusing as much as possible of the existing superstructure (embedded carbon).

'Carbon: The big picture', page 18

Describe the resilience of the company's strategy, considering different climate-related scenarios, including a 2°C or lower scenario.

As described above, our assets are relatively immune to most climate scenarios because even an extreme scenario would have limited physical impact. Our business approach is designed to withstand regulatory changes, considering that we acquire assets with the sole aim of upgrading them to the new regulatory framework. However, we remain extremely sensitive to systemic risk triggered by future climate change. As such, we remain committed to contributing positively to limiting climate change and achieving the Paris Agreement goals.

Metrics and targets

Disclose the company's metrics for assessing climate-related risks and opportunities in line with its strategy and risk management process.

We use a range of metrics to assess our exposure to our identified climate-related risks and opportunities:

- › Energy consumption in kWh is monitored monthly and reported per asset internally, as both an absolute and an intensity metric (per m²). Externally is communicated annually for the whole portfolio.

- › Scope 1, 2 and 3 carbon emissions in tonnes of CO₂e are monitored and reported annually, as both an absolute and an intensity metric (per m², EUR open market value, and FTE).
- › Carbon reduction is monitored annually and then compared to base year 2018 and our science-based targets. Additionally, our carbon footprint is monitored against the decarbonization paths of the European Union, following the CRREM-Tool (www.crrem.org).

'Tracking performance – Science-based targets', page 24

Disclose Scope 1, Scope 2 and Scope 3 greenhouse gas (GHG) emissions and the related risks.

Full disclosure of our Scope 1, 2 and 3 GHG emissions is available at:

Appendix D, page 87

Describe the company's targets to manage climate-related risks and opportunities and performance against targets.

We have set science-based targets to accelerate the decarbonization of our portfolio.

alstria's Press Release: July 23, 2020



Contribution to Communities

As a real estate company, we have a direct influence on the appearances of the cities in which we invest. We thus see our duty as that of a responsible citizen: to enhance the quality of life in our local communities.

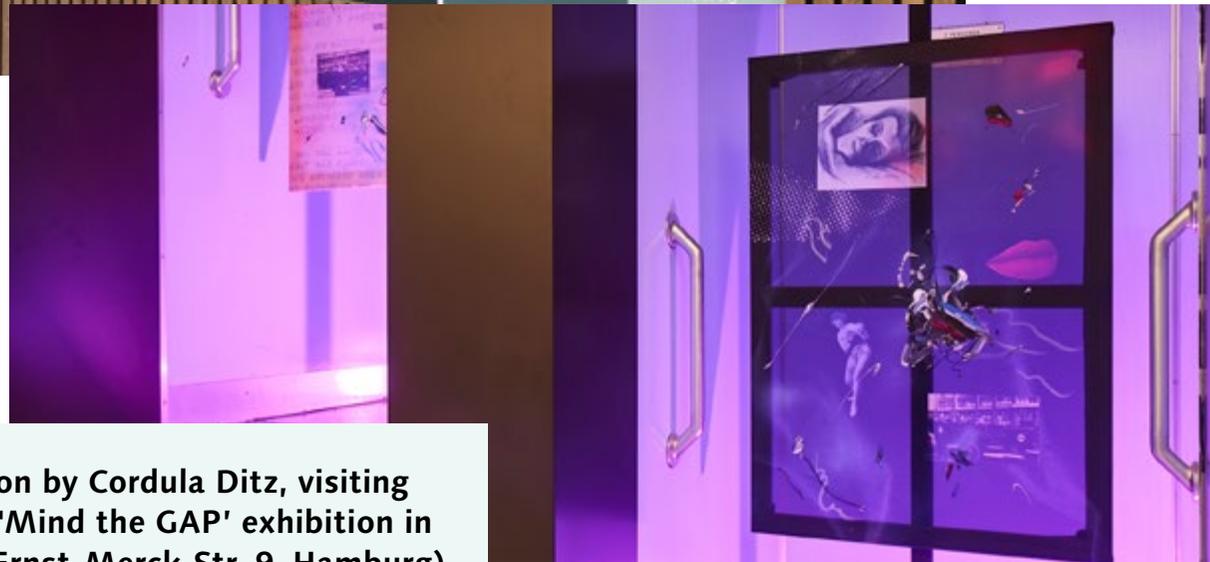
Support art and culture

By incorporating works of art into our assets, we enhance the elegance of our buildings and increase their value. We are also very careful in preserving everything of artistic value when we undertake a refurbishment. However, this is not the only way we have supported art so far: We often offer our buildings for art exhibitions and thus support the work of local artists and promote dialogue in our communities.

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

 www.mindxgap.de

Iconic work by Bobbie Serrano at the entrance of the Citytor building (Heidenkampsweg 99–101, Hamburg)



Art installation by Cordula Ditz, visiting artist to the 'Mind the GAP' exhibition in Bieberhaus (Ernst-Merck-Str. 9, Hamburg)

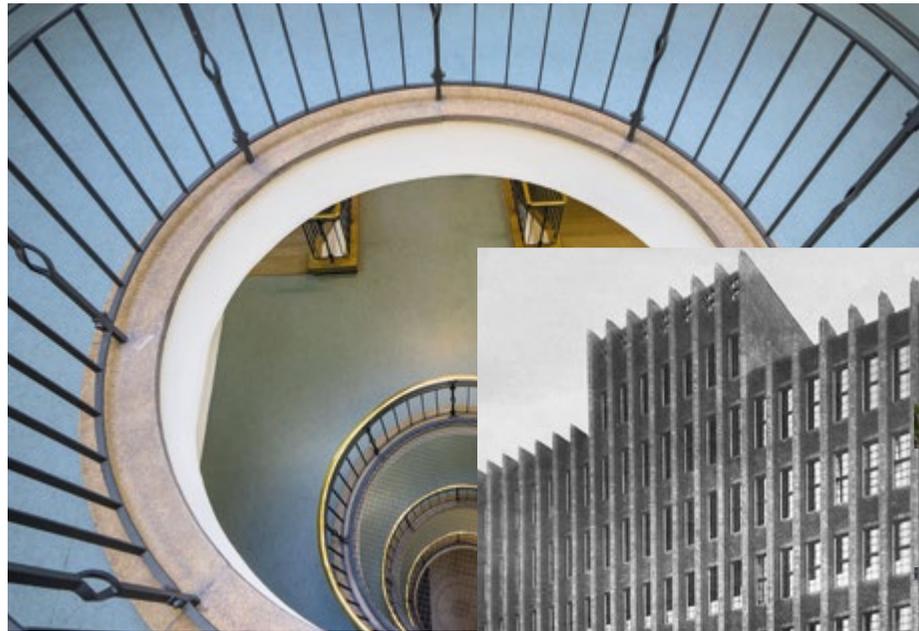


Preserve historic buildings

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

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

The concept we developed reflects the style of the 1920s and includes the reconstruction of the two destroyed stories, the restoration of the façade with clinker bricks, and the preservation of its distinctive staircase. From our experience, historical restoration projects usually increase allocated capital by almost 50%. For our Geesthof project, we have planned an investment of around EUR 11 million, with a return of 6%. In close cooperation with Hamburg's monument protection authority, we aim for completion in mid-2021.



**The Geesthof restoration project
(Besenbinderhof 41, Hamburg)**

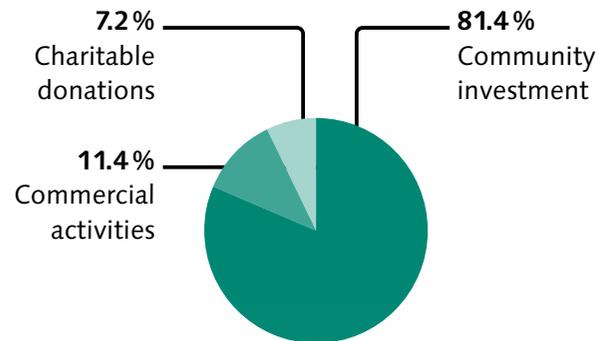


Corporate citizenship

Our corporate citizenship activities fall into three main areas: monetary and in-kind donations; commercial activities (i.e., sponsorship and cause-related marketing); and community investment, which refers to beneficial leasing and collaborations for the common good.

Corporate citizenship 2019

Total expenditure: EUR 0.6 million



Charitable donations

Every Christmas, our employees donate presents to support the causes of the non-profit organization, ALADIN, in Hamburg. The organization aims to improve the upbringing of children in need of assistance. In 2019, we also supported with a EUR 40,000 rental discount for the children's organization Straßenkinder Projekt KIDS, which was our former tenant.



Support for the local bee population

We support biodiversity in the cities where we operate by offering several rooftops exclusively to regional beekeepers to produce honey for our tenants. Further, our coworking BEEHIVE offers honey to its coworkers in collaboration with regional beekeepers in support of local production.



BEEHIVE events

BEEHIVE, our subsidiary, organizes regular free events in its spaces, addressing subjects that range from empowering women in businesses to helping young entrepreneurs set up their businesses. It also organizes start-up challenges that offer newly founded companies exposure to potential clients and investors. In total, BEEHIVE organized 13 events in Hamburg and Frankfurt during 2019.



