hamborner REIT

ZUKUNFT BRAUCHT SUBSTANZ

A LOOK TOWARDS THE FUTURE

SUSTAINABILITY REPORT 2023

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GRI 2-1, 2-6

HAMBORNER REIT AG boasts many years of experience in the real estate and capital markets, as well as a lean and transparent corporate structure. In conducting our business activities, we are committed to meeting our social and environmental responsibilities. To deliver on this commitment, we focus on material action areas and subject our strategic decisions and measures to thorough scrutiny. The aim is to maintain our own competitiveness and future viability, as well as contributing to the transformation process of our industry and boosting stakeholder confidence.

Further information

Reference to supplementary content on our company website

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FOREWORD BY THE MANAGEMENT BOARD

Dear readers,

GRI 2-1, 2-12, 2-13, 2-22, 2-23

We are pleased to present our current sustainability report, now in its twelfth edition. As a real estate company, we are aware of our responsibility to society, the environment and our stakeholders. In an age where sustainable action is not merely an option but a necessity, we would like to present in a transparent way how we contribute to a liveable future.

The topics of sustainability and ESG are now an immovable pillar of the corporate strategy at HAMBORNER REIT AG. Implementing concrete measures for socially and environmentally sustainable added value is part of our daily business and firmly enshrined in our management structures. While global political circumstances remain unstable and developments in the general economy as well as our industry continue to be dynamic, we are aware of our responsibilities and are consistently pursuing the implementation of our sustainability strategy.

The complexity and diversity of topics remains vast. The collection, recording and analysis of ESG-relevant data, as well as its processing, continues to be a component of our sustainability management system in order to meet our stakeholders' increasing expectations for transparency.

In addition to the continued development of our data management system and the transparency standards, we are dedicated to specific goals and measures in our operating activities.

NICLAS KAROFF
Chief Executive Officer of
HAMBORNER REIT AG

SARAH VERHEYEN
Member of the Board of
HAMBORNER REIT AG

One of the key sustainability topics that is especially relevant in the real estate industry is climate change. This requires action from all players in society, politics and the economy – including us. We rise to the challenge facing us regarding increased climate change mitigation and climate change adaptation in the same way our stakeholders have come to know and appreciate: strategically and with sound judgement.

In 2023, we developed a comprehensive decarbonisation strategy and set ambitious climate targets for ourselves. We will pursue the implementation of this strategy at all levels of our business model: at the corporate, portfolio and real estate level.

The measures for reducing CO_2 will be manifold and will require thorough investment planning that is laid out over years. Only then will we be able to ensure an effective path to carbon-neutral value creation in the next two decades.

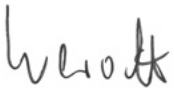
Working in partnership with our external stakeholders remains a key factor in this equation. Without effective communication and cooperation with our tenants and business partners, we will not be able to meet our sustainability goals. The positive feedback on our progress and activities give us hope.

In addition to environmental issues, our focus is also still on social sustainability aspects. We strive for attractive and fair working conditions, equal opportunities and a positive corporate culture. Our dedication is evident in the variety of measures to advance and develop employees as well as our support of local social projects and initiatives.

We are proud of the progress we have achieved together with our employees and partners. At the same time, we are aware that many challenges still lie ahead. Sustainability is an ongoing process that requires constant adaptation and innovation.

We will continue to lead by example and to play an active role in the property industry's transformation towards sustainability. We will also continue to expand our internal ESG know-how, engage in targeted collaborations with selected partners and open up new perspectives for a sustainable and liveable future.

With this report, we aim to provide comprehensive insights into our strategies, measures and successes. We hope you enjoy reading it.



Niclas Karoff

Sarah Verheyen

FOREWORD BY THE SUPERVISORY BOARD

Dear readers,

GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-16, 2-17, 2-23

The HAMBORNER REIT AG Supervisory Board advised and continuously supervised the Management Board in its management of the company in the 2023 reporting cycle. The topic of sustainability continued to have a high level of significance in this regard. The Board as a whole and the committee formed specifically for ESG topics regularly address relevant environmental, social and governance matters and are directly involved in the strategic development and materiality processes.

Ensuring competent consulting towards the company and proper perception of the monitoring tasks in all material ESG action areas has the highest priority here. The Supervisory Board orients itself, among other things, based on the recommendations on the monitoring of sustainability risks as set out in the German Corporate Governance Code and ensures that the internal ESG know-how is continuously expanded so that it can support the Management Board in all landmark decisions.

In the 2023 financial year, many of our discussions within the Board were focused on the current sustainability strategy, its integration into the overall company strategy and its operational implementation in the specified action areas. In the process, it became clear that the strategic relevance of sustainability topics remains high and that more and more ESG criteria must be taken into consideration at the corporate and portfolio level, with corresponding measures that must be implemented.

Not least because they are highly relevant within the real estate industry, a particular focus of the Supervisory Board and the Management Board in 2023 was the topics of environmental management and climate protection. The development of a company-wide decarbonisation strategy and the formulation of ambitious medium- and long-term climate targets stood at the centre of the activities.

The Management Board and the Supervisory Board also addressed the regulatory requirements that will become mandatory for HAMBORNER REIT AG in the coming years, especially with the preparations for expanded sustainability reporting in accordance with the Corporate Sustainability Reporting Directive (CSRD) and EU Taxonomy.

The great importance that sustainability is given within our company is also reflected in this report. It provides a compact overview of HAMBORNER REIT AG's ongoing progress in the area of sustainability management, as well as evidence of its heightened focus on environmental and social compatibility within its business model.

The Supervisory Board will continue its constructive dialogue with the company in the current financial year and will continue to support the Management Board on its chosen course.

Dr Andreas Mattner

DR ANDREAS MATTNER

Supervisory Board Chair of
HAMBORNER REIT AG

ABOUT THIS REPORT

GRI 2-2, 2-3, 2-4, 2-5, 2-9

To meet our stakeholders' increasing expectations for transparency, we treat reporting as a key action area and as an integral component of our overall sustainability management system. For many years now, this reporting has been based on internationally standardised comparison frameworks. All external reports are however geared towards the specific activities undertaken within our strategic and operational sustainability management system. The materiality principle is strictly applied in both the management system and external reporting, and we dispense with any information that is not relevant to our business model and value-adding activities.

This document is the twelfth sustainability report to be issued by HAMBORNER REIT AG. Our reports are published annually and provide non-financial information that supplements the annual and interim financial reports. Accordingly, this document refers to the most recent annual report.

The 2023 Sustainability Report provides facts and figures for the period from 1 January to 31 December 2023 as well as comparative figures from previous reporting cycles (publication date of the previous report: June 2023). The relevant quantitative data thus applies to the past regular financial year, analogously to the financial reporting and with the exception of some data collected throughout the year. Some additional current-year information received prior to the cut-off date in June 2024 has, however, been included in this report where deemed relevant and meaningful in the given context.

We track sustainability indicators across our entire business model. Firstly, we determine key indicators for our administrative operations that take into account all business activities at our company headquarters, such as use of the vehicle fleet and travel. And secondly, we report separate key figures for our real estate portfolio.

The tasks of collecting and evaluating environmental indicators and consumption data and reliably auditing CO_2e emissions across our real estate portfolio remain uniquely challenging. In order to keep any gaps in the documentation of this data to a minimum, we are optimising our data capture methods on an ongoing basis (see p. 24, "Management of property-related ESG data"). Moreover, while we report absolute key figures for the past financial year, we also provide series of figures for our real estate portfolio on a like-for-like basis; that is, on properties that the company owned for the entire year in both 2023 and 2022. Properties acquired or sold during the reporting period are not included in these figures. This means that the data series refer to exactly the same portfolio to facilitate a comparison.

In preparing this report, we have again followed the internationally recognised Sustainability Reporting Standards of the Global Reporting Initiative (GRI). This report has been prepared in accordance with the GRI Standards. At the same time, as part of this year's report, we are once again providing the reader with sustainability information that goes well beyond the optional disclosures of the GRI framework.

As in previous years, further reference points for our sustainability management and external reporting were the Sustainability Best Practices Recommendations (sBPR) of the European Public Real Estate Association (EPRA), the German Property Federation (ZIA) CSR Practice Guide, the German Corporate Governance Code (DCGK), and the recommendations of the Institute for Corporate Governance in the German Real Estate Industry (ICG). Moreover, in the current report we again refer to three selected United Nation Sustainable Development Goals (SDGs) that we at HAMBORNER REIT AG consider to be material in the context of our business activities.

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Sustainable employer
Social engagement
Annex

As part of the preparation of the report, we have enlisted the professional support of an independent consulting firm for selected topics. No external assurance was undertaken beyond this. This report is available in both German and English and is published exclusively in PDF format on the **company website**.

Further information and definitions of the terminology used in the report can be found on the company website in an **online glossary**.

We use the acronym “ESG” (Environmental, Social, Governance) in this report occasionally, as it is now well established in the industry and among all financial market participants.

CONTACT

Christoph Heitmann
Head of Investor Relations, Financing & Corporate Comunications
Tel.: +49 203 54405-32
Email: info@ir.hamborner.de

Timo Kappius
Senior Manager Sustainability & ESG
Tel.: +49 203 54405-47
Email: esg@hamborner.de

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CORPORATE GOVERNANCE

GRI 2-9, 2-13, 2-16, 2-23, 2-27

At HAMBORNER REIT AG, corporate governance stands for strict principles and a clear framework of rules for the management and supervision of the company. In addition to the implementation and monitoring of compliance with guidelines, laws and rules of conduct, our corporate governance system includes transparent internal decision-making processes.

In our view, good corporate governance is not limited purely to accountability in terms of organisational structure and compliance management; it also includes attention of the company's management and supervisory bodies with regard to new opportunities and risks for our business model arising in conjunction with ESG criteria. Accordingly, we are continuously developing existing governance structures and mechanisms and are actively involved in this within our industry.

In addition, we comply with the requirements and recommendations of the Government Commission for the German Corporate Governance Code (DCGK), whereby our Management Board and Supervisory Board carefully review every amendment to the Code in terms of its implementation implications prior to issuing a declaration of conformity. Management of HAMBORNER REIT AG applies sustainability criteria in line with the recommendations in the current text of the DCGK. These include the identification of social and environmental factors along with the associated risks and opportunities, and the assessment of external environmental and social impacts from our business activities.

Effective corporate governance structures are an important means to secure our competitiveness long term and give us the confidence to meet future challenges on the real estate, capital and labour markets.

ORGANISATIONAL STRUCTURE OF HAMBORNER REIT AG[1]

SUPERVISORY BOARD

MANAGEMENT BOARD

Strategy	IT & Digital Transformation
Sustainability & ESG	Portfolio & Risk Management
Finance & Accounting	Transaction Management
Legal & Corporate Governance	Asset Management
Investor Relations & Corporate Communications	Property Management
Human Resources	Technical Management
Internal Audit	Executive Office

[1] Reporting date: 31 March 2024

Further information about our corporate governance structures, the composition and working methods of our Management Board and Supervisory Board and our corporate governance practices can be found in our corporate governance declaration. 🖵 **www.hamborner.de/en/corporate-governance/**

Values-based governance

GRI 2-23

Governance at HAMBORNER REIT AG deals not only with the implementation and monitoring of compliance with all relevant guidelines, laws and codes of conduct, but also with the creation of a shared understanding of the values of transparency and integrity within the company. This is achieved through clear communication and management structures with flat hierarchies.

Sustainability-oriented governance requires organisational structures that embed a values-based approach in day-to-day operations. This management approach also involves promoting a shared understanding of sustainability and defining overarching standards for our company and business partners, so as to encourage transparent and efficient decision-making processes that are aligned with sustainable value creation.

Our values and aspirations are centred around an uncompromising respect for human rights, ensuring equal opportunities for all, zero tolerance of discrimination, and clear policies and actions against all forms of bribery and corruption – across all our own activities and in dealings with our stakeholders. Standards for values-based business operation at HAMBORNER REIT AG are set down in the form of binding policies backed by ongoing compliance monitoring (🗋 **see p. 11, "Compliance"**). Appropriate organisational and management structures have been put in place to ensure that these standards and policies are duly implemented in practice.

Transparency

GRI 2-3

Regular reporting on our 🖵 **business performance** and transparent communication on the ongoing development and implementation of our 🖵 **sustainability strategy** are integral components of our corporate governance system. Further business and sustainability topics are covered in 🖵 **guidelines, codes of conduct and rules**, all of which are available to download from our website. These provide management, employees and partners across our entire value chain with essential information on the company, as well as clear definitions of what ethical and sustainable business practice entails.

Beyond this, active, continuous and transparent communication with all stakeholders a matter of high importance at HAMBORNER. We regularly report on strategy, current business developments and our company's prospects for the future, not least in our investor relations work. Here, we pursue the goal of providing our stakeholders with a reliable and transparent impression of the company, enabling a fair company valuation, and building confidence in the company.

In the 2023 reporting year, we again held a series of in-person and virtual roadshows in Germany and other European financial centres, and regularly took part in capital market and specialist conferences at home and abroad. This provided opportunities for direct dialogue between investors and Management Board members, in the form of one-on-one conversations and group meetings. Management Board members and investor relations staff were also able to engage with potential investors and stakeholders at numerous other meetings.

In addition to our regular financial and interim reports, the 🖵 **investor relations area** of our website is regularly updated with additional financial and non-financial information.

As recommended in the DCGK, we also organise regular corporate governance roadshows, with active involvement by the chair of our Supervisory Board, and keep selected investors and stakeholders updated on sustainability-related topics. Additional information about the roadshows is also provided on our website.

COMPLIANCE

GRI 2-27, 205-2

HAMBORNER REIT AG is subject to a wide range of industry-specific and cross-industry laws and regulations. All employees must abide strictly by all such provisions. We keep a close eye on new and amended German legislation as well as on EU legislation (especially regulations on Taxonomy and sustainability reporting). This allows timely allocation of the resources and systems needed for compliance with new requirements.

But compliance for us is much more than merely observing a body of laws and regulations. Our corporate ethos and our success as an employer and a listed real estate company are built on a commitment to values and behaviours that are not imposed on us from the outside by laws or regulatory requirements. These include values such as honesty, integrity, reliability and credibility.

Another facet of compliance for HAMBORNER REIT AG involves instilling in our business processes a shared understanding of sustainability, as reflected in criteria and policies that are consistently applied in day-to-day work operations. The regulatory requirements around what constitutes a sustainable business operation are becoming ever more complex. Our recipe for effectively managing the resulting challenges is close cooperation between the Management Board, the extended management team and our internal Sustainability Committee (**see p. 17, "Organisation"**).

At HAMBORNER REIT AG, day-to-day compliance with laws and regulations is also systematically ensured by a compliance management system that includes the processes, aspects and mechanisms outlined in the sections which follow.

Compliance management system (CMS)

GRI 2-12, 2-27, 205-2

HAMBORNER has implemented a compliance management system to ensure adherence to all relevant legal and regulatory requirements. It represents a key component of operational risk management and is also intended to permanently enshrine responsible conduct in the way that employees think and act.

The company's internal compliance systems and associated organisational structures and processes are subject to regular monitoring to ensure the identification of potential risks and timely initiation of preventive measures. The Management Board is informed of all relevant processes regarding compliance as part of regular reporting. The Supervisory Board is also advised on material compliance measures by the Management Board at regular intervals.

PREVENTIVE MEASURES

GRI 205-2

We have taken appropriate preventive measures to safeguard against non-compliance risks. To this end, all industry-specific and relevant cross-industry regulations and laws are taken into account and summarised in a comprehensive compliance policy to which all personnel, including the Management Board, are subject. Furthermore, regular staff training on compliance topics and legislative developments is one of the standard elements of our training curriculum. Our activities in this regard ensure that compliance with laws and regulations is firmly anchored in the everyday work of our employees.

WHISTLEBLOWER SYSTEM

GRI 2-27

An electronic whistleblower system was implemented at HAMBORNER REIT AG back in 2017. This system can be used by the company's own employees and by external parties to unbureaucratically and anonymously report to an external ombudsperson any potential violations of compliance rules or any legal misconduct within the company's sphere of influence.

MONITORING AND SANCTIONS

GRI 2-27

Responding to potential compliance violations is the responsibility of the Management Board and requires a full investigation and complete clarification of all matters – with the involvement of the external ombudsperson, if necessary. This may lead to disciplinary action in accordance with defined rules in the company's compliance policy. Any action taken depends on the severity of the potential violation, the damage caused to the company and the legal circumstances of the case.

No compliance violations at HAMBORNER REIT AG were reported in the 2023 reporting year, nor indeed in the prior year. Consequently, dealing with non-compliances did not represent a critical issue for HAMBORNER REIT AG in either reporting cycle.

RISK MANAGEMENT

GRI 2-23

As a real estate company operating throughout Germany, HAMBORNER REIT AG is exposed to risks with the potential to impact on its net assets, financial position and results of operations. The core of our risk strategy is in the identification and monitoring of potential risks, with the aim of eliminating or mitigating risks through these management approaches.

HAMBORNER REIT AG has therefore focused its business policy on avoiding from the outset any involvement in business areas of a highly speculative nature. A comprehensive risk management system has been implemented for the timely identification and containment of risks with the potential for a major impact on our economic viability.

Detailed information on the principles of our risk management and internal control systems can be found in the risk reporting section of the current annual report (**see Annual Report 2023, p. 63 et seqq.**).

Information on our systematic approach to addressing ESG-relevant risks can be found in this report under the chapters

"ESG-relevant management systems and approaches" (p. 24) and **"Climate risk assessment"** (p. 40). There, we also document our approaches for our climate risk assessment using the scheme as set out by the Task Force for Climate-related Financial Disclosures (TCFD), which comprises the core elements of Governance, Strategy, Risk Management, and Metrics and Targets.

DATA PROTECTION & IT SECURITY

The legally compliant and responsible handling of the data of our tenants, business partners and employees is of fundamental importance to our business model (see p. 24, "ESG-relevant management systems & approaches"). Accordingly, the Management Board bears responsibility for these matters also. The Board is supported in this by a data protection officer appointed specifically for this purpose. The data protection officer has had a direct reporting line to the Management Board since 2012 and is involved in all data processing processes. The data protection officer advises and supports all company divisions in the day-to-day implementation of data protection requirements and is available as a contact for internal and external stakeholders in the event of complaints or indications of possible data protection violations.

For the further optimisation of the data protection management system, in the 2023 financial year a software package was implemented for mapping and managing all of our data protection processes. This will provide reliable audit documentation of all activities and will ensure that HAMBORNER is able at any time to demonstrate compliance with all its data protection obligations.

We aspire to guarantee the protection of personal and company-related data at all times amid the growing digitalisation of our business processes and therefore attach especially high priority to IT security. This led us to appoint an IT security officer in 2022. This specially trained and certified employee continuously reviews our IT security standards, adapts them to dynamically developing circumstances and requirements and, if necessary, takes appropriate technical and organisational measures to effectively limit or prevent potential IT risks.

We established a training programme aimed at preventing risks of this nature in 2022. Under this programme, all employees, including the members of the Management Board, are required to participate in a comprehensive training course covering all material IT topics relevant to security.

At the system level as well, we carry out comprehensive security precautions, run penetration tests at regular intervals and, with the support of external experts, simulate cyberattacks on our IT infrastructure.

In addition to the existing data protection guideline, a corresponding internal IT security guideline was issued in 2024, documenting the existing regulations and ensuring continual, proper IT operations.

Supported by our high standards no relevant data protection or IT security incidents were identified in the 2023 reporting period.

ALLIANCE FOR CYBER SECURITY

GRI 2-28

We have been a member of the Alliance for Cyber Security in Germany since the spring of 2021 and, together with experts from other companies and organisations, are pursuing the goal of shaping and further strengthening IT security in Germany and, ultimately, within our company.

The Alliance for Cyber Security is an initiative by Germany's Federal Office for Information Security (BSI) that was founded in 2012. It offers companies, industry associations, government authorities and organisations a cooperative platform for sharing information on current threat situations and practical cybersecurity measures. Members benefit from the expertise of the many committed partners and from the opportunity to significantly improve the protection of their own IT infrastructure.

www.allianz-fuer-cybersicherheit.de

Allianz für Cyber-Sicherheit
Teilnehmer

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SUSTAINABILITY STRATEGY

GRI 2-22, 3-3

The core of the corporate strategy of HAMBORNER REIT AG is continued value-adding growth through continuous optimisation and yield-driven expansion of the real estate portfolio. Alongside traditional factors such as risks and returns, the strategy has also increasingly taken into account sustainability aspects that are material for the future success of our business model. These comprise environmental, social and governance factors.

As a real estate company with comparatively small human resource capacities, we pay particular attention to focusing and prioritisation as part of our sustainability management. In general, we aim to enact measures where we are able to exercise direct influence and utilise effective levers to improve our sustainability performance. We do so with an eye on the feasibility of the planned measures and target-oriented internal resource planning.

Our strategic approach to the constantly growing requirements related to ESG management has paid off: a number of the goals that were laid out as part of our operational sustainability programme have already been achieved in part or in full (see p. 26 et seqq., "Strategic sustainability programme").

Irrespective of this, we continually review our sustainability strategy and the corresponding measures in order to identify additional opportunities for optimisation and ultimately to deploy our resources in the area of sustainability management in a targeted way. In particular, this includes regularly conducting a materiality analysis.

Materiality

GRI 2-22, 3-3

Reviewing the materiality of sustainability topics is an ongoing process at HAMBORNER that draws on a range of different perspectives. Factors with a decisive bearing on materiality include identified impacts and risks, commercial decisions on operating and capital expenditure (OpEx/CapEx), transactions, regulatory developments and the changing expectations of internal and external stakeholders.

In 2023, we again carried out a detailed review our key sustainability topics and areas of action. The responses generally confirmed the validity of our existing focus topics, although a few topics were reprioritised within or added to action areas in response to the survey results. Materiality thus remains the foundation for our sustainability strategy and our strategic sustainability programme here at HAMBORNER REIT AG.

