DIC

ESG+

Know how and know why

SUSTAINABILITY REPORT 2020

Content

This report contains navigational links for online use. The table of contents, sidebar, text links, GRI lables and page numbers in index tables are linked.

DIC ASSET AG – SNAPSHOT

GRI 102-1 GRI 102-4 GRI 102-7

DIC Asset AG (DIC) is Germany's leading listed specialist for commercial real estate with more than 20 years of experience on the real estate market and access to a broad-based network of investors. Our business is based on a regional and inter-regional real estate platform with eight offices on the ground in all major German markets: Berlin, Cologne, Düsseldorf, Frankfurt am Main, Hamburg, Mannheim, Munich and Stuttgart. We currently manage 231 assets with a combined market value of c. EUR 11.4 billion (as at 31/12/2020: EUR 9.6 billion) on site, always close to our properties and their occupiers.

Employing 272 professionals, we pursue an active asset management approach that realises capital appreciation potential and increases earnings across the company. Our spectrum of deliverables includes the structuring of investment vehicles, acquisitions and financing, the ongoing management of the real estate inventory under our management, and the repositioning and disposal of selected properties

GRI 102-2

Diversified and Sustainable Cashflows
In our two business divisions, we generate diversified and sustainable cashflows, including rental income, income from management fees, sales proceeds, and investment income:

- The Commercial Portfolio segment (with currently EUR 2.0 billion in assets under management) represents the proprietary real estate stock of DIC. Here, we generate steady cash flows from stable rent revenues on long-term leases while also optimising the value of our portfolio assets through active management, and realising gains from sales.

- In the Institutional Business segment (with currently EUR 9.4 billion in assets under management), we earn recurrent fees from real estate services we provide to national and international institutional investors by structuring and managing investment vehicles that return attractive dividend yields.

GRI 102-9 GRI 102-3

In-house property management teams provide a direct service to tenants, working out of our branch offices in each of the regions that our portfolio focuses on. Staying in close touch with our tenants and with regional markets gives us a head-start in terms of local footprint and know-how and thus an edge over national and international competitors with no presence on the ground. Our activities seek to secure and increase rent revenues and net income as well as the value of our real estate assets. To this end, we monitor and control the entire value chain – from the acquisition, to the property management, and all the way to the eventual disposal – as well as our use of resources.

DIC Asset AG, domiciled in Frankfurt am Main, has been SDAX-listed since June 2006.

OUR OVERALL PORTFOLIO* GRI 102-6

as at balance sheet date of 31 December 2020 (end of the reporting period)

Region		North	East	Sentral	West	South	Total
Number of properties	2020	28	17	48	53	43	189
	2019	27	17	44	50	42	180
Market value, in EUR million	2020	775.6	930.7	4,344.3	2,179.8	1,364.1	9,594.5
	2019	722.4	908.6	3,419.7	1,441.7	1,137.0	7,629.4
Breakdown by market value	2020	8 %	10 %	45 %	23 %	14 %	100 %
	2019	9 %	12 %	45 %	19 %	15 %	100 %
Annualised rent (in EUR million)	2020	33.6	32.0	134.4	100.2	57.5	357.7
	2019	34.8	32.8	110.2	71.3	53.2	302.3
Average rent, in EUR per sqm	2020	11.90	12.47	18.20	12.34	11.67	13.86
	2019	11.28	13.39	16.72	11.09	11.20	12.97
Average lease term, in years	2020	8.2	5.5	6.5	6.6	6.9	6.7
	2019	8.9	6.0	5.5	5.3	7.0	6.2
Gross rental yield	2020	4.6 %	3.4 %	3.9 %	4.6 %	4.2 %	4.2 %
		4.8 %	3.6 %	4.3 %	4.9 %	4.7 %	4.5 %

* All figures as of 31 December, not including property developments and warehoused assets except in regard to the number of properties and market value; including third-party assets, except in regard to average rent, average lease terms and gross rental yield

OUR ESG-JOURNEY

We are here:

2021

Introduction of whistle-blower system (2017)

Comprehensive revision of the **compliance structures and related guidelines** (2017)

Definition of the **diversity concept and targets** for the proportion of **women in executive positions** (2015)

Compliance guideline established (2013)

“**Smart metering**” project kicked off (2020)

Bundling energy contracts in order to **standardise consumption data and green energy mix** (2019)

“Green Energy” project: Common-area electricity supply to 100% from renewable energies for the DIC real estate portfolio (2011)

Introduction of “**green clauses**” in standard lease agreements (2012)

Integration of sustainable aspects in facility management service agreements (2011)

Newly created position **Head of Sustainability** filled (2021)

Set-up of ESG working group: incl. identification of ESG-relevant optimisation potential in business processes (2020)

Materiality analysis and stakeholder survey to identify the most important sustainability aspects (2016/2017)

Attractive employer: Relocation to state-of-the-art work environment for the benefit of our staff (2014)

Implementation of sustainable urban development projects (MainTor)

Launch of new **ESG website** (2021)

First digital sustainability report (2020)

Conversion to the “**GRI Standards**” framework, and first-time “**EPRA Silver**” Award for sustainability report (2018)

First separate sustainability report (2011)

First-time communication about sustainable business activities (2009)

Definition of a **20% green building quota** for the existing property portfolio by the end 2023 (2021)

Placement of **ESG-linked promissory note** over EUR 250 million (2021)

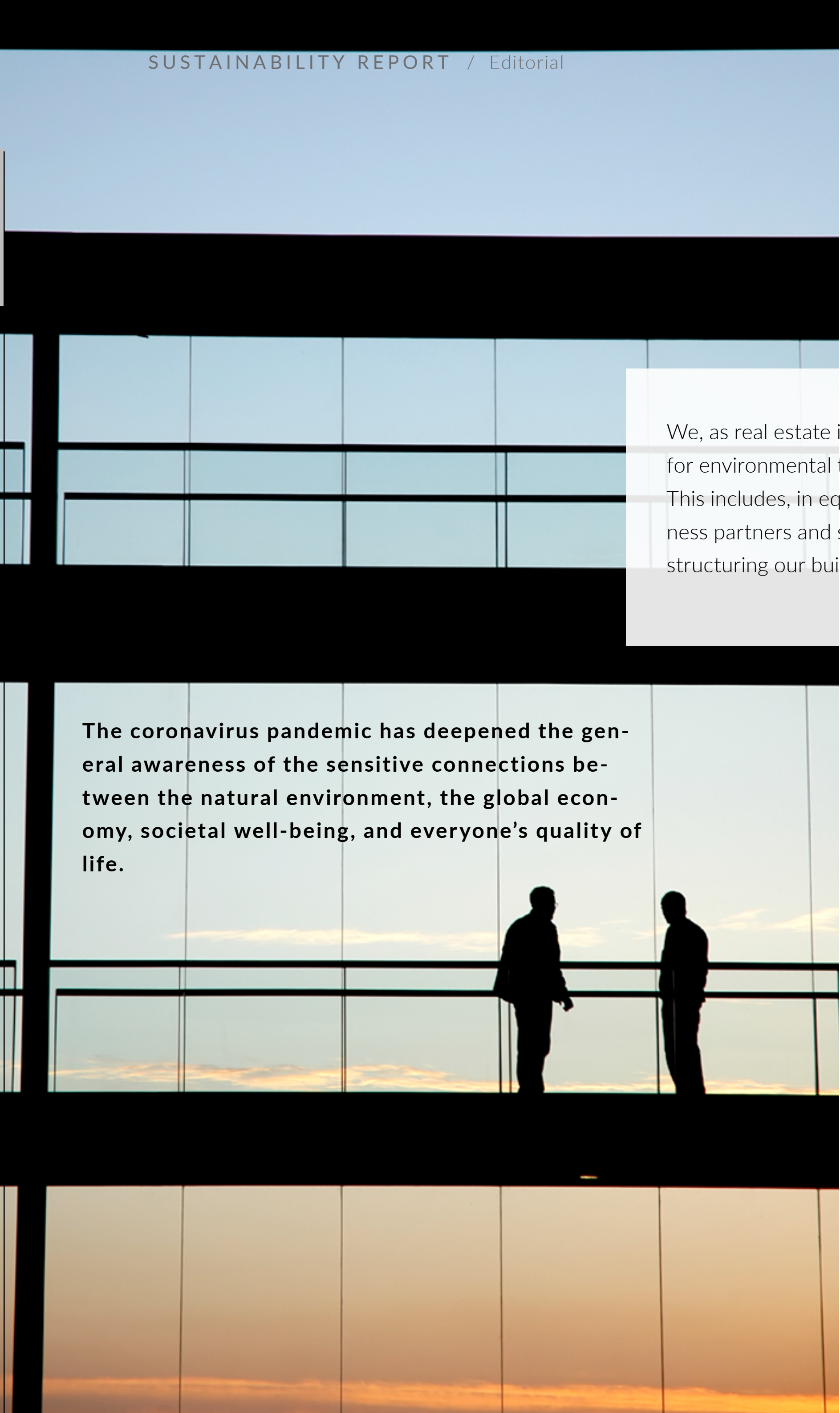
2009

"Our ESG Journey Continues": Our sustainability report is a snapshot that takes stock of the things we achieved so far while also taking a look at the next milestones to focus on in our ongoing evolution. Let us invite you to learn more about our ESG horizons and our strategic compass.

GRI 102-14

Dear Reader,

It is not just the real estate industry that talks about the mega trends of ESG and digitisation, which we have gradually embedded in our company over the past years: In the years ahead, these trends will be among the key factors deciding over the success or failure of real estate value creation and the long-term viability of business models. With this in mind, let me say right off: We at DIC are optimally equipped to handle the job, as we have spent well over ten years setting up the framework for a sustainable and viable DIC business model that will live up to the expectations of all stakeholders.



Even and especially the real estate industry, which accounts for about 40% of Germany's total energy consumption and for well over 30% of the CO_2 emissions, is considered a key industry in the struggle to achieve the national and international climate targets which have been known to us since the Paris Climate Agreement of 2015 or since the publication of the "Financing Sustainable Growth" action plan in March 2018. Just a few weeks ago, the latest re-enactment of Germany's Federal Climate Change Act (KSG) was moreover signed off by the federal cabinet in response to a ruling by the Federal Constitutional Court, further tightening the national climate targets.

We, as real estate industry players, are assuming responsibility not just for environmental topics but also for many other sustainability aspects. This includes, in equal measure, employees, tenants, investors, business partners and society at large, which we take into account when structuring our buildings and our built environments.

The coronavirus pandemic has deepened the general awareness of the sensitive connections between the natural environment, the global economy, societal well-being, and everyone's quality of life.

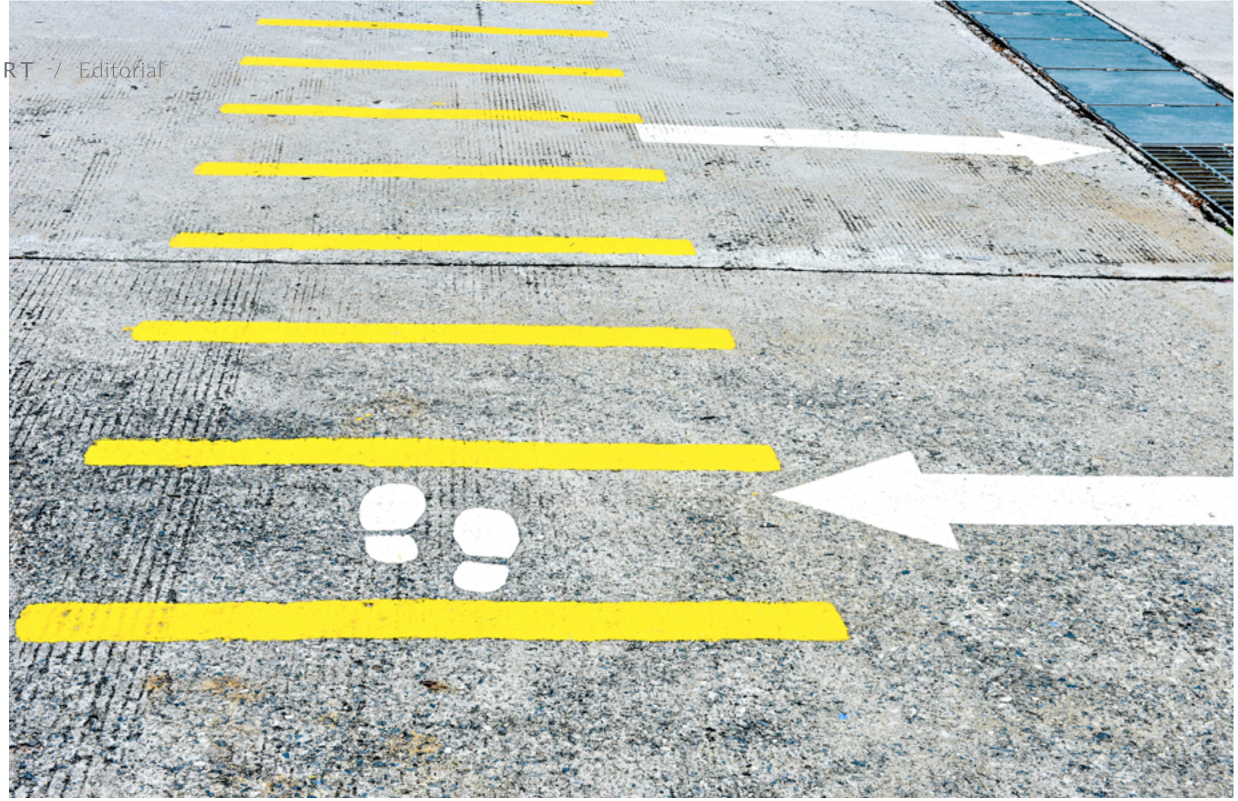
The perception of the ESG paradigm among the general public and in the global investor landscape has shifted under the impact of the coronavirus pandemic. No doubt, the exceptional situation in 2020 has acted as an extra catalyst to boost the role of ESG for the global economy. Public awareness of the topic of climate change has also increased significantly in the wake of the coronavirus crisis, because it has raised a very central question: What is our long-term vision for the relationship between mankind and its natural environment? Against this background, professional investors have increasingly shifted the focus of their investment policy to sustainability strategies, and begun to implement ESG criteria in their investment decisions. Moving rapidly away from the notion that this is a "nice-to-have" feature, we have come to talk about it as a "must-have." Market players, far from paying philosophical lip services to just the idea, have progressed to dimensions that speak for themselves: According to the latest market report (2021) of the FNG Forum for Sustainable Finance, more than EUR 335 billion were committed in sustainable investments in Germany by the end of 2020. It implies a 25-percent increase since 2019. We can safely conclude therefore that sustainability is a long-term subject, and it is fast becoming one of the main drivers of future investment strategies for capital providers.

In addition to ESG, another factor that will be influential for the future success of business models is digitisation. Again, the coronavirus pandemic acted as a catalyst because digitisation has played a key role both for the effort to get an analytic grasp of the whole picture and for the dynamic of the response. It has ultimately been decisive for the capacity to act, for swift decision-making, and for the control options. So, it comes as no surprise that companies with a high level of digitisation have shown a more robust and flexible response when coping with the pandemic.

We consider "Big Data" a new resource that helps us to optimise the ways in which we use all other resources.

But apart from this snapshot: Using information technology to collect and process data more efficiently will serve as basis for making the complex parameters of real estate more transparent in future. This includes the "DNA" of the over 230 properties that we manage on a daily basis from our eight branch offices in Germany via our proprietary real estate platform.

Being in this business for the long term, we are well aware of the advantages that the standardisation and automation of operational and administrative processes offer – not just for us, but for all stakeholders. It is one of the reasons why we see digitisation as an additional if central building block of our ESG strategy, and why we will, for one thing, employ "Big Data" to optimise energy consumption rates and emissions.



That being said, we are also aware that a successful ESG strategy is not a finite project eventually completed, but that it will remain subject to review year after year. New milestones to focus on will successively be added. In order to stay abreast of the progressive evolution of our company, we reinforced the management team by creating the "Head of Sustainability" position in early 2021.