Hamburg Towers sponsorship

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



Support for communities

In 2019, we offered discounted leases, representing an area of 4,255 m², to UNICEF's volunteer group in Hamburg as well as diverse cultural causes (e.g., theaters and galleries). We also paid for memberships to organizations that support the development of cities, such as the Interessengemeinschaft City Süd.



Supply Chain Management

A significant amount of our impact on issues related to environmental and social responsibility derive from processes that, upstream or downstream, lie beyond our control. Our performance is therefore directly linked to our suppliers, service providers, and business partners. Asserting control over these groups is the only way to ensure that their actions do not harm, but benefit, our business reputation.

Categories of suppliers we engage with

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





Supplier standards

We believe in shaping a sustainable future, together with our suppliers and business partners. Therefore, before starting a business relationship, we screen our suppliers and partners on the basis of certain criteria that may expose us to high compliance risks. These criteria include quality of service, price-performance relation, and environmental standards. The specific behavior expected from our suppliers is fully described in our supplier code of conduct, available on our website. To ensure that our suppliers follow the guidelines listed in the code of conduct, we plan to establish a whistleblower hotline for suppliers. The standards set out for our suppliers are regularly assessed by the Management Board and compliance officer of the company.

To better control those processes beyond our business boundaries, we have included a range of issues in our lease contracts, such as energy efficiency, waste recycling, and the use of eco-friendly materials. Moreover, we have enhanced our building contracts with provisions covering the protection of minimum wages.

Code of conduct for suppliers

- › Commitment to protect human rights across the supply chain
- › Zero tolerance for child and forced labor practices among suppliers
- › Compliance to basic labor rights, including minimum wage, among suppliers
- › Promotion of occupational health and safety of workers
- › Compliance to environmental standards
- › Commitment to compete in a fair manner
- › Management of conflicts of interest between alstria and suppliers
- › Responsibility to report potential misconduct among suppliers

 *Code of conduct for suppliers*

Locally based suppliers

We engage third-party suppliers in our development projects and in the regular maintenance of our buildings. In 2019, we increased our investment to EUR 152.8 million in the refurbishment, development, and maintenance of our buildings. This investment supported 807 jobs in the construction sector. To support the local economy, we aim to engage, whenever possible, with local small- and medium-sized companies. In 2019, our locally based suppliers and contractors made up 24.5% of our total hires.

24.5 %
of contractors are
locally hired



Appendix

68	A – About this Report
69	B – GRI Content Index
76	C – Assurance Statement
78	D – EPRA Sustainability Performance Measures
92	Glossary
95	Imprint



A – About this Report

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

Reporting period

The reporting period is the 2019 calendar year. The effective day for all quantitative and qualitative data presented in this report is December 31, 2019. However, we provided some facts that reflect decisions and events that occurred in 2020 to ensure our readers receive up-to-date information.

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

Our sustainability report is publicly available on our website. The next sustainability report will be published on November 4, 2021.

Reporting scope

This report has been prepared in accordance with the GRI Standards: Core option. In addition, the report follows the real-estate-specific guidelines of the EPRA Sustainability Best Practices Recommendations Guidelines, third edition. The statements in this report refer to the group of consolidated companies in the 2019 alstria Annual Report. Any deviations from that report are indicated and specified in the respective tables and graphics' footnotes.

Topics were selected based on the results of our 2015 materiality analysis. The scope of the report and the topic boundaries are therefore based on those in the Sustainable Report 2015, except for the material topic 'workplace experience,' which was added in 2018. No other restatements of the previous reporting year's data or information were made. The report also contains key performance indicators to allow for better measurement of our sustainability performance. References to the company's annual report or related websites are also provided where necessary.

Environmental information

We provide figures for energy and water consumption, as well as waste generation, across the portfolio and our corporate offices. In addition, we report on our operations' total carbon footprint according to the Greenhouse Gas Protocol Corporate Standard and available conversion factors from the German Federal Environment Agency. To calculate our development projects' embedded carbon, we use estimates from the London Energy Transformation Initiative (LETI). Unless otherwise stated, our figures do not include joint ventures.

Buildings that underwent major redevelopment or that were acquired or sold during the reporting year are not covered by this report.

[Appendix D, page 80–88](#)

Social information

We report on our employee-specific metrics in accordance with the GRI Standards and additional recommendations from the EPRA regarding social measures. Employee information provided in the chapter 'Our People' refers to permanent and temporary staff members unless otherwise stated. Graphics in this chapter might include rounded numbers to facilitate a better representation of information.

[Appendix D, page 89–91](#)

Financial information

All information covering alstria Group's consolidated financial statements was prepared in accordance with International Financial Reporting Standards and has been assured by a third party.

[alstria Annual Report 2019, pages 135 to 142](#)

External audit

For the fifth consecutive year, we engaged an auditing firm to conduct a third-party evaluation of all environmental and social data, as well as associated content presented in chapters 'Our Buildings' and 'Our People.' The EPRA tables in Appendix D were also included in the assurance scope. The current report was verified by KPMG AG Wirtschaftsprüfungsgesellschaft.



B – GRI Content Index

GENERAL DISCLOSURES		
Disclosure	References	Additional Information
GRI 102: General Disclosures 2016		
Organizational Profile		
102-1	Name of the organization	Imprint: p. 95
102-2	Activities, brands, products, and services	Page 4
102-3	Location of headquarters	Page 4
102-4	Location of operations	Imprint: p. 95
102-5	Ownership and legal form	Imprint: p. 95
102-6	Markets served	Page 4
102-7	Scale of the organization	Pages 4, 16–17, 37–38
102-8	Information on employees and other workers	Pages 37–47, Appendix D: 89–91 102-8a/b: Permanent employment contracts: 156 employees (94 women, 62 men; 108 in head office, 48 in local branches). Fixed-term employment contracts: 9 employees (4 women, 5 men) all employed in head office. 102-8c: Full-time employees: 130 (65 women, 65 men). Part-time employees: 35 (33 women, 2 men). 102-8d: Total number of trainees: 8 (2 retained and 0 were released). Apprenticeships: 6. Employees with disabilities: 2. Temporary contractors: 0.
102-9	Supply chain	Pages 65–66
102-10	Significant changes to the organization and its supply chain	Pages 65–66
102-11	Precautionary principle or approach	Pages 5–7, 57–60 We are fully aware of the environmental risks, impacting our business operations and we are deeply engaged to manage our business to reduce, avoid, or mitigate them. Throughout the whole report, we demonstrate how we apply the precautionary approach to our corporate strategy.
102-12	External initiatives	Page 12
102-13	Memberships of associations	Page 12
Strategy		
102-14	Statement from senior decision-maker	Pages 5–6
102-15	Key impacts, risks, and opportunities	Pages 7, 12–13, 57–60
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behaviour	Pages 44, 49–50
102-17	Mechanisms for advice and concerns about ethics	Pages 10, 40, 49–50, 66



GENERAL DISCLOSURES		
Disclosure	References	Additional Information
Governance		
102-18	Governance structure	Page 10 Annual Report 2019, p. 151–166
102-19	Delegating authority	Page 10
102-20	Executive-level responsibility for economic, environmental, and social topics	Pages 10, 57 Annual Report 2019, p. 149
102-21	Consulting stakeholders on economic, environmental, and social topics	Page 55 Annual Report 2019, p. 164–166
102-22	Composition of the highest governance body and its committees	Annual Report 2019, p. 151–166
102-23	Chair of the highest governance body	Annual Report 2019, p. 151–166
102-24	Nominating and selecting the highest governance body	Annual Report 2019, p. 151–166
102-25	Conflicts of interest	Annual Report 2019, p. 144 No conflicts of interest concerning members of the Supervisory Board or Management Board arose during 2019 financial year.
102-26	Role of the highest governance body in setting purpose, values, and strategy	Page 57
102-27	Collective knowledge of highest governance body	Page 57
102-28	Evaluating the highest governance body's performance	Annual Report 2019, p. 151–166
102-29	Identifying and managing economic, environmental, and social impacts	Pages 12, 57
102-30	Effectiveness of risk management process	Page 60 Annual Report 2019, p. 22–40
102-31	Review of economic, environmental, and social topics	Pages 10, 57
102-32	Highest governance body's role in sustainability reporting	Pages 10, 57 alstria's Management Board formally reviews and approves the sustainability report of the Company. Since 2017, the Company has in place a CSR committee at the Supervisory Board level, which overlooks also the processes around the report.
102-33	Communicating critical concerns	Annual Report 2019, p. 164–166 Besides the formal process that alstria follows regarding its communication with the public, our shareholders can voice their concerns to alstria at the Annual General Meeting. Our employees can address their concerns to the Compliance Officer or make use of the hotline provided for this purpose.
102-34	Nature and total number of critical concerns	This information is confidential and is not communicated externally by alstria.
102-35	Remuneration policies	Annual Report 2019, p. 167–177
102-36	Process for determining remuneration	Annual Report 2019, p. 167–177