We again paid close attention to the action area of "Environmental management and climate protection" in the 2023 reporting year. The focus here was on the development of our decarbonisation strategy based on the previously conducted CO_2e audit (see p. 63 et seqq., "Decarbonisation strategy").

We also defined specific medium- and long-term CO_2e reduction targets for our organisation and our core business and derived initial measures. These are especially property-related refurbishment and modernisation measures that we will carry out in future at the total portfolio, sub-portfolio and property level within the Property quality and portfolio optimisation key action area. A focus here will remain

MAIN ACTION AREAS WITHIN THE SUSTAINABILITY MANAGEMENT SYSTEM

on CO_2e reduction and on increasing energy efficiency across the property portfolio.

Our activities in the Corporate governance and dialogue action area centre around the integration of further sustainability criteria into our risk management system, the expansion of our internal and external reporting standards, ongoing improvement of our ESG rating and ensuring tenant satisfaction.

Our tenant satisfaction level, which is largely dependent on the quality of our properties and our asset and property management operations, will be measured at regular intervals, with the results providing the basis for further enhancements to our sustainability strategy.

In the Employee development action area, our focus remains on the topics of further education and professional development, diversity and equal opportunities, occupational safety and health management, ensuring and promoting employee satisfaction, and further enhancing the attractiveness of HAMBORNER REIT AG as an employer.

A particular focus in 2024 will be on the implementation of the stipulations of the European Corporate Sustainability Reporting Directive (CSRD), which will become mandatory for HAMBORNER REIT AG from 2026 (for the reporting for 2025).

In the first step, we are currently carrying out a materiality analysis under consideration of the CSRD-relevant criteria. In doing so, it has become clear that the requirements of the CSRD regarding the materiality principle are congruent with our previous understanding of it. This is due, among other things, to the fact that we have aligned our reporting with the framework of the Global Reporting Initiative (GRI) in previous years, which is very similar to the reporting principles, standards, topics and definitions of the CSRD in terms of their content and structure.

MATERIALITY PRINCIPLE

In assessing our sustainability-relevant topics, we adhere strictly to the principle of materiality in terms of both operational measures and external reporting, which we regard as an integral part of our sustainability management approach.

The focus on materiality is also in line with our principle of efficiently focusing HAMBORNER REIT AG's resources and commitment on those topics that we identify as having the greatest impact on the environment and society and as being the most effective levers for optimising our sustainability performance. In addition to reviewing material topics in close alignment with our business model, we always take into account the expectations of our stakeholders.

The debate surrounding corporate sustainability reporting has however led to a change in what the materiality principle entails. All the international reporting frameworks that we currently follow on a voluntary basis, and which are set to become mandatory, require a materiality analysis to be carried out. The aim of that process is to identify topics and issues which, in view of the company's business model, are material for external reporting.

The assessment dimensions are as follows:

- The impacts of the company's business activity on the environment and society (e.g. the impact on climate change from the release of CO_2 emissions for which the company is directly responsible across its entire business model)
- Significance of external aspects for the company's (financial) position and performance (e.g. impacts of climate change, including increasing extreme weather events, on the company's property portfolio)

This is the concept of double materiality: viewing sustainability topics from both an outside-in and an inside-out perspective. This dual perspective will now be reflected even more clearly in our materiality review process and in our reporting approach.

In future, in accordance with CSRD, we will need to publish the methodology for identifying topics as well as the strategic objectives and management approaches for implementing and assessing these for all material sustainability topics. Our sustainability strategy and the operational sustainability programme that was created in recent years form the cornerstone for this.

SUSTAINABILITY MANAGEMENT

Organisational structures

GRI 2-12, 2-13, 3-3

The planning and management of the company's sustainability activities are the responsibility of the internal Sustainability Committee, which comprises members of the Management Board as well as selected representatives from all areas of the company that are involved in processes relevant to sustainability.

Sustainability has a high priority at Supervisory Board level too. For this reason an ESG Committee was established at Supervisory Board level in 2022. It advises the Management Board and the company on key sustainability matters and deals in particular with the integration of sustainability into the corporate strategy and the definition of sustainability targets.

Stakeholder engagement

GRI 2-29

Our systematic stakeholder management approach remains an essential component of our sustainability management system, which can only be successfully implemented in cooperation with our external stakeholders. We continue to review the expectations of our key stakeholders and to use all appropriate communication channels as we work together to achieve sustainability goals.

In 2023, we further stepped up our engagement with our key stakeholders. In each case, this was a mutual initiative. In the course of this engagement, it became clear that various stakeholders' expectations around sustainable processes, services and properties had in-

HAMBORNER REIT AG INTERNAL SUSTAINABILITY COMMITTEE

The internal Sustainability Committee of HAMBORNER REIT AG, which was established in 2020, comprises the Management Board and the key officers of selected corporate divisions. The Sustainability Committee regularly addresses relevant environmental, social and governance issues and is responsible for the integration and strengthening of ESG criteria in the business activities of HAMBORNER REIT AG. The committee is directly involved in strategy development and materiality processes and formulates specific topics and action areas within the framework of sustainability management. In addition, the committee oversees the implementation of company-wide sustainability activities.

creased significantly and that dialogue regarding a possible need for transformation was in the shared interests of all parties.

In our engagement with our shareholders, we are increasingly focusing on sustainability-relevant aspects. In the course of this, we are noticing a clearly growing tendency among capital market participants to take sustainability criteria into account in their decision-making processes. Accordingly, in our investor relations activities, we will continue to satisfy these additional information requirements, and we will include relevant sustainability topics in our communications with investors.

Our property management and technical property management departments are in constant dialogue with our tenants, and sustainability issues have been increasingly part of these discussions in recent times. The discussions have focused in particular on the sharing of property-related consumption data. Social aspects also feature in our communications with the users of our properties. These include aspects such as amenity values, accessibility and family-friendly infrastructure.

Direct interaction with our tenants remains a success factor in our business. Potential new tenants participate in a systematic "know-your-customer" process as part of the lease negotiations. This involves reviewing social, environmental and governance-related aspects in addition to the usual questions of corporate structure, business model and creditworthiness. Lease negotiations also regularly touch on the subject of "green lease" clauses, which are now included in the majority of our leases.

Familiarity and trust also feature strongly in our dialogue with our employees at HAMBORNER REIT AG. In 2023, too, there were multiple staff meetings and numerous one-on-one discussions on topics such as vocational training and professional development, health management, and further flexibilisation of our work model. Our annual employee survey (see p. 67 et seqq., "Sustainable employer") once again yielded valuable insights that will help us improve working conditions and further enhance HAMBORNER's attractiveness as an employer. In spring 2023, we also conducted our first employee survey on ESG topics, eliciting an objective assessment of our company's sustainability performance.

GRI 2-23

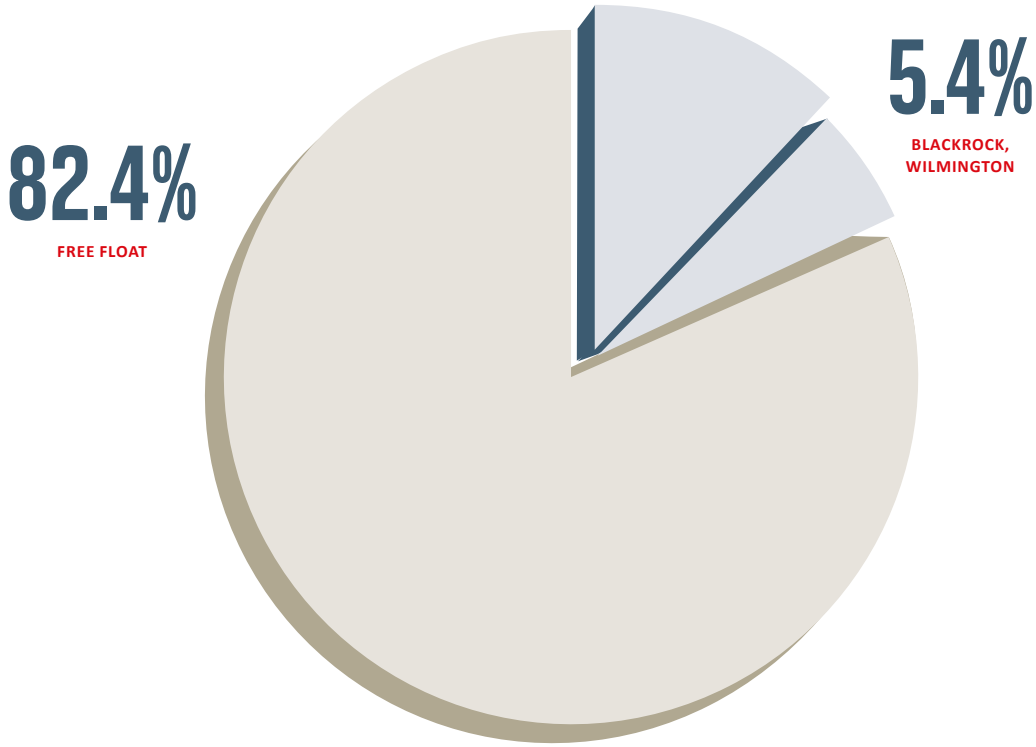
Our codes of conduct for our employees and business partners are another key part of our stakeholder engagement activities. The codes were developed in cooperation with an external consultancy firm and the works council, and provide our employees and business partners with guidelines on how to act and make decisions in their day-to-day work. The documents are available for download on our corporate website.

GRI 414-1

Our code of conduct for business partners will be used as the basis for more intensive dialogue with partners along the entire supply chain, and for collaborative efforts to ensure more sustainable processes in our business operation. Accordingly, a systematic review of sustainability standards within our supply chains is to be carried out in the short to medium term. In addition to industry-specific standards, we will be guided in this by the requirements of the Supply Chain Due Diligence Act (LkSG), even though the provisions of this law do not actually apply to HAMBORNER.

STAKEHOLDERS OF HAMBORNER REIT AG

SHAREHOLDER STRUCTURE AS AT 31 MARCH 2024



ESG STAKEHOLDER SURVEY

GRI 2-29

In the 2023 reporting year, we designed a systematic stakeholder survey of specific sustainability topics for the first time. For this anonymous questionnaire, a total of 246 subjects from relevant HAMBORNER REIT AG stakeholder categories were approached by the company department responsible for the business relationship in each case. These categories included analysts and investors, lenders, employees, tenants and service providers.

The responses were rated on a five-step Likert scale (from “very low” to “very high” level of agreement). The subjects were also given the opportunity to provide further replies and suggestions in free text fields. A very pleasing response rate of 58% was achieved, enabling the following (partially representative) conclusions to be drawn:

- All stakeholder categories rated the importance of sustainability as “high” or “very high”.
- Stakeholders predominantly rated HAMBORNER REIT AG as a sustainable business.
- Our selection of material ESG action areas and topics was endorsed by all stakeholder categories.
- External stakeholders saw it as “highly important” for them to have input into these action areas.
- In sustainability assessments, lenders, investors and analysts currently tend to focus more on governance and environmental criteria while according a “low” level of importance to social aspects. Respondents attached only “relatively low” importance to sustainability ratings and benchmarks.

— The likely impact of sustainability-oriented investments on the future profitability of HAMBORNER REIT AG was rated as “high”.

— The acceptance level for forgoing profits / dividends to allow refinancing of sustainability measures was, however, rated as “low”.

The feedback from external stakeholders on HAMBORNER REIT AG’s sustainability goals can be summarised as follows:

— The importance of further efficiency gains and reduced resource consumption (including water) was rated as “high” by all stakeholders.

— Also regarded as highly important was the additional generation or use of regenerative forms of energy.

— Further professional development measures and promoting diversity within the company were assessed as “highly important”.

— Sustainable building certifications were seen as important primarily by investors, analysts and lenders, but had a low level of importance for all other stakeholder categories.

The survey results form part of our ongoing materiality review process. The material topics and action areas that we had already defined (**see p. 15, “Materiality”**) were generally verified as part of the stakeholder survey.

Given our stakeholders’ predominantly positive feedback on our sustainability performance, and in view of their endorsement of our choice of material action areas, we are confident of being able to work with them to successfully address future tasks in this area. The results were analysed in detail and individual strategic adjustments and specific measures were developed. This included suggestions and ideas from within the company, which will be taken into account in the further refinement of our sustainability management system.

We will continue to assess specific sustainability topics by means of systematic stakeholder surveys because this will help us to identify further material topics, create a shared understanding of sustainability and operate sustainably at every step in our value chain.

SURVEY OF TENANTS

In the course of the survey, as well as rating our sustainability performance, the “tenants” stakeholder category was asked about HAMBORNER’s performance in terms of asset and property management. This took the form of a separate anonymous questionnaire, in which tenants were asked to rate the quality and condition of their leased property and the quality of the relationship with their contacts at HAMBORNER. The online questionnaire was sent out to a total of 80 tenants, or approximately 17 % of our total tenant base. The response rate was 38 %.

The results of the first tenant survey of this type showed a predominantly high level of satisfaction with HAMBORNER’s performance as a landlord, reflected in a satisfaction rate of 78%. Our tenants rated our properties as being favourably and desirably located and strongly emphasised the friendliness, helpfulness and accessibility of our staff. Respondents were also largely satisfied with the service providers used at their location.

A small number of tenants recommended improvements, including with regard to the fit-out of common areas and outdoor facilities. There were also some requests for wider availability of EV charging infrastructure.

Here again, the results from this additional tenant questionnaire were systematically analysed to identify further potential enhancements and were taken into account in our future operational management activities.

Stakeholder engagement programme

GRI 2-29, 413-1

Our stakeholder management is based on ongoing, constructive dialogue because we firmly believe that collaboration is vital to meaningful discussion of material ESG topics and hence successful attainment of ESG goals. Accordingly, we utilise a broad range of dialogue and communication formats and channels to ensure that we reach as many internal and external stakeholders as possible.

Stakeholder engagement programme at a glance

STAKEHOLDER GROUP	FOCUS TOPICS IN KEY ACTION AREAS 2023	COMMUNICATION/DIALOGUE FORMAT
Shareholders/Capital investors	**Environmental management & climate protection** — Sustainability strategy — Key data related to the environment — CO_2e audits — Decarbonisation strategy/targets **Portfolio quality & optimisation** — Sustainability aspects relating to acquisition processes — Linking of sustainability strategy and manage-to-core approach — Future costs associated with ESG — Property certifications **Employee development** — Sustainable employer — Key data related to social issues — Diversity **Corporate governance & dialogue** — Integration of sustainability criteria into business model and governance — Risk management — Structure and work methods of the Management and Supervisory Boards — Remuneration system of the Management Board (especially ESG components) — Sustainability goals — Transparency standards **Other relevant topics** — Green finance/ESG-based financing products	— (Virtual) roadshows and investor conferences — Corporate governance roadshow of the chair/deputy chair of the Supervisory Board — Shareholder forums and fairs — Meetings with individual investors — Annual General Meeting — Talks and negotiations with banks — Systematic stakeholder survey — Annual and interim financial reports — Sustainability report — Press releases/mailings, etc. — Press/telephone conferences — Press articles/interviews, etc. — Company website — Social media

STAKEHOLDER GROUP	FOCUS TOPICS IN KEY ACTION AREAS 2023	COMMUNICATION/DIALOGUE FORMAT
Tenants	**Environmental management & climate protection** — CO_2e audits — Cooperation for the collection of consumption data **Portfolio quality & optimisation** — Energy/ancillary cost development and optimisation — Energy efficiency of the buildings — EV charging infrastructure — Photovoltaic projects — Quality of building/amenity values **Corporate governance & dialogue** — Lease/addenda negotiations — "Green leases" – sustainability clauses	— Direct/personal dialogue between tenant contacts, asset managers and technical property managers — Systematic stakeholder survey — Property inspections/visits — Leases ("green leases") — Sustainability report
Employees	**ALL EMPLOYEES:** **Environmental management & climate protection** — Continued development of the sustainability strategy — Raising awareness of environmental and climate protection — CO_2e audits — Decarbonisation of administration and property portfolio **Portfolio quality & optimisation** — Portfolio analyses — Energy efficiency measures/potential savings — E-mobility — Metering point operation and energy monitoring **Employee development** — Flexible/mobile working models — Individual advanced training measures — Occupational safety and health management **Corporate governance & dialogue** — Code of Conduct for employees — Compliance, data protection and IT security **Other relevant topics** — Sustainability management: organisation and process optimisation — Digitalisation and data management	— Individual appraisal interviews — Staff events — Works meetings — Annual feedback meetings — Employee surveys — Systematic stakeholder survey — Departmental discussions — Employee training — Employee portal/HR software — Mailings — Annual and interim business reports — Sustainability report — Code of Conduct for employees — Intranet — Social media
	INTERNAL SUSTAINABILITY COMMITTEE — Continued development of the sustainability strategy — CO_2e audits and portfolio analyses — Decarbonisation strategy — Sustainability management: organisation and process optimisation — Digitalisation — Risk management — Decisions and measures — Measuring success — Internal and external reporting	— Regular meetings of the internal Sustainability Committee

STAKEHOLDER GROUP	FOCUS TOPICS IN KEY ACTION AREAS 2023	COMMUNICATION/DIALOGUE FORMAT
Business partners & service providers	**Environmental management & climate protection** — Environmental and social criteria — Personnel/material availability **Portfolio quality & optimisation** — Contracts for performance of maintenance/modernisation/energy-efficiency measures — ESG due diligence — Lease negotiation/repositioning processes — Photovoltaic projects — Regenerative energy supply — Metering point operation and energy monitoring **Corporate governance & dialogue** — Know-your-customer reviews — Fulfilment of regulatory requirements	— Direct/personal dialogue between service providers and asset and property managers — Work and service contracts — Systematic stakeholder survey — Code of conduct for suppliers — Sustainability report
Federal states & municipalities	**Environmental management & climate protection** — Accessibility to public transport **Portfolio quality & portfolio optimisation** — Integration of the properties into the urban and social environment — Accessibility to transport — Energy-efficiency measures **Corporate governance & dialogue** — General regulatory conditions	— Written and face-to-face communication with contacts at authorities — Systematic stakeholder survey — Networking with relevant associations and bodies — Involvement in local initiatives and interest groups — Sustainability report
Society	**Environmental management & climate protection** — Ecological measures and regional commitment on part of the property owner **Portfolio quality & optimisation** — Local supply of goods and services — Transport accessibility (public transport) — E-mobility	— Support for social, political and corporate initiatives — Networking with relevant associations and bodies — Sustainability report

ESG-relevant management systems & approaches

GRI 3-3

As part of our efforts to optimise the analysis and management of material sustainability issues, we regularly review our existing management systems and explore potential management systems. In doing so, we ask ourselves the following fundamental question: Are our management systems capable of meeting the challenges in their particular action areas, and can we use them to efficiently analyse and control the environmental, social and societal impacts of our business activities?

To ensure the effectiveness of the systems, the teams responsible for this area regularly report to our Management Board so that its members are kept informed and can be involved in all relevant decisions. Internal reporting takes the form of weekly executive meetings, the quarterly risk reporting, and of the regular meetings of the internal Sustainability Committee. In particular, our compliance and risk management systems (**see 🗋 p. 11, "Compliance" and 🗋 p. 12, "Risk management"**) are a matter of significant importance for the overarching steering of ESG criteria.

Most of our sustainability tasks are multidisciplinary topics, addressed by multiple departments. Alongside the overarching steering systems, additional management systems and management approaches are relevant for the successful implementation of these tasks as part of our sustainability strategy. The most important of these are described below.

MANAGEMENT OF PROPERTY-RELATED ESG DATA

Sustainability management can be successfully realised only if performance indicators are measurable, comparable and controllable. A basic requirement for this is a functional and reliable data management system. For this, we implemented a special ESG data management system in the 2023 reporting year, which we use to manage property-related sustainability data.

The data types include the environmental indicators for our administrative headquarters as well as all consumption data for our property portfolio collected in the course of CO_2e audits. In addition to the electricity and heat energy consumption, data on water consumption and waste generation in our portfolio buildings and at the administration headquarters is also gathered.

The ESG data management system is used to analyse relevant property data across our real estate portfolio, and for efficient asset management in terms of operating costs and resource conservation. The system will also serve as the basis for the expansion and optimisation of our internal and external ESG reporting.

The tracking of water consumption data (**see 🗋 p. 45 et seq., "Water consumption"**) will continue to be expanded so that we can derive further potential optimisation measures in the medium term. We expect that the topic of water will play a greater role in regulations in future.

Comprehensive planning of measures for reducing our waste volumes and those of our tenants is currently yet to be achieved. Unlike the situation for electricity, heating energy and water data, there is only limited availability of data on waste volumes, particularly for our tenants (**see 🗋 p. 46, "Waste composition"**). The analysis and comparability of the limited data currently available is further complicated by the fact that different municipalities have different waste management systems and regulations.

We therefore intend to first significantly optimise the body of data on all waste types (paper, lightweight packaging and recyclable materials, hazardous waste, non-recyclable waste, etc.) to enable us to analyse the causes of waste generation and then implement measures for avoidance, reduction and recycling.

The optimisation of consumption data collection thus continues to have a high priority level for us and will be pushed further. The relevant data is managed and analysed centrally using our internal sustainability management system. Interfaces to other IT systems, such as the portfolio management system and the system used by Controlling, are planned for the medium term. This will be particularly important in connection with the effective monitoring and control of measures for optimising energy intensity and emission intensity.

Along with the data on emission-generating consumption (electricity, heat, water, waste), we also plan to start collecting further social and governance-related data on our properties. These include data on access to local public and other transport, accessibility for all persons, and amenity values. The collection of this data will provide the basis for a comprehensive analysis of the sustainability standards that our properties meet.

MANAGEMENT OF ESG-RELEVANT PERSONAL DATA

GRI 403-1, 403-2

Our HR management system includes the ongoing collection and analysis of sustainability-relevant data, for example, data on human resources development, training and professional development, health management and occupational safety, and equal opportunities and diversity (**see p. 67 et seqq., "Sustainable employer"**).