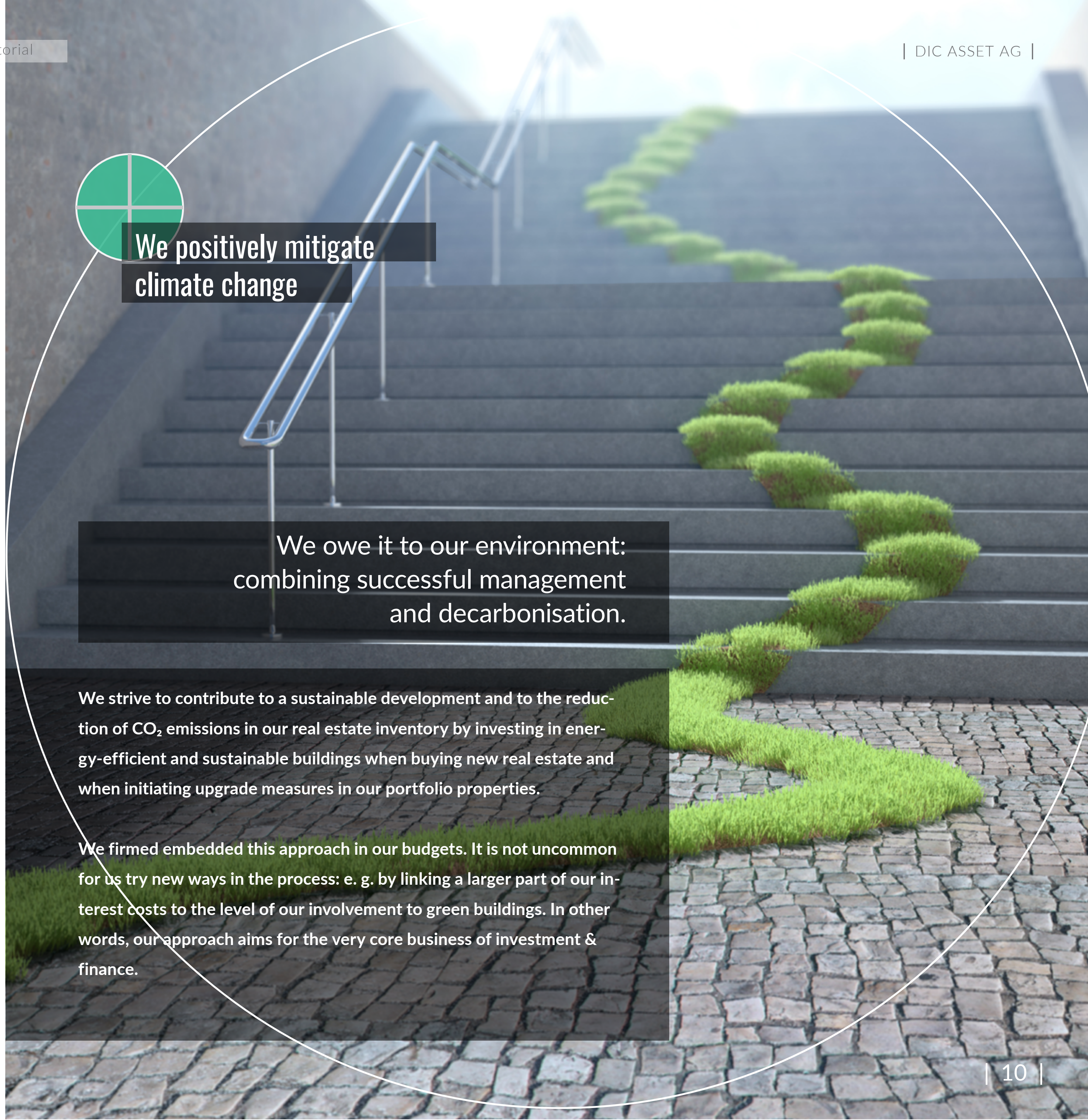
In the present report we are not just taking a look back at the past sustainability performance of 2020. Instead, we present to you our expanded ESG strategy that is now centrally embedded in our claim "**We manage our business proactively in line with sustainability aspects by our experienced management.**" As an important consequence of our insights and convictions, we focus on the outlook inscribed in our current **ESG roadmap**, which we use for setting both near-term and medium-term goals, and which we keep expanding continuously.

IN THE SAME VEIN, WE ADOPTED THE FOLLOWING GUIDELINES FOR OUR BUSINESS:

1. We positively mitigate climate change:

DIC has integrated ESG aspects into all phases of its value-adding model, and uses it to exploit potential. We pursue an 360-degree approach that takes advantage of our in-house management platform to cover a broad bandwidth of the real estate value chain. It also keeps supplying us with fresh impetus for our entrepreneurial dynamic which we have seamlessly and cyclically sequenced into the phases "match – transact – operate – develop." Our objective is to act sustainably across all of these phases – think of it as the basis for our ESG management approach.

Our objective being: to increase the sustainability of our real estate by identifying ESG potential and by implementing the corresponding upgrades of our portfolio buildings. We aim for a balanced relationship between return expectations and the necessity to invest sustainably. We see this as an opportunity to use our knowledge and data advantage to transform our properties in line with sustainability aspects to make them fit for the future.



We positively mitigate climate change

We owe it to our environment: combining successful management and decarbonisation.

We strive to contribute to a sustainable development and to the reduction of CO_2 emissions in our real estate inventory by investing in energy-efficient and sustainable buildings when buying new real estate and when initiating upgrade measures in our portfolio properties.

We firmed embedded this approach in our budgets. It is not uncommon for us try new ways in the process: e. g. by linking a larger part of our interest costs to the level of our involvement to green buildings. In other words, our approach aims for the very core business of investment & finance.

We shape our business with and for the people

We are superbly positioned for the job:
Via our many contacts and our network,
we act as stimulus for
sustainable action, day after day.

Initiative, mutual support and fairness:
These are all part of a corporate ethics that governs our interaction on a personal level.
And that is motivated by the reassuring awareness:
We make a difference!

It is the foundation of our "dynamic performance."
Backed by the energy and the daily involvement of each staff member.

2. We shape our business with and for the people:

DIC is growing both organically and inorganically, in line with its corporate strategy. Of the essence in this context are the trust of our investors, the dialogue with our tenants, and the productive collaboration with our business partners. The constant involvement of our employees and their extraordinary dedication illustrates the dynamics of our business model. Our aspiration is to take an active approach to the expectations in a strong corporate culture: This way, we demonstrate that many different angles and contributions can interact to achieve success, and turn the ideal of a corporate culture into a living workday reality.

3. We are a reliable partner, and conduct our business activities in a transparent and accountable manner:

Our ambition is to present our ESG strategy, our ESG management approach and the associated targets and disclosures on a regular basis and in transparent ways. The task we will always set our-selves in this context is to integrate fresh insights and to pursue target-oriented improvements within the meaning of sustainable corporate governance. Yet since we interact with many other players along our development path, and since we see ourselves in the role of a structuring partner, we look beyond our own balance sheets: We also actively involve ourselves in the ongoing evolution of the real estate industry. Self-commitment and active involvement form an integral part of our company.

Trust is a precious thing.
Trust gives us the very ability to be quick, innovative and dynamic.

Trust is the basis for our growth and for the capabilities of our company to use resources in pin-point ways for the ongoing development.

Accordingly, we need to make a major effort to ensure that business partners and stakeholders perceive our business as trustworthy and reliable.

We see to it that knowledge and new insights are quickly structured and made available to decision-makers. Doing so enhances the trustworthiness of our company.

We are a reliable partner, and conduct our business activities in a transparent and accountable manner

4. We use digitisation for ESG purposes as yet another building block (3+1):

Climate change mitigation, sustainability and digitisation are gradually becoming key drivers of the ongoing development of the global and the national real estate market. The three ESG dimensions of “environmental,” “social” and “governance” are closely linked to digitisation as a fourth building block in our “3+1” corporate strategy. While taking an active and sustainable management approach to both our proprietary and third-party real estate assets, we are also in the process of digitising more and more of our internal work streams.

Making more out of it:
Better service.
Higher quality.
Smarter use of resources.

By expanding our digital services for investors and tenants, and by conducting the collaboration and coordination in commercial and technical facility management virtually in real time, we keep picking up the pace.

Because our “ESG journey” has made us realise that we are tapping new potential with every milestone we pass. It is potential that complements our business model and drives qualitative growth.

Dear reader, we see ourselves as a highly dynamic company that continues to evolve and will not hesitate to try new approaches. Driven by our corporate maxim of “dynamic performance,” we keep setting new milestones for ourselves like “payments” toward a sustainable tomorrow.

In the ongoing year of 2021, we have actively and successfully moved things forward: In April, we implemented our first green finance project by placing a promissory note over EUR 250 million that is linked to our ESG performance. The promissory note ties in with a central objective of our ESG strategy and ESG roadmap: to expand the green building quota in our proprietary real estate portfolio. Raising the quota from 11.6% today to over 20%, measured in terms of our portfolio’s market value, will give us a chance to reduce our interest expenses in the future while making a positive contribution to climate change mitigation at the same time.

New ESG milestones have already been identified, offering the prospect of further win-win constellations for our stakeholders. “Our ESG journey continues. Know how and know why”: You are hereby invited to stay aboard and to keep supporting us with our ESG strategy in the years ahead!

Yours,
Sonja Wärntges

1 STRATEGY & ESG

OUR CORPORATE STRATEGY AND OUR BUSINESS MODEL

GRI 103-1 GRI 103-2 GRI 103-3

The corporate strategy of DIC centres on the generation of secure, steady long-term income via our highly productive in-house property management platform.

DIC pursues an active asset management approach that realises capital appreciation potential, and increases earnings company-wide. Our spectrum of deliverables includes the structuring of investment vehicles, acquisitions and financing, the ongoing management of the real estate inventory under our management, and the repositioning and disposal of selected properties.

The objective here is to increase the rental income and property market value of the directly owned assets of the Commercial Portfolio, and to boost the recurrent revenues from the management services that are generated in the fast-trading institutional investor business. In this context, DIC focuses on the constant exploitation of opportunities and a sustainable optimisation of its business strategy.

360-Degree Value Creation and Presence on the Ground

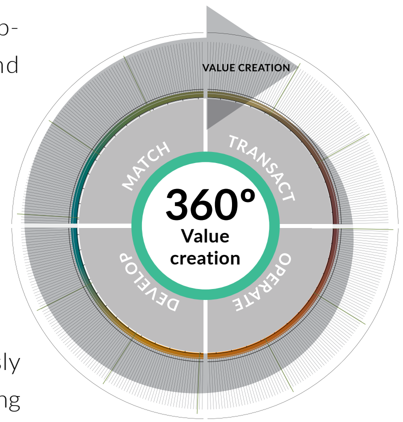
The company maintains a local presence of dedicated teams in eight regional branch offices that are located in Germany's leading real estate markets. Having such a direct and regional presence on the ground regularly opens up buying, selling, letting and repositioning opportunities while also enabling the company to cover the entire real estate value chain in its management of real estate assets. The revitalisation and repositioning of existing properties as the key to dynamic appreciation represents a service area that has been significantly expanded in recent years.

Investing in, trading and managing real estate is therefore the focus of our business activities. Our business model is unique insofar as it has turned a formerly straight-line value chain into dynamic circular processes. This way, we deliver 360-degree value creation to our investors and shareholders while also taking advantage of strong synergy effects.

Our business model is based on an integral management platform that includes the following elements:

Match: matching properties, occupiers and investors

Transact: initiating and structuring transactions for growth and with a view to realising the appreciation achieved



Develop: continuously developing, maintaining and optimising the real estate stock under management

Operate: comprehensively operating properties with an active and sustainable management approach

The result is a seamless value-creation process across the entire real estate lifecycle and through all market cycles.

In this context, we combine our involvement as property asset holder with the deliverables we provide as initiator and manager of investment products for institutional clients. This way, we ensure reliable deal flows and cash flows on our platform, and act as a full-service system provider who covers all aspects of commercial real estate investments. By taking an 360-degree approach that integrates all players and phases of property management, we optimise the use of resources, such as capital and know-how, while effectively networking assets, occupiers and investors on a single platform.

The steady growth of our platform's range of deliverables and its profitability is driven by the know-how of our in-house management teams across the entire range of our business lines, on the one hand, and by the dynamics of our transaction activities, on the other hand.

For a detailed account of our strategy, please see our 2020 Annual Report on our homepage at www.dic-asset.de.

OUR ECONOMIC OBJECTIVES FOR 2021

DIC is looking back on a prosperous financial year of 2020, having demonstrated its productivity once again, and having done so under the difficult circumstances of the Covid-19 pandemic. The forecasts for the key metrics were fully met and, in some cases, exceeded.

With the presentation of the consolidated financial statements for 2020, new targets were defined for 2021, which were reaffirmed at the end of the first quarter of 2021. We expect the financial performance indicators of the DIC Group to develop as follows:

Continued growth in assets under management: We are planning for an **acquisition volume** of EUR 1.2-1.8 billion across segments, thereof EUR 200-300 million for the Commercial Portfolio and EUR 1.0-1.5 billion for the Institutional Business

Sales after completed value creation: We expect **sales in a volume** of EUR 300-400 million across segments, with assets from the Commercial Portfolio accounting for c. EUR 100 million and assets from the Institutional Business for EUR 200-300 million

Gross rental income from the Commercial Portfolio in an amount of EUR 98-102 million

Income from property management of EUR 94-104 million

FFO growth: target corridor of EUR 106-110 million

Medium-term target
EUR 15 bn
in assets under management

Key assumptions for the business forecast include swift progress with the nationwide vaccination program, a recovery of the German economy that will gather momentum in the second half of the year, and no abrupt monetary policy changes by the European Central Bank.

ESG AT DIC

„Know how and know why“

SUSTAINABILITY AS KEY COMPONENT OF OUR CORPORATE STRATEGY

GRI 102-11 GRI 103-1 GRI 103-2 GRI 103-3

As one of Germany's leading listed real estate companies, DIC has committed to a sustainable development: To ensure its long-term financial success, the company's management board attaches great importance to ESG aspects ("environmental, social, governance") in addition to economic aspects. In dealing with these issues, the focus is on identifying, monitoring, mitigating and avoiding adverse consequences of our business activities, including for the properties under our care (Digression: The Sustainability Context and Industry-Specific Challenges).

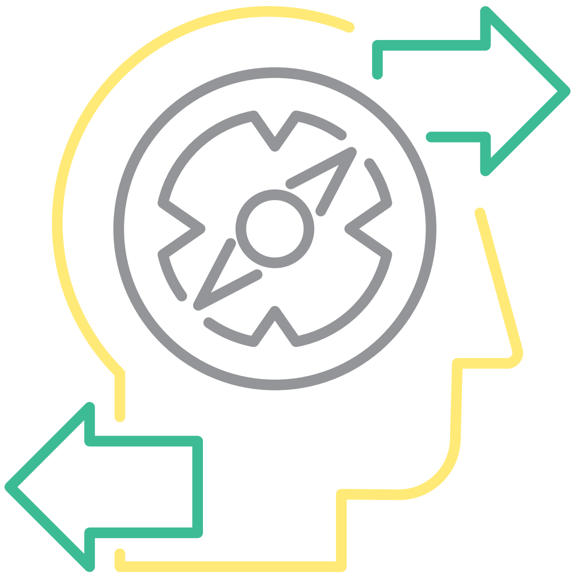
We consider it our duty to make a positive contribution to climate change mitigation. We strictly adhere to environmental, safety and social requirements, and apply the precautionary principle. Active communication with tenants, business partners, employees, investors and occupiers plays a key role in this context. After all, it is the cultivation of lasting stakeholder relationships, characterised by integrity and reciprocity, that lets you define our priorities when seeking the most effective ways to handle new challenges and opportunities.

Sustainability as Challenge and Opportunity for the Global Real Estate Industry

We started defining our principles for the economic, environmental and social dimensions many years back, when DIC presented its first separate sustainability report for the 2011 financial year.

In the years since, sustainability has successively gained in significance for all of our business units. The regulatory requirements imposed to achieve the Paris climate targets, the growing trend to redirect investments in sustainable financial products, societal development and, not least, global trends represent both challenges and opportunities for the real estate industry.

In early 2021, we filled the newly created position of Head of Sustainability for the purpose of intensifying our ESG activities and to implement a more thorough sustainability strategy for all group entities. Another thing we did in early 2021 within the framework of the ongoing evolution of our company and of our business model (360-degree approach) was to intensify our analysis of stakeholder needs, of societal changes and mega trends, and of expectations within the industry, not least considering whether and how these will impact present and future corporate action, our business and our value creation. Based on these efforts, we will keep developing our corporate strategy along ESG lines in 2021 e.g. UN Sustainable Development Goals – SDGs), and intensify our focus on topics that are subject to our direct and indirect influence.



We initiated the process of continuous development, redefined our ESG strategy including guidelines and values, and reorganised the company in line with the ESG dimensions. The already initiated and planned actions along with the targets set for 2021 will be discussed in the following.