GENERAL DISCLOSURES		
Disclosure	References	Additional Information
102-37	Stakeholders' involvement in remuneration	Annual Report 2019, p. 164–166, 167–177
102-38	Annual total compensation ratio	Page 40
102-39	Percentage increase in annual total compensation ratio	Page 40 102-39a: Ratio of percentage change in annual total compensation of CEO to the company's median total compensation of all employees:1.9.
Stakeholder Engagement		
102-40	List of stakeholder groups	Page 11
102-41	Collective bargaining agreements	Page 40 Percentage of employees covered by collective bargaining agreements: 0%. However, our employment contracts have been built upon these agreements for the real estate sector. The main differences between our contracts and collective bargaining ones are the flexible working models and our bonus payment. Most recommendations with respect to paid holidays, termination notice, retirement age, sick payment, travel expenses etc., are covered in our contracts.
102-42	Identifying and selecting stakeholders	Pages 11–14
102-43	Approach to stakeholder engagement	Pages 11–14
102-44	Key topics and concerns raised	Pages 12–14
Reporting Practice		
102-45	Entities included in the consolidated financial statements	Appendix A: p. 68 Annual Report 2019, p. 63–65
102-46	Defining report content and topic Boundaries	Page 7, Appendix A: p. 68 A complete overview of our materiality assessment findings and process is available at Sustainability Report 2015/16, p. 24 – 27. www.alstria.com/wp-content/uploads/2020/07/Sustainability-Report-2015.pdf
102-47	List of material aspects	Page 7, Appendix A: p. 68
102-48	Restatements of information	Page 7 In 2018, we added 'workplace experience' to our business focus and to our materiality matrix. All other material topics remained unchanged since 2015.
102-49	Changes in reporting	Page 7, Appendix A: p. 68 Changes for 2019 refer to the addition of a new material topic to our business focus: workplace experience.
102-50	Reporting period	Appendix A: p. 68
102-51	Date of most recent report	November 5, 2019
102-52	Reporting cycle	Appendix A: p. 68
102-53	Contact point for questions regarding the report	Imprint, p. 95
102-54	Claims of reporting in accordance with the GRI Standards	Appendix A: p. 68
102-55	GRI content index	Appendix B: p. 69–75
102-56	External assurance	Appendix C: p. 76–77



TOPIC-SPECIFIC DISCLOSURES			
Disclosure	References	Additional Information	
GRI 201: Economic Performance 2016			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Pages 54–56, Appendix A: 68	
103-2	The management approach and its components	Pages 54–56	
103-3	Evaluation of the management approach	Pages 54–56	
201-1	Direct economic value generated and distributed	Page 54	
201-2	Financial implications and other risks and opportunities due to climate change	Pages 57–60	
201-3	Defined benefit plan obligations and other retirement plans	Page 48	We provide detailed disclosures about our pension and retirement plans in our Annual Report 2019, p. 88.
201-4	Financial assistance received from government	Page 54	
GRI 203: Indirect Economic Impacts 2016			
203-1	Infrastructure investments and services supported	Pages 54, 61–62 Company Report 2019, p.21	
203-2	Significant indirect economic impacts	Pages 54, 61–62	
GRI 204: Procurement Practices 2016			
204-1	Proportion on spending on local suppliers	Pages 54, 66	204-1b: Local suppliers are companies that are 100 km away of our construction sites or from our local corporate offices.
GRI 205: Anti-corruption 2016			
205-1	Operations assessed for risks related to corruption	Page 50	All business operations are assessed for corruption risks.
205-2	Communication and training about anti-corruption policies and procedure	Pages 42–43, 49–50	205-2a/b: 100% of our governance body members and employees were informed for anti-corruption policies. 205-2 c/d: 100% of new employees received training and all governance members.
205-3	Confirmed incidents of corruption and actions taken	Page 50	No incidents of corruption in relation to employees and business partners were officially reported to alstria.
GRI 206: Anti-competitive Behavior 2016			
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices		alstria was not involved in any proceedings regarding violations of anti-trust legislation.
GRI 302: Energy 2016			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Pages 25–30	
103-2	The management approach and its components	Pages 25–30	
103-3	Evaluation of the management approach	Pages 25–30	



TOPIC-SPECIFIC DISCLOSURES			
Disclosure	References	Additional Information	
302-1	Energy consumption within the organization	Pages 28–30, Appendix D: p. 80–83, 86	
302-2	Energy consumption outside of the organization	Pages 28–30, Appendix D: p. 80–83, 86	
302-3	Energy Intensity	Pages 28–30, Appendix D: p. 80–83, 86	
302-4	Reduction of energy consumption	Pages 24–26, 28–30, Appendix D: p. 80–83, 86	
GRI 303: Water and Effluents 2018			
GRI 103: Management Approach 2018			
103-1	Explanation of the material topic and its Boundary	Pages 28, 31	
103-2	The management approach and its components	Pages 28, 31	
103-3	Evaluation of the management approach	Pages 28, 31	
303-1	Interactions with water as a shared resource	Page 31	Water in our portfolio is procured exclusively from local authorities – either through our tenants or through us – and submetered directly to them. The use of water in our buildings is for tea kitchens, toilets, and green areas. In our corporate offices we use water responsibly and have installed water-saving devices.
303-2	Management of water discharge-related impacts		In Germany, where we operate, there are no areas that are considered water stressed. Freshwater consumption and wastewater are controlled by law.
303-3	Water withdrawal		We obtain freshwater through municipal water suppliers and therefore have 100% third-party water.
303-4	Water discharge		We discharge freshwater through municipal water suppliers.
303-5	Water consumption	Page 31, Appendix D: p.84, 86	303-5a/d: We only report on the third-party water consumption of our portfolio and corporate offices.
GRI 305: Emissions 2016			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Pages 18–20	
103-2	The management approach and its components	Pages 18–20	
103-3	Evaluation of the management approach	Pages 18–20	
305-1	Direct (Scope 1) GHG emissions	Pages 21–22, Appendix D: p. 83, 86–88	
305-2	Energy indirect (Scope 2) GHG emissions	Pages 21–22, Appendix D: p. 83, 86–88	
305-3	Other indirect (Scope 3) GHG emissions	Pages 21–22, Appendix D: p. 83, 86–88	
305-4	GHG emissions intensity	Appendix D: p. 83, 86–87	



TOPIC-SPECIFIC DISCLOSURES			
Disclosure	References	Additional Information	
305-5	Reduction of GHG emissions	Pages 23–27, Appendix D: p. 83, 86–88	
GRI 306: Effluents and Waste 2016			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Pages 28, 30, 31	
103-2	The management approach and its components	Pages 28, 30, 31	
103-3	Evaluation of the management approach	Pages 28, 30, 31	
306-2	Waste by type and disposal method	Page 31, Appendix D: p. 85–86, 88	
GRI 401: Employment 2016			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Pages 39–42	
103-2	The management approach and its components	Pages 39–42	
103-3	Evaluation of the management approach	Pages 39–42	
401-1	New employee hires and employee turnover	Appendix D: p. 90	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 48	We offer our employees a free vaccine against influenza. 17.0% of alstria's employees used this offer.
401-3	Parental leave	Page 47	401-3b: 15 employees took parental leave (8 women: 7 men). 401-3c: 3 women and 7 men returned to work after parental leave ended. 401-3d: 3 women and 1 man remained employed after their parental leave ended in 2018. 401-3e: Retention rate of all employees that took parental was 80%.
GRI 403: Occupational Health and Safety 2018			
GRI 103: Management Approach 2018			
103-1	Explanation of the material topic and its Boundary	Pages 46–48	
103-2	The management approach and its components	Pages 46–48	
103-3	Evaluation of the management approach	Pages 46–48	
403-9	Work-related injuries	Pages 47, Appendix D: p. 91	403-9a: Number of fatalities: 0; number of injuries resulted to a 6-month leave: 0; number of work-related injuries: 2
403-10	Work-related ill health	Page 47	103-10a: Number of fatalities resulting from work-related ill-health: 0; absent days of all employees: 1,671 (women: 1,239; men: 431) on a basis of 251 working days and 165 employees. Absent days of employees in head office: 1,321; 43.2 in local branches
GRI 404: Training and Education 2016			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Pages 39, 42–43	



TOPIC-SPECIFIC DISCLOSURES		
Disclosure	References	Additional Information
103-2	The management approach and its components	Pages 39, 42–43
103-3	Evaluation of the management approach	Pages 39, 42–43
404-1	Average hours of training per year per employee	Pages 42–43, Appendix D: p. 89
404-2	Programs for upgrading employee skills and transition assistance programs	Pages 42–43, 47–48
404-3	Percentage of employees receiving regular performance and career development reviews	Page 40, Appendix D: p. 91
GRI 405: Diversity and Equal Opportunity 2016		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Pages 44–45
103-2	The management approach and its components	Pages 44–45
103-3	Evaluation of the management approach	Pages 44–45
405-1	Diversity of governance bodies and employees	Pages 44, 40, Appendix D: p. 89
405-2	Ratio of basic salary and remuneration of women to men	Pages 45, Appendix D: p. 89
GRI 406: Non-discrimination 2016		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Page 44
103-2	The management approach and its components	Page 44
103-3	Evaluation of the management approach	Page 44
406-1	Incidents of discrimination and corrective actions taken	Page 44
GRI 407: Freedom of Association and Collective Bargaining 2016		
407-1	Measures taken by alstria to support rights to exercise freedom of association and collective bargaining	Pages 40, 49, 66
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	Pages 52, 56, 61-64, Appendix D: p. 91
GRI 419: Socioeconomic Compliance 2016		
419-1	Non-compliance with laws and regulations in the social and economic area	alstria is compliant to applicable laws and regulation as of 2019.