The compilation and analysis of ESG-relevant HR data is undertaken by our HR department, in close consultation with the Sustainability and ESG Department. This management approach and the ongoing addition of new performance indicators are driven largely by regulatory requirements, market and industry standards and the information needs of our various stakeholders and ESG rating agencies.

MANAGEMENT OF ESG-RELEVANT RISKS

GRI 2-16, 2-24, 201-2

ESG-relevant risks are already an integral component of our risk management system. In the 2023 reporting year, we also put our risk management to the test (**see 2023 Annual Report, p. 63–68**) and confirmed the risks due to sustainability aspects in different categories, which are detailed below:

RISKS FROM THE REGULATORY ENVIRONMENT

Risks in this category arise, among other things, in relation to ESG-relevant regulations. This is currently the case in connection with the CSRD implementation directive, a domestic law relating to the EU Corporate Sustainability Reporting Directive, which will be applicable for HAMBORNER REIT AG from 2026 for the 2025 financial year, as well as the EU Taxonomy and publication directives connected with this.

The monitoring and strategic alignment regarding regulatory requirements are the responsibility of the Sustainability and ESG Department, which was implemented in 2022, as well as the internal Sustainability Committee. To ensure adherence to the requirements in the best-possible manner, employees active in these areas receive regular training. External advisors are also consulted in the event of more complex rules.

LEASING RISK

Increasing requirements from prospective tenants with respect to ESG criteria may result in longer marketing periods or less favourable rental conditions for landlords. The latter applies primarily to less energy-efficient buildings. Beyond this, it remains unclear to what extent it will be possible, based on legislation, to allocate carbon-related costs to tenants in the real estate industry.

Asset Management regularly performs an analysis relating to leases potentially expiring in the next 24 months, as well as vacant units. On the whole, the risk in this category is considered medium for the overall portfolio due to regular dialogue with tenants, long-term leases and the high proportion of "good-as-new" properties.

MAINTENANCE RISK

Properties which are held as long-term investments carry a growing risk of significant maintenance expenses due to their age. In addition, further measures may be necessary, in particular those to reduce energy consumption and modernise properties sustainably (climate change adaptation, additional shade measures, optimising water intensity, increasing accessibility, etc.).

DECARBONISATION RISK

The medium- and long-term decarbonisation targets formulated by HAMBORNER for 2030 and 2045 entail a risk that these targets or other annual targets derived from them are not achieved. This could damage the company's image.

RISKS FROM PROPERTY TRANSACTIONS

Risks from property transactions arise firstly in investments, and secondly in divestments. For example, when investing, the wrong decision may be made when acquiring a property. ESG-relevant risks and obligations may therefore be overlooked in the course of the acquisition audit, which may lead to unplanned expense increases or lower income for HAMBORNER.

In order to reduce these risks, calculations on the basis of various scenarios are created with the help of an investment model. In addition, the acquisition process takes place on a cross-departmental basis, In addition, ESG assessments are carried out with the support of external experts (assessors, technicians, lawyers, etc.) as part of due diligence. The results are used as a basis for decision-making for potential acquisitions.

Potential risks through ESG-relevant criteria also arise as part of divestments: if, for example, necessary investments on the customer end are considered in the fulfilment or improvement of ESG criteria, then this could reduce the sale price.

Beyond this, potential risks for the real estate market arise from other national regulatory requirements: in some European countries, there are already threshold values for the energy and carbon intensity of buildings. Exceeding these values could impact marketability. Similar stipulations in the future are possible in Germany as well.

ENVIRONMENTAL AND CLIMATE RISKS

The environmental and climate risks comprise, on the one hand, risks arising from the negative influence of corporate activities on climate change (especially the direct production of CO_2 emissions) and, on the other hand, risks arising from the physical impacts of climate change on the properties held as investments (**see p. 40, "Climate risk assessment"**).

Physical damage resulting from climate change (for example, due to extreme weather events) are largely covered by natural hazard insurance policies that are in place. Therefore, the financial risk is low. In addition, our property portfolio has also been tested recurrently for climate risks since 2022 (**see p. 40, "Climate risk assessment"**) to prevent potential damage.

The criteria listed above in the various risk categories emphasise that the assessment of ESG-relevant risks has become an integral part of our due diligence and risk management processes. The ongoing development of the risk management system with regard to ESG criteria is part of our strategic sustainability programme. The risk management system will in future also cover the material ESG action areas, become closely integrated into operational processes and enable the timely identification of risks and the initiation of appropriate preventive measures.

SUPPLY CHAIN MANAGEMENT

GRI 308-1, 414-2

Going forward, we will increasingly need to deal with sustainability challenges also in the upstream and downstream processes of our value chain. For this, we are planning the further development of management approaches that also correspond to our stakeholders' desire for transparency in sustainable supply chain management.

In specific terms, this will involve systematically reviewing the environmental, social and governance standards of our strategic partners. We also intend to expand and apply a specific list of criteria for the selection of service providers.

Managing sustainability risks across entire value and supply chains is, however, a complex challenge. It starts with allocating resources for comprehensive risk assessment and documenting standards along the supply chain. Further, it includes the ongoing monitoring and, if necessary, review of optimisation measures taken by our business partners.

The extent to which we will rely on the support of external solution providers for this in the coming years is still unclear. But what is clear is that direct communication with our partners along the value chain (**see p. 17 et seqq., "Stakeholder engagement"**) and seamless inter-departmental collaboration will be key success factors for further developing our sustainable supply chain management system.

Strategic sustainability programme

GRI 3-2, 3-3

In order to ensure the structured implementation of our sustainability activities and the ongoing documentation of our progress, we continued with the rigorous pursuit of our strategic sustainability programme in 2023. We consider this to be the roadmap for achieving our sustainability goals in the key ESG action areas. These are tasks and challenges that relate directly to our core business.

Strategic sustainability programme

STRATEGIC GOAL	MEASURES	TIME HORIZON	REFERENCE VALUE	DEGREE OF TARGET ACHIEVEMENT*	CHANGE OVER PREVIOUS YEAR
Environmental management & climate protection					
Decarbonisation strategy	— Formulation of medium- and long-term decarbonisation targets based on findings from CO_2e audits	By the end of 2023	–	100%	+60 percentage points
	— Reduction of the energy-related emissions of the portfolio by 50% over the base year 2021 to 28.2 kg CO_2 / m²	By the end of 2030	Emission intensity	0%	–
Decarbonisation targets	— Net zero emissions at company and portfolio level — Compensation of residual emissions	By the end of 2045	Emission intensity	0%	–
Green energy supply	— Purchase of electricity from renewable energy sources at the administrative headquarters as well as portfolio-wide common areas that fall within the area of responsibility of HAMBORNER	From 2022	–	100%	–
Portfolio quality & optimisation					
Digitalisation of meter infrastructure	Switch to metering point operation: — Electronic connection of the electricity delivery points for which the property owner is responsible at complete property level	From 2022	Proportion of equipped properties	100%	–
	— Electronic connection of the gas delivery points for which the property owner is responsible at complete property level	By the end of 2024		60%	+5 percentage points
	— Successive installation of digital meters for future remote recording of individual consumption by tenants	By the end of 2026		0%	–
Emission-reduction measures	— Optimisation of electricity supply (cooperation with tenants regarding the purchase of electricity from renewable energy sources) — Optimisation of heating supply — Reduction of the share of properties with oil heating — Increased use of heat pumps — Expansion of district heating supply	Since 2023	–	Ongoing	–
Energy-efficiency measures	— Use of the findings from CO_2e audits or more extensive inspections of specific properties — Continual derivation and identification of potential measures — Optimisation of lighting — Further property-specific measures to increase energy efficiency	Since 2023	–	Ongoing	–

[1] Degree of target achievement partly based on internal company assessments

STRATEGIC GOAL	MEASURES	TIME HORIZON	REFERENCE VALUE	DEGREE OF TARGET ACHIEVEMENT*	CHANGE OVER PREVIOUS YEAR
Employee development					
Expanding health management and occupational safety measures	— Promotion of preventative health measures — Regular staff training on occupational safety and systematic prevention of occupational accidents	Since 2020	–	Ongoing	–
	— Risk assessment on the potential psychological stress of all staff — Derivation of resilience measures based on these findings	By the end of 2024	–	50%	+50 percentage points
Development of an executive training programme	— Provision of a professional development programme especially for senior executives	Since 2023	–	100%	+80 percentage points
Establishment of a programme to support high-potentials/talents	— Targeted promotion of skills and creation of horizontal and vertical professional development prospects	By the end of 2023	–	100%	+100 percentage points
Making working models more flexible	— Creating corresponding agreements with the involvement of the works council	Since 2020	–	Ongoing	–
Promoting diversity and equal opportunities	— Increasing the share of women on the Management Board to 33.3% (currently: 50.0%)	By 2027	Gender quota	100%	–
	— Increasing the share of women at the second management level to 50.0% (currently: 25.0%)	By 2029	Gender quota	50%	+50 percentage points
Employee satisfaction	— Increase in the employee satisfaction rate to at least 85% again (2023: 57%)	By the end of 2025	Satisfaction rate	67%	-23 percentage points
Continuing professional development	— Increase in the average number of professional development hours to at least 30 hours per employee (2023: 40.8 hours)	By the end of 2025	Number of PD hours per employee	100%	
Corporate governance & dialogue					
Executing sustainable and environmental leases (“green leases”)	— Active marketing of “green leases” — Taking account of this when executing new and follow-up leases or addenda — Regular revision of “green lease” clauses in accordance with current industry standards	Since 2018	–	Ongoing	–
Introduction of an ESG data management system	— Conducting of the tender process and system selection — Transfer of available consumption data from CO_2e audits — Inclusion of property-specific social and governance-related data — Expansion of the set of key performance indicators as a basis for future target definitions and use in internal and external reporting	By the end of 2023	–	100%	+60 percentage points
Intensification of the dialogue between the Supervisory Board and investors	— Regular communication between the chair/deputy chair of the Supervisory Board and investors on Supervisory Board/ sustainability-specific topics as part of regular corporate governance roadshows (every 2 years)	Since 2020	–	Ongoing	–
Optimisation of sustainability ratings	— Intensification of the dialogue with rating agencies — Continuous improvement in the rating results	Since 2020	–	Ongoing	–
Stakeholder survey	— Regular conducting of a systematic stakeholder survey with a focus on selected stakeholder groups — Use of the findings for future materiality analysis	Since 2023	–	100%	+100 percentage points
Tenant satisfaction	— Continuous measurement of satisfaction rate — Identification and realisation of potential for improvement at company and property level — Increase in tenant satisfaction rate to at least 80% (2023: 78%)	From 2023	Satisfaction rate	98%	–
Supply chain audit	— Systematic review of environmental, social and governance standards in upstream and downstream processes — Development of corresponding criteria catalogues and review of selected service providers	By the end of 2025	–	0%	–
Ongoing development of risk management in relation to ESG risks	— Implementation of ESG criteria in the regular review of the risk management system under consideration of regulatory/ industry-specific stipulations	Since 2021	–	Ongoing	–
Sustainability reporting	— Continued development of the transparency standard	Ongoing	–	–	–
	— Focus on preparatory measures for integrated reporting in accordance with CSRD and EU Taxonomy	By the end of 2025		20%	+20 percentage points

[1] Degree of target achievement partly based on internal company assessments

We also support the Sustainable Development Goals formulated by the United Nations, although our direct influence on these global objectives is limited and is concentrated on the three goals and subgoals shown below.

Sustainable Development Goals (SDGs)

SDG		DEADLINE	SUBGOAL
	7. Affordable and clean energy	2030	— 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix — 7.3: By 2030, double the global rate of improvement in energy efficiency
	13. Immediate actions to fight climate change and its effects	2030	— 13.2 Integrate climate change measures into national policies, strategies and planning
	17. Partnerships for the goals	2030	— 17.17: Encourage and promote effective public, public-private and civil society partnerships

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CONTRIBUTION TO SUSTAINABLE ADDED VALUE

GRI 2-6

As a listed public company operating as a portfolio holder for commercial properties, our business activity is focused on generating stable and reliable cash flows for our shareholders into the long term future. We assume responsibility for our corporate actions towards all relevant stakeholders.

In addition to acquisitions and disposals of properties, our core business comprises portfolio management and optimisation as well as the marketing of commercial rental spaces in Germany. The scope of our value creation may in future be expanded by one-off projects for the realisation of further potential for added value within the asset portfolio and by participations in investment partnerships.

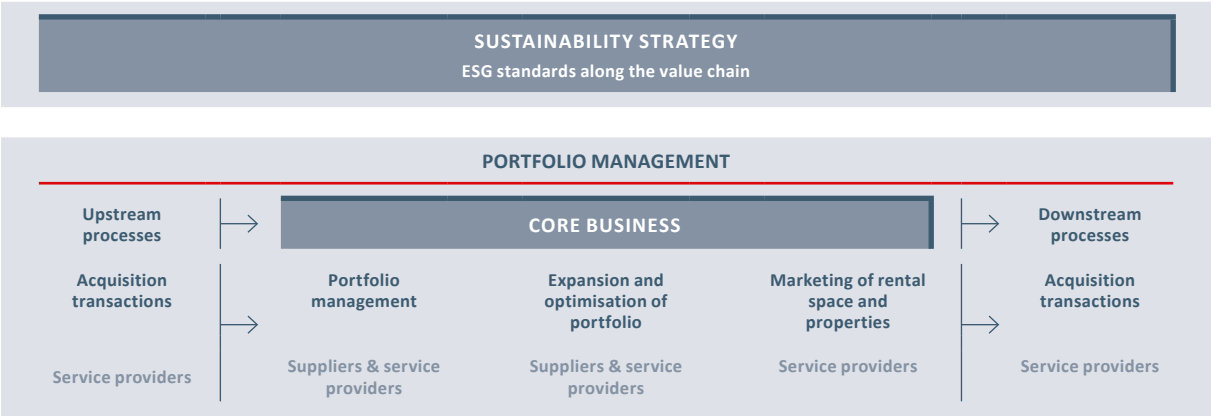
Our sustainability activities are focused primarily on the stages of the value chain for which we are operationally responsible or in which we are directly involved. This is where we have the greatest influence and the most effective levers. We do not, however, work alone or in isolation from other players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

Increasingly, we are also leveraging our influence to encourage compliance with sustainability criteria in the upstream and downstream processes of our core business. While we are rigorous in our approach, we do encounter certain limitations. There are various reasons for this. For example, there is only limited scope for performing complete CO_2e audits that encompass the entire upstream life cycle of our current properties. This is because, at the time of property acquisition, the necessary information and data are either as yet unavailable, or available only to a limited extent.

Nevertheless, we continue to make progress in this area also. Our strategic sustainability programme prescribes a systematic assessment of properties against sustainability criteria at the time of acquisition. For this purpose, we have developed a comprehensive catalogue of criteria that forms the basis for the systematic assessment of property sustainability standards. The catalogue includes numerous assessment criteria and sheds light on the environmental, social and ethical aspects of each investment. By specifically considering investments from a sustainability perspective in this way, we are able to assess properties' fitness for the future at the time of acquisition and hence identify at an early stage any potential or required investments in improved sustainability.

Our influence on compliance with environmental standards in downstream processes usually ends before the end of the life cycle of the property. This is because the properties held in our portfolio tend not to be demolished, so our options for action end with the sale of a property.

VALUE CHAIN



GRI 2-6, 2-29, 308-1, 403-7, 414-1

In our core business, we rely on various external services and products for our daily operations and work with a wide range of suppliers, service providers and contractors. For building operations, for example, these include facility and centre managers and companies in the skilled trades sector. Similarly, in conjunction with the leasing, tenant fit-out, renovation and modernisation of our properties, we work closely with architects, engineers and tradespeople.

The basis for our business relationships with our partners is the Code of Conduct for Business Partners of HAMBORNER REIT AG. We practise fair dealings with all our business partners based on clearly defined rules, and we expect strict compliance with the terms of orders and contracts. Contracts are always awarded in accordance with transparent procedures and generally only after multiple quotes for performance of the services have been obtained and compared.

Going forward, we intend to focus even more closely on the use of socially and environmentally compatible products and processes as a criterion when awarding contracts. At the same time, we expect our external partners to do more to accommodate these competitive criteria so that, together, we can all contribute to sustainable value creation in the development, management and optimisation of our asset portfolio.

ASSET PORTFOLIO

Basic data

GRI 2-6

The property portfolio of HAMBORNER REIT AG focuses primarily on modern office properties in established locations and on local supply properties such as large-scale retail properties, specialist retail centres and DIY stores in city centre locations, district centres and heavily frequented suburban locations in large and medium-sized German cities. At this time, the portfolio is structured as shown below.

KEY PORTFOLIO DATA[1]				ASSET CLASS	TOTAL PORTFOLIO
	Retail		Office		
Number of properties	39	58.2%	28	41.8%	67
Property value	€836.5m	56.9%	€634.5m	43.1%	€1,471.0m
Leasable floor area	393,250 m²	54.5%	229,343 m²	55.4%	622,593 m²
Annualised rent	€51.2m	57.1%	€38.5m	42.9%	€89.7m
Annualised rental yield	6.1%	–	6.1%	–	6.1%
EPRA vacancy rate	1.5%	–	4.6%	–	3.0%
Avg. remaining term of lease (WALT)	7.6 years	–	4.6 years	–	6.3 years

[1] As at 31 March 2024

Portfolio strategy

GRI 2-6

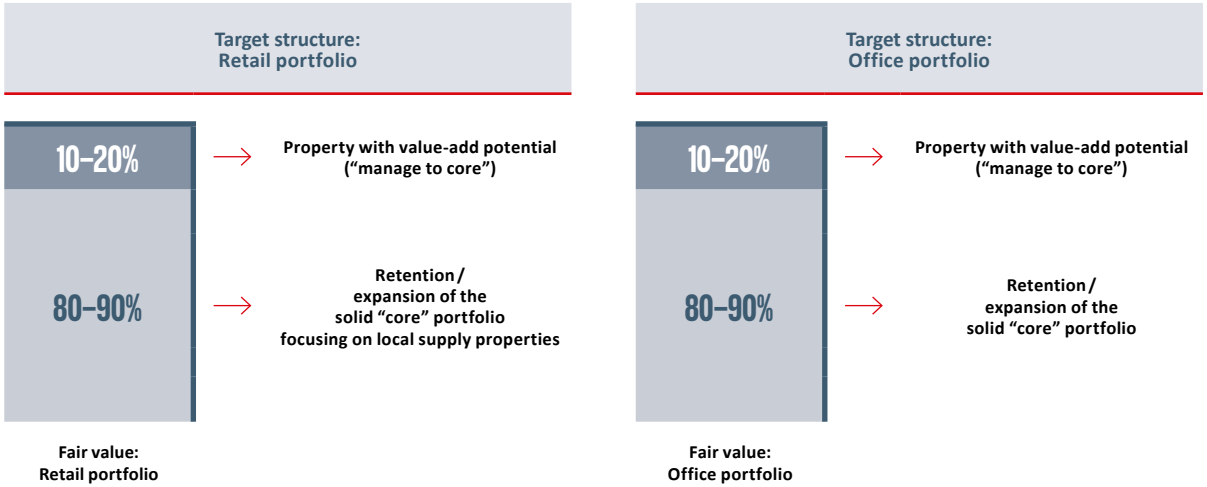
At HAMBORNER REIT AG, our corporate strategy is geared towards value-creating growth through expansion and optimisation of our commercial property portfolio.

We pursue an active portfolio strategy based on a two-pronged approach of investment in office and retail properties on the one hand, and regional diversification on the other. Our strategy is to ensure the profitability of our property portfolio by acquiring properties with an attractive risk-return profile. Sustainability criteria are an increasingly important aspect of the risk-return factors that go into our acquisition decisions. With respect to the structure of the retail portfolio, we are continuing to concentrate on large-area properties with predominant usage in the area of food retailing and in the extended local retail sector, as well as DIY stores.

Our investment focus in both the office and retail sectors is on the acquisition of "core" properties. These are properties characterised by high quality of location and buildings, tenant compositions with strong credit ratings, and long-term leasing situations. Our target is for properties classified as "core" to make up around 80 % to 90 % of our total portfolio volume.

In addition to the expansion of the current core portfolio, our portfolio strategy calls for supplementary investments in "manage-to-core" properties. These are properties that offer potential for an increase in value. In particular, they are characterised by major leasing, modernisation and/or repositioning requirements. We intend to identify and leverage existing potential for growth in value, taking into account existing expertise. In future, our attention here will focus on properties with concrete ESG optimisation potential. The target quota for the share of "manage-to-core" properties is 10 % to 20 % of the total portfolio volume.

TWO-PILLAR PORTFOLIO STRUCTURE OF HAMBORNER REIT AG



The following table shows the structure of our portfolio in terms of the "core" and "manage-to-core" investment approaches as at 31 March 2024.

INVESTMENT APPROACHES "CORE" AND "MANAGE-TO-CORE"[1]			INVESTMENT APPROACH		TOTAL PORTFOLIO
	"Core"		"Manage-to-Core"		
Number of properties	64	95.5%	3	4.5%	67
Property value	€1,425.8m	96.9%	€45.2m	3.1%	€1,471.0m
Leasable floor area	595,987 m²	95.7%	26,606 m²	4.3%	622,593 m²
Annualised rent	€86.5m	96.4%	€3.3m	3.6%	€89.7m
Annualised rental yield	6.1%	–	7.3%	–	6.1%
EPRA vacancy rate	1.7%	–	27.3%	–	3.0%
Avg. remaining term of lease (WALT)	6.4 years	–	3.4 years	–	6.3 years

[1] As at 31 March 2024

In addition to the yield-oriented expansion of the portfolio through new acquisitions, the HAMBORNER REIT AG strategy calls for the continuous further development of the asset portfolio. This includes in particular the regular analysis of properties in terms of their long-term risk-return prospects and the identification and realisation of existing value potential, including through the targeted disposal of properties.