Dr. Kati Herzog,
Head of Sustainability

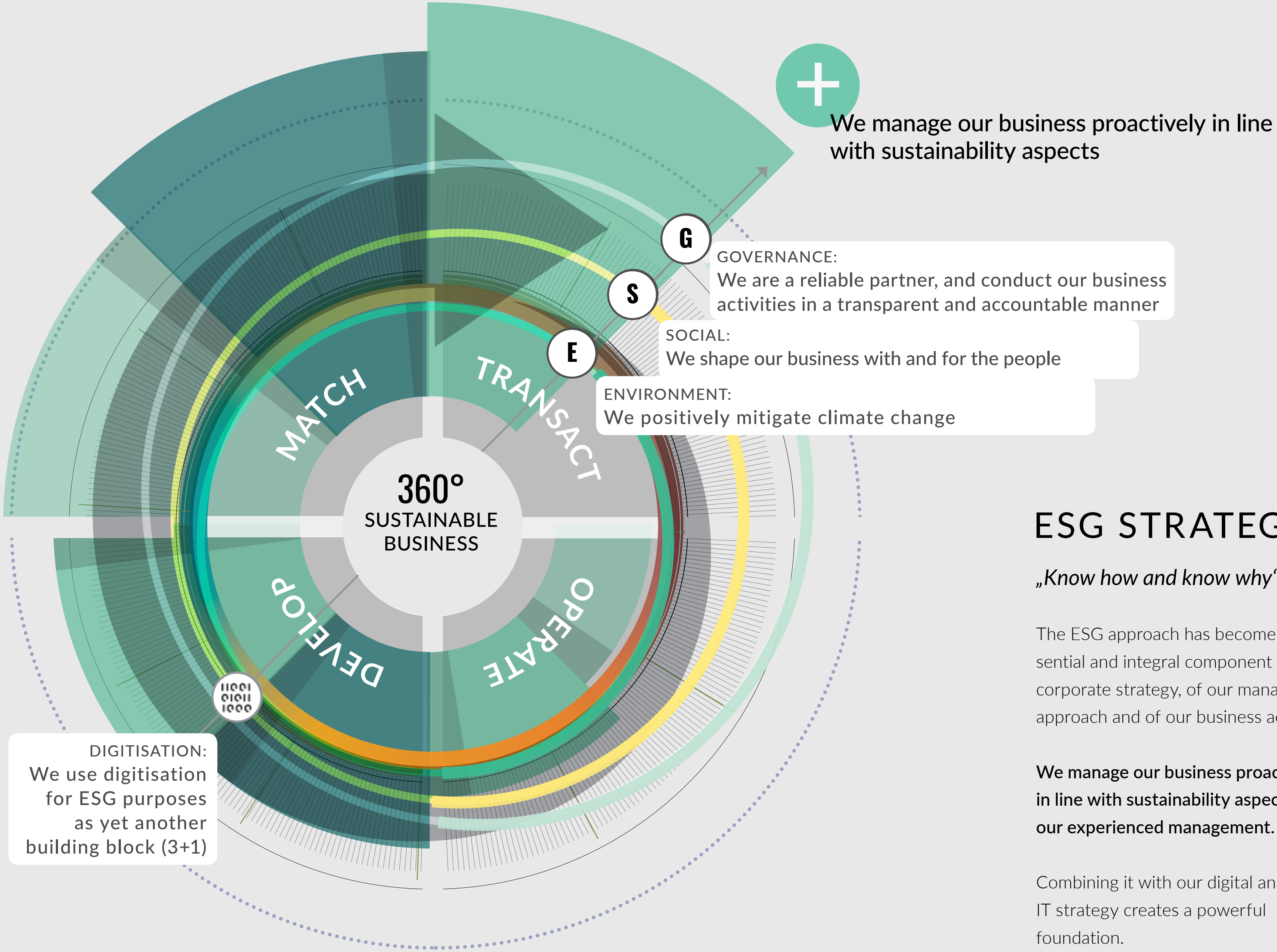
What Makes ESG so Significant for DIC?

As a listed company, DIC is very much in the public eye. This translates into high expectations in our sustainability performance and in our transparency. Since our business model consists of two complementary segments – the proprietary property stock (Commercial Portfolio) on the one hand, and the third-party business (Institutional Business) on the other – we are not only subject to regulatory requirements, but also engage with industry trends and the most diverse needs of our stakeholders, which include our shareholders, tenants, and institutional clients.

The sheer variety of topics that we gather under the ESG umbrella on the basis of our performance profile and our 360-degree approach is broad, currently very dynamic and simultaneously complex: The topics range from operational to strategic in character, i. e. from the heating system to individual properties and funds, all the way to group-level issues that concern both our business and our employees and real estate. Plus, they interact and have ramifications for the overall ESG picture.

ESG has become an integral part of day-to-day business. We are now taking things a step further along the same lines in order to get everyone in the company to come aboard and to ensure that DIC is making good progress with its ESG agenda.

„We cannot see into the future, but we can lay the groundwork for what is to come – the future is for us to build.“
Antoine de Saint-Exupéry



ESG STRATEGY

„Know how and know why"

The ESG approach has become an essential and integral component of our corporate strategy, of our management approach and of our business activities.

We manage our business proactively in line with sustainability aspects by our experienced management.

Combining it with our digital and IT strategy creates a powerful foundation.

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ENVIRONMENT 3
SOCIAL 4
GOVERNANCE 5
ECONOMY 6
APPENDIX 7

WE **POSITIVELY MITIGATE** CLIMATE CHANGE

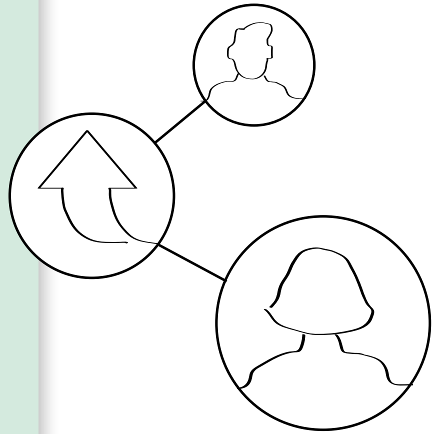
Showing responsibility for the environment forms an integral part of our corporate strategy.

We intend to contribute actively to the **decarbonisation** of the European buildings sector.

Rolling back carbon dioxide emissions and reducing the environmental impact and resource depletion are among the priorities of DIC. This goes for our own business activities, our proprietary real estate stock, and for the third-party real estate we manage.

Our efforts centre on efficient management, on energy efficiency upgrades to buildings, and on sustainably operated and managed investments.

Our conduct focuses on a responsible, integrating and always **fair interaction** with our employees, tenants, occupiers and business partners, and ties in with our ambition to contribute to the sustainability of society at large.



SHAPING OUR BUSINESS **WITH THE PEOPLE AND FOR THE PEOPLE**

The knowledge, skills and involvement of our employees constitute the bedrock of our company's success. We are well aware how **valuable our employees** are, and will do everything we can to retain them long-term and to promote their skills and know-how.

As employer, we embrace the responsibility to provide a positive corporate culture and to ensure a safe, socially fair and healthy work environment. The collaboration is supposed to be defined by motivation, diversity, an entrepreneurial mindset and behaviour, autonomy, flexibility and expertise.

As asset manager and specialist for commercial real estate, we invest in the attractiveness and quality of our assets, striving to structure them in profitable and forward-looking ways. In the process, we take account of present and future stakeholder interests as well as of societal challenges and the resulting property-specific requirements. **Tenant satisfaction** with our properties and our range of amenities is therefore of key importance to us.

Since we are part of society, we engage in pro-bono work and social involvement while also working actively to shape support our industry through membership in industry associations and interest groups.

WE ARE A RELIABLE PARTNER and conduct our business activities in a transparent and accountable manner

We attach great importance to corporate governance along the lines of our sustainability approach. We pledge to adopt a responsible and lawful conduct in our actions. We understand this to include adherence to the principles of ethical conduct and integrity within the company, in particular compliance with legal provisions, internal company guidelines and self-imposed values.

To meet this standard, we seek to enhance transparency and to integrate the ESG dimensions consistently and in a networked manner on all levels of our organisation.

This includes the updating of our ESG strategy and our ESG management approach, the definition of ESG responsibilities and the continuous development of processes and standards, the integration and implementation of ESG targets in our business processes, open and **transparent reporting,** and the assessment of sustainability risks to which our investment activities may be exposed. Also part of our governance accountability are the periodic exchange with our stakeholders and sustainable financing arrangements.

3+1

ESG and digitisation constitute the **key topics** for our company with a view **to the future.**
Digitisation is closely dovetailed with our ESG strategy.

WE USE **DIGITISATION** FOR ESG PURPOSES

We want to keep developing our business model in order to be able to offer new **digital services and products** that provide added value for our investors, our tenants and for our properties, e.g. by using efficient data structures to control and optimise energy consumption rates, emissions and resources.

We intend to use **digital tools in our management approach and processes** to implement the three ESG dimensions.

ORGANISING & EMBEDDING ESG IN THE COMPANY

It will be decisive for the success of DIC in its sustainability claim to clearly embed the approach in its organisational structure, and to get the various organisational entities to cooperate and to commit their know-how on ESG topics at the relevant interfaces.

Responsibility for the sustainability topic rests with the chairman of the management board (CEO/CFO) of DIC Asset AG, and it is periodically discussed with the Supervisory Board in the context of the company's business strategy.

With the creation of the position "Head of Sustainability" in early 2021, the ESG topic has been reorganised and further gained in standing within our company.

Ongoing development
ESG strategy

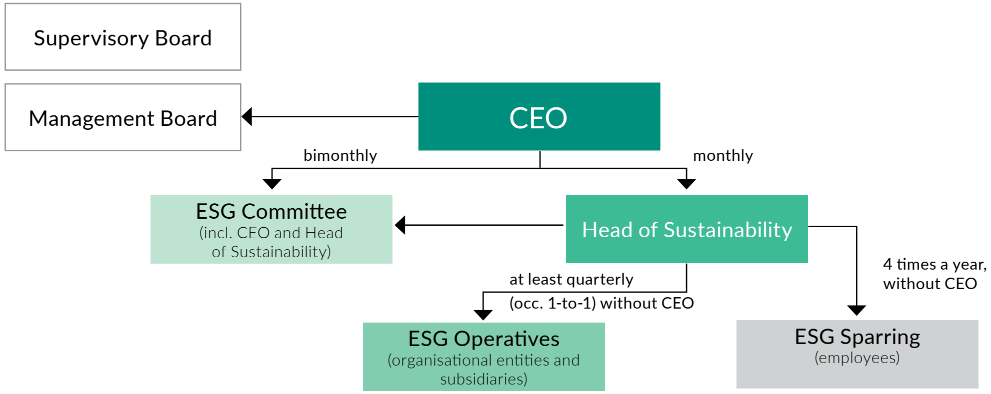
Intensification of
ESG activities

The Head of Sustainability reports directly to the CEO and is closely integrated into the ESG-related decision-making processes in the company. The job of the Head of Sustainability is to keep developing the ESG strategy and to intensify the ESG activities within the administrative and operational divisions. Part of the job is the identification, target definition and central control of strategic and economically feasible ESG projects along the value chain of DIC, the supervision of the implementation of governance topics, the ESG reporting, and the sustainability communication.

Initiating ESG Measures

In 2021, an ESG Committee will be set up which will be staffed with the CEO, the Head of Sustainability as well as employees from the units Investor Relations & Corporate Communications, Human Resources, Investment, Portfolio Management, Development, and Corporate Finance, and whose purpose will be to pass major decisions concerning the orientation of the ESG strategy and the ESG targets. It will be the ESG Committee's job to define ESG priorities, and to initiate ESG measures.

The operational control, implementation and processing of ESG topics and projects takes place in the organisational entities identified by the organisational structure of DIC ("ESG Operative"). This is where the ESG project heads are appointed who will be in charge of implementing and achieving the set targets in day-to-day business, and who periodically report to the Head of Sustainability.



Top-Down and Bottom-up Approach within the Organisation

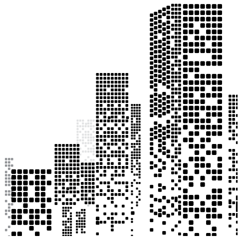
In addition to the top-down approach, a second component equally important for our company is the bottom-up approach to the sustainability topic. The success of DIC is explained by the team's "dynamic performance" approach that lets us combine personal fortes.

It started in late 2020 with cross-divisional ESG sparring rounds on the executive level that focused on technical and economic ESG issues. In future, we intend to establish a system for the periodic exchange on ESG issues among all employees, and to encourage them to contribute their ESG ideas and innovative solutions on the subject of ESG.

Implementation and Target Achievement in Day-to-Day Business

WE POSITIVELY MITIGATE CLIMATE CHANGE:

OUR ASSETS UNDER MANAGEMENT – PROPRIETARY REAL ESTATE & INSTITUTIONAL BUSINESS



We contribute to a sustainable development and to the reduction of CO_2 emissions in our real estate inventory by investing in energy-efficient and sustainable buildings when buying property and when initiating measures in individual properties (Digression: The Sustainability Context and Industry-Specific Challenges).

AGGREGATION

On the basis of our **360-degree approach** (MATCH – TRANSACT – OPERATE – DEVELOP), which applies throughout the company, we developed an ESG management approach that we are currently implementing in our organisation. It is part of the process to keep integrating latest developments within the regulatory framework and best-practice solutions. The ESG management approach works both for the management of our Institutional Business and for the management of our proprietary holdings (Commercial Portfolio).

The aggregation (status assessment) and first-time analysis (screening) of our inventory and every added property in terms of the various ESG aspects constitute the necessary basis for the sustainable development of our real estate and thus of the company as a whole. In early 2021, we started our portfolio screening for the location positioning of the Commercial Portfolio using selected, recently prioritised ESG criteria (Highlights 2021). The analysis is conducted in adherence to regulatory requirements, DIC objectives and science-based targets (incl. CREEM). We will now continue to expand the process to include our entire real estate platform – both in width and depth. Going forward, it will be of the essence to integrate and anticipate future ESG developments and criteria, especially regulatory ones (e. g. through disclosure and taxonomy) and thus to take a proactive approach to ESG structuring.

The annual review and the drafting of ESG action plans for the assets under our management are important steering instruments.

REVIEW

REGULATION

OUR ESG MANAGEMENT APPROACH

This means concretely that we will need to **develop** our proprietary portfolio on the basis of DIC-specific criteria and of an ESG scoring that is still under development (MATCH), to **acquire** suitable properties while **disposing** of unsuitable ones (TRANSACT), to practice sustainable **letting and management** (OPERATE), and to **keep developing** it in structural, technical and innovative ways (DEVELOP).

Portfolio alignment with ESG criteria

Development of fund products with ESG characteristics

Our ambition is to meet the expectations of our industry, our partners, our investors and shareholders, to disclose ESG-related information in a dedicated and value-adding manner, and to actively manage sustainability and sustainability risks.

In close collaboration with our third-party AIFMs, we design fund products that duly take note of the ESG dimensions, integrating specific ESG characteristics into the respective ESG investment strategy, and highlighting them in the pre-contractual information.

This way, we can **convince** investors of the perks of our product (MATCH), acquire the right kind of assets before **reselling them at a profit** later on (TRANSACT), actively manage the real estate portfolio in accordance with these parameters (OPERATE), and keep actively **developing** individual investments and properties (DEVELOP).

In its Institutional Business, DIC Asset AG and its subsidiaries are not subject to the Sustainable Finance Disclosure Regulation and thus to no disclosure requirements. However, the third-party AIF management companies (AIFM) with whom we collaborate when launching new investment vehicles are subject to these requirements.

MATCH

IN DETAIL

We focus on capturing and analysing our portfolio (status assessment) on the basis of individual, prioritised ESG criteria, on testing and discussing scoring models within the framework of pilot initiatives (ECORE) or completed ratings (GRESB rating for "RLI Logistics Fund – Germany I") as well as on initiating additional projects meant to reduce the energy consumption and to advance the decarbonisation of the building stock. The starting point is the regulatory framework, our master data on the entire managed real estate portfolio and the data on our analysis portfolios, about which we have been reporting for around ten years within the framework of the sustainability report (Environment).

The objectives of our status-quo analysis are:

- to screen our portfolio (portfolio screening) using ESG criteria (individually or in combination), to identify potential and risks, and to compile ESG action plans including definition of targets, measures and investments in the properties
- to define our ESG criteria for projects in standing and in new-build properties, and to develop and expand an ESG control concept
- to define our ESG criteria for new refurbishment projects as well as for all structural alterations and development measures/structural and technical upgrades of existing buildings, and to use these as standards for feasibility studies and implementation concepts and for the purpose of expanding them.

An essential ESG criterion for DIC is the "green building" concept. It was specifically implemented in conjunction with the issuance of the company's first ESG-linked promissory note in the amount of EUR 250 million (ESG-Linked Promissory Note). We will define additional ESG criteria in 2021, and update them as needed in the years to come, taking the characteristics of the various asset classes into account, among other aspects.

ESG-linked promissory note: buildings that were constructed in accordance with the requirements of the Energy Saving Ordinance (EnEV 2009), or that qualify for a green building certification under DGNB, LEED, BREEAM or ENERGY STAR with minimum requirements taken into account.

Ultimately, we will establish an ESG real estate check for properties we either own or just acquired that will duly consider our own corporate objectives, the precautionary principle, the compliance with environmental, security and social requirements and any other ESG specifics. In the longer term, the ESG real estate check is to be further developed into an ESG scoring for the Commercial Portfolio that will be applied to all properties in our inventory along the lines of an ESG portfolio management.

INSTITUTIONAL BUSINESS

For new products, we define ESG characteristics and an ESG strategy in coordination with our third-party AIFMs. Our ambition here is to play an active partner role in the structuring of a given product and to contribute experience from the active management of third-party real estate assets in our care. We disclose the ESG characteristics and strategy in conjunction with the pre-contractual information in order to convince investors of the integrity of our products. The fund management conveys the final fund strategy to the investment, transaction and asset management team.

In this context, future specifications of the financial market regulation (Disclosure and Taxonomy) will play a definitive role for us. Whether or not a given product will require an additional ESG rating (e.g. ECORE, GRESB) we shall decide depending on the respective investor mandate.

TRANSACT

Conducting **ESG due diligences** is an integral component of our acquisition process, as is the drafting of ESG action plans for newly acquired properties, and it is currently being expanded to include new requirements. The ESG due diligence review is conducted by (independent) experts. It serves as foundation of an active management once the transaction is completed. Within the framework of the pre-acquisition audit, the fund-specific ESG requirements are examined during the due diligence phase to identify possible strengths and potentials. The ESG due diligence review conducted ahead of the acquisition of standing properties and property developments will be supplemented with an **ESG real estate check** in future. When buying and selling properties, the ramifications for the portfolio level will be monitored.