C – Assurance Statement

Limited assurance report of the independent auditor regarding selected sustainability information

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

We have been engaged to perform an independent limited assurance engagement on the sections 'Our Buildings' and 'Our People' as well as the 'Appendix EPRA Sustainability Performance Measures – Environment and Social' of the alstria office REIT-AG (further: 'alstria') Sustainability Report 2019/20 (further: 'Report') published under www.alstria.com/sr.

Management's Responsibility

The legal representatives of alstria are responsible for the preparation of the Report in accordance with the Reporting Criteria. alstria applies the Principles and Standards of the Global Reporting Initiative (GRI) and the 'European Public Real Estate Association (EPRA) Sustainability Best Practice Recommendations Guidelines (Third Version)' (further: Reporting Criteria). This responsibility of the legal representatives includes the selection and application of appropriate methods to prepare the Report and the use of assumptions and estimates for individual qualitative and quantitative sustainability disclosures which are reasonable in the circumstances. Furthermore, this responsibility includes designing, implementing and maintaining systems and processes relevant for the preparation of the Report in a way that is free of – intended or unintended – material misstatements.

Independence and quality assurance on the part of the auditing firm

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

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

Practitioner's Responsibility

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

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' published by IAASB. This Standard requires that we plan

and perform the assurance engagement to obtain limited assurance whether any matters have come to our attention that cause us to believe that above mentioned sustainability information for the period from January 1, 2019, to December 31, 2019, has not been prepared, in all material respects in accordance with the aforementioned Reporting Criteria. We do not, however, issue a separate conclusion for each sustainability disclosure. In a limited assurance engagement the evidence gathering procedures are more limited than in a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. The choice of assurance procedures is subject to the auditor's own judgement.

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

- › Inquiries of personnel on Group level responsible for the materiality analysis, in order to gain an understanding of the processes for determining material sustainability topics and respective reporting boundaries of alstria office REIT-AG
- › A risk analysis, including a media search, to identify relevant information on alstria's sustainability performance in the reporting period.



- › Evaluation of the design and implementation of the systems and processes for the collection, processing and monitoring of the disclosures and information included in the scope of the assurance engagement, including the consolidation of the data.
- › Interviews with relevant staff on corporate level responsible for providing and consolidating the data and information, as well as carrying out internal control procedures on the data and information, including the explanatory notes.
- › Analytical assessment of data and trends which were consolidated on Group level.
- › Assessment of local data collection and reporting processes and reliability of reported data via a sampling.
- › Evaluation of selected internal and external documents.
- › Assessment of the overall presentation of the selected sustainability information included in our scope.

Conclusion

Based on the procedures performed and the evidence received to obtain assurance, nothing has come to our attention that causes us to believe that the disclosures included in the scope of our assurance engagement for the business year from January 1, 2019, to December 31, 2019, published in the Report within the sections 'Our Buildings' and 'Our People' as well as the 'Appendix EPRA Sustainability Performance Measures – Environment and Social', are not prepared, in all material respects, in accordance with the Reporting Criteria.

Restriction of Use / Clause on General Engagement Terms

This report is issued for the purposes of the Management Board of alstria office REIT-AG, Hamburg, only. We assume no responsibility with regard to any third parties. Our assignment for the Management Board of alstria office REIT-AG, Hamburg, and professional liability is governed by the General Engagement Terms for Wirtschaftsprüfer (German Public Auditors) and Wirtschaftsprüfungsgesellschaften (German Public Audit Firms) (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) in the version dated January 1, 2017 (https://www.kpmg.de/bescheinigungen/lib/aab_english.pdf). By reading and using the information contained in this report, each recipient confirms having taken note of provisions of the General Engagement Terms (including the limitation of our liability for negligence to EUR 4 million as stipulated in No. 9) and accepts the validity of the General Engagement Terms with respect to us.

Hamburg, 30 October 2020

KPMG AG
Wirtschaftsprüfungsgesellschaft

Hell ppa. Mathias



D – EPRA Sustainability Performance Measures

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

EPRA-specific terminology

Absolute performance measures (Abs)

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

Like-for-like (LfL) performance measures

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

Intensity indicators (Int)

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

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

Coverage

In 2019, our portfolio included 116 buildings. However, we present the environmental performance for only 101 buildings because by the end of the reporting year, 9 buildings were under construction, 6 were recently acquired, and 6 were sold. In LfL measures, we disclose buildings that have been in operation consistently for the most recent full two reporting years. In 2019, we employed 165 employees, including trainees. We excluded interns, students, employees on parental leave, and employees released from their duties.

Data limitations

Environmental data

Collecting consumption data from our buildings has never been easy. For a considerable part of our portfolio, namely the common areas and some tenant areas, we obtain consumption data in real time using smart meters. For the rest, namely all 'tenant-obtained' consumption, we obtain records from our tenants, over which we have no control and for which we have no verification procedures. However, we choose to report all available data and make no estimates to fill gaps. The deadline for the collection of our 2019 environmental data was the end of August 2020.



Regarding water utilities, we usually submeter water exclusively to our tenants and can therefore report these data reliably. However, in the case of single-let buildings, water is obtained directly by our tenants; therefore, we must rely solely on their records.

Finally, regarding the waste generation in our portfolio, we can report data with a certain reliability because information is collected and managed by an external waste management company in 71 of 101 buildings. For the rest of the portfolio that has not yet been introduced to a waste management system, we choose not to disclose data.

Social data

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

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

GHG emissions accounting

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

- › Scope 1 emissions: Direct emissions (Dir) resulting from our company's vehicles and gas heating in our corporate offices.
- › Scope 2 emissions: Indirect emissions (Indir) resulting from the consumption of electricity in the common areas of our multi-let buildings, as well as electricity and heating consumption from our corporate offices.
- › Scope 3 emissions: Indirect emissions (Indir) arising from business travel, employee commutes, and energy consumption in tenant areas.

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

For our 2019 GHG accounting, we used the latest available conversion factors from the German Federal Environment Agency's 'Umweltbundesamt – CLIMATE CHANGE 13/2020 – Strommix 2019,' published in February 2020, and 'Umweltbundesamt – Kohlendioxid-Emissionsfaktoren für die deutsche Berichterstattung

atmosphärischer Emissionen,' published in March 2020. For emissions from transportation, we used GHG Protocol's Transport Tool v2.6, published in May 2015. Furthermore, for our portfolio's emissions from district heating, we used factor data from our regional district heating suppliers. The applied conversion factors are as follows:

- › Electricity grid mix, Germany – 2018: 0.473 kg/kWh; 2019: 0.401kg/kWh
- › Heating natural gas, Germany – 2018: 0.203 kg/kWh; 2019: 0.201kg/kWh
- › Heating residual fuel oil, Germany – 2018: 0.280 kg/kWh; 2019: 0.266kg/kWh
- › District heating, average alstria mix – 2018: 0.137 kg/kWh; 2019: 0.133 kg/kWh



EPRA Sustainability performance measures – Environment portfolio

Portfolio data		Total portfolio		Office portfolio		Other ¹⁾	
	Units	2018	2019	2018	2019	2018	2019
Number of applicable properties		103	101	98	97	5	4
Open market value of applicable properties	EUR m	3,082	3,999	2,931	3,810	151	189
Lettable area of applicable properties	m ²	1,404,137	1,325,472	1,332,708	1,248,497	71,428	76,975
Thereof covered single-let properties		32	31	30	29	2	2
Open market value of single-let properties	EUR m	1,283	1,430	1,177	1,310	106	119
Lettable area of single-let properties	m ²	590,230	481,688	542,914	434,371	47,317	47,317
Thereof covered multi-let properties		71	70	68	68	3	2
Open market value of multi-let properties	EUR m	1,799	2,570	1,754	2,500	45	70
Lettable area of multi-let properties	m ²	813,906	843,784	789,795	814,126	24,111	29,658

¹⁾'Other' refers to asset categories: nursing homes (3) and retail (1).