In accordance with these principles, we identified and sold a total of 24 properties in the period from 2020 to 2023. For the most part, these were smaller inner-city commercial buildings that were no longer aligned with our strategy because of their condition and leasing situation or for sustainability reasons. The sale of these predominantly older and maintenance-intensive inner-city retail properties has increased the quality of our portfolio even further and reduced the average age of our properties by about 30 %.

In the interests of both prompt reinvestment of the sales proceeds and continuous expansion of our portfolio, we continued our acquisition activities alongside this, acquiring a total of eight office and retail properties with a cumulative purchase price of around €147 million in the period from 2020 to 2023. These investment decisions increasingly took sustainability-relevant aspects into account. All the acquired properties are in good technical condition and meet modern construction and energy standards.

Another essential part of portfolio management is that we regularly review our portfolio properties for optimisation opportunities. Targeted renovation and modernisation measures help to increase the quality and attractiveness of our properties and have a substantial impact on the future performance of our portfolio.

We invested a total of €11.6 million in the modernisation and maintenance of our properties in the 2023 financial year (previous year: €10.1 million) with the goal of maintaining our high quality standards over the long term and meeting the growing needs of our tenants. Maintenance expenditure amounted to €8.4 million (previous year: €9.0 million), and capitalisable investment expenditure (capex) totalled €3.2 million (previous year: €1.1 million).

We anticipate an upward trend in expenditure on measures to raise energy efficiency standards and reduce building emissions in future years. The required capital investments will, however, contribute to securing or increasing the attractiveness of the properties in the medium to long term. The future level investment required is difficult to forecast accurately at this point in time. However, as part of the development of our decarbonisation strategy, we have prepared an initial cost simulation which enables us to give an indication of the additional expected investment requirement in the short to medium term (up to 2026). More detailed information on the cost indications can be found in the latest company presentations, which are available on the **company website**.

Building certifications in the asset portfolio

GRI 2-5

Buildings with green building certifications accounted for 8.0 % of total leasable area and 12.3 % of total market value as at 31 March 2023. The table below provides an overview of the proportion of certified buildings in the portfolio:

BUILDINGS WITH GREEN BUILDING CERTIFICATIONS[1]	
DGNB Gold	**1**
Share of total leasable area	1.60%
Share of total market value	1.00%
DGNB Platinum	**1**
Share of total leasable area	0.70%
Share of total market value	1.00%
LEED Platinum ("Core & Shell")	**3**
Share of total leasable area	5.70%
Share of total market value	10.30%
TOTAL	**5**
Share of total leasable area	8.00%
Share of total market value	12.30%

[1] As at 31 March 2024
Total leasable area of portfolio: 622,593 m²
Total market value of portfolio: €1,471.0 million

Due to cost/benefit considerations, to date we have opted not to undertake a building certifications process across the entire portfolio or across entire sub-portfolios. This approach was endorsed by the results of the recent stakeholder survey in the sense that certifications were seen as less of a priority by the "tenants" stakeholder category in particular. We will, however, re-assess our position on green building certifications at a future time, given that shareholders, analysts and lenders believe this issue will continue to grow in relevance.

Building certification is already a consideration taken into account at the asset purchase stage and as part of our active portfolio and asset management approach. Certification is, for example, considered at the time of major re-letting transactions or modernisation or repositioning operations, particularly for our "management-to-core" activities. The merits of undertaking a certification process are examined on a case-by-case basis in close consultation with existing or prospective tenants.

LEED PLATINUM ("CORE & SHELL"): Berlin, EUREF-Campus 12–13
Office, usable area: 12,642 m²

DGNB GOLD:
Aachen, Gut-Dämme-Straße 14
Office, usable area: 10,059 m²

LEED PLATINUM ("CORE & SHELL"): Munich, Domagkstraße 10–16
Office, usable area: 12,257 m²

DGNB PLATINUM:
Neu-Isenburg, Siemensstraße 10a
Office, usable area: 4,542 m²

LEED PLATINUM ("CORE & SHELL"):
Ratingen, Balcke-Dürr-Allee 7
Office, usable area: 10,508 m²

Social & governance criteria

GRI 2-23, 3-3

Our actions in observance of social and governance criteria focus on the positioning of HAMBORNER REIT AG as a sustainable, socially responsible employer and as a reliable partner for all stakeholders. Social and governance-related indicators and targets are therefore defined primarily at the level of the company as a whole, as described in the chapters "Governance & compliance" (see p. 8 et seqq.) and "Sustainable employer" (see p. 67 et seqq.).

These criteria are also clearly becoming increasingly relevant at portfolio and individual property level. There has been an increasing focus on social and governance issues both in the stakeholder survey conducted in 2023, and in day-to-day interactions with our tenants. The environmental, social and ethical aspects of potential additions to the portfolio are therefore taken into account right from the purchase stage, on the basis of our ESG criteria catalogue. This systematic assessment of investments based on sustainability criteria includes key figures on energy and emission intensity, but also covers aspects such as the accessibility and amenity values of the property, the property's surrounding environment, access to public transport, and the tenants' business models. Satisfying these requirements aligns our portfolio with long-term goals and will become even more important in the future.

In the reporting period, we also collected relevant information and expanded our database at the level of the overall asset portfolio. We will continue to improve our data management in this regard going forward. The data collected will be systematically recorded, analysed and taken into account in the future as part of the further development of the portfolio strategy.

Environmental & CO_2e audits

GRI 3-3, 302-1, 302-2, 303-5, 305-1, 305-2, 305-3

We have been collecting data on the heating energy, electricity and water consumption of our portfolio properties since 2012 for the purpose of analysing the environmental impact of the use of our portfolio. With the support of an external service provider, we have since 2022 been conducting regular and comprehensive analyses of our portfolio's energy and water consumption and waste generation and then calculating on this basis all relevant Scope 1, 2 and 3 emissions. In the process, we are continually developing our accounting methodology and adapting it to the current market and industry standards as needed.

METHODOLOGY

The electricity, heating energy and water consumption data are collected primarily from consumption invoices and individual meter readings. For properties currently rented by multiple tenants ("multi-tenant properties"), additional consumption data are obtained on a per-property aggregate basis from the relevant network operators and energy suppliers. For the calculation of other tenant consumption, especially in single-tenant properties, we use data provided by tenants. In the interests of obtaining a complete CO_2e audit picture, extrapolations have been used in cases where the actual consumption data were unavailable at the reporting cut-off date.

In the course of collecting data for the 2023 reporting year, we again contacted the vast majority of our tenants. As in the previous year, the survey of consumption data was again carried out significantly earlier and over a shorter time period because of the half-year reporting. This had the result once again that only a small amount of consumption data was available at the time of the accounting and thus extrapolation was necessary. In addition, some tenants remained sceptical about information sharing on sustainable building management and therefore declined to share their data.

In total, based on the portfolio in 2023, real consumption data were used for 40 properties; the data were extrapolated for 12 properties and benchmark data used for 12 properties. Missing data were extrapolated with reference to current building energy performance certificates, historical consumption and using benchmark data based on the ESG data platform that is used. Available consumption data from comparable properties were used for the extrapolation of water consumption figures. The high level of data availability in prior years provides a robust baseline for these extrapolations.

GRI 306-3

The availability of waste volume data, especially from the tenant side, was very limited for the 2023 year, just as it was for the previous years. For this reason, we have adjusted our methodology regarding the accounting of waste volume data in line with the stipulations of the Greenhouse Gas Protocol (GHG Protocol). Waste volumes for which we are a contractual partner of the relevant waste disposal company were recognised. As it is not possible to allocate the waste volumes to the individual creator, the recorded data are fully accounted with us as the owner using a conservative approach. Waste volumes for which the tenants have agreed their own supply contracts are not considered in the accounting.

Missing waste generation data were extrapolated on the basis of a portfolio average of properties for which data were available, taking into account the use type of the building. The collection of the data was based on invoices from waste management companies, waste management fees notices and internal schedules of waste containers in use and the intervals at which containers are emptied. In cases where waste quantities could be recorded only in volumetric units, the equivalent weight was calculated using waste density factors from the European Waste Catalogue codes. The various disposal and recovery methods (recycling, incineration, composting, etc.) were assigned weightings based on the waste audit report (Abfallbilanz) published by Germany's Federal Statistical Office (Statistisches Bundesamt). The CO_2e emissions from recycling were calculated accord-

ing to the mass per type of waste and the recycling channel using the emission factors published by the Department for Environment, Food & Rural Affairs (Defra).

With the exception of emissions from electricity and district heating, location-based conversion factors were used to calculate CO_2e emissions. We used market-based emission factors in cases where market partners were able to provide detailed information regarding the energy sources used for electricity and district heating and the associated emission factors. In cases where no market-based information was available, we used location-based factors in conjunction with Germany's national CO_2 emission factors for district heating and electricity. As the emission factor of the German electricity mix for the period under review is generally not available at the time of reporting, the factor from the previous year has been used uniformly for all years to calculate the location-based emissions from electricity consumption.

All emission data for energy, water and waste were categorised in accordance with the GHG Protocol. The emissions from Scopes 1 and 2 and all Scope 3 categories relevant to the operation of current properties were included. The factors used to calculate emissions are shown in the adjacent table. Categorisation according to the GHG Protocol forms the basis for preparation of CO_2e audits at individual property and at portfolio level and is also used in the like-for-like analysis.

Other building operation emissions are determined on the basis of operating costs and capitalised costs. In the case of operating costs, we do this by applying an individual, sector-specific emission factor for each creditor whose annual booking total across our entire portfolio exceeds €10,000. This is done using the NACE codes in conjunction with the emission factors of the Statistical Office of the European Union (Eurostat). Around 95% of costs related to creditors can be allocated in this way.

For capitalised costs, where there is no direct creditor correlation, and other operating costs, we apply the Eurostat average emission factor.

We have dispensed with adjusting the data for property-specific factors such as building age and use or vacancies within the period under review – not least because of our comparatively very low vacancy rates. Regarding heating energy consumption, it should be noted that the heating periods of the years included in the analysis are subject to natural fluctuations; and that no adjustments have been made for these fluctuations either.

In addition to the analysis at portfolio level, the CO_2e audit data are supplemented with data on emissions released at company level – chiefly emissions released in upstream and downstream processes that are both necessary for the HAMBORNER REIT AG business operations and relevant for emissions (**see. p. 54 et seqq., "Environmental management & climate protection at our administrative headquarters"**).

Emission factors

GRI 305-1, 305-2, 305-3

SCOPE OF APPLICATION OF THE EMISSIONS	SOURCE OF THE EMISSION FACTORS
Scope 1: Direct emissions	
Gas	German Federal Environment Agency (UBA)
Fuel oil	German Federal Environment Agency (UBA)
Scope 2: Indirect emissions of purchased energy	
Market-based, electricity and district heating	Individual emission factors of the energy suppliers
Location-based, electricity	German Federal Environment Agency (UBA), Emission factor from previous year
Location-based, district heating	German Federal Environment Agency (UBA)
Scope 3: Indirect emissions of the value chain	
Cat. 01: Drinking water purchases	German Federal Environment Agency (UBA)
Cat. 01: Other purchased goods and services on the basis of operating and administrative costs	Statistical Office of the European Union (Eurostat), by creditor
Cat. 02: Capital goods based on capitalised costs	Statistical Office of the European Union (Eurostat)
Cat. 03: Fuel- and energy-related emissions	German Federal Environment Agency (UBA)
Cat. 05: Waste disposal	Department for Environment, Food & Rural Affairs (Defra)
Cat. 05: Wastewater treatment	Department for Environment, Food & Rural Affairs (Defra)
Cat. 13: Leased or rented tangible assets	Emission factors analogous to Scope 1 & 2. In the absence of information on market-based factors, location-based factors were used.

CHANGES FROM CO_2E ACCOUNTING METHODOLOGY IN THE PRIOR YEAR

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

We expanded our CO_2e footprint accounting in the 2023 reporting period to include additional Scope 3 emissions. In addition to the current operating, maintenance and administrative costs that had already been recognised in the previous year, other operating expenses were recognised for the first time. This therefore includes additional costs, especially consulting services throughout the company, which are now recognised under "Administrative costs & other operating expenses". (**see p. 55 et seqq., "Energy, water and waste data and carbon-footprint-relevant costs at administrative headquarters"**). As in prior years, costs that have already been specifically quantified were excluded.

In terms of the emissions factors used for heating energy, we are using national sources based on the latest publication of the German Federal Environment Agency for the first time for the 2023 accounting. The energy-based emissions factors are also based on a standardised source from the German Federal Environment Agency for the first time. As a company that operates exclusively in Germany, the use of data from a national institution also increases the preciseness of the accounting. We have also used this approach in the formulation of our decarbonisation strategy to ensure a consistent approach.

We have made a change compared to the previous year regarding the basis for space that was used. Instead of the contractual rental area, we used the heated gross usable area to calculate the figures in order to ensure a standardised approach across the entire portfolio.

CRREM analysis

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

In 2022, we subjected our emissions data from climate auditing processes to an analysis based on the Carbon Risk Real Estate Monitor (CRREM) for the first time. The determined emissions for Scope 1 and 2 and material emissions for Scope 3 were compared with the decarbonisation target pathways which CRREM defines as being necessary for the relevant asset classes and regions in order to ensure alignment with attainment of the Paris climate goals by 2050.

The CRREM methodology was adjusted in 2023 to reflect the emissions emitted in the meantime and the resulting residual emissions budget up to 2050. This involved updating the baseline assumptions for future emission factor trends in response to recent findings and forecasts. Generally speaking, the threshold values for target achievement in individual asset classes were revised downwards. This means that the requirements for meeting the target values for emissions reduction in alignment with the 1.5°C goal of the United Nations have risen.

The ESG data management system that we currently use contains the adjusted CRREM reference data, and will allow, once data is fully available, ongoing tracking against the decarbonisation pathways at the portfolio, sub-portfolio and individual property levels. The updated CRREM analysis results will also be used in the course of implementing our decarbonisation strategy and, ultimately, forms the basis for the further refinement of our portfolio, asset acquisition and asset management strategy.

The renewed audit of the emission intensity of the entire portfolio showed that the share of the office and retail portfolio that requires short-term and medium-term measures has risen. The majority of the affected buildings were analysed individually as part of the development of our decarbonisation strategy. This individual analysis closed gaps in the data and made it possible to identify initial potential measures for reducing emissions and energy intensity. These were taken into account in our short-term and medium-term modernisation and maintenance planning (see p. XX, "Energy efficiency measures & outlook").

The emission intensity of our properties is primarily dependent on the energy consumption of our tenants (**see p. 47, "Greenhouse gas emissions 2023"**). In the CRREM analysis, we therefore ran a simulation in which all electricity used by tenants came from renewable sources. The results showed that if our tenants were to rely solely on

CARBON RISK REAL ESTATE MONITOR

The Carbon Risk Real Estate Monitor (CRREM) is a project funded by the European Union that has developed a system to assess the current state of a property in terms of its energy and emissions intensity. The system can be used to assess the extent to which the annual CO_2e emissions from energy, water and waste consumption of a property or portfolio should be reduced to achieve compliance with the 1.5°C/2.0°C target set by the UN Climate Change Conference in 2015. The results of the CRREM analysis serve as the basis for developing property and portfolio-specific decarbonisation strategies.

www.crrem.eu

green electricity, this would continue to ensure the successful achievement of decarbonisation targets at both portfolio and sub-portfolio level in the medium term. We will incorporate this insight into our stakeholder engagement programme and further intensify our dialogue on this subject with our tenants.

Climate risk assessment

GRI 3-3, 201-2, 305-5

As well as conducting a CO_2 audit and reconciling the results to the CRREM system (see page 39), we undertook a climate risk assessment of our property portfolio for the first time in 2022. Similar assessments will be carried out for all future acquisitions. Two retail properties were acquired in 2023, with an ESG assessment carried out as part of the due diligence process. The climate risk assessments for the locations were carried out by an independent third-party service provider. No increased physical risks from extreme weather events were identified for either property.

We use the Task Force for Climate-related Financial Disclosures (TCFD) model, which comprises the core elements of Governance, Strategy, Risk Management, and Metrics and Targets, in order to document our process when assessing and preventing climate risk at a portfolio level. In the medium term, documentation will be carried out as part of our financial reporting.

We have therefore opted not to create a separate TCFD report, as previously announced in the 2022 Sustainability Report. This decision is based, among other things, on the fact that the assessment and monitoring of progress in corporate reporting of climate-related risks was taken over by the International Sustainability Standards Board (ISSB) at the beginning of 2024. The ISSB also develops the standards for sustainability reporting in accordance with the International Financial Reporting Standards (IFRS) and aligns these with the reporting format of the TCFD.

REPORT AND INDEX IN ACCORDANCE WITH TCFD

TCFD DISCLOSURE RECOMMENDATIONS (CORE ELEMENT)	SUB-SECTION	COMMENT/NOTE
Governance		
Disclose the governance around climate-related risks and opportunities	a. The Supervisory Board and Management Board's oversight of climate-related risks and opportunities	2023 Annual Report, p. 32, 34 2003 Sustainability Report, p. 12, 24, 26
	b. Management's role in assessing and managing climate-related risks and opportunities	2023 Annual Report, p. 63 2003 Sustainability Report, p. 12, 24, 26

In our area of action of Corporate governance and dialogue (cf. p. 28), the focus includes the further development of the risk management system through the integration of additional ESG criteria. The climate risk assessment and the integration of the corresponding physical and transitory risks (see below) are part of this continued development.

TCFD DISCLOSURE RECOMMENDATIONS (CORE ELEMENT)	SUB-SECTION	COMMENT/NOTE
STRATEGY		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's business activities, strategy, and financial planning	a. Climate-related risks and opportunities the organisation has identified over the short, medium, and long term	2023 Annual Report, p. 34, 68 2023 Sustainability Report, p. 26, 41
	b. Impact of climate-related risks and opportunities on the organisation's business activities, strategy, and financial planning	2023 Annual Report, p. 34, 68 2023 Sustainability Report, p. 26, 41
	c. Resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Location and scenario assessment carried out in 2022 based on representative data of the Intergovernmental Panel on Climate Change (IPCC) and national meteorological databases. Findings: no increased physical risks in the short term. Increasing risks in the medium and long term in the event of adverse developments in climate change.

In 2023, we developed a comprehensive decarbonisation strategy, which is based on the systematic tracking of energy and CO_2 data. We will pursue the implementation of the strategy at all levels of our business model.

Potential measures were identified as part of the decarbonisation strategy on the basis of the carbon footprints and technical analysis of a sub-portfolio. These are to be implemented gradually at the property level and within the key action areas of portfolio quality and portfolio optimisation.

Beyond this, in 2022, we added an important element to our risk management and our strategic sustainability management with the climate risk assessment. Climate forecasts are constantly changing, and we therefore intend to run risk assessments on a regular basis, for both future acquisitions and the portfolio as a whole, drawing on the latest climate models available at the time.

TCFD DISCLOSURE RECOMMENDATIONS (CORE ELEMENT)	SUB-SECTION	COMMENT/NOTE
Risk Management		
Disclose how the organisation identifies, assesses and manages climate-related risks	a. Processes for identifying and assessing climate-related risks	2023 Annual Report, p. 63, 68 2023 Sustainability Report, p. 12, 26, 41
	b. Processes for managing climate-related risks	2023 Annual Report, p. 63, 68 2023 Sustainability Report, p. 12, 26, 41
	c. How processes for identifying, assessing and steering climate-related risks are integrated into the organisation's overall risk management	2023 Annual Report, p. 63, 68 2023 Sustainability Report, p. 12, 26, 41

A systematic assessment of climate risks is essential for our core business for two reasons. Firstly, we are liable for any climate-damaging emissions that are released in the course of the management of our properties. Secondly, we must include in the risk assessment the effects of current and potentially expected climate change on our properties.

Under consideration of current climate models, it is likely that extreme weather events will increase in the coming years in Germany as well. This brings with it the potential impairment of the structural integrity and functionality of affected properties, which impact the owners and users.

While we can foster (directly or indirectly) the reduction of climate-damaging CO_2 emissions at many points within the scope of our core business, we must resort primarily to protective and insurance measures to minimise physical risks from climate change.

TCFD DISCLOSURE RECOMMENDATIONS (CORE ELEMENT)	SUB-SECTION	COMMENT/NOTE
Metrics and targets		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities	a. Metrics used to assess climate-related risks and opportunities in line with strategy and risk management process	2023 Annual Report, p. 33 2023 Sustainability Report, p. 26, 47, 48, 58
	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks	2023 Sustainability Report, p. 26, 47, 48, 58
	c. Targets to manage climate-related risks and opportunities and performance against targets	2023 Sustainability Report, p. 26, 47, 48, 58, 63

The assessments of potential physical risks from extreme weather events shows vastly different figures for different geographical locations. In 2022, we conducted a climate risk assessment for our entire asset portfolio that took into account data from the climate and hazard database of a leading reinsurer. As part of this, various scenarios for the assessment of climate risks at our real estate locations were developed on the basis of representative data from the Intergovernmental Panel on Climate Change (IPCC). It became clear that the projected risks are primarily limited to flooding as well as storms and hail.

The findings of the analysis indicate that our portfolio is not exposed to any high physical risks due to climate change in the short term, especially since all our property locations are in Germany and are thus geographically outside the global extreme risk zones.

In the medium to long term, however, the risks to our properties could increase if climate change continues along its current adverse trajectory. In such a scenario, low-risk areas such as Germany would also have progressively higher risk potential, and the probability of loss occurrence would increase. This could have a negative impact on the future costs of full cover for the physical risks and, depending on the location and nature of the properties, could make adaptive structural modifications necessary in specific cases.

Key figures for the portfolio as a whole

In the following, we document the key consumption figures of our asset portfolio for the period from 2021 to 2023. Some discrepancies with the figures shown in prior years reflect information and consumption data received subsequent to the publication date of last year's report.