ESG real estate check for our existing and newly acquired properties

OPERATE

Controlled by the portfolio and fund management, it is the job of the asset management to implement the ESG action plans for each property, and to ensure their actual implementation. The collection of the relevant ESG data is supported by appropriate monitoring & controlling of properties in operation. We run periodic performance analyses on the ESG data of our properties to identify measures, and set up or expand the ESG risk management and ESG reporting in order to update KPIs, which includes the aggregation and management/validation of the ESG data for the properties and the portfolio. Annual reviews ensure that identified measures are initiated and prioritised, and that they are recorded in ESG action plans.

DEVELOP

Since there is rarely a one-size-fits-all solution for any property inventory, the defined ESG criteria serve as basis for decisions and template for feasibility studies and new refurbishment measures. We aim for bespoke property developments that take an ESG-target-oriented and innovative approach to capital improvements and interior fit-outs for our tenants (e.g. in regard to connectivity and energy optimisation). We are in the process of defining our ESG criteria under development aspects, a process that is supposed to take property- and project-specific characteristics into account.

INSTITUTIONAL BUSINESS

Definitive for upgrades of existing buildings are the product strategy and the decisions made by the institutional investors. Every year, we present the planned product-compliant ESG property development measures to our investors. Assuming a favourable decision by the investors, we intend to carry out ESG checks on existing products. The ESG checks will be conducted in consultation with the third-party AIFMs. Their outcomes will be used in the downstream development of the respective property and product.

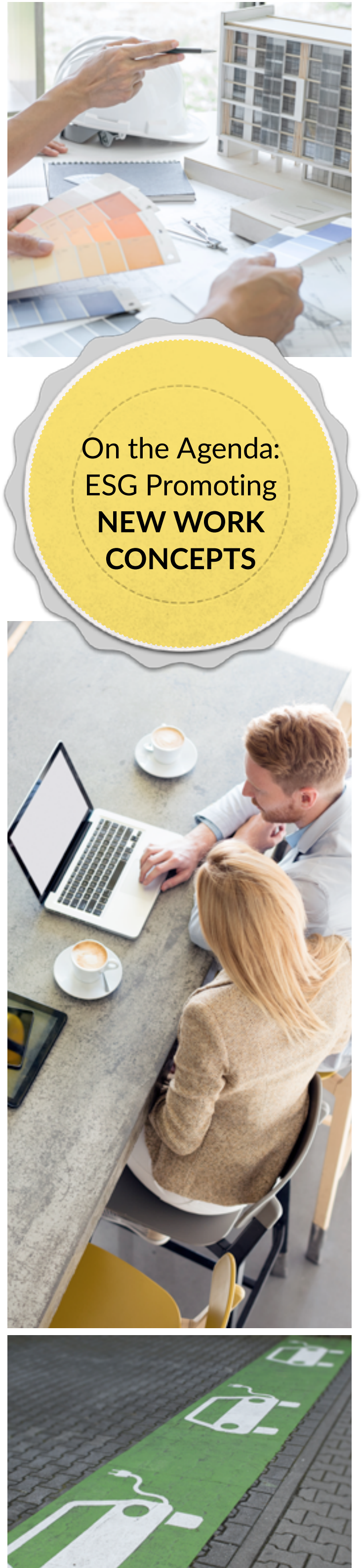
Other Success Factors for our ESG Management Approach to Real Estate:

Our tenants represent an important success factor for the sustainable development of our portfolio.

We seek to conserve resources and energy by making frugal use of them in the management and use of a given building, while also trying to avoid emissions, to preserve the environment and to collaborate in constructive ways with our tenants toward these ends. This concerns specifically the provision of sustainability information and ESG data.

We started reviewing the option to implement so-called “green clauses” into our specimen leases as early as the 2012 financial year. In 2021, we updated our standard lease contract once again to embed the green lease subject deeper – the reasons for doing so being the increased awareness of the topic of climate change mitigation and sustainability in general, and, not least, the new sustainable finance requirements. In the process, we oriented ourselves to a publication on the subject by the ZIA Property Federation (“Green Lease – Der grüne Mietvertrag für Deutschland”) in order to take industry best practice into account.

Other aspects definitive for the management of our real estate stock include the well-being, health and safety of our tenants. Among the relevant measures are need-driven maintenance, capital improvements and even repositioning in close consultation with the stakeholders. Our objective here is to offer sustainable and digital new services and products for an optimal work environment that create added value for our tenants, and ESG-conducive New-Work concepts. To preserve the quality of our inventory, we regularly invest in our portfolio to keep the properties permanently attractive and technologically up to date.



Our employees represent another important success factor for the sustainable development of our property stock.

We are convinced that climate change mitigation and environmental protection are supported by contextual knowledge and by rising awareness. DIC contributes to climate change mitigation within the context of its business activities. Ever since our first Sustainability Report, we have analysed our ecological footprint as a company every year (Environment) and have taken climate change mitigation measures (e. g. purchasing green electricity and sustainable products, drafting an DIC Environmental Guideline). Going forward, we intend to set up a know-how transfer on relevant ESG issues. To this end, knowledge networking is to be established via a business-specific and inter-business exchange as well as through innovation and digitisation.

Other important topics in 2021: the ongoing education of our employees on relevant ESG topics, the expansion of standard contracts to include ESG topics (e. g. in the area of facility management), and the initiation of green products & services for tenants.

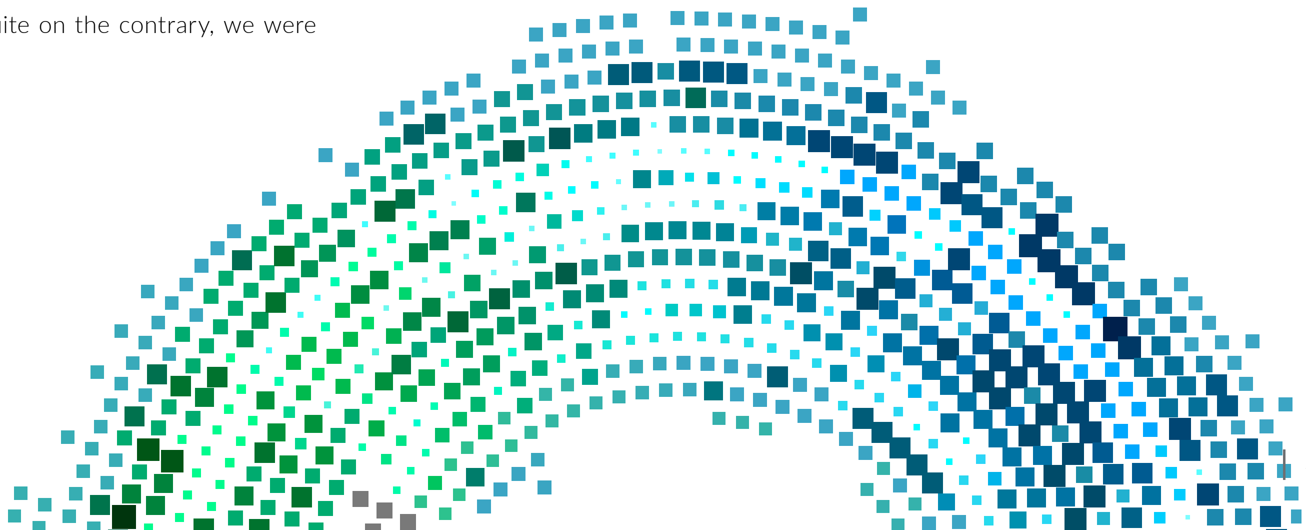
WE SHAPE OUR BUSINESS WITH AND FOR THE PEOPLE:

In our conduct, we aim for a responsible, integrating and fair interaction with our employees, and combine this effort with our ambition to contribute to the sustainability of society at large.

OUR EMPLOYEES

DIC has a well-rounded business model that thrives on the day-to-day involvement of our employees and their extraordinary dedication, which makes us quick, creative and reliable. DIC is growing organically and inorganically, in line with its corporate strategy. During the 2020 financial year, DIC achieved all of the latest targets projected for our performance indicators, and far exceeded some of them. Despite the challenging parameters set by the fight against, and containment of, the Covid-19 pandemic, we stood our ground as a secure employer during the now-concluded 2020 financial year, as we did not have to let people go or introduce short-time work arrangements. Quite on the contrary, we were able to keep on hiring.

High-skilled and highly motivated employees are our most important asset. We therefore have the ambition to present ourselves as an attractive employer vis-à-vis our current, recently hired, and our future employees – embracing diversity and emphasizing fairness. This is quite a challenge in an industry characterised by a shortage of skilled labour and a war for talent while it is undergoing the process of digitisation and ethical transformation. As employer, we embrace the responsibility to provide a positive and social corporate culture, and



to ensure a safe and health-promoting work environment. The challenge is, of course, not made easier by the ongoing Covid-19 pandemic.

We strive to keep developing our corporate culture and human resource policy, and to face up to these new challenges. To this end, we will intensify our efforts to collect and analyse our performance metrics from the area of human resources (HR). We already took a first step in this direction as we expanded our reporting on HR metrics to include quantitative ESG indicators in accordance with GRI and EPRA standards, and will further analyse them in future. Aside from personal and one-to-one talks with our employees, these metrics are to help us make our company fit for the future and to keep developing accordingly.

It is an ongoing process, to be continued in 2021. **Key topics include:** staff retention and development, diversity, health & safety in the workplace and employer attractiveness.

The latter aspects are dovetailed with the ongoing digital development of the work environment and workflows in our company, as well as with the heightened transparency in the documentation and evaluation of in-house processes, employee programs and measures.

Anna Katharina Leers, Head of People and Culture

Since 1 June 2021, DIC has benefited from the expertise of Anna Katharina Leers as new **Head of People and Culture**. *After all, it is our team that makes all the difference when it comes to competitive edge. DIC's employees are the ones who bring "dynamic performance" to life with their dedication and their competencies, and who thereby make the company one of the most successful players on the German market.*

In her role as Head of People and Culture, Anna Katharina Leers seeks to strengthen and promote this potential so as to boost the company's reputation as an attractive employer for young talent and high potentials.

"DIC stands for values in everything it does. We create value for our clients. Then there are the values that guide our mutual interaction. This kind of spirit, which I encountered internally in so many projects, I would like to develop further together with the Management Board and the entire team, and thereby add to the success of DIC."

OUR INVOLVEMENT

Societal Involvement

The 2020 financial year was defined by pandemic-related effects and restrictions on public life. Naturally, the Covid-19 pandemic also impacted many of our tenants and clearly demonstrated how important mutual support and societal involvement are.

In order to highlight the fact, we intend to step up our support for pro-bono initiatives.

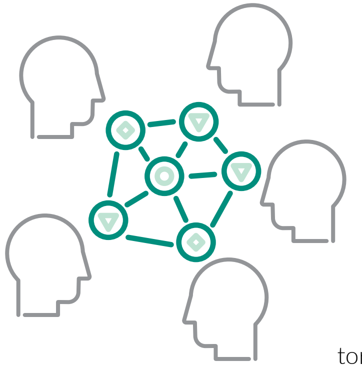
Active Involvement in the Real Estate Sector & Industry Dialogue

Update on our Active Work in Real Estate Industry Interest Groups

GRI 102-13 (Addenda 2021)

Our involvement in the real estate industry is diverse. True to our leadership aspiration, we actively and fairly endorse the interests of our stakeholders. Our efforts in this regard focus not least on making ESG manageable for industry practice, i. e.:

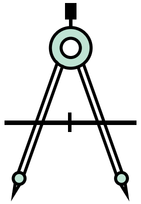
- to develop industry standards and to standardise ESG reporting
- to codify know-how-based benchmarks from within the industry (e. g. concerning CO_2 emissions) and scorings, and to support the initiatives of national industry associations toward this end
- to promote consistency in the ESG context, and to ensure the compatibility of the data from the corporate level to the building level, with the regulatory framework and with the scoring systems
- to establish digitisation as framework for creating transparency and efficient processes on all levels



In addition to our existing involvement (Social) we started to support the substantive work of the ZIA in committees in early 2021 in order to develop resolutions and recommendations for the industry along the lines of "best practice" and to represent the interests of our investors. Our Head of Sustainability has for many years been a member of the ZIA committees "Energy and Building Technology" and "Corporate Social Responsibility." We are committed to future topics, and have been an active member in the recently installed ZIA project group "ESG and Digitisation."

We also became a member of "ECORE – ESG Circle of Real Estate," an industry initiative for ESG conformity in real estate portfolios, in 2021. We use ECORE as dialogue and best practice platform for the open and trust-based exchange with major players in the industry and with the trade associations, BVI and ZIA. Our subsidiary RLI Investors has been actively involved in the development of a European standard for measuring the sustainability performance of properties and portfolios since 2020. Between February and May 2021, we took part in the ECORE piloting with selected properties in order to subject the developed ESG scoring model to a field test and to actively support its further development into a future-ready ESG assessment model for buildings and funds.

Now, and going forward, we will remain actively committed in the industry and keep doing committee work – on the interdisciplinary and industry-specific exchange of ESG best practice approaches and on ESG criteria as well as benchmarks.



WE ARE A RELIABLE PARTNER, AND CONDUCT OUR BUSINESS ACTIVITIES IN A TRANSPARENT AND ACCOUNTABLE MANNER:

Sustainable Corporate Governance

ESG is a strategic focus topic, which makes the central and group-wide integration of ESG in our corporate governance so important for us. This lets us integrate ESG consistently into the company control and create transparency and know-how transfer – both externally and internally.

Corporate Governance & Compliance

DIC Asset AG attaches great importance to corporate governance, both within the company and in the group as a whole. Our Management Board and Supervisory Board are committed to ensuring the continued existence of the company and sustainable value creation through responsible corporate governance with a long-term horizon. It also involves a periodic review of the status quo including a potential analysis.

With the corporate performance review initiated in early 2021, we gained important insights concerning the corporate governance topics of compliance, risk management and cybersecurity, among others, that will help us define the next steps.

// Compliance: The employees of DIC and its subsidiaries are obliged to act responsibly and lawfully. This includes adherence to the principles of ethical conduct and integrity within the company, in particular compliance with legal provisions, internal company guidelines and self-imposed values. Definitive are the compliance policy and the associated governance bodies and independent whistleblower systems. DIC has already set these up. We are currently in the process of updating our compliance policy into a comprehensive code of conduct. We want to seize the opportunity to address open issues in 2021. The same goes for such important topics as discrimination, freedom of assembly, bribery, corruption, money laundering, human rights, for which we developed, and will continue to develop, internal guidelines (Key Aspects of the Compliance Guideline).

// Risk Management: In the course of 2020, we kept expanding our risk management, and for the first time focused on the climate and environmental risks in addition to the regulatory (ESG Risk Management). We keep reviewing our risk management on a continuous basis, and may expand it if the need arises. This will include a close examination of the expansion and requirements of the ESG dimensions (incl. TCFD requirements).

// Cybersecurity: Our industry is going digital, as are we and our stakeholders. The cybersecurity topic is an important component of our business activities, and we intend to make the way we handle it more transparent to the public in 2021. The key aspects of the IT security policy that was recently released for in-house use are outlined in this report. Moreover, we conducted a penetration test in April 2021 to raise awareness among our employees.

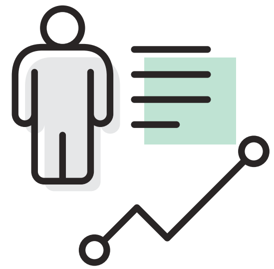
Success factors for sustainable governance:

We integrate ESG both into our corporate governance and into our investment and management approach for our real estate. Our business philosophy is reflected in sustainable, responsible action and internal company guidelines that we established and will keep developing further. In this context, we will consider joining established initiatives (e.g. UN PRI – UN Principles for Responsible Investments) in a balanced relationship of transparency, stakeholder expectations and reporting.

Our stakeholders constitute another important success factor for sustainable governance.

Our trust-based and well-rehearsed collaboration with our business partners substantially contributes to the success of DIC. In order to protect our partners and ourselves, and to minimise possible risks in our supply chain, we intend to expand our focus to include the employment and social standards as well as the environmental concerns along the supply chain and involving our partners.

Communication and Reporting



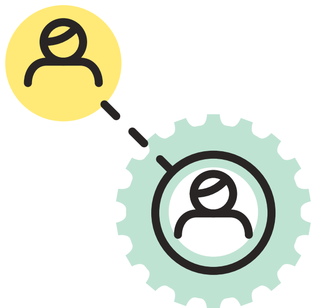
A tool we have long been using is our Sustainability Report and the associated periodic reporting about our status quo and the progress made with all topics within the company and with our business activities. This is done once a year, and shows: We create value-added with our experienced management team, and ESG has become an integral component of our day-to-day business. Considering the importance of sustainability and for the sake of transparency, we will intensify our ESG communication in future.

DIC in Dialogue with Stakeholders

// Our Same-Day Communication
One of the sources of information we provide is, of course, our homepage. There, we will report actively on our ESG activities, ESG topics and ESG news. We will supply our stakeholders actively with relevant information for each target group, and will start expanding our ESG communication systematically by midyear 2021. Our dialogue with the various stakeholders and the involvement of experts will use familiar and reliable formats (Stakeholder dialogue). We have already stepped up our collaboration in ESG committees and real estate industry initiatives (Our involvement).