Environmental performance		Total portfolio					Office portfolio					Other		
	Units	2018	2019	2018	2019	Change	2018	2019	2018	2019	Change	2018	2019	Change
Total electricity consumption		Elec-Abs		Elec-LfL			Elec-Abs		Elec-LfL			Elec-Abs/-LfL		
For landlord shared services	MWh	18,103	15,686	15,852	15,168	-4.3 %	17,775	15,662	15,827	15,144	-4.3 %	328	24	
Thereof from renewable sources	MWh	18,103	15,686	15,852	15,168	-4.3 %	17,775	15,662	15,827	15,144	-4.3 %	328	24	
Proportion of renewable sources		100 %	100 %				100 %	100 %				100 %	100 %	
Number of applicable properties		67 of 71	68 of 70	61			65 of 68	66 of 68	59			3 of 3	1 of 1	
Lettable area of applicable properties (multi-let)	m ²	766,398	813,284	710,063			742,286	783,626	680,406			24,111	29,658	
Coverage of lettable area		94.2 %	96.4 %	84.2 %			94.0 %	96.3 %	83.6 %			100 %	100 %	
(Sub)metered exclusively to tenants	MWh	n/a	n/a	n/a	n/a		n/a	n/a	n/a	n/a		n/a	n/a	
Total landlord-obtained electricity	MWh	18,103	15,686	15,852	15,168	-4.3 %	17,775	15,662	15,827	15,144	-4.3 %	328	24	
Total tenant-obtained electricity	MWh	41,717	37,575	32,048	29,183	-8.9 %	41,475	36,288	32,048	29,183	-8.9 %	242	1,287	
Thereof from renewable sources	MWh	1,341	3,197	-	-		1,341	3,182	-	-		-	15	
Proportion of renewable sources		3.2 %	8.5 %				3.2 %	8.8 %				-	1.1 %	
Number of applicable properties		40 of 103	54 of 101	24			39 of 98	51 of 97	24			1 of 5	3 of 4	
Lettable area of applicable properties	m ²	586,389	840,889	402,118			579,198	780,836	402,118			7,191	60,052	
Coverage of lettable area		41.8 %	63.4 %	30.3 %			43.5 %	62.5 %	32.2 %			10.1 %	78.0 %	



Environmental performance		Total portfolio					Office portfolio					Other		
	Units	2018	2019	2018	2019	Change	2018	2019	2018	2019	Change	2018	2019	Change
		DH&C-Abs		DH&C-LfL			DH&C-Abs		DH&C-LfL			DH&C-Abs/-LfL		
Total district heating consumption														
For landlord shared services	MWh	n/a	n/a	n/a	n/a		n/a	n/a	n/a	n/a		n/a	n/a	
(Sub)metered exclusively to tenants	MWh	29,932	33,693	29,861	27,409	-8.2%	29,932	31,395	29,861	27,409	-8.2%	-	1,760	
Number of applicable properties		34 of 34	34 of 34	29			34 of 34	33 of 33	29			-	1 of 1	
Lettable area of applicable properties	m ²	413,677	431,473	343,195			413,677	418,737	343,195			-	12,735	
Coverage of lettable area		100%	100%	79.5%			100%	100,0%	82.0%			-	100%	
Total landlord-obtained DH&C	MWh	29,932	33,693	29,861	27,409	-8.2%	29,932	31,395	29,861	27,409	-8.2%	-	1,760	
Total tenant-obtained DH&C	MWh	16,657	13,985	12,746	12,111	-5.0%	16,657	12,099	12,732	12,099	-5.0%	-	1,886	
Number of applicable properties		10 of 18	11 of 16	10			10 of 16	9 of 14	9			0 of 2	2 of 2	
Lettable area of applicable properties	m ²	238,381	206,677	186,823			238,381	159,361	159,361			-	47,317	
Coverage of lettable area		62.7%	74.6%	67.4%			71.6%	69.4%	69.4%			-	100%	
Total fuel consumption														
For landlord shared services	MWh	n/a	n/a	n/a	n/a		n/a	n/a	n/a	n/a		n/a	n/a	
(Sub)metered exclusively to tenants	MWh	30,677	28,772	25,534	26,561	4.0%	29,658	28,772	25,534	26,561	4.0%	1,019	-	
Thereof carbon offsets	MWh	26,892	28,420	22,940	26,208	14.2%	26,430	28,420	22,940	26,208	14.2%	462	-	
Proportion of carbon offsets		87.7%	98.8%				89.1%	98.8%				45.3%	-	
Number of applicable properties		34 of 35	34 of 36	29			33 of 34	34 of 36	29			1 of 1	-	
Floor area of applicable properties	m ²	377,581	373,526	324,567			370,390	373,526	324,567			7,191	-	
Coverage of lettable area		99.3%	96.2%	83.6%			99.3%	96.2%	83.6%			100%	-	
Total landlord-obtained fuels	MWh	30,677	28,772	25,534	26,561	4.0%	29,658	28,772	25,534	26,561	4.0%	1,019	-	
Total tenant-obtained fuels	MWh	17,525	16,527	15,851	16,339	3.1%	15,851	16,527	15,851	16,339	3.1%	1,673	-	
Thereof carbon offsets		-	14,487	-	-		-	14,487	-	-		-	-	
Proportion of carbon offsets		-	87.7%				-	87.7%				-	-	
Number of applicable properties		7 of 13	7 of 13	6			6 of 12	7 of 12	6			1 of 1	0 of 1	
Lettable area of applicable properties	m ²	153,473	150,013	135,126			136,552	150,013	135,126			16,920	-	
Coverage of lettable area		71.4%	70.2%	63.3%			68.9%	76.3%	68.7%			100%	-	
Total energy consumption of building portfolio	MWh	154,610	146,238	131,893	126,771	3.9%	151,348	140,744	131,854	126,735	-3.9%	1,589	4,957	212%
Thereof from renewable sources or carbon offsets		46,335	61,790				45,545	61,752				790	38	
Proportion of renewable sources and carbon offsets		30.0%	42.3%				30.1%	43.9%				49.7%	0.8%	
Number of applicable properties		95 of 103	100 of 101				93 of 98	96 of 97				2 of 5	4 of 4	
Lettable area of applicable properties	m ²	1,254,909	1,319,795				1,230,797	1,242,821				24,111	76,975	
Coverage of lettable area		89.4%	99.6%				92.4%	99.5%				33.8%	100%	



Environmental performance			Total portfolio			Office portfolio			Other			
		Units	2018	2019	Change	2018	2019	Change	2018	2019	Change	
Building energy intensity	Denominator		Energy-Int			Energy-Int			Energy-Int			
For landlord shared services	lettable area	kWh/m ² /year	24	19	0%	24	20	-16.5%	14	1	-94.1%	
	workstation	kWh/ws/year	591	482		599	500		340	20		
(Sub)metered exclusively to tenants	lettable area	kWh/m ² /year	77	78	1.3%	81	76	-6.3%	142	138	-2.4%	
	workstation	kWh/ws/year	1,915	1,940		2,027	1,899		3,542	3,456		
Total landlord-obtained energy	lettable area	kWh/m ² /year	91	86	-4.9%	92	86	-5.9%	56	60	7.7%	
	workstation	kWh/ws/year	2,266	2,155		2,291	2,155		1,397	1,504		
Total tenant-obtained energy	lettable area	kWh/m ² /year	129	83	-35.5%	131	86	-34.7%	78	53	-32.5%	
	workstation	kWh/ws/year	3,224	2,081		3,277	2,141		1,956	1,321		
Specific building energy intensity	Denominator		Energy-Int			Energy-Int			Energy-Int			
Electricity intensity of building portfolio	lettable area	kWh/m ² /year	50	41	-17.2%	50	43	-15.0%	24	17	-28.0%	
	workstation	kWh/ws/year	1,248	1,033		1,261	1,072		591	426		
Heating intensity of building portfolio	lettable area	kWh/m ² /year	80	80	-0.4%	79	81	1.4%	112	61	-45.6%	
	workstation	kWh/ws/year	2,003	1,994		1,987	2,015		2,791	1,518		
Energy intensity of building portfolio	lettable area	kWh/m ² /year	123	111	-10.1%	123	114	-7.6%	135	64	-52.4%	
	workstation	kWh/ws/year	3,080	2,770		3,074	2,842		3,382	1,610		
Total greenhouse gas emissions			GHG-Abs			GHG-Abs			GHG-Abs			
Direct – Scope 1 (GHG-Dir-Abs)	location-based	tonnes CO ₂ e	0	0	-	0	0	-	0	0		
Indirect – Scope 2 (GHG-Indir-Abs)	location-based	tonnes CO ₂ e	8,563	6,290	-26.5%	8,408	6,281	-25.3%	155	9		
	CO ₂ reductions	market-based	tonnes CO ₂ e	-8,563	-6,290	-26.5%	-8,408	-6,281	-25.3%	-155	-9	
	market-based	tonnes CO ₂ e	0	0	-	0	0	-	0	0		
Other indirect – Scope 3 (GHG-Indir-Abs)	location-based	tonnes CO ₂ e	35,875	30,525	-14.9%	35,215	29,478	-16.3%	660	1,047		
	CO ₂ reductions	market-based	tonnes CO ₂ e	-6,081	-9,906	62.9%	-5,987	-9,900	65.4%	-94	-6	
	market-based	tonnes CO ₂ e	29,794	20,618	-30.8%	29,228	19,577	-33.0%	566	1,041		
Total Scope 1+2	location-based	tonnes CO ₂ e	8,563	6,290	-26.5%	8,408	6,281	-25.3%	155	9		
	market-based	tonnes CO ₂ e	0	0	-	0	0	-	0	0		
Total Scope 1+2+3	location-based	tonnes CO ₂ e	44,437	36,815	-17.2%	43,623	35,758	-18.0%	815	1,056		
	market-based	tonnes CO ₂ e	29,794	20,618	-30.8%	29,228	19,577	-33.0%	566	1,041		
Ratio Scope 1+2 to Scope 3	location-based		23.9%	20.6%	-3.3 pp	23.9%	21.3%	-2.6 pp	23.5%	0.9%		
	market-based		0%	0%	-	0%	0%	-	0%	0%		