The calculation comprises all properties that belonged to the company's inventory at the end of 2023. Compared to previous years, this meant that acquisitions became relevant for the accounting in the year in which the transaction took place. The property portfolio grew by one property at the end of the year to 67 through two acquisitions and one disposal in the 2023 reporting year.

For the purposes of like-for-like comparison, we still only take into consideration those properties that had belonged to the portfolio throughout the full year from 2022 to 2023. For this reason, the three aforementioned properties involved in transactions in 2023 as well as four disposals and two acquisitions carried out in 2022 were not included.

The following table provides an overview of the total number of properties included in the analysis.

ANALYSIS PORTFOLIO OVERVIEW	2023	2022	2021
Property portfolio at the end of the year	67	66	68
Portfolio properties owned for entire year	65	64	68
Properties with usable data for the reporting year	67	66	68
Properties with usable data for like-for-like comparison	63	63	–

ENERGY CONSUMPTION 2023

GRI 302-1, 302-2, 302-3

For the 2023 financial year, we are reporting on a total of 67 properties with a total usable floor area of 667,605 m². As of the publication date, energy consumption figures were available from 98.6% of the owners and 33.4% of the tenants across our total portfolio.

This results in an extrapolated percentage of the total energy consumption of 48.0%, significantly up on the prior year figure of 22.6%. The reason for this is, in particular, the publication date of this report, which was once again moved forward and thus required data collection in the first quarter of the year. At this point, most stakeholders do not yet have any consumption data for the 2023 year. The high volumes of data from prior years did however provide a robust baseline for extrapolating the missing consumption data.

In total, 40,914,807 kWh of heating energy and 69,373,801 kWh of electrical energy were used for the operation of our portfolio. In other words, 37.1% of the total energy consumption was for the supply of heating to the properties, and 62.9% for the supply of electricity.

The data on heating energy include all consumption sourced from natural gas and fuel oil and from heating and cooling networks. In terms of energy source, the heating supply continued to be dominated by natural gas, which is used in a total of 38 properties, followed by district heating in 22 properties. In addition, heat pump technology and fuel oil are used in some properties.

The data on electricity use include both the common-area electricity consumption and the tenant electricity consumption of the properties. In 2023, the heating energy intensity of the 67 properties was 61.3 kWh/m² while the electricity intensity was 103.9 kWh/m². The resulting energy intensity for the entire portfolio was 165.2 kWh/m², which was 9.0% lower than the 181.5 kWh/m² figure for 2022.

ENERGY CONSUMPTION FIGURES FOR THE TOTAL PORTFOLIO	UNIT	2023	2022	2021
Number of analysed properties		67	66	68
Gross floor area (heated)	m²	667,605.1	654,003.7	651,387.0
Heating energy consumption				
Annual consumption	kWh	40,914,807.0	45,264,412.1	50,390,555.3
Heating energy intensity	kWh / m²	61.3	69.2	77.4
Electricity consumption				
Annual consumption	kWh	69,373,800.7	73,419,701.7	70,287,687.2
Electricity intensity	kWh / m²	103.9	112.3	107.9
Total energy consumption				
Annual consumption	kWh	110,288,607.7	118,684,113.8	120,678,242.4
Energy intensity	kWh / m²	165.2	181.5	185.3

ENERGY CONSUMPTION OF THE LIKE-FOR-LIKE PORTFOLIO

GRI 302-1, 302-2, 302-3

A total of 63 properties were included in the like-for-like analysis of energy consumption in 2022 and 2023. The analysis covers all properties that were in the portfolio for the entire year in both 2021 and 2022. The 36 retail and 27 office properties have a total usable floor area of 629,106 m².

A total energy consumption of 102,830,261 kWh in 2023 is attributable to the 63 properties, a reduction of 7.6% from the prior year. The reduction is equally due to the reduction of heating and electricity consumption and resulted from increased data quality regarding green energy supply as well as increased efficiency in operations.

ENERGY CONSUPTION OF THE TOTAL PORTFOLIO LIKE-FOR-LIKE	UNIT	2023	2022	DIFFERENCE
Number of analysed properties		63	63	0.0%
Gross floor area (heated)	m²	629,106.1	629,106.1	0.0%
Heating energy consumption				
Annual consumption	kWh	39,078,873.3	42,334,134.2	–7.7%
Heating energy intensity	kWh / m²	62.1	67.3	–7.7%
Electricity consumption				
Annual consumption	kWh	63,751,387.2	68,999,508.1	–7.6%
Electricity intensity	kWh / m²	101.3	109.7	–7.6%
Total energy consumption				
Annual consumption	kWh	102,830,260.5	111,333,642.3	–7.6%
Energy intensity	kWh / m²	163.5	177.0	–7.6%

WATER CONSUMPTION 2023

GRI 303-1, 303-5

Water is supplied to all properties in the portfolio by the competent municipal water suppliers. Data for the analysis of water consumption in 2023 were available for 49 of the 67 analysed properties. The remaining data were extrapolated.

Water consumption by the 67 properties analysed totalled 196,685,275 l in 2023. Based on the heated gross usable area of 667,605.1 m², the average consumption was 294.6 l/m².

WATER CONSUMPTION OF THE LIKE-FOR-LIKE PORTFOLIO

GRI 303-1, 303-5

As part of the like-for-like analysis of water consumption, water consumption of 192,183,019 l, equal to water intensity of 305.5 l / m², was recorded for the 63 analysed properties in 2023. Water consumption for the same sub-portfolio was 193,875,797 l in 2022 and water intensity was 308.2 l / m². This represents a reduction of 0.9%.

WATER CONSUMPTION OF THE TOTAL PORTFOLIO	UNIT	2023	2022	2021
Number of analysed properties		67	66	68
Gross floor area (heated)	m²	667,605.1	654,003.7	651,387.0
Annual consumption	l	196,685,274.8	196,120,856.6	184,307,383.1
Water intensity	l / m²	294.6	299.9	282.9

WATER CONSUMPTION OF THE TOTAL PORTFOLIO LIKE-FOR-LIKE	UNIT	2023	2022	DIFFERENCE
Number of analysed properties		63	63	0.0%
Gross floor area (heated)	m²	629,106.1	629,106.1	0.0%
Annual consumption	l	192,183,019.3	193,875,797.2	–0.9%
Water intensity	l / m²	305.5	308.2	–0.9%

WASTE GENERATION 2023

GRI 306-3

The analysis of waste generation for the total portfolio is based on general and contract data from the waste disposal companies with whom we have a contractual relationship as owners. Missing waste generation data were extrapolated on the basis of a portfolio average of properties for which data was available; waste volumes generated by tenants was not considered (see p. 37, "Methodology"). As a result of this adjustment, data had to be collected using a benchmark for two properties.

In 2023, a waste volume of 1,879,288 kg was determined. The corresponding waste intensity was 3.7 kg/m², almost unchanged compared to 2022.

WASTE GENERATION OF THE LIKE-FOR-LIKE PORTFOLIO

GRI 306-3

The year-on-year trend of the like-for-like portfolio mirrors that of the total portfolio. For the 63 properties, the values were the same for the waste volumes as the tenants are responsible for waste disposal for the properties not included in the like-for-like comparison.

WASTE GENERATION OF THE TOTAL PORTFOLIO	UNIT	2023	2022	2021
Number of analysed properties		67	66	68
Gross floor area (heated)	m²	510,730.5	510,730.5	526,518.7
Annual volume	kg	1,879,288.3	1,884,666.4	2,080,210.0
Waste intensity	kg/m²	3.7	3.7	4.0

WASTE GENERATION OF THE TOTAL PORTFOLIO LIKE-FOR-LIKE	UNIT	2023	2022	DIFFERENCE
Number of analysed properties		63	63	0.0%
Gross floor area (heated)	m²	510,730.5	510,730.5	0.0%
Annual volume	kg	1,879,288.3	1,884,666.4	–0.3%
Waste intensity	kg/m²	3.7	3.7	–0.3%

GREENHOUSE GAS EMISSIONS 2023

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

An audit analysis of annual CO_2e emissions was carried out for this report on the basis of the consumption data described above and the cost-based list of purchased services and capital goods. The adjacent table provides an overview of the analysed emission sectors.

For the 2023 year, emissions of 39,692 t CO_2e were attributed to the 67 properties in the asset portfolio. At 34,603 t CO_2e, the lion's share (87.2%) were Scope 3 emissions, with 31,727 t CO_2e, or 79.9% of total emissions, attributable to energy purchased by our tenants. The share of emissions from tenant consumption is thus slightly above the previous year's level (79.7%). Involving our tenants in our efforts to reduce their emissions thus remains the key component in our plans to further decarbonise our portfolio.

The emission intensity in 2023 was 59.5 kg CO_2e/m^2, which is 3.8% lower than in the prior year. This was the result of decreased heating energy needs and the resulting decrease in natural gas consumption.

GRI 305-5

Since 2018, we have used certified green electricity for our portfolio properties through a central supply contract with our suppliers for general electricity. The only exceptions to this are short-term supply points and vacancy metres. Supply of certified green electricity has also been locked in for the years from 2023 to 2026, with new framework agreements in place. The Scope 2 emissions result from consumption data that were derived using a benchmark process and conservatively accounted entirely as grey electricity.

EMISSION DATA OF THE TOTAL PORTFOLIO	UNIT	2023	2022	2021
Scope 1				
Natural gas	tCO_2e	2,050.2	2,559.4	3,109.2
Fuel oil	tCO_2e	37.5	40.7	53.1
Total Scope 1	**tCO_2e**	**2,087.7**	**2,600.1**	**3,162.3**
Scope 2				
Electricity (market-based)	tCO_2e	507.3	519.1	450.2
District heating (market-based)	tCO_2e	2,493.7	2,413.9	2,689.2
Total Scope 2	**tCO_2e**	**3,001.0**	**2,933.0**	**3,139.4**
Scope 3				
Cat. 01: Drinking water purchases	tCO_2e	64.9	64.7	60.8
Cat. 01: Purchased goods and services (Operations and repair)	tCO_2e	848.5	898.1	622.5
Cat. 01: Purchased goods and services (Administration and other operating expenses)	tCO_2e	90.3	89.6	192.3
Cat. 02: Capital goods purchased	tCO_2e	491.3	216.2	291.6
Cat. 03: Upstream chain of purchased energy	tCO_2e	1,271.3	1,279.1	1,408.6
Cat. 05: Wastewater treatment	tCO_2e	53.9	53.7	50.5
Cat. 05: Waste disposal	tCO_2e	56.0	58.7	60.4
Cat. 13: Tenant-procured energy	tCO_2e	31,727.3	32,246.7	28,799.2
Total Scope 3	**tCO_2e**	**34,603.4**	**34,906.8**	**31,485.8**
TOTAL	**tCO_2e**	**39,692.1**	**40,440.0**	**37,787.5**
Emission intensity				
Gross floor area (heated)	m^2	667,605.1	654,003.7	651,387.0
Scope 1	$kgCO_2e/m^2$	3.1	4.0	4.9
Scope 2	$kgCO_2e/m^2$	4.5	4.5	4.8
Scope 3	$kgCO_2e/m^2$	51.8	53.4	48.3
Total	**$kgCO_2e/m^2$**	**59.5**	**61.8**	**58.0**

GREENHOUSE GAS EMISSIONS IN THE LIKE-FOR-LIKE PORTFOLIO

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

In the 2023 reporting year, the 63 properties in the like-for-like portfolio caused emissions of 36,451 t CO_2e. This corresponds to an emission intensity of 57.9 kg CO_2e/m^2. Compared to the prior year, the emission intensity decreased by 2.0 kg CO_2e/m^2 (3.3%). The reduction primarily reflects the overall lower demand for heating energy.

Another key driver was the reduction in Category 3.13 emissions that resulted from an improved database, especially regarding green energy consumption, as well as the reduction of energy consumption by tenants.

The capitalisable costs, significantly increased over the previous year, resulted in an increase of 127.3% in emissions from capital goods purchased. These increased costs are, on the one hand, the result of price adjustments due to inflation and on the other had an indicator for the increased implementation of capitalisable or value-adding measures to optimise the portfolio.

EMISSION DATA OF THE TOTAL PORTFOLIO LIKE-FOR-LIKE	UNIT	2023	2022	DIFFERENCE
Scope 1				
Natural gas	tCO_2e	2,050.2	2,298.4	–10.8%
Fuel oil	tCO_2e	37.5	40.7	–7.9%
Total Scope 1	**tCO_2e**	**2,087.7**	**2,339.1**	**–10.7%**
Scope 2				
Electricity (market-based)	tCO_2e	457.8	436.6	4.9%
District heating (market-based)	tCO_2e	2,493.7	2,413.9	3.3%
Total Scope 2	**tCO_2e**	**2,951.5**	**2,850.4**	**3.5%**
Scope 3				
Cat. 01: Drinking water purchases	tCO_2e	63.4	64.0	–0.9%
Cat. 01: Purchased goods and services (Operations and repair)	tCO_2e	833.4	879.5	–5.2%
Cat. 01: Purchased goods and services (Administration and other operating expenses)	tCO_2e	89.0	76.2	16.8%
Cat. 02: Capital goods purchased	tCO_2e	491.3	216.2	127.3%
Cat. 03: Upstream chain of purchased energy	tCO_2e	1,265.0	1,213.3	4.3%
Cat. 05: Wastewater treatment	tCO_2e	52.7	53.1	–0.9%
Cat. 05: Waste disposal	tCO_2e	56.0	58.7	–4.5%
Cat. 13: Tenant-procured energy	tCO_2e	28,561.5	29,927.7	–4.6%
Total Scope 3	**tCO_2e**	**31,412.2**	**32,488.6**	**–3.3%**
TOTAL	**tCO_2e**	**36,451.4**	**37,678.2**	**–3.3%**
Emission intensity				
Gross floor area (heated)	m^2	629,106.1	629,106.1	0.0%
Scope 1	$kgCO_2e/m^2$	3.3	3.7	–10.7%
Scope 2	$kgCO_2e/m^2$	4.7	4.5	3.5%
Scope 3	$kgCO_2e/m^2$	49.9	51.6	–3.3%
Total	**$kgCO_2e/m^2$**	**57.9**	**59.9**	**–3.3%**

KEY FIGURES BY ASSET CLASS

The preceding section presented the consumption and emission values for our total portfolio. This section deals with the key figures for our office and retail portfolio.

Energy consumption of the sub-portfolios

GRI 302-1, 302-2, 302-3

ENERGY CONSUMPTION OF THE SUB-PORTFOLIOS	UNIT	2023	2022	2021	2023	2022	2021
		Office		Office	Retail		Retail
Number of analysed properties		27	27	27	40	39	41
Gross floor area (heated)	m²	233,610.1	233,610.1	233,610.1	433,995.0	420,393.6	417,776.9
Heating energy consumption							
Annual consumption	kWh	14,190,462.9	15,406,137.2	16,820,246.9	26,724,344.1	29,858,274.9	33,570,308.3
Heating energy intensity	kWh / m²	60.7	65.9	72.0	61.6	71.0	80.4
Electricity consumption							
Annual consumption	kWh	13,391,279.0	13,480,887.5	14,115,009.3	55,982,521.8	59,938,814.2	56,172,677.9
Electricity intensity	kWh / m²	57.3	57.7	60.4	129.0	142.6	134.5
Energy consumption							
Total annual consumption	kWh	27,581,741.8	28,887,024.7	30,935,256.2	82,706,865.9	89,797,089.1	89,742,986.2
Energy intensity	kWh / m²	118.1	123.7	132.4	190.6	213.6	214.8

Energy consumption of the sub-portfolios like-for-like

GRI 302-1, 302-2, 302-3

ENERGY CONSUMPTION OF THE SUB-PORTFOLIOS LIKE-FOR-LIKE	UNIT	2023	2022		2023	2022	DIFFERENCE
		Office		Office	Retail		Retail
Number of analysed properties		27	27	0.0%	36	36	0.0%
Gross floor area (heated)	m²	233,610.1	233,610.1	0.0%	395,496.0	395,496.0	0.0%
Heating energy consumption							
Annual consumption	kWh	14,190,462.9	15,406,137.2	–7.9%	24,888,410.4	26,927,997.0	–7.6%
Heating energy intensity	kWh / m²	60.7	65.9	–7.9%	62.9	68.1	–7.6%
Electricity consumption							
Annual consumption	kWh	13,391,279.0	13,480,887.5	–0.7%	50,360,108.3	55,518,620.6	–9.3%
Electricity intensity	kWh / m²	57.3	57.7	–0.7%	127.3	140.4	–9.3%
Energy consumption							
Total annual consumption	kWh	27,581,741.8	28,887,024.7	–4.5%	75,248,518.7	82,446,617.6	–8.7%
Energy intensity	kWh / m²	118.1	123.7	–4.5%	190.3	208.5	–8.7%

Water consumption of the sub-portfolios

GRI 303-5

WATER CONSUMPTION OF THE SUB-PORTFOLIOS	UNIT	2023	2022	2021	2023	2022	2021
		Office		Office	Retail		Retail
Number of analysed properties		27	27	27	40	39	41
Gross floor area (heated)	m²	233,610.1	233,610.1	233,610.1	433,995.0	420,393.6	417,776.9
Annual consumption	l	51,232,811.0	49,022,901.8	40,066,463.3	145,452,463.8	147,097,954.8	144,240,919.8
Water intensity	l / m²	219.3	209.8	171.5	335.1	349.9	345.3

Water consumption of the sub-portfolios like-for-like

GRI 303-5

WATER CONSUMPTION OF THE SUB-PORTFOLIOS LIKE-FOR-LIKE	UNIT	2023	2022		2023	2022	DIFFERENCE
		Office		Office	Retail		Retail
Number of analysed properties		27	27	+0.0%	36	36	+0.0%
Gross floor area (heated)	m²	233,610.1	233,610.1	+0.0%	395,496.0	395,496.0	+0.0%
Annual consumption	l	51,232,811.0	49,022,901.8	+4.5%	140,950,208.4	144,852,895.4	–2.7%
Water intensity	l / m²	219.3	209.8	+4.5%	356.4	366.3	–2.7%

Waste generation of the sub-portfolios

GRI 306-3

WASTE GENERATION OF THE SUB-PORTFOLIOS	UNIT	2023	2022	2021	2023	2022	2021
		Office		Office	Retail		Retail
Number of analysed properties		27	27	27	40	39	41
Usable area	m²	233,610.1	233,610.1	233,610.1	277,120.4	277,120.4	292,908.6
Annual volume	kg	1,105,747.3	1,101,008.6	1,125,444.4	773,540.9	783,657.8	954,765.6
Waste intensity	kg / m²	4.7	4.7	4.8	2.8	2.8	3.3

Waste generation of the sub-portfolios like-for-like

GRI 306-3

WASTE GENERATION OF THE SUB-PORTFOLIOS LIKE-FOR-LIKE	UNIT	2023	2022		2023	2022	DIFFERENCE
		Office		Office	Retail		Retail
Number of analysed properties		27	27	+0.0%	36	36	+0.0%
Gross floor area (heated)	m²	233,610.1	233,610.1	+0.0%	277,120.4	277,120.4	+0.0%
Annual volume	kg	1,105,747.3	1,101,008.6	+0.4%	773,540.9	783,657.8	–1.3%
Water intensity	kg / m²	4.7	4.7	+0.4%	2.8	2.8	–1.3%

Emission data of the sub-portfolios

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

EMISSION DATA OF THE SUB-PORTFOLIOS	UNIT	2023	2022	2021	2023	2022	2021
		Office		Office	Retail		Retail
Scope 1							
Natural gas	tCO_2e	825.2	919.9	1,066.0	1,225.0	1,639.5	2,043.2
Fuel oil	tCO_2e	37.5	40.7	53.1	0.0	0.0	0.0
Total Scope 1	**tCO_2e**	**862.7**	**960.6**	**1,119.1**	**1,225.0**	**1,639.5**	**2,043.2**
Scope 2							
Electricity (market-based)	tCO_2e	342.1	325.9	318.0	165.3	193.2	132.3
District heating (market-based)	tCO_2e	1,807.4	1,741.8	1,947.3	686.3	672.1	741.9
Total Scope 2	**tCO_2e**	**2,149.4**	**2,067.7**	**2,265.3**	**851.6**	**865.3**	**874.1**
Scope 3							
Cat. 01: Drinking water purchases	tCO_2e	16.9	16.2	13.2	48.0	48.5	47.6
Cat. 01: Purchased goods and services (Operations and repair)	tCO_2e	281.8	239.5	171.4	566.7	658.6	451.1
Cat. 01: Purchased goods and services (Administration and other operating expenses)	tCO_2e	36.1	20.4	33.7	54.2	69.3	158.6
Cat. 02: Capital goods purchased	tCO_2e	413.1	177.9	1.9	78.2	38.3	289.7
Cat. 03: Upstream chain of purchased energy	tCO_2e	602.1	669.2	669.8	669.1	609.9	738.8
Cat. 05: Wastewater treatment	tCO_2e	14.0	13.4	11.0	39.9	40.3	39.5
Cat. 05: Waste disposal	tCO_2e	31.2	32.9	31.1	24.8	25.8	29.2
Cat. 13: Tenant-procured energy	tCO_2e	3,839.1	3,936.6	3,873.6	27,888.1	28,310.1	24,925.6
Total Scope 3	**tCO_2e**	**5,234.4**	**5,106.1**	**4,805.7**	**29,369.1**	**29,800.7**	**26,680.1**
TOTAL	**tCO_2e**	**8,246.5**	**8,134.3**	**8,190.1**	**31,445.6**	**32,305.6**	**29,597.4**
Emission intensity							
Gross floor area (heated)	m^2	233,610.1	233,610.1	233,610.1	433,995.0	420,393.6	417,776.9
Scope 1	$kgCO_2e / m^2$	3.7	4.1	4.8	2.8	3.9	4.9
Scope 2	$kgCO_2e / m^2$	9.2	8.9	9.7	2.0	2.1	2.1
Scope 3	$kgCO_2e / m^2$	22.4	21.9	20.6	67.7	70.9	63.9
Total	**$kgCO_2e / m^2$**	**35.3**	**34.8**	**35.1**	**72.5**	**76.8**	**70.8**