// Our Expanded Reporting
The further expansion of the reporting activities on the company level and on the level of the investment vehicle will help to answer the ESG-related questions that our investors ask, will meet the reporting requirements or our third-party AIFMs, and will enhance the transparency of our reporting. It will be in sync with the various reporting standards used on the company level (e. g. GRI, ESG Ratings), on the fund level (e.g. disclosure/taxonomy regulations for Article-8 funds, guidelines by the INREV) and on the property level, and especially with the regulatory requirements for sustainable finance. We will continue to synchronise and standardise our reporting processes

In-house communication is just as important as outside communication. Particularly significant in this context is the ongoing development of existing guidelines and the definition of necessary further guidelines to provide orientation. In 2021, we launched the internal **DIC Office Hub:** a shared place where any employee can quickly and conveniently access news, updates and basics as well as templates, specimen documents and guidelines. In future, we intend to use this portal as a tool for knowledge networking and know-how transfer as well as for the ongoing education of employees for ESG-related topics.



Our key ESG topics in the area of corporate governance in 2021 include the following: structuring our in-depth ESG strategy, integrating ESG into our organisation, and establishing periodic get-togethers, publishing and developing our guidelines (incl. compliance guideline, supplier code of conduct), actively communicating on several channels, expanding our investor reporting, and participating in relevant ESG ratings.

WE USE DIGITISATION FOR ESG PURPOSES (3+1):

DIC spent the past years firmly establishing digitisation as a strategic focus topic throughout the company. Digitisation topics across department lines are controlled on the group level by our Head of Digital Development, who reports directly to the Management Board. We already defined the key parameters of our digitisation strategy (Annual Report 2020, p. 108).

The focus is on:

- digital services for investors and tenants
- best-in-class data availability, data quality and data networking for a digitally based active asset management in line with our 360-degree approach (MATCH – TRANSACT – OPERATE – DEVELOP)
- digital process efficiency for our internal processes
- digital building efficiency, i. e. smart control of the mechanical and electrical engineering systems (heating – ventilation – cooling of a building) plus dashboarding, benchmarking and reporting of building data

The ongoing digital transformation helps us address the ESG topic. The advancing digitisation of raw data (e. g. energy consumption rates, environmental data) on our assets under management will enable us to keep expanding the evaluation and initiation of sustainability measures. Analogously, the advancing digitisation of administrative and operational processes will streamline workflows and boost our efficiency in day-to-day business (e. g. using digital communication and collaborative tools). Digitisation will also assist us with future human resource issues and with recruiting. **ESG Topics in 2021 include:** Digitisation of ESG data, and pilot projects in the area of digital building efficiency.

ROADMAP

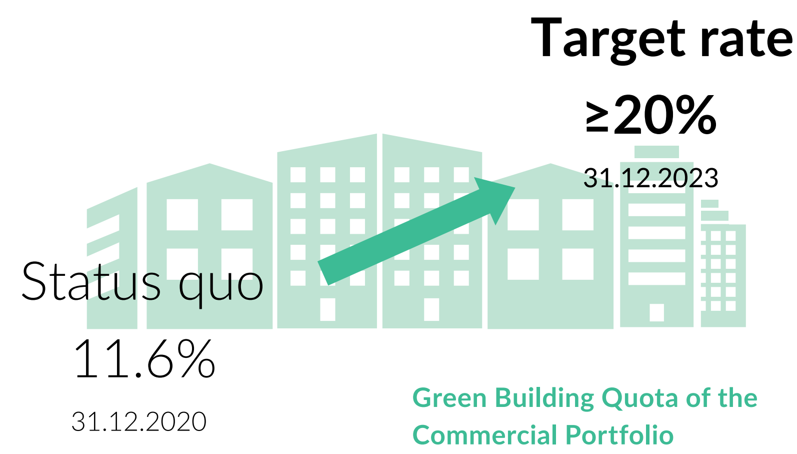
ESG ROADMAP

ESG strategy	Our Objectives	Time Horizon
We positively mitigate climate change	The ESG management approach for our properties (360-degree approach): Implementation and further development	starting 2021
	ESG portfolio screening (using prioritised ESG criteria and science based benchmarks)	starting in 2021
	Further development of our acquisition and investment strategy: investment in energy-efficient and sustainable real estate	starting 04/2021: ESG-linked promissory note (first testing 2023)
	ESG knowledge networking (internal)	starting 06/2021
	Ongoing education of employees on ESG-related topics	starting 09/2021
	"ESG clauses" in standard contracts: amending e. g. lease agreements ("green leases"), facility management contracts (energy management & "green FM")	starting in 2021
	"Green products & services" for tenants: initiating and offering sustainable and digital concepts	starting Q4 2021
Structuring our business with and for the people	Staff retention and employee development, attractiveness as employer (employer branding): – implementing recurrent employee feedback loops and pulse surveys – implementation of employee benefits	starting Q4 2021
	Occupational health & safety: – implementation of a health day – recurrent communication on occupational health in the DIC Office Hub	starting Q4 2021
	Charitable and societal involvement: Selection of one (or several) pro-bono initiative that is suggested and actively supported by employees	2021/2022
	Active involvement in the real estate industry	continuous
We are a reliable partner, and conduct our business activities in a transparent and accountable manner	ESG strategy & ESG organisation: ongoing development, integration & institutionalisation	starting in 2021
	Guidelines with ESG relevance: publication and (ongoing) development (e.g. compliance, IT)	starting Q2 2021
	Risk management including ESG aspects: review & expansion (e.g. TCFD requirements)	continuous
	Communication on the topics of ESG and sustainability: intensification of exchange with stakeholders & employees on various channels	starting 02/2021 (internal): launch of the DIC Office Hub starting 06/2021: homepage update
	ESG reporting & ESG ratings – expansion and standardisation (e.g. disclosure and taxonomy, UN SDGs) – participation in relevant ESG ratings in order to improve rating	starting Q3 2021
Using digitisation for ESG purposes	Digital ESG data: digitisation of raw data for our control and reporting processes	starting in 2021
	Digital building efficiency: initiating pilots	starting in 2021

HIGHLIGHTS 2021

ESG-linked Promissory Note

With the placement of the company's first-ever ESG-linked promissory note in the amount of EUR 250 million, we mean to underscore our responsibility for a sustainable future. We actively contribute to the decarbonisation of our real estate stock by stepping up our investments in energy-efficient and sustainable buildings, and making this the standard we want to be judged by.

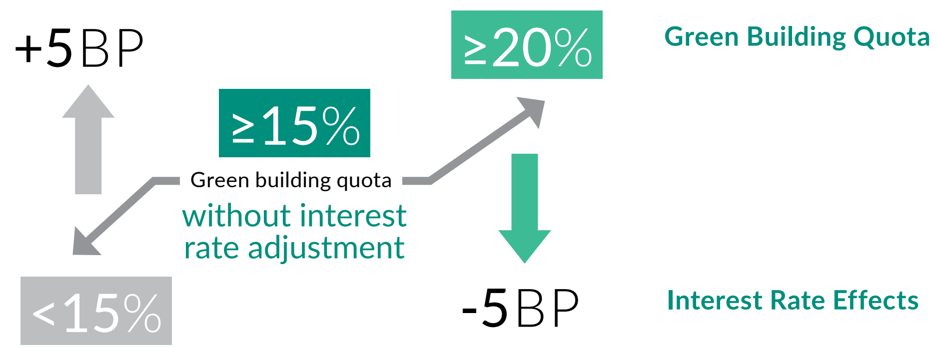


Our objective is to raise our green building share to 20% or more by the end of 2023.

With the issuance of an ESG-linked promissory note, we are once again engaging in a pioneering effort within our industry.

By linking the interest rates to reliably measurable sustainability metrics, we are defining concrete guidelines for our investment and refurbishment activities. The positive contribution to climate change mitigation will simultaneously lower our finance expense – which clearly makes it a win-win arrangement.

Sonja Wärntges, CEO of DIC Asset AG



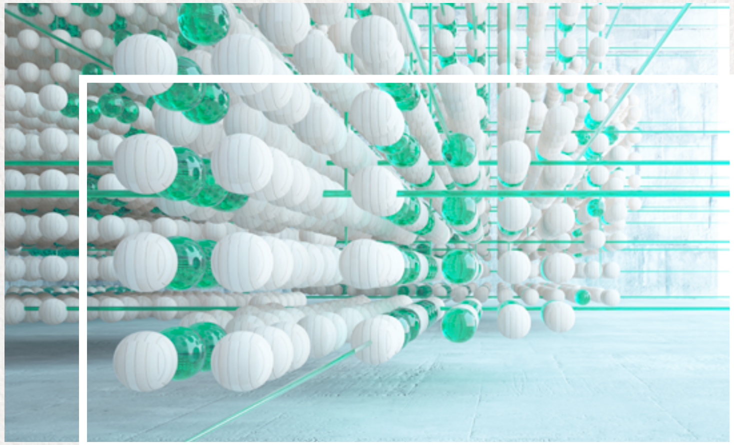
- Interest rate adjustment by 5 basis points, depending on the green building ratio of the existing property portfolio
- Review of the ratio in the years 2023, 2026 and 2029:
  - If the share rises to 20% or more, the interest rate for subsequent interest rate periods will decline by 5 basis points.
  - The rate will remain unchanged if the ratio is somewhere between 15% and 20%
  - If it remains below 15%, the interest rate will go up by 5 basis points.

PORTFOLIO SCREENING

The portfolio screening we currently perform includes 91 properties, and serves the purpose of an expanded status assessment of our proprietary real estate holdings (Commercial Portfolio) using selected, currently prioritised ESG criteria, and involving an external team of experts.

Systemically analysing this portfolio permits the pinpoint identification of properties that show optimisation potential relative to the internal portfolio average as far as their mechanical and electrical engineering and their active operation goes.

The analysis is supplemented by a representation that shows how each property is positioned vis-à-vis internal targets, regulatory specifications and external benchmarks, e. g. the decarbonisation pathway in analogy to the Carbon Risk Real Estate Monitor (CRREM). In addition, the benchmarking takes account of the type of use, the year built, the energy sources used, and the degree of a building's mechanisation (heating, ventilation, cooling aspects) relative to present benchmarks and to future target benchmarks for the purpose of CO_2 reduction. In the next step, properties selected because they were diagnosed as particularly energy-intense are subjected to an energy and carbon due diligence that includes viewings of the respective sites. The findings then serve as basis for defining targets and measures toward a reduction of the CO_2 emissions. We will also use the applied methods and insights for our real estate platform and for the properties managed in the Institutional Business unit.



GREEN MEMBERSHIP

We became a member of "ECORE – ESG Circle of Real Estate," an industry initiative for ESG conformity in real estate portfolios (Materiality), in 2021.

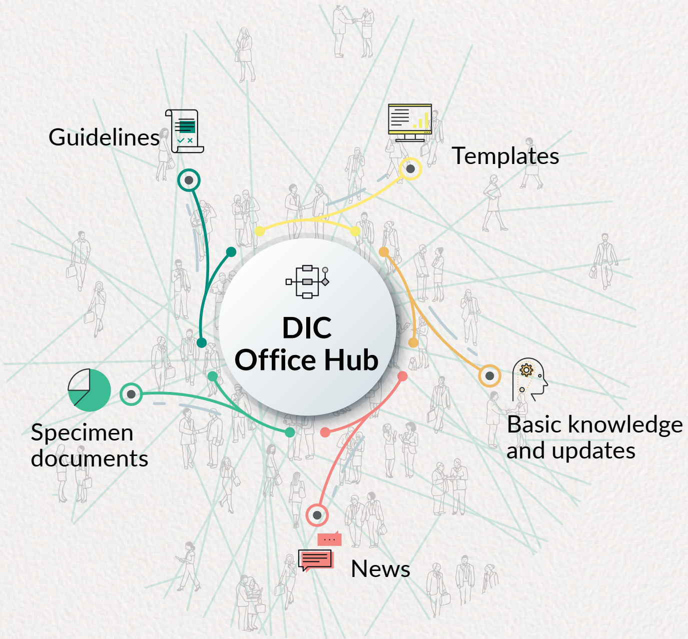
Sustainability Performance under Scrutiny

Sustainability in the Logistics Segment

In RLI Investors, taken over in late 2020, we acquired a company that has integrated ESG Best Practice in its property investment and property management processes ever since it was formed in 2013. RLI Investors has participated in the GRESB rating with the existing property portfolio of its open-ended special AIF for logistics real estate, "RLI Logistics Fund – Germany I," since 2020.

ACTIVELY SHAPING PROCESSES

En route toward CO_2 reduction and ESG conformity



CENTRAL – SWIFT – STRAIGHTFORWARD
Our Portal for an On-Time Information Flow

In 2021, we launched our in-house **DIC Office Hub.** In future, we intend to use this portal as a tool for knowledge networking and know-how transfer as well as for the ongoing education of employees in regard to ESG-related topics.

IT SECURITY POLICY

Our IT security policy defines both the organisational and technical measures that are to ensure IT security and the associated data protection for DIC and its associates.

DIGITISATION –
the Safe Way!

We are currently implementing the updated policy in the organisation throughout the Group, and are thus putting a stop to growing IT security risks. It protects not just us, but is also of binding character for third parties.

Key Aspects

- **Minimising the risk of attacks on network, servers and infrastructure**
- **Minimising exposure to phishing attacks**
- **Protecting data during its transmission**
- **Running periodic penetration tests**
- **Central password policy**
- **Central guideline for Internet use**

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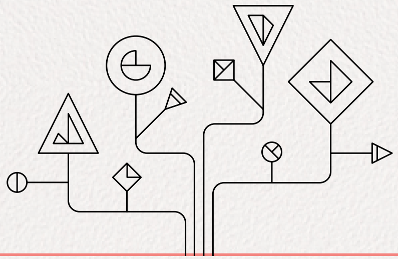
IN-HOUSE RESEARCH

In 2021, we started setting up a systematic internal research unit that makes holistic use of both internal and external data, sources and information.

Orientation.
Forecasts.
Assessments.

Our in-house research provides us with a sustained knowledge base that permits DIC to represent **well-informed opinions** about real estate markets, asset classes, locations as well as about topics and trends and their ramifications for real estate and its markets. This practically "internal market reporting" is done on a very regular basis and is predictive in order to anticipate developments and to be able to shape them.



On top of that, our research capacities are also used in-house for operational and strategic support purposes in day-to-day business, e.g. through the ANALYSIS of locations and property sites, WELL-INFORMED ASSESSMENTS of rents, prices, yields, sustainability and future competitiveness, but also for the identification and analysis of existing risks – not to forget OUTLOOKS ON WHAT THE FUTURE WILL BRING.

Using today's knowledge to make informed decisions for tomorrow – economically sound and sustainable.

DIGRESSION* SUSTAINABILITY CONTEXT AND INDUSTRY CHALLENGES

* Dr. Kati Herzog, ESG und Nachhaltigkeit in der Immobilienbranche. Source: gif im Fokus, 1/2021, S.5 seqq., https://gif-ev.de/onlineshop/download/direct,532

The real estate industry plays a key role in the efforts to address the sustainability topic and to achieve national and international climate targets. Buildings are responsible for about 40% of the total energy consumption and for about 30% of the CO_2 emissions while also having a massive need for resources in their construction and operation, especially for fossil fuels. The real estate sector therefore has a great responsibility in the environmental sustainability context and related issues. Societal developments and global trends have implications for the way in which we design our buildings and the built environment, and for the way we invest.

The EU Action Plan relates to the climate targets defined in Paris in 2015, and includes three core objectives[1]:

1. reorienting capital flows towards a more sustainable economy
2. mainstreaming sustainability into risk management
3. fostering transparency and long-termism.

The issues of sustainability and sustainable development, whose ecological, economic and socio-cultural aspects should be in harmony, have long been of relevance for the real estate industry before attaining momentous and dynamic significance during the first half of 2021. Since the publication of the “Financing Sustainable Growth” action plan by the European Commission in March 2018, ESG has become a defining variable for the capital market and for our proprietary and managed real estate assets, too.[1]

The legal implementation of the EU action plan takes the form of the Sustainable Finance Disclosure Regulation, which entered into force on 10 March 2021, and the Taxonomy Regulation, which will become effective in late 2021. For the time being, the regulatory system has not been finalised for all areas, and the holistic implementation approach is dynamic and complex in character.

Things have also started to shift at the national level, following the ruling of the Federal Constitutional Court and the re-enactment of Germany’s Federal Climate Change Act. New targets were set to reduce greenhouse gas emissions by 65% until 2030 (previously: by 55%) compared to 1990 levels, and for Germany to achieve greenhouse gas neutrality by 2045 (previously: by 2050). The increased ambitions will also impact the built environment. As far as new-build construction goes, the real estate industry is well-positioned to meet the energy efficiency requirements and the taxonomy criteria. Financial market regulation has imposed requirements for years, in particular on new buildings and major redevelopments, in regard to their energy efficiency and the use of renewable energies; these requirements are further tightened by the taxonomy. The ESG regulatory framework is increasingly changing the investment landscape.

[1] Source: https://eur-lex.europa.eu/legal-content/DE/TXT/PDF/?uri=CELEX:52018DC0097&from=DE

DIC – WELL POSITIONED TO MEET THE NEEDS OF TOMORROW

Climate protection and sustainability are key drivers of the real estate market’s development while ESG is an integral component of the corporate strategy of DIC. We actively and sustainably manage both proprietary and third-party real estate assets, and report on supplementary ESG requirements. The ESG management approach of DIC has taken the new requirements into account, and will keep doing so.