Environmental performance			Total portfolio			Office portfolio			Other		
			Units	2018	2019	Change	2018	2019	Change	2018	2019
GHG intensity from building energy consumption Denominator			GHG-Int			GHG-Int			GHG-Int		
For landlord shared services	lettable area	kgCO ₂ e/m ² /year	11.2	7.7	-30.6%	11.3	7.9	-30.2%	6.4	0.6	
	workstation	kgCO ₂ e/ws/year	279	193		283	197		161	14	
(Sub)metered exclusively to tenants	lettable area	kgCO ₂ e/m ² /year	12.8	12.5	-2.4%	12.7	12.4	-2.2%	28.7	20	
	workstation	kgCO ₂ e/ws/year	321	314		317	310		717	505	
Total landlord-obtained energy	lettable area	kgCO ₂ e/m ² /year	21.6	18.0	-16.4%	21.8	18.3	-15.8%	15.0	9.0	
	workstation	kgCO ₂ e/ws/year	539	450		544	458		375	225	
Total tenant-obtained energy	lettable area	kgCO ₂ e/m ² /year	43.7	25.0	-42.8%	44.8	25.9	-42.1%	18.8	13.1	
	workstation	kgCO ₂ e/ws/year	1,092	625		1,119	648		470	329	
Specific building GHG intensity		Denominator	GHG-Int			GHG-Int			GHG-Int		
GHG intensity from electricity of building portfolio	location-based	kgCO ₂ e/m ² /year	33.6	17.9	-46.7%	33.9	18.6	-45.0%	15.9	8.6	
	market-based	kgCO ₂ e/m ² /year	32.6	16.5	-47.3%	32.8	17.2	-47.3%	15.9	8.5	
GHG intensity from heating of building portfolio	location-based	kgCO ₂ e/m ² /year	13.6	13.3	-2.5%	13.5	13.5	0.7%	22.6	8.8	
	market-based	kgCO ₂ e/m ² /year	9.0	5.9	-34.9%	8.9	5.7	-35.5%	18.8	8.8	
GHG intensity of building portfolio	location-based	kgCO ₂ e/m ² /year	35.4	27.9	-21.2%	35.4	28.8	-18.8%	33.8	13.7	
	market-based	kgCO ₂ e/m ² /year	23.7	15.6	-34.2%	23.7	15.8	-33.7%	23.5	13.5	



Environmental performance		Total portfolio					Office portfolio					Other		
	Units	2018	2019	2018	2019	Change	2018	2019	2018	2019	Change	2018	2019	Change
		Water-Abs		Water-LfL			Water-Abs		Water-LfL			Elec-Abs/-LfL		
Total water consumption														
Total landlord-obtained & (sub)metered water	m ³	261,120	224,935	235,738	224,935	-4.6%	260,735	211,924	224,288	211,924	-5.5%	385	13,011	
Number of applicable properties		78 of 83	77 of 85	77			77 of 82	75 of 83	75			1 of 1	2 of 2	
Lettable area of applicable properties	m ²	915,689	876,871	876,871			898,768	847,213	847,213			16,920	29,658	
Coverage of lettable area		95.4%	93.4%	93.4%			95.3%	93.2%	93.2%			100%	100%	
Total tenant-obtained water	m ³	101,617	83,187	90,576	78,251	-13.6%	95,913	83,187	90,576	78,251	-13.6%	5,704	-	
Number of applicable properties		12 of 19	10 of 16	9			11 of 16	10 of 14	9			1 of 3	-	
Lettable area of applicable properties	m ²	300,659	267,355	237,596			293,467	267,355	237,596			7,191	-	
Coverage of lettable area		67.7%	69.2%	61.5%			75.3%	78.8%	70.1%			13.2%	-	
Rainwater collected	m ³	719	2,137				719	2,137				-	-	
Total water consumption	m³	362,737	308,122	326,314	303,186	-7.1%	356,648	295,111	314,864	290,175	-7.8%	385	13,011	
Number of applicable properties		90 of 103	87 of 101	132			88 of 98	85 of 97	84			2 of 5	2 of 4	
Lettable area of applicable properties	m ²	1,216,347	1,144,226	1,114,467			1,192,236	1,114,568	1,084,810			24,111	29,658	
Coverage of lettable area		86.6%	86.3%	84.1%			89.5%	89.3%	86.9%			33.8%	38.5%	

Environmental performance		Total portfolio					Office portfolio			Other		
	Units	2018	2019	Change	2018	2019	Change	2018	2019	Change		
Building water intensity	Denominator	Water-Int			Water-Int			Water-Int				
Landlord-obtained & (sub)metered water	lettable area	m ³ /m ² /year	0.285	0.257	-10.0%	0.290	0.250	-13.8%	0.023	0.439		
	workstation	litres/ws/day	19,5	17.6		19.9	17.1		1,6	30.0		
Tenant-obtained water	lettable area	m ³ /m ² /year	0.338	0.311	-7.9%	0.327	0.311	-4.8%	0.793	-		
	workstation	litres/ws/day	23.1	21.3		22.4	21.3		54.3	-		
Water intensity of total building portfolio	lettable area	m ³ /m ² /year	0.298	0.269	-9.7%	0.299	0.265	-11.5%	0.253	0.439		
	workstation	litres/ws/day	20.4	18.4		20.5	18.1		17.3	30.0		



Environmental performance		Total portfolio					Office portfolio					Other		
	Units	2018	2019	2018	2019	Change	2018	2019	2018	2019	Change	2018	2019	Change
Total weight of waste by type		Waste-Abs		Waste-LfL			Waste-Abs		Waste-LfL			Waste-Abs/-LfL		
Waste for recovery	metric tonnes	731.4	783.0	847.0	754.7	-10.9%	731.4	669.0	736.9	640.7	-13.1%	-	114.1	
Organic waste	metric tonnes	28.3	31.0	14.5	14.4	-0.6%	28.3	31.0	28.3	14.4	-49.1%	-	0	
Paper/ Cardbord waste	metric tonnes	351.3	413.3	373.7	314.1	-15.9%	351.3	391.2	351.3	292.0	-16.9%	-	22.2	
Residual waste	metric tonnes	345.9	638.5	352.9	390.0	10.5%	345.9	632.8	347.2	384.2	10.7%	-	5.7	
Total waste created in operations	metric tonnes	1,457	1,866	1,163	1,473	26.7%	1,457	1,724	1,163	1,331	14.5%	-	142	
Number of applicable properties		45 of 103	71 of 101	47			45 of 98	70 of 97	46			-	1 of 4	
Lettable area of applicable properties	m ²	569,844	840,951	598,431			569,844	828,215	585,696			-	12,735	
Coverage of lettable area		40.6%	63.4%	45.1%			42.8%	66.3%	46.9%			-	16.5%	
Total weight of waste by disposal route		Waste-Abs/-LfL					Waste-Abs/-LfL					Waste-Abs/-LfL		
Recycling	metric tonnes	1,009.5	1,118.1			10.8%	1,009.5	993.3			-1.6%	-	124.8	
Incineration with energy recovery	metric tonnes	345.9	716.8			107%	419.0	699.7			67.0%	-	17.1	
Composting & Biogas	metric tonnes	28.3	31.0			9.7%	28.3	31.0			9.7%	-	0.0	

Environmental performance		Total portfolio					Office portfolio			Other		
	Units	2018	2019	Change	2018	2019	Change	2018	2019	Change		
Proportion of waste by disposal route	Denominator	Waste-Abs/-LfL			Waste-Abs/-LfL			Waste-Abs/-LfL				
Recycling		69.3%	59.9%	-9.4 pp	69.3%	57.6%	-11.7 pp	-	87.9%			
Incineration with energy recovery		23.7%	38.4%	14.7 pp	28.8%	40.6%	11.8 pp	-	12.1%			
Composting & Biogas		1.9%	1.7%	-0.3 pp	1.9%	1.8%	-0.1 pp	-	0.0%			
Waste intensity of building portfolio (Waste-Int)	lettable area	kg/m ² /year	2.108	2.086	-1.0%	2.108	1.927	-8.6%	-	0.159		



EPRA Sustainability performance measures – Environment company

alstria's corporate offices data				
	Units	2018	2019	Change
Hamburg (Head office)	m ²	2,397	2,640	10.1 %
	employees	107	117	9.3 %
Düsseldorf	m ²	448	448	0 %
	employees	17	18	5.9 %
Frankfurt	m ²	522	522	0 %
	employees	10	13	30 %
Stuttgart	m ²	188	188	0 %
	employees	9	10	11.1 %
Berlin	m ²	270	270	0 %
	employees	6	7	16.7 %
Total alstria's corporate offices	m ²	3,825	4,068	6.4 %
	employees	149	165	10.7 %
Office area per employee	m ² /empl	25.7	24.7	-4.0 %