Emission data of the sub-portfolios like-for-like

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

EMISSION DATA OF THE SUB-PORTFOLIOS LIKE-FOR-LIKE	UNIT	2023	2022		2023	2022	DIFFERENCE
		Office		Office	Retail		Retail
Scope 1							
Natural gas	tCO_2e	825.2	919.9	–10.3%	1,225.0	1,378.5	–11.1%
Fuel oil	tCO_2e	37.5	40.7	–7.9%	0.0	0.0	–
Total Scope 1	**tCO_2e**	**862.7**	**960.6**	**–10.2%**	**1,225.0**	**1,378.5**	**–11.1%**
Scope 2							
Electricity (market-based)	tCO_2e	342.1	325.9	+5.0%	115.8	110.7	+4.6%
District heating (market-based)	tCO_2e	1,807.4	1,741.8	+3.8%	686.3	672.1	+2.1%
Total Scope 2	**tCO_2e**	**2,149.4**	**2,067.7**	**+4.0%**	**802.1**	**782.8**	**+2.5%**
Scope 3							
Cat. 01: Drinking water purchases	tCO_2e	16.9	16.2	+4.5%	46.5	47.8	–2.7%
Cat. 01: Purchased goods and services (Operations and repair)	tCO_2e	281.8	239.5	+17.6%	551.5	640.0	–13.8%
Cat. 01: Purchased goods and services (Administration and other operating expenses)	tCO_2e	36.1	20.4	+77.3%	52.9	55.9	–5.3%
Cat. 02: Capital goods purchased	tCO_2e	413.1	177.9	+132.2%	78.2	38.3	+104.3%
Cat. 03: Upstream chain of purchased energy	tCO_2e	602.1	669.2	–10.0%	662.8	544.1	+21.8%
Cat. 05: Wastewater treatment	tCO_2e	14.0	13.4	+4.5%	38.6	39.7	–2.7%
Cat. 05: Waste disposal	tCO_2e	31.2	32.9	–5.2%	24.8	25.8	–3.7%
Cat. 13: Tenant-procured energy	tCO_2e	3,839.1	3,936.6	–2.5%	24,722.4	25,991.1	–4.9%
Total Scope 3	**tCO_2e**	**5,234.4**	**5,106.1**	**+2.5%**	**26,177.8**	**27,382.5**	**–4.4%**
TOTAL	**tCO_2e**	**8,246.5**	**8,134.3**	**+1.4%**	**28,204.9**	**29,543.9**	**–4.5%**
Emission intensity							
Gross floor area (heated)	m^2	233,610.1	233,610.1	+0.0%	395,496.0	395,496.0	+0.0%
Scope 1	$kgCO_2e / m^2$	3.7	4.1	–10.2%	3.1	3.5	–11.1%
Scope 2	$kgCO_2e / m^2$	9.2	8.9	+4.0%	2.0	2.0	+2.5%
Scope 3	$kgCO_2e / m^2$	22.4	21.9	+2.5%	66.2	69.2	–4.4%
Total	**$kgCO_2e / m^2$**	**35.3**	**34.8**	**+1.4%**	**71.3**	**74.7**	**–4.5%**

ENVIRONMENTAL MANAGEMENT & CLIMATE PROTECTION AT OUR ADMINISTRATIVE HEADQUARTERS

Consumption data for administrative headquarters

GRI 302-1, 302-4, 303-3, 305-2, 305-3, 305-5, 306-2

All business activities of HAMBORNER REIT AG are managed from the company's administrative headquarters in Duisburg. There are no branch establishments or other office locations.

In contrast to our asset portfolio, we have a freer hand in our environmental management of our administrative headquarters. This is because we have almost total control over our building and consumption data and any measures to reduce our environmental footprint.

The "classic" types of consumption data have again been collected and converted using the methodology that we also used in the formulation of our decarbonisation targets in our portfolio analysis (see p. 37, "Methodology"). This ensures a standardised approach throughout the company.

All energy and water consumption data for our administrative headquarters were available for the 2023 reporting year. We were able to gather the data directly from supplier invoices. For the reporting of waste generation (and the resulting CO_2e emissions), it was necessary to use the contractually agreed maximum waste volume as the basis for calculations. The respective weights of the various types of waste were again calculated using the density factors developed by the Scottish Environmental Protection Authority (SEPA), which are now the internationally recognised standard.

Energy, water and waste data for our administrative headquarters in 2023, along with climate footprint-relevant costs, are shown in the following table. Also shown are our employee commuting data, which were again collected using a questionnaire in 2023 as well, which attracted a response rate of 74.5%. The distance kilometres and resulting emissions were extrapolated to the average number of employees in the reporting year.

Compared to the previous year, we were able to register notable progress especially in the reduction of our energy consumption. Overall, 20.8% less energy was used in administrative operations in 2023. The key success factor for this was optimising the energy use of our technical systems and the hours of operation.

Energy consumption at the administrative headquarters benefited from this in particular. Here, despite the expansion of e-mobility and the charging infrastructure, reductions of roughly 22% were achieved over the previous year. This also puts the energy consumption at a significantly lower level than 2021, when the administration building was only used to a limited extent due to the pandemic restrictions. The primary cause of this is the optimisation of the controls for dynamic air conditioning. We are also benefiting from the modernisation of the IT infrastructure at the administrative headquarters, which was described in the previous report.

The optimisation of the air conditioning, in connection with beneficial weather-related factors, made it possible to reduce heating energy needs in the reporting period by 17.4%.

The increased water consumption is the result of a comparatively dry and hot summer in 2023, which led to an increase in the frequency of irrigation of exterior spaces. Because of this, water consumption increased by 43.6% in the reporting year over the previous year. We were, however, able to register a 37.0% reduction over the 2021 reporting year. We are currently testing cultivating our green spaces with native wildflowers as a possible measure to reduce the amount of irrigation required, particularly in the summer months.

The waste volumes remained identical to the previous years due to the unchanged contractual basis regarding waste containers and disposal schedules. We are in talks with the local waste disposal company and aim to receive a waste calculation for the administrative headquarters in the coming years.

Energy, water and waste data and carbon-footprint-relevant costs at administrative headquarters

GRI 302-1, 302-3, 303-5, 306-3

ENERGY, WATER AND WASTE DATA AND CARBON-FOOTPRINT-RELEVANT COSTS AT ADMINISTRATIVE HEADQUARTERS	UNIT	2023	2022	2021	DIFFERENCE	
					2023 vs. 2022	2022 vs. 2021
Gross floor area (heated)	m²	1,630.0	1,630.0	1,630.0	+0.0%	+0.0%
Average number of employees (EMP)		51	52	50	–2.9%	+4.0%
Heating energy consumption, administrative headquarters						
Annual consumption	kWh	29,071.0	35,086.0	49,083.0	–17.1%	–28.5%
Heating energy intensity per area	kWh / m²	17.8	21.5	30.1	–17.1%	–28.5%
Heating energy intensity per employee	kWh / EMP	575.7	674.7	981.7	–14.7%	–31.3%
Electricity consumption, administrative headquarters						
Annual consumption	kWh	88,918.0	113,882.0	110,957.0	–21.9%	+2.6%
Electricity intensity per area	kWh / m²	54.6	69.9	68.1	–21.9%	+2.6%
Electricity intensity per employee	kWh / EMP	1,760.8	2,190.0	2,219.1	–19.6%	–1.3%
Energy consumption, administrative headquarters						
Total annual consumption	kWh	117,989.0	148,968.0	160,040.0	–20.8%	–6.9%
Energy intensity per area	kWh / m²	72.4	91.4	98.2	–20.8%	–6.9%
Energy intensity per employee	kWh / EMP	2,336.4	2,864.8	3,200.8	–18.4%	–10.5%
Water consumption, administrative headquarters						
Annual consumption	l	453.8	316.0	720.0	+43.6%	–56.1%
Water intensity per area	l / m²	0.3	0.2	0.4	+43.6%	–56.1%
Water intensity per employee	l / EMP	9.0	6.1	14.4	+47.9%	–57.8%
Waste generation, administrative headquarters[1]						
Total volume of residual waste	kg	6,500.0	6,500.0	6,500.0	+0.0%	+0.0%
Waste intensity residual waste per area	kg / m²	4.0	4.0	4.0	+0.0%	+0.0%
Waste intensity residual waste per employee	kg / EMP	128.7	125.0	130.0	+3.0%	–3.8%
Total volume of recycled waste	kg	5,720.0	5,720.0	5,720.0	+0.0%	+0.0%
Waste intensity recycled waste per area	kg / m²	3.5	3.5	3.5	+0.0%	+0.0%
Waste intensity recycled waste per employee	kg / EMP	113.3	110.0	114.4	+3.0%	–3.8%
Total volume of paper waste	kg	1,716.0	1,716.0	1,716.0	+0.0%	+0.0%

ENERGY, WATER AND WASTE DATA AND CARBON-FOOTPRINT-RELEVANT COSTS AT ADMINISTRATIVE HEADQUARTERS	UNIT	2023	2022	2021	DIFFERENCE	
					2023 vs. 2022	2022 vs. 2021
Waste intensity paper waste per area	kg / m²	1.1	1.1	1.1	+0.0%	+0.0%
Waste intensity paper waste per employee	kg / EMP	34.0	33.0	34.3	+3.0%	–3.8%
Vehicle fleet fuel consumption						
Annual consumption	l	8,491.5	7,177.6	8,629.9	+18.3%	–16.8%
Fuel intensity per employee	l / EMP	168.1	138.0	172.6	+21.8%	–20.0%
Other business travel						
Business travel – rail	pkm	34,667.9	52,332.0	33,030.0	–33.8%	+58.4%
Business travel – air	pkm	52,796.4	78,967.1	42,310.0	–33.1%	+86.6%
Business travel – rental car	pkm	1,016.0	2,203.0	0.0	–53.9%	–
Total business travel	pkm	88,480.2	133,502.1	75,340.0	–33.7%	+77.2%
Business travel per employee	pkm / EMP	1,752.1	2,567.3	1,506.8	–31.8%	+70.4%
Commuting travel						
Commuting travel	pkm	227,151.0	344,252.1	224,617.4	–34.0%	+53.3%
Commuting travel per employee	pkm / EMP	4,498.0	6,620.2	4,492.3	–32.1%	+47.4%
Administrative expenses recognised as costs						
Annual administrative cost expenses	€	3,201,039.2	3,180,446.8	2,800,647.3	+0.6%	+13.6%
Annual operating and maintenance cost expenses, administrative headquarters	€	31,561.6	101,383.7	30,334.8	–68.9%	+234.2%
Cost intensity per area	€ / m²	1,983.2	2,013.4	1,736.8	–1.5%	+15.9%
Cost intensity per employee	€ / EMP	64,011.9	63,112.1	56,619.6	+1.4%	+11.5%
Capital goods expenses at administrative headquarters[2]						
Annual expenses	€	0.0	0.0	3,102.6	–	–100.0%
Cost intensity per area	€ / m²	0.0	0.0	1.9	–	–100.0%
Cost intensity per employee	€ / EMP	0.0	0.0	62.1	–	–100.0%

[1] Waste amounts have remained constant in recent years because the container volumes and intervals for emptying them have not been changed. The disposal channels and non-itemised invoicing methodology used by the municipal waste disposal operator mean that we are still not in a position to provide detailed breakdowns of waste volumes.
[2] No capitalisable construction measures were carried out at the administrative headquarters in 2022 and 2023.

Emission data for administrative headquarters

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

Having control over the data and the situation at our administrative headquarters also facilitated the process of CO_2e auditing of Scope 1 and Scope 2 emissions and further categories for indirect Scope 3 emissions in accordance with the GHG Protocol. The final result showed that 245.8 t CO_2e emissions were produced in the course of our business activities at the Duisburg site in 2023.

The optimisation of energy use and the resulting reduction in consumption also had a positive effect on CO_2e emissions. This applies primarily for the heating of the building via the static heating system of the building, which has been in our portfolio for many years and for which we must use natural gas. The emissions from heating energy consumption decreased by 17.4% over the previous year. Most of the state-of-the-art building is heated using electricity, which again in 2023 was purchased entirely from renewable sources.

After the significant increase in commuter travel in the previous year, this fell in 2023 and is approximately at the 2021 level. This is due, among other things, to an expansion of flexible or mobile working options as well as individual use of carpools. The commuting-related CO_2e emissions of 40.2 t CO_2e had a significant impact on the footprint of the administrative operations. We therefore consider this to be an important factor in the further optimisation of our CO_2e footprint. The significant reduction here as well as with other emissions related to mobility underscores our previous measures in this area.

Especially with regard to emissions from business travel by air, we were able to achieve further savings through an adjustment and reduction in our travel activities. We were able to reduce flight travel and the emissions connected with this by one third. Another significant contributor to our total emissions is the fuel consumption of the company vehicle fleet, which is unchanged over the previous year at 20.5 t CO_2e (20.5 t CO_2e).

More than half the total CO_2e emissions are Scope 3 emissions from purchased goods and services. As a result of the cost-based approach, the operating costs have risen significantly since 2021, along with the resulting emissions. These were reduced slightly in the 2023 reporting year over 2022.

As with the portfolio, as part of the accounting for our administrative activity in 2023, other operating expenses were taken into account for the first time. These amounted to a high share of operating expenses for administrative activities, at 48.1% in 2023.

Emissions from water consumption and waste are relatively modest in the context of the total emissions figure.

Direct and indirect CO_2e emissions from our activities at our administrative headquarters are shown in the table below. Since a large part of the described emissions listed is attributable to business operations, the average number of employees, and not the square metre area of the administrative headquarters, is used as a reference value for the presentation of emission intensity.

Emission data for administration and administrative headquarters

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

EMISSION DATA FOR ADMINISTRATION AND ADMINISTRATIVE HEADQUARTERS	UNIT	2023	2022	2021	DIFFERENCE	
					2023 vs. 2022	2022 vs. 2021
Scope 1						
Natural gas	$kgCO_2e$	5,854.0	7,086.0	9,816.6	–17.4%	–27.8%
Total Scope 1	**$kgCO_2e$**	**5,854.0**	**7,086.0**	**9,816.6**	**–17.4%**	**–27.8%**
Scope 2						
Electricity (certified green electricity, market-based)[1]	$kgCO_2e$	0.0	0.0	0.0	–	–
Total Scope 2	**$kgCO_2e$**	**0.0**	**0.0**	**0.0**	**–**	**–**
Scope 3						
Cat. 01: Drinking water purchases	$kgCO_2e$	149.8	76.4	172.8	+96.0%	–55.8%
Cat. 01: Purchased goods and services (Operations and repair)	$kgCO_2e$	2,229.7	10,550.0	1,459.1	–78.9%	+623.1%
Cat. 01: Purchased goods and services (Administration and other operating expenses)	$kgCO_2e$	159,506.8	160,767.5	121,999.6	–0.8%	+31.8%
Cat. 02: Capital goods purchased	$kgCO_2e$	0.0	0.0	584.56	–	–100.0%
Cat. 03: Upstream chain of purchased energy	$kgCO_2e$	3,040.72	8,613.66	7,639.08	–64.7%	+12.8%
Cat. 05: Wastewater treatment	$kgCO_2e$	124.3	87.3	201.6	+42.4%	–56.7%
Cat. 05: Waste disposal	$kgCO_2e$	296.6	297.9	297.9	–0.5%	+0.0%
Cat. 06: Rail travel	$kgCO_2e$	1,074.7	2,407.3	1,651.5	–55.4%	+45.8%
Cat. 06: Air travel	$kgCO_2e$	12,565.5	18,794.2	9,054.3	–33.1%	+107.6%
Cat. 06: Rental car travel	$kgCO_2e$	169.3	356.9	0.0	–52.6%	–
Cat. 07: Commuter travel	$kgCO_2e$	40,236.3	69,744.0	34,141.8	–42.3%	+104.3%
Cat. 08: Leased vehicles	$kgCO_2e$	20,549.4	20,484.7	24,629.6	+0.3%	–16.8%
Total Scope 3	**$kgCO_2e$**	**239,943.1**	**292,179.8**	**201,831.9**	**–17.9%**	**+44.8%**
TOTAL	**$kgCO_2e$**	**245,797.1**	**299,265.8**	**211,648.5**	**–17.9%**	**+41.4%**
Emission intensity						
Average number of employees (EMP)		51	52	50	–2.9%	+4.0%
Scope 1	$kgCO_2e$ / EMP	115.9	140.3	194.4	–17.4%	–27.8%
Scope 2	$kgCO_2e$ / EMP	0.0	0.0	0.0	–	–
Scope 3	$kgCO_2e$ / EMP	4,751.3	5,785.7	3,996.7	–17.9%	+44.8%
Total	**$kgCO_2e$ / EMP**	**4,867.3**	**5,926.1**	**4,191.1**	**–17.9%**	**+41.4%**

[1] In the same way as for the portfolio figures, generation, exploration and distribution emissions associated with certified green electricity used at our administrative headquarters are reported solely under Scope 3 Category 3.

CO_2e reduction

GRI 305-5

In 2023, we rigorously pursued the objectives and measures for reducing greenhouse gas emissions presented in the previous year's report. By tracking energy consumption at our headquarters regularly and exploring ways to save energy in our daily work, we are laying the foundation for further reductions in consumption.

As noted above, mobility-related emissions offer a major lever for optimising our CO_2e footprint. Significant progress has already been made in this area with the conversion of our vehicle fleet to e-mobility. The last purely ICE vehicle in our fleet was disposed of at the end of 2022, marking the successful achievement of our objective of completely converting the vehicle fleet to hybrid and fully electrified mobility. We also support the electric operation of hybrid vehicles by providing charging stations at our administrative headquarters – an offering which we expanded further in 2022. This meant that in spite of increased travel, emissions from the operation of our vehicle fleet in the reporting year were actually down from the prior year.

We were able to reduce our energy consumption and the resulting emissions significantly, particularly through optimised control of the systems.

Due to the fiscal accounting of emissions from purchased goods and services, it is currently only possible to a limited extent to influence the major contributor to emissions from administrative activities. Price increases due to inflation mean that there is no potential for reduction here in the short term. Excluding the emissions accounted based on costs, we were able to reduce the emissions of our administrative activities compared to 2022 by 34.3%.

Carbon offsets

Our climate strategy is aimed first and foremost at reducing CO_2e emissions in our core business and along our operational value creation processes. Our efforts in this regard are intended to progressively reduce the greenhouse gas emissions caused by our business activities. However, the successful continuation of our business activities is currently not possible without the generation of residual emissions.

Acknowledgement of this unavoidable fact prompted us in 2021 to begin compensating for (offsetting) the emissions generated at our administrative headquarters in Duisburg by investing specifically in certified climate protection projects. For the 2023 year, we compensated for a total of 245.8 t CO_2e in this way (previous year: 278.0 t CO_2e).

The emissions determined in our CO_2e audit were converted into a financial climate protection contribution using a standard market cost rate per tonne. This contribution is invested via a non-profit partner company in international development projects that promote the expansion of renewable energy systems in developing countries.

By this means, we are making an indirect contribution towards reducing global CO_2e emissions, while at the same time strengthening local communities and enabling them to access clean energy.

GREEN ELECTRICITY FROM HYDROPOWER IN HONDURAS

To compensate for the CO_2e emissions caused by our activities at our administrative headquarters in 2023, we are again cooperating with a recognised non-profit climate protection organisation that conducts climate protection projects worldwide, working with local partners for the expansion of renewable energy and energy efficiency technologies.

We have supported the “La Esperanza” project for environmentally friendly hydropower use in Honduras since 2021. A small hydropower plant operated by the compensation provider and the local company Consorcio de Inversiones S.A. (CISA) produces climate-friendly electricity in Intibucá, a remote region in Honduras near the border with El Salvador.

The hydropower plant is located on the Intibucá River and is four kilometres outside the town of La Esperanza. The environmental impact of the power plant itself is minimal, unlike in some other hydropower projects. Due to the steep gradient of the river on which the power plant is located, only a small reservoir is needed to operate the turbines. Also, the plant was built using pre-existing structures. It was not necessary to flood any additional areas, and an existing dam was restored to operation.

The benefits of the power plant for the local people are immense. To date, four villages have been connected to the power grid for the first time. Previously, the inhabitants used primarily wood from the rainforests and mountain forests of the region for cooking, and diesel for electricity generation. The power plant now feeds green electricity into the national grid all year round, thus performing a stabilisation function. Its capacity of 13.8 MW supplies approximately 25,000 households with clean, renewable electricity, and the plant also provides jobs to numerous people in the region. The CO_2 saving is in the order of 20,000 tonnes per year.

“La Esperanza” is just one of around 8,000 international projects and programmes registered with the United Nations Framework Convention on Climate Change (UNFCCC) that make a verified contribution to global emission reduction in line with the Paris Agreement. The project meets the criteria of the “Gold Standard for the Global Goals” (GS4GG) and is listed in the public project register of the Gold Standard.