DIGRESSION — SUSTAINABILITY CONTEXT AND INDUSTRY CHALLENGES

Lately, the focus has gradually shifted toward the real estate inventory. There is significant potential in efficiency increase and the sustainable development of the inventory even if it calls for a separate approach to each property. The implementation of statutory requirements is non-negotiable. Regardless of the diverse approaches, which range from a more efficient operation, to the procurement of green electricity, and all the way to structural and technical alteration of buildings – the implementation of actual measures is often subject to constraints, and needs to be customised for every property. Obtaining the data – especially the data at the interface of tenant and owner – is particularly challenging when striving to meet the ESG requirements, and just as difficult is their evaluation up to the portfolio level which is important for presenting a sustainable and ESG compliant management in accordance with the EU taxonomy. The transformation of the real estate inventory is the biggest challenge facing the industry with respect to the economic feasibility of measures in ways that satisfy all stakeholders with their diverging target parameters.

DIC seeks to enhance the sustainability of its real estate by identifying ESG potential and undertaking corresponding upgrades of existing buildings; these depend on the property-specific boundary conditions and on a balanced relationship between return expectations and the necessity to invest sustainably. We see it as an opportunity to transform our real estate under sustainability aspects in a forward-looking approach that draws on the ESG data collected for the properties.

Another relevant building block for the real estate market is green building certification, whose purpose is to measure and rate the sustainability of buildings. Green building certificates most common in Germany include the German Sustainable Building Certificate (DGNB), the American green building label LEED and the British label BREEAM. In addition to the information on the energy efficiency of a building, these voluntary labels principally make its ecological and socio-cultural qualities transparent with a view to the future use. They can influence the market value of a given property and may also prompt rent reviews.[2] Building certificates (according to DGNB, LEED and BREEAM), while being an important external quality assurance tool, are only one piece of the puzzle.

DIC makes pinpoint use of the tool "building certification": depending on asset class, year built, the question of new-build or standing property, in line with our ESG-linked promissory note and in compliance with product-specific investment strategies.

[2] Source: JLL Research Deutschland: Nachhaltigkeitszertifikat at als Werttreiber? Empirische Erhebung und Szenarien zum Werteinfluss von Bürogebäuden, March 2021. Nachhaltigkeitszertifikat-als-Werttreiber-JLL-Deutschland.pdf

DIGRESSION

SUSTAINABILITY CONTEXT AND INDUSTRY CHALLENGES

With a view to the years ahead, it is safe to say that investors will increasingly or even primarily wish to invest in sustainable real estate products.[3] Here, the ESG scope will strongly depend on the respective investment vehicle. In order to satisfy transparency obligations and criteria for investment funds with ESG characteristics (e. g. Article-8 and Article-9 funds) mandated by the Sustainable Finance Disclosure Regulation, certified buildings are a good start but not enough. At the same time, a look at the real estate landscape reveals that the number of certified green buildings is very small, and that most existing funds have no ESG characteristics (so-called Article-6 funds). In a market still in the early stage of the transformation, keen demand is matched by scant supply.

This is where DIC comes in with its 360-degree approach and its integral management platform, featuring the stages "match – transact – operate – develop."

In addition to the buildings sector's contribution to climate change mitigation and to sustainability, a company's performance in terms of the E ("Environment"), S ("Social") and G ("Governance") criteria keeps getting more important, not least in the real estate industry and among its stakeholders, and from investors all the way to employees. Reconciling sustainability and performance is decisive for the long-term success of any ESG strategy. Stakeholders draw on sustainability reports for their assessments while investors and analysts also take note of the ESG ratings of companies by rating agencies.

Our ambition is to present our ESG strategy, our ESG management approach, our targets and the associated details in transparent ways, and to improve our performance in a successive, target-oriented manner that lives up to our environmental and social responsibility and to the demands of sustainable corporate governance.

For a representation of the economic parameters, see the Annual Report 2020 (pp. 58+).

[3] Source: EY Real Estate: ESG-Snapshot Nachhaltige Immobilienfonds, March 2021. ey-real-estate-snapshot-2021.pdf

DIGRESSION

SUSTAINABILITY CONTEXT AND INDUSTRY CHALLENGES

Sustainable Finance Disclosure Regulation

Object of the Sustainable Finance Disclosure Regulation (Article 1):
"This Regulation lays down harmonised rules for financial market participants and financial advisers on transparency with regard to the integration of sustainability risks and the consideration of adverse sustainability impacts in their processes and the provision of sustainability-related information with respect to financial products." [4]

The Sustainable Finance Disclosure Regulation obligates fund managers who are governed by the Regulation, for instance, to make public disclosures about the manner in which sustainability risks are handled on the corporate level and to ensure the transparency of their strategies for handling sustainability criteria. It divides investment products, and with them investment funds, into three groups. The categorisation depends essentially on the scope of the disclosure requirements.

- Article-8 funds are investment funds whose investment strategy includes ESG characteristics, i. e. environmental or social characteristics are promoted.
- Article-9 funds practice impact investing, i. e. they seek to achieve an environmental or social objective.
- Article-6 funds are funds without ESG characteristics.

The regulatory technical standards that provide detailed information on contents, presentation and application of disclosure requirements specify binding principal adverse impact (PAI) indicators and additional climate and environmental indicators, including for the real estate sector.

Taxonomy

Subject matter and scope of the Taxonomy Regulation (Article 1 (1)):
"This Regulation establishes the criteria for determining whether an economic activity qualifies as environmentally sustainable for the purposes of establishing the degree to which an investment is environmentally sustainable." [5]

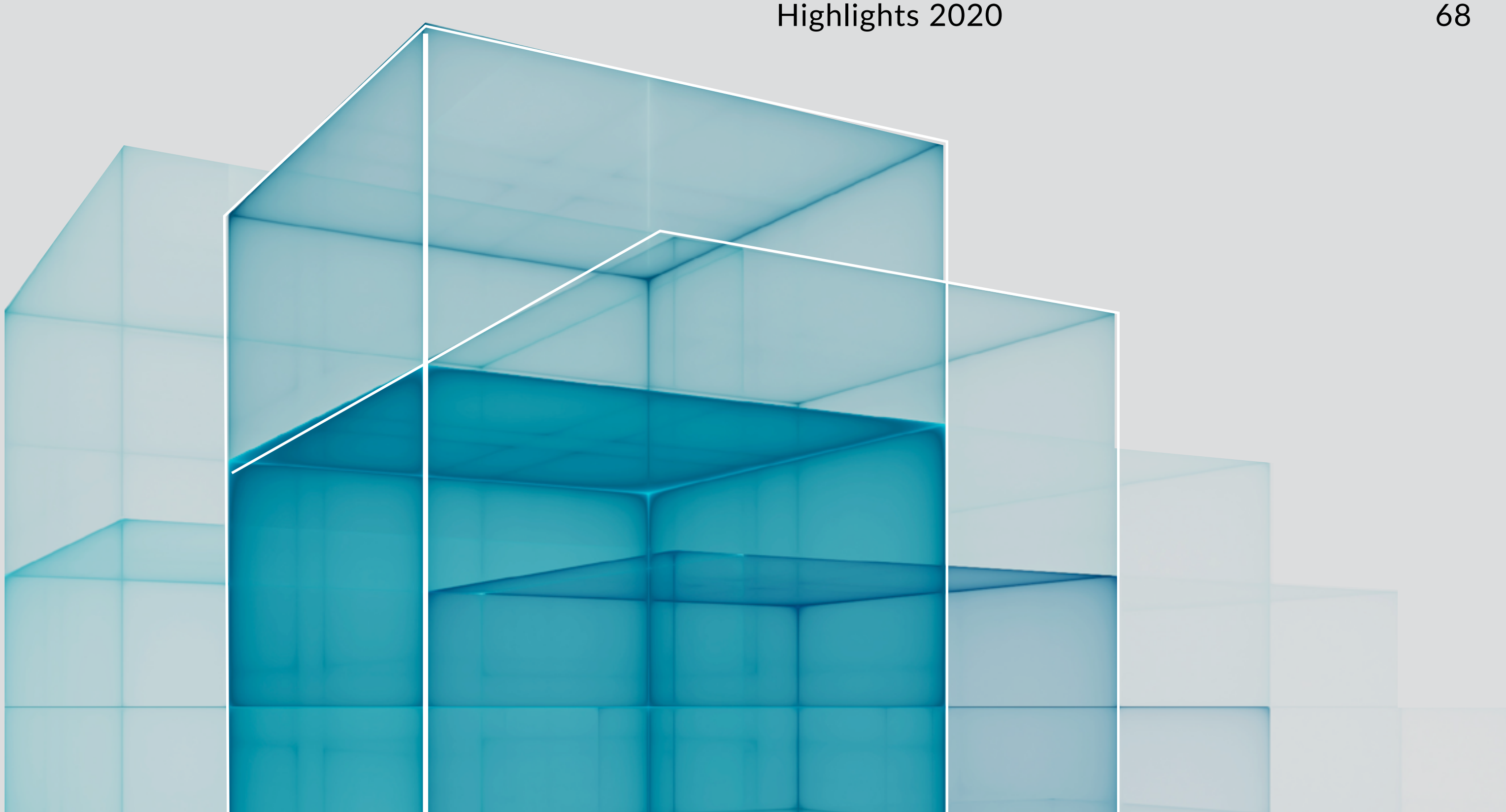
The purpose of the taxonomy is to serve as a unified classification system on the EU level so as to establish clarity in regard to which activities qualify as sustainable. For the time being, the Taxonomy Regulation focuses on the environmental dimension of sustainability, and defines six environmental objectives: climate change mitigation, climate change adaptation, the sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control and protection and restoration of biodiversity and ecosystems.

It classifies an economic activity as environmentally sustainable if it substantially contributes to at least one of the six environmental objectives, has no adverse consequences for the other environmental objectives ("do no significant harm") and meets the specified minimum requirements (e. g. minimum social standards).

[4] Sustainable Finance Disclosure Regulation: REGULATION (EU) 2019/2088 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 27 November 2019 on sustainability-related disclosures in the financial services sector, Article 1 Subject matter (Sustainable Finance Disclosure Regulation)

[5] Taxonomy Regulation: REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, Article 1, Subject matter and scope (Sustainable Finance Taxonomy, EUR 2020/825)

2 MATERIALITY



ABOUT THIS REPORT

GRI 102-10 GRI 102-50 GRI 102-51 GRI 102-52

As a commercial enterprise, we are committed to preserving the long-term viability of our company and of our environment both, which is why we have continuously reported on our sustainability activities since 2009. Starting in March 2011, this has taken the form of a separate annual report in order to create an appropriate frame for the growing significance of the sustainability subject for our company.

This Sustainability Report covers the period between 1 January 2020 and 31 December 2020.

Ever since we launched the sustainability reporting, the Investor Relations division has coordinated the reporting processes and contents in close collaboration with other corporate divisions of DIC Asset AG and its subsidiaries. Lately, the sustainability subject has been repositioned and developed further in terms of substance, not least by creating the new position "Head of Sustainability." As of 2021, the Head of Sustainability coordinates and masterminds the company's sustainability activities and evaluates relevant company-specific ESG information in collaboration with Investor Relations and the responsible organisational entities, processes them, and reports directly to the CEO. The Management Board defines targets and measures that match our sustainability principles, our ESG targets and the company in general as much as possible (ESG Policy of DIC).

Our annual and quarterly reports cover the earnings position, the portfolio and the company's business divisions. For exhaustive information on the 2020 reporting period, see the 2020 Annual Report.

METHODOLOGY AND SCOPE

GRI 102-46 GRI 102-56

This report employs the following methodology to present our company's financial and non-financial performance indicators:

- Since sustainability is an integral component of our corporate strategy, we present the basic business model and organisational structure of DIC Asset AG as well as the principles underlying its corporate governance. Additional information on these subjects and details of the financial performance indicators are included in the 2020 Annual Report.
- Based on the systematic stakeholder survey in late 2016, which provided important information for the first time and whose findings remain current, the topics material for DIC are periodically identified and prioritised together with the involved stakeholders, while continuous updates about the ongoing development are provided within the framework of our annual sustainability report. The latter covers our stakeholder engagement as well as our ESG management approaches to the various subject areas and ESG aspects.
- In the sections Environment, Social, Governance and Economics, we discuss the identified subjects in depth while integrating the quantitative and qualitative ESG indicators for the reporting period in accordance with the frameworks GRI Standards and EPRA sBPR.
- To ensure that our sustainability report is up to date, we added information about our ESG activities and news from this sustainability report's year of publication (meaning, from the time since the end of the reporting period). The focus in 2021 will be on the presentation of the evolved ESG strategy, the ESG targets, the already initiated measures, and the planned next steps (Strategy & ESG).

This sustainability report and the key ratios presented in the report cover the period starting on 1 January 2020 and ending on 31 December 2020 for DIC Asset AG as well as for its two subsidiaries DIC Onsite GmbH and GEG German Estate Group unless stated otherwise. Not covered by the reported metrics is RLI Investors GmbH ("RLI Investors"), which the company acquired in December 2020 as its third subsidiary, because the transfer into the DIC Group was not completed until January 2021. Unless otherwise noted, the figures in this report refer to the 2020 financial year, supplemented by the outlook for DIC developments in 2021.

Comparability and transparency in the ESG context are highly important to us, which is why we normally include a retrospective. Whenever possible, we map the past three reporting years and financial years. The sustainability report is compiled and published annually. The most recent Sustainability Report was published in June 2020. Year-on-year changes in the scope of the report may be motivated by the acquisition, development or disposition of properties as well as by changes in the organisational structure.

The consolidated financial statements of DIC Asset AG and its subsidiaries were prepared in accordance with the IFRS accounting standards of the International Accounting Standards Board (IASB). The accounts were audited by the audit firm Rödl & Partner. Their audit certificate in regard to the 2020 Annual Report and the disclosures it contains are part of the latest Annual Report.

Our disclosures on financial performance indicators and the Economic subject area reference the entire spectrum of our property management platform with its diversified income streams (Economy). This includes the real estate inventory owned outright by DIC (Commercial Portfolio) and the services provided to third parties (Institutional Business).

The management approaches and performance indicators for the Social and Governance subject areas also cover DIC as a whole, its 272 staff (as of 31 December 2020) and all of its business units.

The information and data contained in the chapter Environment of the report also relate to the business activity of DIC and (exclusively) to the directly held Commercial Portfolio (91 assets). For the time being, the analysis ignores the consumption data for the properties managed in the third-party business, meaning the assets held in the Institutional Business segment. This is explained by the fact that the fund strategy and decisions regarding specific measures in properties are defined collectively by investors and owners. The influence of the DIC Group as property manager and, in some cases, as co-investor is limited in such a context. For the reporting of our own ecological footprint, however, we are, for the first time, taking account of the CO_2 emissions we caused in a quantity proportionate to the percentage share of our invested equity out of the total invested equity of all institutional investors in the Institutional Business division. Doing so ensures that the CO_2 emissions are correctly allocated under Scope 3 in accordance with the "GHG Protocol."

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REPORTING PRINCIPLES

GRI 102-12 GRI 102-54 GRI 102-56

We are committed to helping improve the comparability and standardisation of sustainability reporting in our industry, which is why we consistently apply these internationally recognised reporting standards: This report was compiled in accordance with the "Core" option of the GRI Standards (Global Reporting Initiative). The Construction and Real Estate Sector Supplement (CRESS) are also taken into account. The reporting principles according to GRI are applied. The GRI Standards used in our reporting are listed in annotated form in the Appendix.

Moreover, additional performance data are provided in accordance with the Sustainability Best Practices Recommendations (sBPR) by the European Public Real Estate Association (EPRA). Also covered, in addition to environmental indicators, are social and governance-related EPRA sustainability indicators. We supplemented additional quantitative disclosures in the current report, thereby closing previous reporting gaps. For a note reconciling the EPRA indicators with the GRI reporting standards, please see the Appendix.

In 2021, we contracted an external advisor with GRI and ESG know-how to handle the quality control. Our consumption data (electricity, thermal energy and water) are collected with the support of a third-party service provider, while data for the disclosure of CO_2 emissions are processed in-house.

In collaboration with the ZIA German Property Federation and other real estate industry players, DIC has actively contributed to the effort to introduce a sustainability code for the German real estate sector. Our sustainability reports have followed the recommendations of the German Sustainability Code (DNK) since its introduction in 2011 and will continue to do so.

Global Reporting Initiative (GRI)
The Global Reporting Initiative (GRI) is an independent international organisation for the development and publication of frameworks for voluntary reporting by companies on the consequences that their own business activities have for sustainability issues such as climate change, human rights, the fight against corruption, and many other things.

www.globalreporting.org

European Public Real Estate Association (EPRA)
EPRA is a non-profit organisation that promotes, develops and represents the interests of European real estate stock corporations. It is committed to establishing best practices in the areas of accounting, reporting and corporate governance in order to provide high-quality information for investors, on the one hand, and, on the other hand, to create a forum and decision-making framework for addressing future issues within the industry.

www.epra.com

ZIA German Property Federation (ZIA)
Formed in 2006, the ZIA represents the general, economic and ideological interests of Germany's entire real estate industry and promotes cooperation among its members. Moreover, it supports and accompanies suitable measures to maintain and improve the economic, legal, political and fiscal framework for the real estate industry.