Environmental performance – alstria's corporate offices				
	Units	2018	2019	Change
Total corporate electricity consumption		Elec-Abs		
In alstria's corporate offices	kWh	132,324	145,666	10.1 %
Number of applicable offices		5 of 5	5 of 5	
Solar generation onsite and sold to the grid	kWh	2,564	2,505	-2.3 %
Ratio of solar energy to own offices' consumption		1.9 %	1.7 %	-0.2 pp
Total corporate district heating & cooling consumption		DH&C-Abs		
In alstria's corporate offices	kWh	139,511	221,119	58.5 %
Number of applicable offices		3 of 3	3 of 3	
Total corporate fuel consumption		Fuels-Abs		
In alstria's corporate offices	kWh	10,547	9,020	-14.5 %
Number of applicable offices		1 of 1	1 of 1	
Total heating consumption	kWh	150,058	230,139	53.4 %
Total corporate energy consumption	kWh	282,382	375,804	33.1 %

Environmental performance – alstria's corporate offices				
	Units	2018	2019	Change
Corporate electricity intensity		Elec-Int		
Per employee	kWh/empl	888.1	882.8	-0.6 %
Per office area	kWh/m ²	34.6	35.8	3.5 %
Corporate heating intensity		Heating-Int		
Per employee	kWh/empl	1,136.8	1,565.6	37.7 %
Per office area	kWh/m ²	44.4	63.6	43.1 %
Corporate energy intensity		Energy-Int		
Per employee	kWh/empl	2,024.9	2,448.4	20.9 %
Per office area	kWh/m ²	79.0	99.4	25.8 %
Total GHG emissions in alstria's corporate offices		GHG-Abs		
Direct – Scope 1	tonnes CO ₂ e	2.1	1.8	-15.1 %
Indirect – Scope 2	tonnes CO ₂ e	20.4	32.3	58.5 %
Total Scope 1+2	tonnes CO ₂ e	22.5	34.1	51.5 %
GHG intensity in alstria's corporate offices		GHG-Int		
Per employee	kgCO ₂ e/empl/year	151.0	206.6	36.8 %
Per office area	kgCO ₂ e/m ² /year	5.9	8,4	42.5 %
Total corporate water consumption		Water-Abs		
In alstria's corporate offices	m ³	889	1,376	54.8 %
Number of applicable offices		5 of 5	5 of 5	
Corporate water intensity		Water-Int		
Head office (Hamburg)				
Per employee	m ³ /empl	5.965	8.337	39.8 %
Per office area	m ³ /m ²	0.232	0.338	45.5 %
Per employee per day	l/empl/day	16.3	22.8	39.8 %
Rainwater collected, recycled and reused	m ³	719	2,137	197.2 %
Liters per floor area	l/m ²	300	809	-21.0 %
Ratio of recycled water to total water withdrawal		44.7 %	60.8 %	-10.0 pp
Corporate waste from office activities		Waste-Abs		
Paper consumption per employee	sheets/empl/day	11.8	12.7	8.2 %



Carbon emissions – alstria				
	Units	2018	2019	Change
Total direct GHG emissions – Scope 1				
GHG-Dir-Abs				
Company vehicles	tonnes CO ₂ e	15.2	13.9	-8.3 %
alstria's direct energy consumption	tonnes CO ₂ e	2.1	1.8	-15.0 %
Total Scope 1 emissions	tonnes CO₂e	17.3	15.7	-9.2 %
Total indirect GHG emissions – Scope 2				
GHG-Indir-Abs				
alstria's indirect energy consumption	tonnes CO ₂ e	83.0	90.7	9.3 %
Energy consumption of landlord shared services	tonnes CO ₂ e	8,563	6,290	-26.5 %
Total Scope 2 emissions	location-based tonnes CO ₂ e	8,646	6,381	-26.2 %
GHG reduction from renewable sources	tonnes CO ₂ e	-8,625	-6,348	-26.4 %
Proportion of renewable sources in Scope 2		99.8 %	99.5 %	-0.3 pp
Total Scope 2 emissions	market-based tonnes CO ₂ e	20.4	32.3	58.5 %
Total Scope 1+2 emissions	location-based tonnes CO ₂ e	8,663	6,396	-26.2 %
Total Scope 1+2 emissions	market-based tonnes CO ₂ e	37.7	48.0	27.4 %
GHG intensities – Scope 1+2				
GHG-Int				
Scope 1 per employee	tCO ₂ e/empl/year	0.12	0.10	-18.0 %
Scope 2 per employee	location-based tCO ₂ e/empl/year	58.0	38.7	-33.4 %
	market-based tCO ₂ e/empl/year	0.14	0.20	43.1 %
Scope 1+2 per employee	location-based tCO ₂ e/empl/year	58.1	38.8	-33.3 %
	market-based tCO ₂ e/empl/year	0.25	0.29	15.1 %
Scope 1+2 per total lettable area	location-based kgCO ₂ e/m ² /year	5.5	4.1	-26.0 %
	market-based kgCO ₂ e/m ² /year	0.02	0.03	27.7 %
Scope 1+2 per total OMV	location-based gCO ₂ e/EUR/year	2.8	1.6	-43.1 %
	market-based gCO ₂ e/EUR/year	0.01	0.01	-1.8 %

Carbon emissions – alstria				
	Units	2018	2019	Change
Total indirect other GHG emissions – Scope 3				
GHG-Indir-Abs				
Business travel	tonnes CO ₂ e	141	120	-14.4 %
Employee commutes	tonnes CO ₂ e	166	183	10.7 %
Tenant energy consumption – landlord obtained	tonnes CO ₂ e	10,161	10,095	-0.7 %
Tenant energy consumption – tenant obtained	tonnes CO ₂ e	25,713	20,430	-20.5 %
Total Scope 3 emissions	location-based tonnes CO ₂ e	36,181	30,828	-14.8 %
GHG reduction from tenant renewable electricity	tonnes CO ₂ e	-634	-1,282	102.2 %
GHG reduction from carbon offsetting, natural gas	tonnes CO ₂ e	-5,447	-8,624	58.3 %
Total GHG reduction from green procurement	tonnes CO ₂ e	-6,081	-9,906	62.9 %
Proportion of GHG reduction in Scope 3		16.8 %	32.1 %	15.3 pp
Total Scope 3 emissions	market-based tonnes CO ₂ e	30,100	20,922	-30.5 %
Total Scope 1–3 emissions	location-based tonnes CO ₂ e	44,844	37,225	-17.0 %
Total GHG reductions in Scope 1–3	tonnes CO ₂ e	-14,706	-16,255	10.5 %
Proportion of GHG reductions in Scope 1–3		32.8 %	43.7 %	10.9 pp
Total Scope 1–3 emissions	market-based tonnes CO ₂ e	30,138	20,970	-30.4 %
Ratio of Scope 1+2 in relation to Scope 3	location-based	23.9 %	20.7 %	-3.2 pp
	market-based	0.1 %	0.2 %	0.1 pp
GHG intensity – Scope 3				
GHG-Int				
Scope 3 per employee	location-based tCO ₂ e/empl/year	242.8	186.8	-23.1 %
	market-based tCO ₂ e/empl/year	202.0	126.8	-37.2 %
Scope 3 per total lettable area	location-based kgCO ₂ e/m ² /year	25.8	22.0	-14.8 %
	market-based kgCO ₂ e/m ² /year	21.4	14.9	-30.5 %
Scope 3 per total OMV	location-based gCO ₂ e/EUR/year	11.7	10.0	-14.8 %
	market-based gCO ₂ e/EUR/year	9.8	6.8	-30.5 %



Mobility data – alstria				
	Units	2018	2019	Change
Cumulative distance of company vehicles	km	65,132	59,160	-9.2 %
Cumulative distance of business travels	km	1,381,789	1,294,895	-6.3 %
Number of all business trips		2,503	2,296	-8.3 %
Cumulative distance of employee commuting	km	1,093,234	1,210,629	10.7 %

Green building certificates – alstria				
	Units	2018	2019	Change
Type and number of certified sustainable assets			Cert-Tot	
BREEAM – good		1	1	0 %
Coverage of total lettable area		0.4 %	0.4 %	
Leed – gold		1	1	0 %
Coverage of total lettable area		2.2 %	2.3 %	
DGNB Redevelopment – gold		1	1	0 %
Coverage of total lettable area		0.7 %	0.7 %	
BREEAM In-Use		2	0	-100 %
Coverage of total lettable area		3.5 %	0 %	
Total number of assets with sustainability certifications		5	3	-40 %
Coverage of total lettable area		6.8 %	3.4 %	

Return on carbon emissions (ROCE) – alstria				
	Units	2018	2019	Change
Scope 1+2 emissions, location-based	tCO ₂ e	8,663	6,396	-26.2 %
Earnings before taxes (EBT)	kEUR	193,193	187,467	-3.0 %
ROCE	tCO ₂ e/EUR	44,842	34,120	-23.9 %