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EMISSION DATA AT COMPANY LEVEL

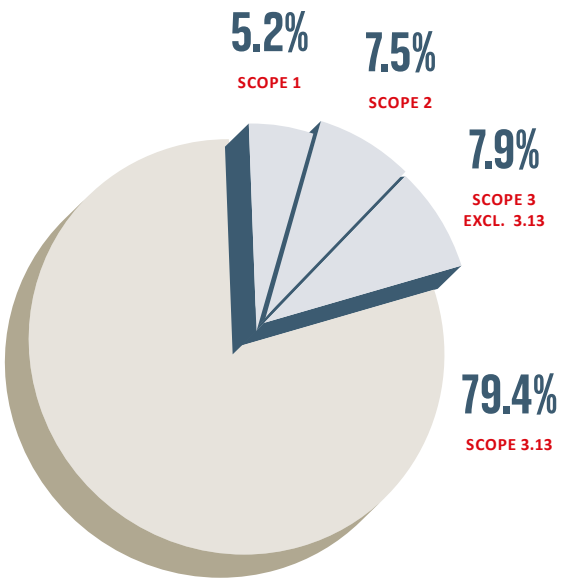
GRI 305-1, 305-2, 305-3, 305-5

The CO_2e emissions determined to date for our core business – that is, emissions from all aspects of the management of our total portfolio and emissions arising from our administrative activities – are summarised in a CO_2e audit report. The table on the following page shows the emissions at company level reported for 2023 and prior years.

The administration-related emissions account for an extremely small share of total reported emissions at company level – just 0.6%. Accordingly, any optimisation of our CO_2e footprint at company level will be achievable primarily through avoidance and reduction of emissions currently released in relation to the management of the buildings in our portfolio. Moreover, at 79.4%, emissions attributable to tenants constitute the bulk of our CO_2e footprint at company level. Consequently, our success in further decarbonising our business model will depend to a very large extent on the cooperation of our tenants.

The remaining sources of Scope 3 emissions, the use of combustibles (Scope 1) as well as the use of energy from electricity and district heating (Scope 2) are comparable in their scale. As we have greater influence on the sources of Scope 1 and 2 emissions than Scope 3 through operation and contractual leverage, these are particularly relevant for our aims at reduction.

PROPORTION OF VARIOUS EMISSION CATEGORIES



Emission balance at company level

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

EMISSION BALANCE AT COMPANY LEVEL	UNIT	2023				2022				2021				DIFFERENCE	
		Company	Thereof energy-related	Thereof total portfolio	Thereof administration	Company	Thereof energy-related	Thereof total portfolio	Thereof administration	Company	Thereof energy-related	Thereof total portfolio	Thereof administration	2023 vs. 2022	2022 vs. 2021
Scope 1															
Natural gas	tCO_2e	2,056.0	2,056.0	2,050.2	5.9	2,566.5	2,566.5	2,559.4	7.1	3,119.0	3,119.0	3,109.2	9.8	–19.9%	–17.7%
Fuel oil	tCO_2e	37.5	37.5	37.5	0.0	40.7	40.7	40.7	0.0	53.1	53.1	53.1	0.0	–7.9%	–23.3%
Total Scope 1	**tCO_2e**	**2,093.5**	**2,093.5**	**2,087.7**	**5.9**	**2,607.2**	**2,607.2**	**2,600.1**	**7.1**	**3,172.1**	**3,172.1**	**3,162.3**	**9.8**	**–19.7%**	**–17.8%**
Scope 2															
Electricity (market-based)	tCO_2e	507.3	507.3	507.3	0.0	519.1	519.1	519.1	0.0	450.2	450.2	450.2	0.0	–2.3%	+15.3%
District heating (market-based)	tCO_2e	2,493.7	2,493.7	2,493.7	0.0	2,413.9	2,413.9	2,413.9	0.0	2,689.2	2,689.2	2,689.2	0.0	+3.3%	–10.2%
Total Scope 2	**tCO_2e**	**3,001.0**	**3,001.0**	**3,001.0**	**0.0**	**2,933.0**	**2,933.0**	**2,933.0**	**0.0**	**3,139.4**	**3,139.4**	**3,139.4**	**0.0**	**+2.3%**	**–6.6%**
Scope 3															
Cat. 01: Drinking water purchases	tCO_2e	65.1		64.9	0.1	64.8		64.7	0.1	61.0		60.8	0.2	+0.4%	+6.2%
Cat. 01: Purchased goods and services (Operations and repair)	tCO_2e	850.7		848.5	2.2	908.6		898.1	10.6	623.9		622.5	1.5	–6.4%	+45.6%
Cat. 01: Purchased goods and services (Administration and other operating expenses)	tCO_2e	249.8		90.3	159.5	250.4		89.6	160.8	314.3		192.3	122.0	–0.2%	–20.3%
Cat. 02: Capital goods purchased	tCO_2e	491.3		491.3	0.0	216.2		216.2	0.0	292.2		291.6	0.6	+127.3%	–26.0%
Cat. 03: Upstream chain of purchased energy	tCO_2e	1,274.3	1,274.3	1,271.3	3.0	1,287.7	1,287.7	1,279.1	8.6	1,416.2	1,416.2	1,408.6	7.6	–1.0%	–9.1%
Cat. 05: Wastewater treatment	tCO_2e	54.0		53.9	0.1	53.8		53.7	0.1	50.7		50.5	0.2	+0.4%	+6.2%
Cat. 05: Waste disposal	tCO_2e	56.3		56.0	0.3	59.0		58.7	0.3	60.7		60.4	0.3	–4.5%	–2.8%
Cat. 06: Rail travel	tCO_2e	1.1		0.0	1.1	2.4		0.0	2.4	1.7		0.0	1.7	–55.4%	+45.8%
Cat. 06: Air travel	tCO_2e	12.6		0.0	12.6	18.8		0.0	18.8	9.1		0.0	9.1	–33.1%	+107.6%
Cat. 06: Rental car travel	tCO_2e	0.2		0.0	0.2	0.4		0.0	0.4	0.0		0.0	0.0	–52.6%	–
Cat. 07: Commuter travel	tCO_2e	40.2		0.0	40.2	69.7		0.0	69.7	34.1		0.0	34.1	–42.3%	+104.3%
Cat. 08: Leased vehicles	tCO_2e	20.5		0.0	20.5	20.5		0.0	20.5	24.6		0.0	24.6	+0.3%	–16.8%
Cat. 13: Tenant-procured energy	tCO_2e	31,727.3	31,727.3	31,727.3	0.0	32,246.7	32,246.7	32,246.7	0.0	28,799.2	28,799.2	28,799.2	0.0	–1.6%	+12.0%
Total Scope 3	**tCO_2e**	**34,843.4**	**33,001.5**	**34,603.4**	**239.9**	**35,199.0**	**33,534.4**	**34,906.8**	**292.2**	**31,687.6**	**30,215.3**	**31,485.8**	**201.8**	**–1.0%**	**+11.1%**
TOTAL	**tCO_2e**	**39,937.9**	**38,096.1**	**39,692.1**	**245.8**	**40,739.2**	**39,074.6**	**40,440.0**	**299.3**	**37,999.2**	**36,526.9**	**37,787.5**	**211.6**	**–2.0%**	**+7.2%**
Emission intensity															
Gross floor area (heated)	m^2	669,235	669,235	667,605	1,630	655,634	655,634	654,003.7	1,630	653,017	653,017	651,387.0	1,630	+2.1%	+0.4%
Scope 1	$kgCO_2e/m^2$	3.1	3.1	3.1	3.6	4.0	4.0	4.0	4.3	4.9	4.9	4.9	6.0	–21.3%	–18.1%
Scope 2	$kgCO_2e/m^2$	4.5	4.5	4.5	0.0	4.5	4.5	4.5	0.0	4.8	4.8	4.8	0.0	+0.2%	–6.9%
Scope 3	$kgCO_2e/m^2$	52.1	49.3	51.8	147.2	53.7	51.1	53.4	179.3	48.5	46.3	48.3	123.8	–3.0%	+10.6%
Total	**kg-CO_2e/EMP**	**59.7**	**56.9**	**59.5**	**150.8**	**62.1**	**59.6**	**61.8**	**183.6**	**58.2**	**55.9**	**58.0**	**129.8**	**–4.0%**	**+6.8%**

DECARBONISATION STRATEGY

Strategy development

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

The focus of our activities within the Environmental management & climate protection action area in the 2023 financial year was on developing a company-wide decarbonisation strategy.

The results of a carbon footprint project to measure greenhouse gas emissions at company and portfolio level in 2022 formed the basis for defining the strategy. After a systematic analysis of historic emissions footprints, and because of the comparatively good availability of consumption and emissions data, we chose 2021 as the base year for defining the long-term decarbonisation goals.

The outcome was that the company committed to achieving net zero greenhouse gas emissions at company level by year-end 2045. This includes a small amount of unavoidable residual emissions, which will be offset in future.

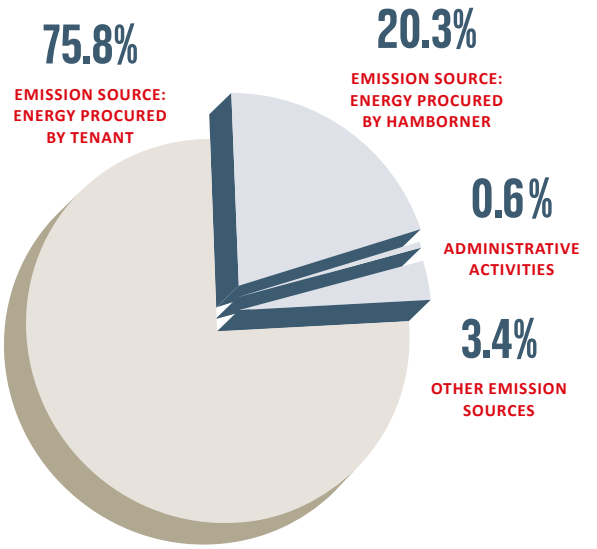
2030

50% REDUCTION IN ENERGY-RELATED EMISSIONS AT PORTFOLIO LEVEL

2045

NET ZERO GHG EMISSIONS AT COMPANY LEVEL

SHARE OF EMISSIONS SOURCES IN THE CO_2E FOOTPRINT IN THE 2021 BASE YEAR



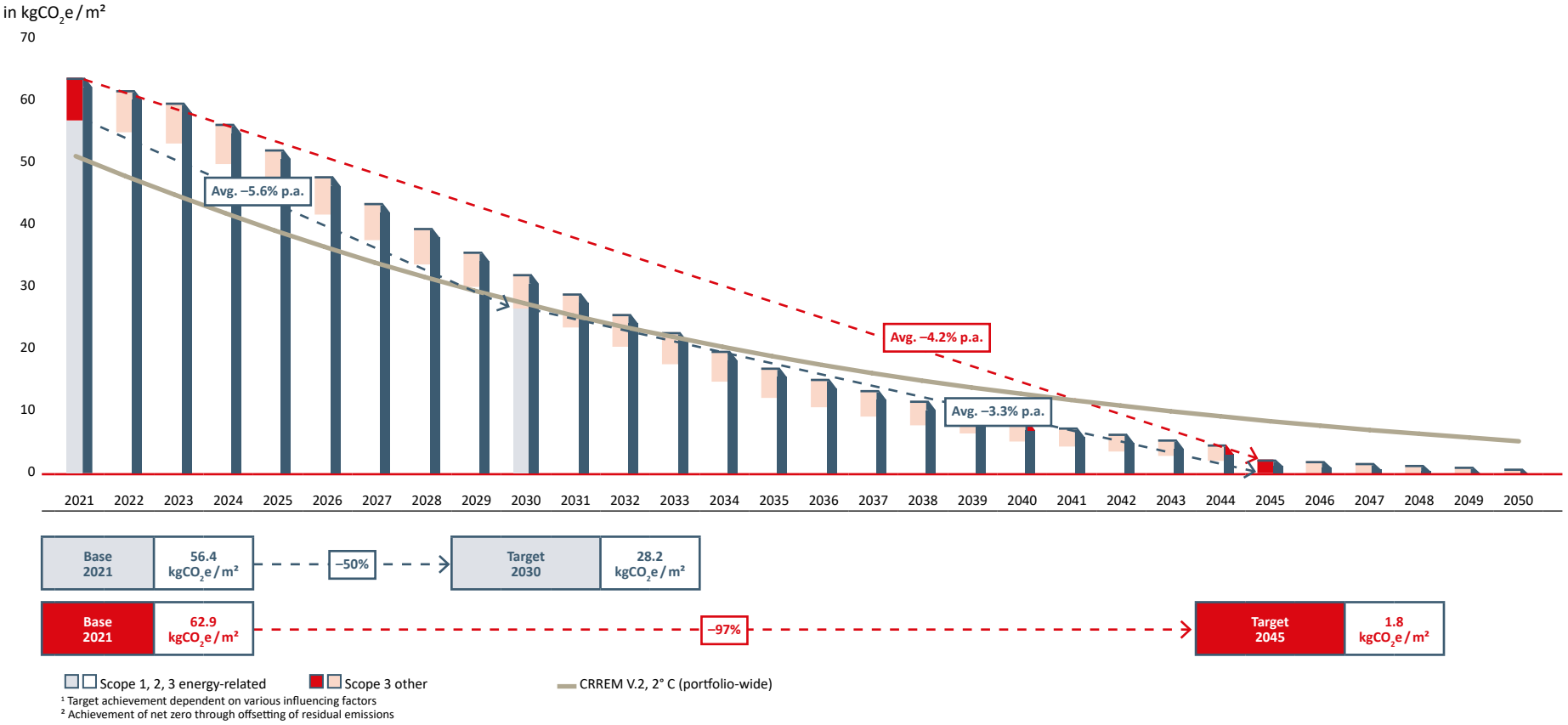
As part of our analysis of the footprint data, we were able to determine that the emissions resulting from our own administrative activities in 2021 only make up 0.6% of our total footprint. The vast majority of emissions instead result from energy consumption within our asset portfolio. The following chart illustrates that 75.7% of our total emissions in 2021 resulted from energy use through our tenants. When considering the energy used by us (20.3%), the proportion of energy-related emissions amounts to roughly 96.0% of the total footprint. We define energy-related emissions as emissions from combustibles used (Scope 1) and other energy supply (Scope 2), the upstream chain of the energy purchased (Scope 3.3) and emissions from the energy purchased by our tenants (Scope 3.13).

In addition to the strong effect of energy consumption on our greenhouse gas footprint, energy data offer the advantage over other emissions-related source data of having solid data availability and established market standards for their calculation. For this reason, reducing energy consumption and the resulting emissions is the core of our decarbonisation strategy. Accordingly, we have decided to place the initial focus of our decarbonisation strategy on reducing energy-related emissions within our asset portfolio and to define a corresponding interim target.

We have oriented ourselves along the CRREM guideline updated in 2023 (CRREM v2, see p. 39 “CRREM analysis”) for the definition of suitable targets that support the European and national path to decarbonisation and have created a portfolio-wide average with regard to the usage types of our properties. The target by the end of 2045 corresponds to the 1.5°C target path; we have chosen the 2.0°C target path for our interim objective.

Following this, we strive to reduce energy-related emissions at portfolio level by 50% compared with the 2021 base year by the end of 2030. This represents a reduction in emission intensity from 56.4 kg CO_2e/m^2 in the baseline year 2021 to 28.2 kg CO_2e/m^2 in 2030. An average annual reduction of 5.6% in energy-related emissions is needed to make this possible. This is an ambitious but achievable interim target as we work towards an almost complete reduction in our greenhouse gas emissions by 2045.

DECARBONISATION MILESTONES [1] IN LINE WITH CRREM [2]



[1] Target achievement dependent on various influencing factors
[2] Achievement of net zero through offsetting of residual emissions

In addition to defining long-term climate targets, we have identified potential for reductions on the basis of the carbon footprint and technical analysis of a sub-portfolio, and have derived a catalogue of measures that take cost-benefit aspects into account. These also include regular scheduled maintenance of properties, which has a positive effect on a building's energy and carbon intensity. Such measures could involve replacing heating systems, windows or roofs at the end of their lifespan. From a decarbonisation perspective, such measures do not result in additional costs beyond the cost of regular maintenance. They do, however, play an important role in the future decarbonisation of our property portfolio.

In addition to regular maintenance measures that have a positive effect on our carbon footprint, we will also carry out measures as part of our decarbonisation strategy that serve only to reduce greenhouse gases. This involves, for example, installing photovoltaic panels. Only measures of this sort result in additional costs, which we will consider and report separately. More detailed information on the cost indications can be found in the latest company presentations, which are available in the download section of the company website.

In the individual-property analyses that were carried out, data on the building envelope, energy consumption, meter infrastructure and utility connections were used in conjunction with a property inspection to assess the technical systems, building physics, system controls and — as far as possible — user behaviour with the aim of determining possible measures to increase energy efficiency.

The following table provides an overview of potential measures to further decarbonise our portfolio.

GRI 3-3, 302-4, 303-5, 305-5, 306-2, 306-4, 306-5

Potential optimisation measures in the property portfolio

POTENTIAL OPTIMISATION MEASURES IN THE PROPERTY PORTFOLIO	
Green leases	— Sustainable use and management of the leased property — Reduction of waste, consumption and emissions — Environmentally safe performance of building measures — Provision of consumption data
Building envelope	— Roof/façade insulation — Windows — Shading
Heating/cooling	— Sustainable energy sources — Modernisation of building technical systems
Lighting	— Optimisation of lighting setups — Change to the types of lighting used
Operations	— Building control technology — Energy management (supported by sensor technology) — Optimisation of hours of operation
Water supply	— Water-saving taps and cisterns
Regenerative energy supply	— Heat pump — Photovoltaics — Charging infrastructure
Waste management	— Disposal pooling — Disposal management
Biodiversity	— Roof greening — Nesting boxes — Beehives

Progress & target achievement

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

We are driving forward the reduction of energy-related emissions primarily through three key action areas. These are the reduction of energy consumption, the use of renewable energy and increasing the quality of data to avoid conservative extrapolation.

We have been successfully driving forward the reduction of energy consumption since 2021 at the portfolio level as well as at our administrative headquarters. The energy intensity of our portfolio was reduced in the reporting year over 2022 by 9.0% and over 2021 by 10.8% (**see p. 43, "Energy consumption figures for the total portfolio"**). We were even able to reduce our energy intensity at our administrative headquarters by 20.8% over 2022 and 26.3% over 2021. This is the result, among other things, of the aforementioned measures to increase energy efficiency. The decrease in energy consumption within our area of influence led to a reduction in Scope 1 and 2 emissions. Compared to the base year 2021, we have already reduced 26.7% of the emissions from combustibles (Scope 1) and 29.3% of the emissions from the purchase of energy (Scope 2).

The reduced energy consumption has not yet been reflected in the Scope 3 emissions, however. Here we were able to record energy savings over the years 2021 and 2022, though we registered an increase in emissions of around 8.0% over the base year 2021. This is primarily due to an increase in the emissions factor of the German energy mix, whose development lies beyond the company's scope of influence. This conversion factor was most recently used to determine the majority of tenant energy consumption as no data of this type of energy use were available to us and location-based or factor-based accounting was thus necessary. The primary causes for the increase in the emissions factor of the German energy mix in the period under review were increased energy production from coal due to the gas crisis as a result of the war in Ukraine, the progression of the transition away from nuclear energy and increased energy exports.

Regardless of the significant reduction in energy consumption in Scopes 1 and 2, the total energy-related emissions in 2023 of 38,087 kg CO_2e were roughly 1.2% above the values of the base year 2021 (37,641 kg CO_2e). The emission intensity increased accordingly to 57.1 kg CO_2e / m^2 (2021: 56.4 kg CO_2e / m^2).

This increase highlights once again the high level of influence that energy use by tenants has on our carbon footprint and also underscores the relevance of decarbonisation of the energy sector in Germany. We aim to reduce our dependence on the German energy mix by continuously increasing the share of renewable energy and to consistently pursue our goal of reducing energy-related emissions to 28.2 kg CO_2e / m^2 by 2030.

DEVELOPMENT OF ENERGY-RELATED EMISSIONS	UNIT	2023	2022	2021
Scope 1				
Natural gas	tCO_2e	2,050.2	2,298.4	2,806.5
Fuel oil	tCO_2e	37.5	40.7	41.0
Total Scope 1	**tCO_2e**	**2,087.7**	**2,339.1**	**2,847.6**
Scope 2				
Electricity (market-based)	tCO_2e	507.3	483.1	774.2
District heating (market-based)	tCO_2e	2,493.7	2,413.9	3,468.1
Total Scope 2	**tCO_2e**	**3,001.0**	**2,897.0**	**4,242.3**
Scope 3				
Cat. 03: Upstream chain of purchased energy	tCO_2e	1,271.3	1,219.6	1,408.6
Cat. 13: Tenant-procured energy	tCO_2e	31,727.3	33,049.4	29,142.4
Total Scope 3	**tCO_2e**	**32,998.5**	**34,269.0**	**30,551.0**
TOTAL	**tCO_2e**	**38,087.2**	**39,505.1**	**37,640.9**
Emission intensity				
Gross floor area (heated)	m^2	667,605.1	667,605.1	667,605.1
Scope 1	$kgCO_2e/m^2$	3.1	3.5	4.3
Scope 2	$kgCO_2e/m^2$	4.5	4.3	6.4
Scope 3	$kgCO_2e/m^2$	49.4	51.3	45.8
Total	**$kgCO_2e/m^2$**	**57.1**	**59.2**	**56.4**

SUSTAINABLE EMPLOYER

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EMPLOYEE SURVEY

GRI 2-7

To qualify as sustainable employers, today's companies must live up to many different expectations that go far beyond traditional criteria such as remuneration structures and career opportunities. Employees are looking for core-business sustainability activities that they can clearly recognise and support, which also demonstrate the integrity of the company and identify its business model as being fit for the future. In addition, employees increasingly consider flexible working models, health and wellbeing initiatives, and a commitment to equal opportunities and diversity to be the profile of a sustainable and attractive employer.

As part of the regular review of our central sustainability topics (**see p. 15 et seq., "Sustainability strategy"**), we again critically reviewed our performance as an employer.

This involved giving both external and internal stakeholders – in particular our employees – the opportunity to provide feedback in an anonymous questionnaire on material social and employee-related sustainability issues (**see p. 19 et seqq. "ESG stakeholder survey"**). This led to the "employee development" action area again being classified as material.

We present the key sustainability data and information for the 2023 reporting cycle below. More detailed information and key figures can be downloaded from our **website**.