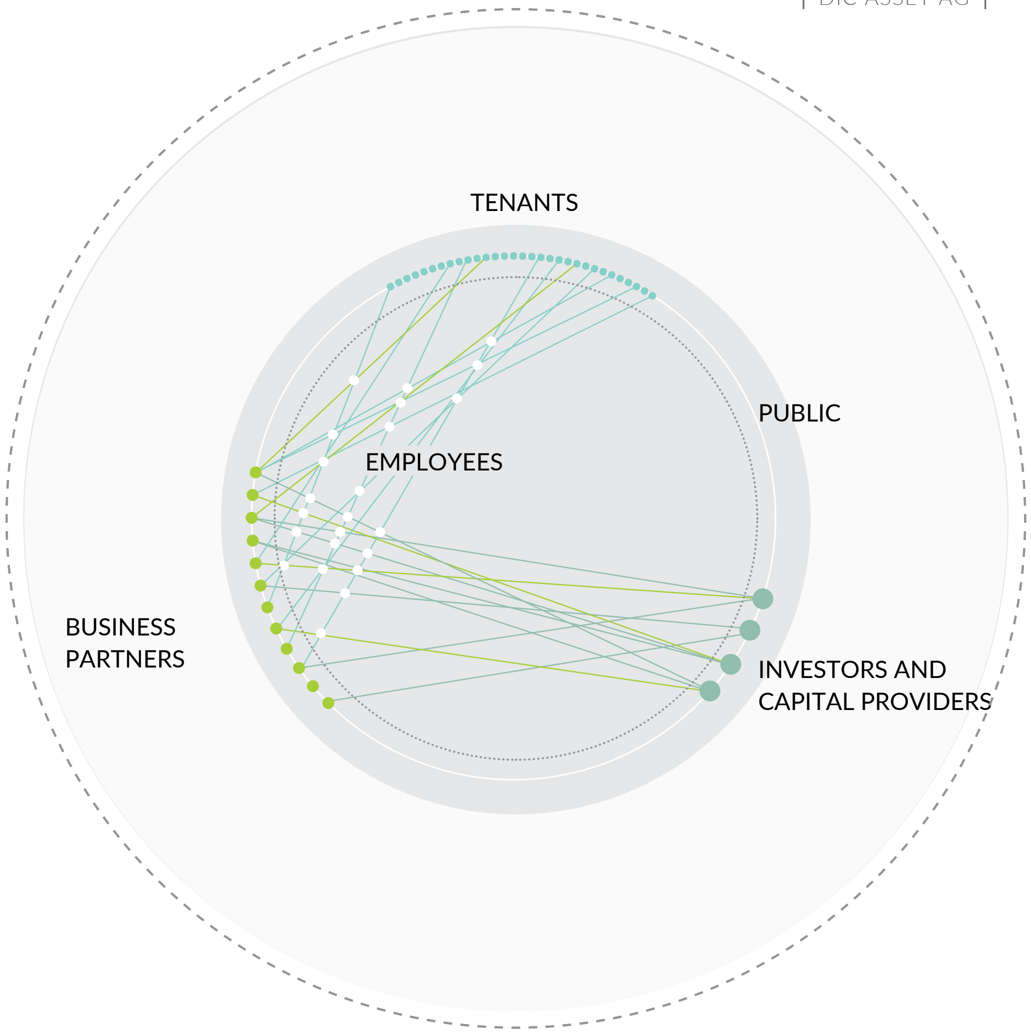
www.zia-deutschland.de

OUR STAKEHOLDERS & THEIR EXPECTATIONS

GRI 102-44

DIC Asset AG and its subsidiaries maintain an ongoing dialogue with a large number of different stakeholders whose expectations in the company vary considerably or in some cases may even be in conflict with each other (stakeholder definition). DIC has therefore identified the most important stakeholders (stakeholder groups) and set up its work streams in such a way that they function, in addition to the actual business relationships, as basis for a transparent and fair exchange with everyone involved.

As one of over 300 companies listed in the Prime Standard – the stock market segment of the Frankfurt Stock Exchange which is legally regulated and subject to the highest transparency standards – DIC is very much of interest to the general public. In addition to the **capital providers** who help us finance our business activities (equity and debt providers such as shareholders, bond investors and banks), our most important stakeholders are **institutional investors**, whom we support in their investment decisions to invest directly in real estate and in the context of the ongoing property management. In addition, our day-to-day business focuses on **tenants** occupying properties that are part of our portfolios, which add up to over EUR 10 billion in assets under management, either to make attractive commercial premises available to them or to take care of them through our active management in the best possible way. Since we maintain a presence on the ground across Germany and are involved in the implementation of property developments and large-scale building modernisations, we are often in talks with municipalities (city hall) the **local public**, and with the direct neighbourhood representatives whose interest we will integrate in the planning and implementation of our measures by seeking to engage them in dialogue early on. As we cover a broad spectrum of services along the real estate value chain, we rely on a large number of **business partners** for support to help us implement our activities. At the same time, the success of DIC requires the dedication of our in-house **employees**. They are the bedrock of our company, and represent the first point of contact for our external stakeholders. Our goal is to reconcile the various interests of all our stakeholders in the best way possible. The positive value-creation that delivers economic value in forms that benefit all stakeholders is discussed at length in the Chapter Governance.



CAPITAL PROVIDERS

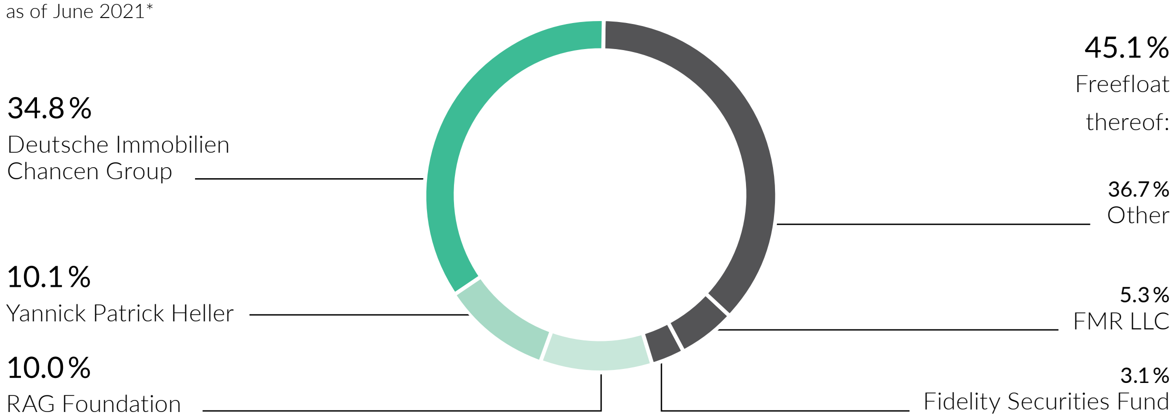
DIC Asset AG is characterised by an international, broad-based and principally stable shareholder structure. In addition to privately shareholders, institutional investors play a key role. Deutsche Immobilien Chancen-Group, from which DIC Asset AG was originally spun off purely as a portfolio company, has been invested since the IPO in 2006 and currently holds about 34.8% of the stock as anchor shareholder. Yannick Patrick Heller is the second-biggest shareholder with a stake of around 10.1%. On top of that, the RAG Foundation has been a major shareholder of DIC Asset AG with a long-term horizon since 2014 and currently holds around 10.0% of the stock. The free float equals 45.1% at the moment, with US investor FMR LLC accounting for 5.3% thereof and the Fidelity Securities Fund for another 3.1% (all percentage figures quoted in accordance with the disclosures of the latest voting rights notification, as of late June 2021). Important stakeholder groups also include the bearers of DIC Asset AG bonds and promissory notes, a number of financial institutes and finance partners, along with analysts of currently eleven institutes who are in constant dialogue with us.

Expectations of the Capital Providers

- Sustainable value-added and a balanced financial structure
- Continuity of dividends, even in times of crisis
- Adherence to compliance guidelines (especially capital market requirements/prohibition of insider trading) and to all covenants
- Transparent, accurate and timely communication of financial and non-financial information
- A responsible approach in handling investment processes
- A proactive dialogue and exchange with the Management

SHAREHOLDER STRUCTURE GRI 102-5

as of June 2021*



* based on WpHG notifications and company information

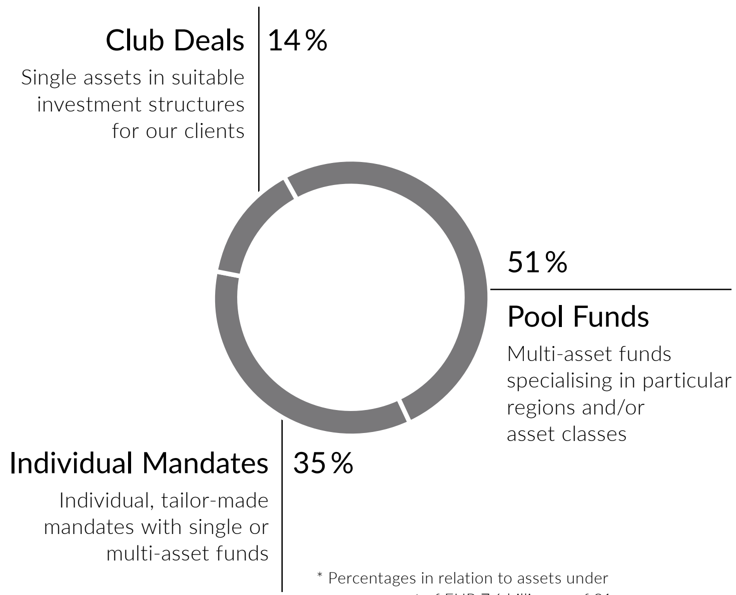
INSTITUTIONAL INVESTORS

The business with asset management services for third parties (Institutional Business) quickly gained in significance for DIC Asset AG over the past financial years, and has been gathered into the GEG brand since 2019 (Governance | Corporate Structure). During the 2020 financial year, the Institutional Business unit matched the portfolio business (Commercial Portfolio) as equivalent earnings mainstay for the first time, as it claimed a share of around 51% in the total FFO of EUR 96.5 million as of 31 December 2020. We continued to expand and strengthen our platform by taking over RLI Investors, Germany's second-largest independent asset manager of logistics real estate, at the turn of the year 2020/2021. GEG and RLI Investors are committed to the fiduciary principle, and therefore act exclusively in the best interest of our institutional investors when administrating their real estate assets. The clients of the pool funds (51%), individual mandates (35%) and club deals (14%) are largely German institutional investors, including banks and savings banks (33%), insurance companies (25%), superannuation schemes (32%) or the family offices of high-net-worth individuals (10%) (31 December 2020). More than half of all investors are already committed in more than one vehicle.

Expectations of the Institutional Investors

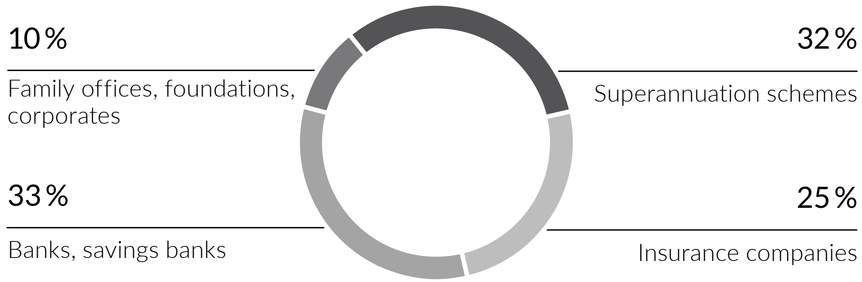
- Prioritisation of personal investor interests along the lines of the fiduciary principle
- Consideration of financial and non-financial parameters as well as ESG guidelines when making investment decisions for each investment vehicle
- Setting up internationally comparable reporting structures along the lines of investor transparency and in compliance with (EU) regulations

DEAL STRUCTURES*



* Percentages in relation to assets under management of EUR 7.6 billion as of 31 December 2020

INVESTMENT PARTNERS*



* percentages, relative to the subscribed equity capital as of 31 December 2020

EMPLOYEES

By 31 December 2020, a total of 272 employees were on the payroll of DIC Asset AG (31 December 2019: 247). During the 2019 financial year, the takeover of GEG and the brisk growth in assets under management caused the number of employees to keep going up during the concluded financial year of 2020.

Employee Expectations

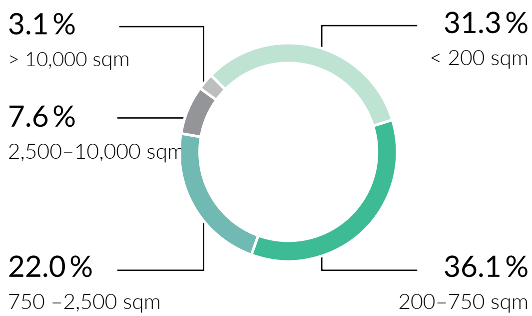
- Fair treatment and competitive compensation
- Options for professional training and continued development
- Secure and pleasant working environment and flexible working hours
- Diversity and Equal Opportunity

TENANTS

The group of around 1,400 tenants in both segments (Commercial Portfolio and Institutional Business) is composed of commercial occupiers of every size, from mid-market companies to international conglomerates. Roughly two in three tenants occupy premises of 750 sqm or less.

SIZE STRUCTURE OF RENTAL UNITS

(as of: 31 December 2020)



Tenant Expectations

- Protection of privacy and personal data in accordance with the European Data Protection Regulation (GDPR)
- Resource-conserving buildings and facilities
- Attractive properties and efficient floor plans, comfortable interior fit-outs that meet actual tenant needs
- Periodic and responsive communication
- Competent and bespoke services on location
- Transparency in relation to compliance guidelines (especially avoidance of corruption risks and protection of competition)

BUSINESS PARTNERS

We work with over 6,000 business partners to implement joint projects or to use third-party services in our real estate value chain. These include, for instance, general contractors or else contractors for certain trades in the context of redeveloping portfolio properties.

Business Partners' Expectations

- Long-term and consistent business relations
- Fair treatment and support by the DIC contacts
- Protection of privacy and personal data in accordance with the European Data Protection Regulation (GDPR)
- Energy efficiency and reduction of the environmental impact, applying measurable criteria

GENERAL PUBLIC

This group includes municipalities, authorities and civil society.

Public Expectations

- Consideration of the needs, wishes and concerns of local neighbours and a willingness to engage in dialogue, e. g. in the context of repositioning and/or fully refurbishing properties
- Support for local, regional and interregional initiatives to revitalise and develop living and working environments
- Support for local initiatives, community engagement, and donations

STAKEHOLDER DIALOGUE

The constructive and regular exchange with our stakeholders plays a key role in our efforts to understand the specific expectations of each stakeholder and to identify corresponding solutions that agree with the expectations of all stakeholders as much as possible.

We seek to engage each target group periodically in pinpoint dialogue both on the company level and on the property level. Due to Covid-19-related restrictions during the 2020 financial year, and in order to protect our business partners and employees from exposure, we frequently used virtual formats to conduct our stakeholder dialogue in 2020.

Investors
Personal exchange with our fund managers and asset managers, at least two committee meetings per year, monthly reporting

Capital providers
Direct contact with our capital providers and analysts; periodic briefings on all major events, conference calls immediately after the publication of financials, roadshows, participation in investor conferences

Tenants
Direct management on the ground in eight cities, active communication, reliable availability, proactive talks in connection with the special requirements caused by the Covid-19 pandemic

Business Partners
Periodic exchange, Jour-fixe meetings during projects

Employees
Open communication policy, annual feedback interviews, prompt communication of material changes, “DIC Office Hub” set up as central tool for information, periodic staff meetings

Public
Press releases, press interviews with the management board, presence on social media channels

Dialogue with Capital Providers and Analysts

We engage in periodic dialogue with our capital providers. Our investor relations work is based on the principles of openness, transparency and fairness vis-à-vis all financial market participants. Well-informed disclosures on our business development and our strategy are continuously made available by us. During the period under review, Patrick Weiden was appointed to the Management Board as of 1 April 2020 to fill the newly created position of Chief Capital Market Officer (CCMO). His sphere of ownership concentrates on capital market activities as well as on the company's mergers and acquisitions. His position further strengthens our focus on the communication with the capital market. In addition to the detailed written reporting, we stay in direct touch with our capital providers and analysts, regularly notifying them of all major events involving DIC.

Right after publishing our annual and quarterly financial statements, we will host conference calls to brief them on our financials and answer their questions. We also report continuously to our finance partners (including banks and promissory note holders) about the latest performance of DIC and about specific real estate portfolios. We also use social media channels to network with capital market players, intermediaries and market partners, especially before, during and after IR events, trade fairs and other occasions.

In the course of 2020, we presented the company in five virtual roadshows, at nine investor conferences (seven of them online) and at the Deutsches Eigenkapitalforum analyst event (online). We conducted 81 meetings with investors from 14 different countries, a higher-than-usual number of them via video calls or virtual roadshows because of the Covid-19 restrictions. We maintain a regular direct exchange with financial analysts. With our private investors we compare notes primarily on occasion of our annual general meeting.