Construction waste – alstria				
	Units	2018	2019	Change
Total weight of waste by disposal route¹⁾			Waste-Abs	
Construction waste, mixed	m ³	–	770	
Demolition waste, concrete, bricks	m ³	–	1,566	
Demolition waste contaminated (asbestos)	m ³	–	65	
Gypsum-based building materials	m ³	–	338	
Insulating materials	m ³	–	1,108	
Wood	m ³	–	305	
Bituminus mixtures	m ³	–	0	
Total volume of construction waste	m³	–	4,152	
Construction waste, mixed	metric tonnes	203	1,597	688 %
Demolition waste, concrete, bricks	metric tonnes	862	1,539	79 %
Demolition waste contaminated (asbestos)	metric tonnes	0	17	
Gypsum-based building materials	metric tonnes	214	1,164	444 %
Insulating materials	metric tonnes	47	397	744 %
Wood	metric tonnes	137	1,113	715 %
Mixed metals	metric tonnes	0	34	
Bituminus mixtures	metric tonnes	0	2	
Total weight of construction waste	metric tonnes	1,463	5,864	301 %

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



EPRA Sustainability performance measures – Social

Employee gender diversity	All employees			Non-Management			Management (Level 1+2)			Management Board		
	2018	2019	Change	2018	2019	Change	2018	2019	Change	2018	2019	Change
Employees by gender	Diversity-Emp			Diversity-Emp			Diversity-Emp			Diversity-Emp		
Male	41.6 %	40.6 %	-1.0 pp	40.1 %	37.5 %	-2.6 pp	58.3 %	61.9 %	3.6 pp	100 %	100 %	0 pp
Female	58.4 %	59.4 %	1.0 pp	59.9 %	62.5 %	2.6 pp	41.7 %	38.1 %	-3.6 pp	0 %	0 %	0 pp
Employees by age group	Diversity-Emp			Diversity-Emp			Diversity-Emp			Diversity-Emp		
< 30 years	20.1 %	21.2 %	1.1 pp	21.9 %	23.6 %	1.7 pp	0 %	4.8 %	4.8 pp	0 %	0 %	0 pp
30–50 years	71.8 %	69.7 %	-2.1 pp	70.1 %	66.7 %	-3.4 pp	91.7 %	90.5 %	-1.2 pp	50 %	50 %	0 pp
> 50 years	8.1 %	9.1 %	1.0 pp	8.0 %	9.7 %	1.7 pp	8.3 %	4.8 %	-3.6 pp	50 %	50 %	0 pp

Gender pay ratio	All employees			Non-Management			Management (Level 1+2)		
	2018	2019	Change	2018	2019	Change	2018	2019	Change
Pay gap women to men	Diversity-Pay			Diversity-Pay			Diversity-Pay		
Average remuneration	-36.2 %	-38.1 %	-1.9 pp	-25.4 %	-22.3 %	3.1 pp	-36.0 %	-15.2 %¹⁾	20.8 pp
Remuneration by same function	5.8 %	0.9 %	-4.9 pp						

¹⁾The year-on-year difference for this indicator is due to the new consolidation rules that the company applied in 2019 for its management level, which now includes managers for up to two reporting levels under the Management Board. Excluded from the consolidation basis are employees who were absent for more than two months due to parental leave, sick for more than 6 weeks, newly hired or terminated their employment, and promoted to managers during the reporting year.

Employee training and development	All employees			Non-Management			Management (Level 1+2)		
	2018	2019	Change	2018	2019	Change	2018	2019	Change
Average hours of training per year	Emp-Training			Emp-Training			Emp-Training		
All employees	35.8 h	34.0 h	-5.0 %	32.8 h	29.9 h	-8.8 %	54.2 h	62.1 h	14.5 %
Male employees	38.0 h	38.5 h	1.3 %						
Female employees	34.2 h	30.9 h	-9.5 %						



New employee hires and employee turnover by gender	All employees			Male employees			Female employees		
	2018	2019	Change	2018	2019	Change	2018	2019	Change
	Emp-Turnover			Emp-Turnover			Emp-Turnover		
New employees									
Total number of new employee hires	39	28	-28.2 %	20	10	-50.0 %	19	18	-5.3 %
– in head office	27	17	-37.0 %						
– in other local offices	12	11	-8.3 %						
Rate of new employee hires	26.2 %	17.0 %	-9.2 pp	13.4 %	6.1 %	-7.4 pp	12.8 %	10.9 %	-1.8 pp
Leaving employees									
Total number of leaving employees	7	15	114.3 %	2	7	250.0 %	5	8	60.0 %
– in head office	5	10	100.0 %						
– in other local offices	2	5	150.0 %						
Rate of employee turnover	4.7 %	9.1 %	93.5 %	1.3 %	4.2 %	2.9 pp	3.4 %	4.8 %	1.5 pp

New employee hires and employee turnover by age group	<30 years old			30–50 years old			>50 years old		
	2018	2019	Change	2018	2019	Change	2018	2019	Change
	Emp-Turnover			Emp-Turnover			Emp-Turnover		
New employees									
Total number of new employee hires	16	14	-12.5 %	21	13	-38.1 %	2	1	-50.0 %
Rate of new employee hires	10.7 %	8.5 %	-21.0 %	14.1 %	7.9 %	-6.2 pp	1.3 %	0.6 %	-0.7 pp
Leaving employees									
Total number of leaving employees	1	4	300.0 %	5	11	120.0 %	1	0	-100 %
Rate of employee turnover	0.7 %	2.4 %	261.2 %	3.4 %	6.7 %	3.3 pp	0.7 %	0.0 %	-0.7 pp



Employee health and safety			
	2018	2019	Change
Absentee rate	H & S – Emp		
All employees	4.6%	4.3%	–0.3 pp
Male employees	2.4%	2.7%	0.3 pp
Female employees	6.0%	5.4%	–0.6 pp
Employees in head office	5.1%	4.7%	–0.4 pp
Employees in other local offices	3.2%	3.2%	0.0 pp
Injury Rate, Lost Day Rate & Accident Severity Rate	0%	0.0%	0.0 pp
Work-related fatalities	0%	0%	0.0 pp

Employee performance appraisals			
	2018	2019	Change
Percentage of employees who received annual appraisals	Emp-Dev		
All employees	100%	100%	0.0 pp
Male employees	100%	100%	0.0 pp
Female employees	100%	100%	0.0 pp
Employees with non-managerial positions	100%	100%	0.0 pp
Managers reporting to the board	100%	100%	0.0 pp

Asset health and safety assessments			
	2018	2019	Change
Percentage of assets screened against health and safety issues	H&S-Asset		
Adhering to applicable health and safety legislation, we examine the total portfolio for issues including: fire safety, legionella presence, accessibility standards, and contaminants. Each building is audited every three years.	30–60%	30–60%	0.0 pp
Portfolio under development examined for hazardous substances and contaminants.	9.4%	12.2%	2.8 pp

Asset health and safety compliance			
	2018	2019	Change
Number of incidents	H&S-Comp		
Incidents of non-compliance with regulations and/or voluntary codes concerning health and safety of our assets	0	0	0.0 pp
Fines, penalties or warnings	0	0	0.0 pp

Community engagement, impact assessments and development programmes			
	2018	2019	Change
Number of assets where social and environmental programmes were implemented	Compty-Eng		
Buildings that are located closed to public transportation hub	65.0%	68.0%	3.0 pp

EPRA Sustainability performance measures – Governance

Composition of the highest governance body	Gov-Board
We provide a detailed disclosure about our Corporate Governance in our Annual Report 2019, p. 151–167	
Nominating and selecting the highest governance body	Gov-Select
We provide a detailed disclosure about our Corporate Governance in our Annual Report 2019, p. 151–157	
Process for managing conflicts of interest	Gov-Col
No conflicts of interest concerning members of the Supervisory Board or Management Board arose during 2019, Annual Report 2019, p.144	



Glossary

Bloomberg GEI

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

BREEAM

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

Capital expenditure (capex)

A development capex is an investment related to the substantial modernization and renovation of a building.

CDP

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

CO₂

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

CO₂e

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

Code of conduct

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

Common areas

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

CSR

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

Development pipeline

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

DGNB

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

Dividend

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

Due diligence

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

Embedded/embodied carbon emissions

Embedded/embodied carbon emissions are associated with energy consumption and chemical processes during the extraction, manufacture, transportation, assembly, replacement and deconstruction of construction materials or products.

EPRA

The European Public Real Estate Association is an organization that promotes, develops, and represents the European public real estate sector.



EPRA sBPR

The EPRA Sustainability Best Practices Recommendations provide a consistent way of measuring the sustainability performance of listed real estate companies in Europe.

ESG

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

Fair value (open market value [OMV])

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

GHG Protocol

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

GRESB

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

GRI

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

ISO 50001

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

ISS-oekom

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

kWh/MWh

A kilowatt/megawatt hour is a unit of energy.

Like-for-like (Lfl)

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

MSCI ESG

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

Multi-let building

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

Office building

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

Operating expenditure (Opex)

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

RE100

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

REIT

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



Roadshows

Roadshows are corporate presentations to institutional investors.

RobecoSAM CSA/DJSI

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

SDGs

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

Single-let building

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

Stakeholder

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

Supervisory board

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

Sustainalytics

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

Transparency

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

UNESCO

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

UNICEF

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

ZIA

The Zentraler Immobilien Ausschuss e.V. (German Property Federation) is a regulatory and economic lobby group for policy in the property sector.

Building Your Future

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



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