GRI 2-29

We conducted our annual employee survey again in 2023. This once again provided valuable insights into our performance as an employer and on areas where there was still room for improvement. The participation rate of 70.8 % was above the prior year (2022: 68.0 %).

The employee satisfaction rate in the reporting year was 56.5 %, significantly down on the previous year (2022: 76.9 %). Considering the results of the survey and feedback from employees, the decline can be put down to the increased workload that came about as a result of ongoing transformation and reorganisation projects in addition to the temporary staff capacity bottlenecks. On top of this, the persistently difficult macroeconomic and sector-specific conditions are causing an increased level of uncertainty within the workforce.

By stepping up dialogue with employees on this matter, reducing staff vacancies and creating additional positions, the first important efforts to increase employee satisfaction have already been undertaken in recent months. That notwithstanding, we intend to identify further avenues and measures in close consultation with our employees in order to achieve the goal we set ourselves as part of the strategic sustainability programme of regularly achieving a satisfaction rate of at least 85.0 %.

The employee survey clearly showed that the majority of employees continue to identify strongly with the company. At the same time, employees are still very willing to bring their personal experience and ideas to the table and help shape the company's successful future. In addition to satisfaction with the company's solid financial situation and established market position, good cooperation within the workforce and the family-friendly nature of the company are praised internally.

We intend to continue conducting employee surveys on an annual basis and to incorporate the findings into the further development of our HR and sustainability strategy. We will also continue to include our employees in the regular stakeholder survey on sustainability topics.

HUMAN RESOURCES DEVELOPMENT

GRI 2-7, 401-1, 401-3

Given today's rapidly changing and highly uncertain market environment and the multiple challenges we face in our core business, thorough and comprehensive human resources planning is of paramount importance. We need to have enough qualified and engaged employees at every level and in every division of our company. Consequently, we will continue to review our workforce capacity on a regular basis, making targeted adjustments in the individual divisions and departments as required.

HAMBORNER REIT AG employed a total of 48 people, including the members of the Management Board and vocational trainees, as at the end of 2023 (2022: 53). As at 31 December 2023, the Management Board was made up of two members. There were seven people employed at the second management level, as in the prior year. There is no third management level at present.

As in the prior year, all employees, with the exception of the Management Board members, had employment contracts with indefinite terms. A total of 40 employees worked in full-time positions (2022: 47), and eight employees worked part-time (2022: 6). The higher number of part-time employees is partly attributable to a further flexibilisation of individual employment arrangements. As one employee successfully completed her training in the previous year, there were no employees undergoing training as at the end of 2023 (2022: 1).

Compared with the previous year, the employee turnover rate increased to 10.4% (previous year: 3.8 %).

Taking the findings of the employee survey into account (see p. 68), the increase is in part down to a higher workload and changes to the working environment as a result of the ongoing transformation and reorganisation processes

The average length of service at the end of 2023 was 8.7 years (2022: 7.8 years).

HEADCOUNT GROWTH[1]

Number of employees

[1] Number of employees at the end of the year including Management Board and vocational trainees.

TRAINING & PROFESSIONAL DEVELOPMENT

GRI 403-5, 404-1, 404-2

Expanding our advanced training and professional development programme and steadily increasing the number of employee professional development hours remained an essential element of our strategic sustainability programme in 2023. As part of our advanced training initiative, all employees have access to individual training options. The competent department heads conduct regular interviews with individual employees to identify their specific needs and work closely with the Management Board in determining requirements at workforce level. In the 2023 reporting year, 97.8 % of employees received an assessment of their performance and personal development opportunities (previous year: 98.1 %). Thanks to this systematic approach, we continued to meet our high standards of human resources development. We were able to identify the potential and interests of our employees, foster their skills and leverage their competencies in a more targeted manner.

As a result of the intensification of our professional development measures, our employees attended an average of 40.8 hours (2022: 55.3 hours) of advanced training and professional development in 2023 (irrespective of gender; excl. Management Board).

This meant we again significantly exceeded our goal of at least 30 professional development hours per employee as part of our strategic sustainability programme (see p. 28).

The measures implemented during the reporting year related, for example, to the topic areas of HR management and leadership, ESG/sustainability management, financial accounting, occupational safety, compliance, IT security, data protection, and construction, real estate and capital markets law.

In 2023, the main focus of the advanced training activities was on the targeted further improvement of the skills base of our executive managers. A special professional development programme, developed in collaboration with an external partner and aimed at an extended pool of managers, was launched and will be continued in the current year.

In the future, steps will also be taken to enhance the skills of younger employees in a targeted manner, and open up additional development opportunities for them. The high-potentials/talent development programme envisaged in the strategic sustainability programme was formulated in 2023 year and is now available to both current staff and future recruits.

We already offer internships, working student positions, and supervision of student degree theses. We intend to step up this form of engagement by forming targeted partnerships with universities and universities of applied sciences, so as to increasingly inspire young people to take up internships and working student positions at HAMBORNER REIT AG.

FLEXIBILISATION OF WORK MODELS

GRI 2-7

Another measure for the development of our employees and the positioning of HAMBORNER REIT AG as a modern, forward-looking employer is the development of concepts to make our work models more flexible.

In 2021, the Management Board, the HR department and the works council cooperated closely with one another to develop a comprehensive hybrid/remote work model which was then implemented by means of a works agreement.

In 2023, many of our staff continued to benefit from the flexibilisation of our working models, which is also reflected in the fact that the retention rate of employees taking parental leave and then returning to the company remains at 100 %. Appropriate options for working remotely and individual part-time agreements were adopted in order to support the best work-life balance possible.

EQUAL OPPORTUNITY & DIVERSITY

GRI 2-20, 405-1, 406-1

At HAMBORNER REIT AG, the equal treatment of our employees has always been a matter of high priority. This is continuously monitored and assured in accordance with and by means of the principles and mechanisms of our corporate governance and human resources management systems.

Our daily actions are guided by clear principles of ethics and integrity. These principles dictate that no dimension of diversity (gender, nationality, ethnicity, religion and belief, disability, age or sexual orientation and identity) should ever lead to any disadvantages for employees with regard to the scope of their duties and responsibilities or their remuneration.

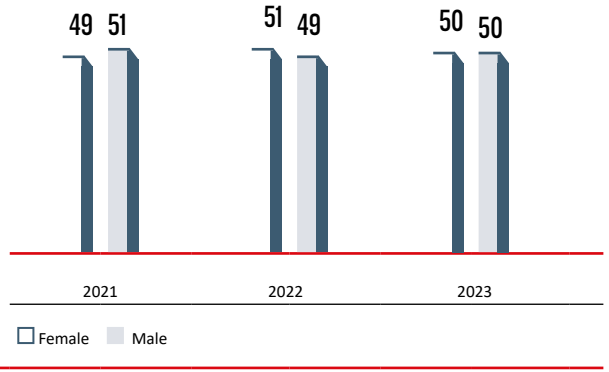
In the 2023 reporting year, one case of discrimination was reported for the first time. However, in cooperation with all parties involved and with the involvement of the works council, the matter was clarified and resolved to the satisfaction of the person concerned. In addition, this case was used in anonymised form to once again raise awareness of the issue among the workforce.

As a result of this incident, and in order to recognise the great importance of diversity, equality, inclusion and anti-discrimination, an internal Diversity and Anti-Discrimination Officer has been appointed in the current year.

The employee structure at HAMBORNER REIT AG is balanced in terms of gender distribution and age structure, as illustrated in the adjacent charts.

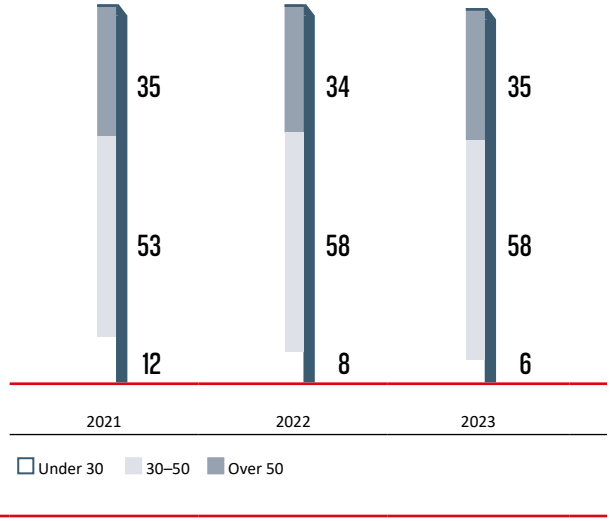
EMPLOYEE STRUCTURE BY GENDER

in %



EMPLOYEE STRUCTURE BY AGE

in %



GRI 405-1, 405-2

One third of the nine positions on the HAMBORNER REIT AG Supervisory Board have been held by women since as long ago as 2015, meaning that the company has been in voluntary compliance with the gender quota mandated by section 96(2) first sentence of the German Stock Corporation Act (Aktiengesetz; AktG) for eight years.

The diversity ratio of at least 33.3 % mandated by the Supervisory Board was also achieved at the Management Board level with the appointment of Sarah Verheyen on 1 October 2022. As at 31 December 2023, the share of women at the level of the Management Board was 50.0 % (previous year: 33.3 %).

For its part, the HAMBORNER REIT AG Management Board promotes the equal participation of women and men in management positions, and in 2022 defined a target diversity ratio of at least 28.6 % (2 of the 7 positions) for the second management level. In 2022, the second management level consisted entirely of male employees. However, in the 2023 financial year, we made progress in this area and appointed a female executive to the second management level. This brought the share of women to 14.3 % as at 31 December 2023 (1 of the 7 positions).

As part of the ongoing transformation and reorganisation projects, a further management position was created, which was filled and integrated into the management level below the Management Board as at 1 April 2024. With this position, an additional female employee was added to this management level, meaning that it is now comprised of two female and six male employees. This brings the share of women to 25.0 %.

With the expansion of the management team, the Management Board resolved to raise the gender quota for the management levels below the Management Board to 50.0 % with effect from 1 April 2024. This brings the target to at least four female members at this management level, to be achieved by 31 March 2029.

The company also intends to commit to the “Diversity Charter” initiative in future and, by adopting it, to drive forward greater diversity in the world of work in Germany and at HAMBORNER REIT AG.

GRI 2-19, 2-20, 2-21, 102-39, 405-2

The current imbalance between female and male managers is also still reflected in the salary structure of our workforce. In the 2023 reporting year, the average salary of women in the company was equivalent to 66.5 % of the average salary of the men (not reported in previous year). This figure was calculated by directly comparing the average fixed salaries of all male and female employees and the members of the Management Board.

Taking the workforce below the two management levels into account, the average salaries of female employees in 2023 was equivalent to 75.0 % of the salaries earned by men (previous year: 83.9 %).

We have decided against providing a breakdown by age structure and work area because of the comparatively small size of the workforce/individual departments and the related data protection concerns. We intend to progressively eliminate the present discrepancy in the remuneration structure and will examine further measures and alternative courses of action to achieve this goal.

Taking into account the fixed remuneration components, salary ratios between the members of the Management Board and employees amounted to 21.9 % in the 2023 reporting year. Remuneration for the management level below the Management Board and other employees totalled 36.1 % (previous year: 36.1 %) and 19.3 % (previous year: 20.9 %) of Management Board remuneration respectively. Further information on salary comparisons within the HAMBORNER workforce can be downloaded from our **website**.

With regard to the remuneration system and the remuneration structure for Management Board members, we observe the requirements established by lawmakers and the corresponding regulations for listed stock corporations. The Act on the Implementation of the Second Shareholders’ Rights Directive (“ARUG II”), which entered into force on 1 January 2020, requires the supervisory boards of listed companies to adopt a clear and comprehensible system for the remuneration of management board members and to have this approved regularly by the Annual General Meeting. The Management Board remuneration system, which was revised in 2020 and approved by the Supervisory Board, complies with the provisions of ARUG II and all recommendations of the German Corporate Governance Code. The 2021 Annual General Meeting approved the system by a significant majority.

The Supervisory Board remuneration system also complies with all legal requirements and governance standards and was also approved by a substantial majority at the 2021 Annual General Meeting. More detailed information about the remuneration systems for the Supervisory Board and the Management Board can be found in the latest remuneration report.

At both the Management Board and second management level, variable remuneration components are regularly linked to the achievement of individual or collective sustainability-related targets.

GRI 2-30

HAMBORNER REIT AG is not bound by any collective bargaining agreements. Employee remuneration is in the form of individually agreed base salaries based on the employee’s job profile. If necessary, we determine the equivalence of activities on the basis of the concrete requirements in each case. At the same time, we ensure that the above-mentioned diversity dimensions have no influence on the outcome of the negotiations. We observe the principle that all employees receive fair remuneration in line with market conditions; remuneration is regularly reviewed with the involvement of the works council and, if necessary, adjusted to individual performance and qualifications or to changes in general conditions.remuneration is regularly reviewed with the involvement of the works council and, if necessary, adjusted to individual performance and qualifications or to changes in general conditions.

HEALTH MANAGEMENT & OCCUPATIONAL SAFETY

GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-8, 403-9, 403-10

The 2023 reporting cycle again saw special attention being paid to health management and occupational safety as one of HAMBORNER's material action areas.

Within the company, our Occupational Safety Committee is responsible for health management and occupational safety. This committee, which meets regularly, consists of our safety officer, a representative of the works council, the company physician and an external occupational safety specialist.

The effectiveness of our preventive measures during the reporting cycle was reflected, among other things, in the sick day rate, which at 3.6 % in 2023 was slightly above the previous year's level (3.3 %), and was once again below the statistical average value in Germany, which is 6.8 %, according to Germany's National Association of Health Insurance Funds (GKV-Spitzenverband). The average number of sick days per employee, at 6.5 (prior year: 6.9), was once again lower than the German national average (15.2 days). As in the prior year, there were no cases of occupational illnesses or fatalities in 2023. The injury rate was 0 %, just as in the prior year.

We will continue to give high priority to health management and occupational safety in the future. We will continue to initiate all measures necessary to ensure the health of our employees and to provide them with a working environment in which they are protected from risks and hazards.

As a further measure for promoting a healthy workforce, back in 2022 we introduced an individual health budget for members of our staff. As a supplement to their regular health insurance, each employee has an annual discretionary spending budget that they can use for a range of health services. These include a comprehensive range of services for primary care and dental treatment, medicines, remedies, natural therapies, screening examinations and preventive measures.

In 2023, we worked with an external provider to prepare an employee job strain risk assessment. The information attained will be used for the identification of potential stress factors and the prompt implementation of appropriate countermeasures, to further support the mental health and wellbeing of our employees.

We reduce the risk of accidents and work-related illnesses by conducting targeted prevention and training programmes. All employees receive regular training in the areas of occupational safety, fire prevention and health protection. Business trips, in particular, are situations in which we have no control over various risk factors, and so we have taken out a group accident insurance policy for all employees who travel on business on behalf of HAMBORNER REIT AG.

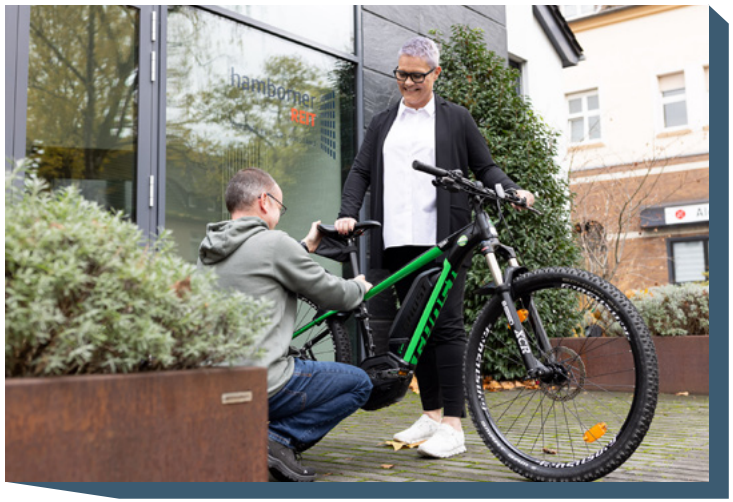
On top of this, in the previous year we further enhanced accident prevention by means of a special assessment of potential risks associated with field sales work and business travel. As a result, we have decided to expand our training programme to include special prevention training for company car users. Online training is mandatory for all regular users from 2023.

OUR COMMON UNDERSTANDING OF SUSTAINABILITY

GRI 2-7, 2-29

Our employees at HAMBORNER REIT AG are made aware of the challenges and interdisciplinary topics in our sustainability management strategy and are actively committed to them. In 2023, the operational implementation of our sustainability strategy was given even greater focus in many areas of our value chain. This once again emphasises the importance of all employees being involved and fully understanding the issues, as well as constructive dialogue as key success factors.

In 2023, the focus was once again on the strategic sustainability goals developed by our internal sustainability committee and supported by interdisciplinary organisational and procedural measures. Our approach remains unchanged – the employees of HAMBORNER REIT AG are actively involved in the continued development of our sustainability strategy and are included in important decision-making processes. After all, it is only by working together that we can successfully shape our business model.



Our employees at our administrative headquarters and at our current properties work together to create sustainable value. Team spirit is key here.

SOCIAL ENGAGEMENT

Social responsibility 77

Memberships & initiatives 78

SOCIAL RESPONSIBILITY

GRI 203-1, 413-1

In addition to the sustainability activities relating to its core business as documented in this report, HAMBORNER REIT AG is committed to supporting social projects in its wider environment. In 2023, we again focused on charities and funding and support projects.

As part of the company's first internal Social Day, our employees volunteered to help a social initiative in the local area around our company's office. We worked with the organisers to help renovate the outdoor areas of a local child care centre. This kind of social engagement not only represents an important step in promoting sustainability and social responsibility, but it also gives our employees the opportunity to work together on a meaningful project outside of their day-to-day activities in the office. This strengthens team spirit and is an opportunity for people from different departments to work together. We intend to continue pursuing this kind of social engagement in our company with initiatives such as our regular Social Days.

In the 2023 financial year, we also had the opportunity to make a contribution towards housing refugees in the Mainz region. The long-term leasing of one of our properties to the City of Mainz to provide accommodation for approximately 480 refugees was a great success for HAMBORNER REIT AG, not just commercially, but from a social engagement perspective too. Moreover, we signed "green lease" agreements with the new tenant of this property, ensuring energy supply from renewable sources and transparent data sharing.

We also exercise a direct and indirect influence on the social and urban environment in other contexts. Our properties are an integral part of the infrastructure of cities and communities. We therefore regard our contribution to the development of cityscapes to be a social responsibility.

When carrying out modernisation and renovation measures, we always observe all applicable by-laws on inner-city design, preservation and protection, such as those safeguarding heritage building façades. As a rule, this secures the preservation of a cohesive cityscape as well as the harmonious integration of our properties into their surroundings.

In addition, the leasing of our commercial properties contributes to securing local supply at our property locations. As significant portion of HAMBORNER REIT AG's retail portfolio consists of properties that are geared towards the extended local supply sector, in particular food retailing.

MEMBERSHIPS & INITIATIVES

GRI 2-28

As a portfolio holder of properties in 46 different German cities and municipalities (as at 31 March 2024), HAMBORNER REIT AG has long-standing relationships with local authorities and administrative bodies. In addition, we regularly participate in location-specific business initiatives, interest groups and marketing measures to further heighten the attractiveness of those locations and hence also the customer traffic at our properties.

The Management Board and employees of HAMBORNER REIT AG are helping to drive the sustainable transformation of the real estate industry through active engagement in organisations, initiatives and sector interest groups. These include the German Property Federation (ZIA e. V.), the European Public Real Estate Association (EPRA), the German Society of Property Researchers (gif) and the Institute for Corporate Governance in the German Real Estate Industry (ICG).

As of 2023, HAMBORNER REIT AG is also member of the Urban Land Institute (ULI), a global research and educational organisation in which over 47,000 members exchange ideas and discuss issues regarding the sustainable development and use of urban spaces, as well as other matters in the real estate industry.

In terms of multi-sector organisations, HAMBORNER REIT AG is a long-standing active member of the German Equities Institute (DAI) and has been a member of the German Alliance for Cybersecurity (ACS) since 2021.

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EPRA

ULI

ZIA
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gif
Gesellschaft für Immobilienwirtschaftliche Forschung e. V.
Society of Property Researchers, Germany

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GRI CONTENT INDEX

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Statement

- HAMBORNER REIT AG reports here in accordance with the GRI standards for the financial year 2023 (1 January to 31 December 2023).
- GRI 1 used / GRI 1: Basic principles 2021
- Applicable GRI sector standard(s): Currently no applicable GRI industry / sector standard available

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Publisher
HAMBORNER REIT AG
Goethestraße 45
47166 Duisburg
Tel.: +49 203 54405-0
Fax: +49 203 54405-49
Email:: info@hamborner.de
www.hamborner.de

Contact for investors and media
Christoph Heitmann
Head of Investor Relations, Financing & Corporate Communications
Tel.: +49 203 54405-32
Email:: info@ir.hamborner.de

Contact for sustainability management
Timo Kappius
Senior Manager Sustainability & ESG
Tel.: +49 203 54405-47
Email:: esg@hamborner.de

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As part of the preparation of the report, the professional support of an independent consulting firm was enlisted for selected topics. An additional external audit of the contents of the report as well as the consumption data and emissions cited herein did not take place.

This report contains forward-looking statements. These statements relate to estimates, opinions and predictions relating to the expected future development of HAMBORNER REIT AG, which are based on current assumptions and estimates by the Management Board and were based on information available at the current time. Forward-looking statements should therefore not be taken as a guarantee of future performance or results and are not necessarily accurate indicators that the forecast developments will occur or that the expected results will be achieved. Future performance and results depend on a variety of factors. These include various risks which have been described in detail in the risk report in the latest annual report. HAMBORNER REIT AG assumes no obligation to update the information, forward-looking statements or conclusions contained in this report or to correct or include subsequent events or circumstances, or to correct any inaccuracies that become evident following the date of publication of this report.

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