Digression on ESG Ratings:
Investors and analysts increasingly reference the ESG ratings our company receives from rating agencies. To this end, investors and analysts rely on various rating agencies on the market. At the moment, DIC Asset AG is rated by the following ESG rating agencies, among others: CDP, MSCI and ISS.

Dialog with Institutional Investors

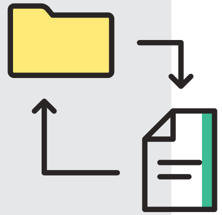
Our institutional investors can count on our personal support. After comparing notes with our fund managers and asset managers, we will brief them on the performance of their investment vehicles and of specific properties. Committee meetings are regularly scheduled (at least twice a year) to discuss the investment strategy, capex measures as well as the planned acquisitions and dispositions. Monthly reporting via our digital investor cockpit continuously provides all relevant information and required documents that we make available to our institutional investors, as coordinated with our third-party AIF management companies.

Dialogue with Tenants

Thanks to our highly responsive property management platform, we are regionally positioned close to our tenants to help ensure long-term tenant loyalty. Our market-anchored teams take care of tenants and properties right on location. The majority of our employees who are active in property management are distributed across the regional management teams in their offices in Hamburg, Berlin, Düsseldorf, Cologne, Mannheim, Munich, Frankfurt am Main and – since the turn of the year 2020/2021 – Stuttgart, too.

We see it as our task to keep a close and sensitive eye on development in the various industries and submarkets, down to the level of each tenant. Active communication is of key importance in this context. We prioritise the service quality, reliability and the assured accessibility of our commercial and technical property managers. This way, we learn about the needs and requirements of our tenants early on, and can consistently propose solutions.

Within the framework of our tenant service, our employees specialise in companies of a specific scale or industry affiliation. Practising active management of this sort will turn tenancies into rental partnerships, an approach that is a key characteristic of our successful business activities.



Special Challengers Created by the Covid-19 Pandemic
Several tenants of portfolio properties under our management were affected by the Covid-19 pandemic during the 2020 financial year. DIC proactively agreed to one-off arrangements with directly impacted tenants, most of whom belong in the retail and hotel sectors, in order to provide short-term relief. Our standard approach was to adjust the rent rates for a three-month period while extending the lease term at the same time. The single-biggest tenant in our proprietary portfolio to be thus affected was GALERIA Karstadt Kaufhof GmbH, with whom we negotiated new contractual terms for two sites. In the case of another site that was abandoned, we quickly secured a subsequent occupancy. Our proactive management and the local presence of our lettings team played a key role in minimising the Covid-19-related risks of rent default.

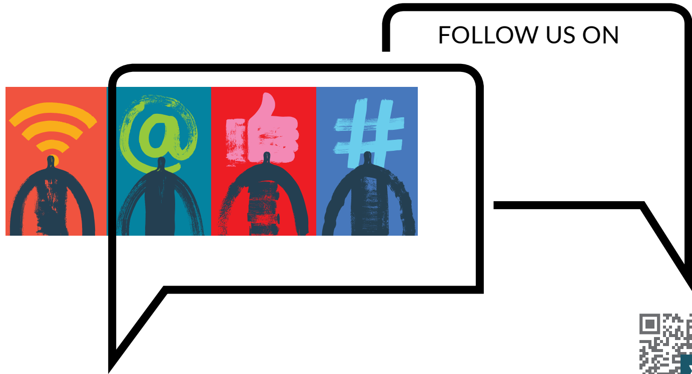
Dialogue with Business Partners

We maintain a regular exchange with our business partners and seek both project-related collaboration and long-term business relationships based on trust-based collaboration. Especially with larger refurbishment projects, we schedule regular jour fixe meetings to maintain an ongoing exchange with all stakeholders and thus to ensure the implementation according to plan, which enables us to respond to any major project planning changes. By attending network and industry events, we seek to promote the exchange with the construction and real estate industry and with our service providers as quickly as possible; in this context, we are always open to new business relations.

Dialogue with Employees

DIC pursues an open communication policy that give employees the opportunity, in addition to their annual feedback interviews, to discuss their current performance with their direct superiors and/or the Human Resources department at any time. This ensures that performance ratings remain transparent at all times. In addition, DIC encourages the collaboration in working groups and project teams. Material changes are promptly communicated in-house by the Management Board and/or by the Corporate Communication unit.

In early 2021, the newly created “DIC Office Hub” intranet platform went live. In future, it will serve as the central entity providing all material information and additional tools as well as guidelines for streamlining workplace routines. Newly hired employees may use the “DIC Office Hub” as first point of contact to obtain the information they need. The “DIC Office Hub” will be successively expanded, and will eventually give each department the chance to present itself to the company at large. By hosting periodic employee events, we strengthen the group cohesion and boost DIC’s corporate culture.



Linkedin

Xing

Dialogue with the Public

DIC periodically briefs the general public about the performance of its financial and non-financial performance indicators. This takes the form of press releases, press interviews with the management board, our presence at network and industry events, and our foot-print on social media channels like LinkedIn or XING. In the case of local property development projects, we are open to exchanges with residents and the municipal body politic.

EDITORIAL
STRATEGY & ESG 1
MATERIALITY 2
ENVIRONMENT 3
SOCIAL 4
GOVERNANCE 5
ECONOMY 6
APPENDIX 7

MATERIALITY ANALYSIS

GRI 102-40 GRI 102-42 GRI 102-43

With its nationwide activities, DIC is optimally networked with all relevant players and service providers of Germany's real estate sector. Our decisions and actions affect investors and capital providers, around 270 employees, roughly 1,400 tenants in both operating segments, over 6,000 business partners and the entire context of properties managed by us either in our proprietary portfolio or on behalf of third parties. Shareholders, employees, tenants, business partners (e.g. general contractors) and the public are among our main stakeholders; in the time since 2019, investors in third-party business (institutional business) have kept gaining in importance (Stakeholder Dialogue).

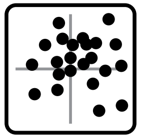
To identify major sustainability issues and subject areas for your stakeholders and ourselves, we conducted a materiality analysis in the form of a comprehensive stakeholder survey in 2016. This materiality analysis serves as a guideline for our sustainability targets and reporting.

In conjunction with the survey, around 1,000 persons (including employees, tenants, business partners and investors) were asked to rate the significance of 27 different issues picked from a wide spectrum of subject areas. The questionnaire was developed and evaluated in accordance with the internationally recognised sustainability reporting standards of the Global Reporting Initiative.

The materiality matrix that was derived from it provided the management board of DIC with important information on the prioritised sustainability topics of its stakeholders for the first time. For DIC and for the company's success, the topics of compliance breaches and anti-corruption have steadily gained in significance in the years since 2016. We structured the materiality matrix for the 2020 report so as to reflect the fact. The periodic and ongoing stakeholder dialogue serves the purpose of reviewing the expectations, the prioritisation of measures in each subject area, and the further development of our corporate strategy under sustainability aspects. Also taken into account are trends and industry challenges within the sustainability context. Current stakeholder expectations are communicated to us via their periodic exchanges with our staff in various formats and constellations.

Given the challenges of 2020 and of the Covid-19 pandemic with all its constraints, we decided to postpone the next stakeholder survey.

MATERIALITY MATRIX GRI 102-44 GRI 102-47



Updating our current materiality matrix

Prioritisation	Integration	Adaptation
Stakeholder survey 2016	In-house validation Materiality matrix	Stakeholder dialogue Current topics in the sustainability context

See representation on next page

Essential for us are long-term economic success and, with it, environmental aspects that concern our real estate and our business activity, our social responsibility vis-à-vis our employees and society at large, as well as responsible corporate governance in line with environmental, safety and social requirements vis-à-vis all of our stakeholders. The individual aspects of the materiality matrix will be discussed in detail for the 2020 reporting period in the various chapters of the report (see representation below).

ESG STRATEGY

ESG STRATEGY	Aspects of the Materiality Matrix		Additional Aspects from the STAKEHOLDER DIALOGUE and Our Corporate Perspective	Current Sustainability Report Chapter
We positively mitigate climate change	• Energy usage and energy intensity • Measures taken to reduce environmental impact • Greenhouse gases	ENVIRONMENT	• Real estate and technical facilities • Environmental management approaches	ENVIRONMENT
We structure our business with and for the people	• Occupational health and safety • Employee remuneration • Training and skill building	SOCIAL	• Pleasant working environment • Flexible working hours • Diversity and equal opportunity • Human resource development • Recruiting	SOCIAL
			• Commitments in the real estate industry • Community involvement	
We are a reliable partner, and conduct our business activities in a transparent and accountable manner	• Privacy and data protection • Anti-corruption measures • Compliance breaches		• Corporate governance • Risk and opportunity management • Compliance management	GOVERNANCE
	• Economic performance • Continuity of dividends	ECONOMIC	• Sustainable value-creation • Balanced financing structure • Responsible investment • Reporting	ECONOMIC
We use digitisation for ESG purposes				

HIGHLIGHTS 2020

Our ESG management approach: integrated into our business model even now

TRANSACT

Completed in 2018 and acquired in 2020, the fully occupied “SAP-Turm” high-rise in Frankfurt/Eschborn boasts a modern architecture concept, a high building quality, and state-of-the-art technical specifications. The building, which is occupied by the SAP software company, was awarded an **“LEED Gold” green building label**. The average remaining lease term is around 8.0 years.

MATCH

The “Lincoln Offices II” in Wiesbaden were acquired within the framework of a forward deal in late 2020. Scheduled for completion by summer 2022, it will deliver a total lettable area of around 18,000 sqm and will be occupied long-term by the State of Hesse on a 25-year lease. It is planned to seek a **DGNB Gold sustainability certification**.

The “Deka Office Hub” is a high-end new development in Frankfurt am Main. The property is scheduled to be fully completed by 2022. Its incoming occupier, the Deka Bank financial institution, is planning to move around 3,500 of its Frankfurt-based employees to the new offices. It is intended to secure a **DGNB Gold certification** for the sustainable building concept.

Both were acquired for the biggest institutional fund to date.

DEVELOP

The “Wilhelminenhaus” scheme in Darmstadt, home of the regional council, was extensively modernised and upgraded by DIC in recent years. The energy efficiency upgrade aims for **primary energy savings of more than 40%.** Extending over around 25,700 sqm of lettable area, the property is occupied by a blue-chip public sector client, the Darmstadt Regional Council of the State of Hesse, on a long-term lease.

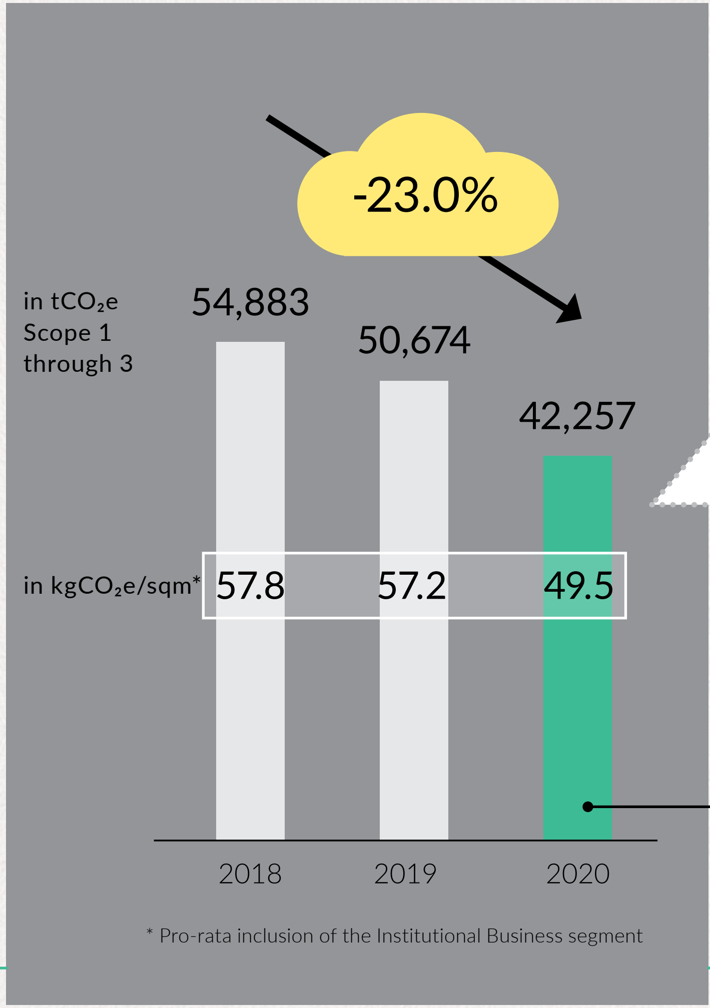
Our Contribution to Climate Change Mitigation

OPERATE

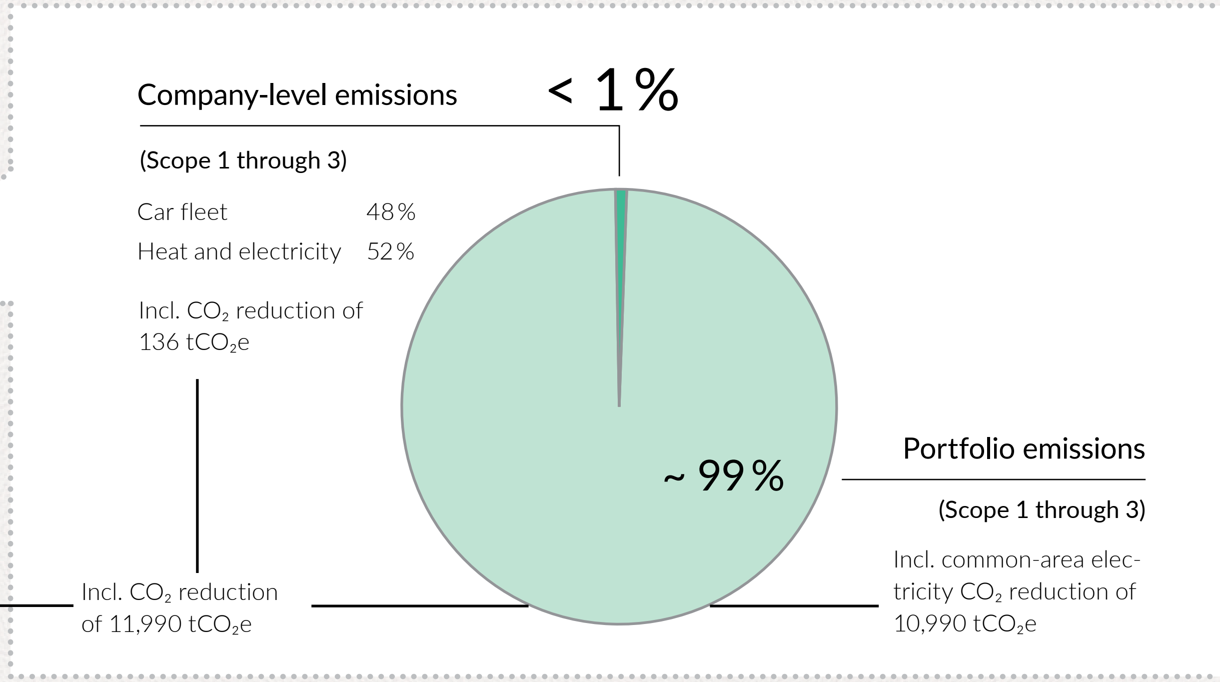
Interface
DIGITAL Building Efficiency

Late last year, we launched the **“smart metering”** project through DIC Onsite, our operating subsidiary, for the purpose of digitally capturing and electronically transmitting consumption data from the properties under our management, the objective being to set up an energy-efficient management.

Greenhouse gas emissions according to the GHG Protocol



* Pro-rata inclusion of the Institutional Business segment



Scope 1 Scope 1 captures direct CO_2 emissions.

Scope 2 refers to indirect CO_2 emissions.

Scope 3 covers all other CO_2 emissions that are in some way related to our corporate activities.

Environment

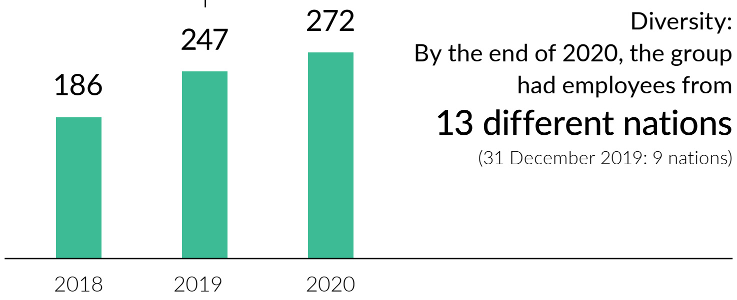
Environment

The expansion of our expertise and skills is reflected in the growing number of employees

Fund provider competence expanded through the acquisition of GEG

Rising number of employees due to fast platform growth

Trend in number of employees



Diversity:
By the end of 2020, the group had employees from
13 different nations
(31 December 2019: 9 nations)

Balanced gender ratio between male/female employees

Female		Male
52 %	2020	48 %
50 %	2019	50 %
52 %	2018	48 %

„EMPLOYEES RECRUITING EMPLOYEES“
our peer-to-peer recruitment program

In June 2020, we relaunched our **career website.**

Social

We train young talent!

As a “dual partner” of the DHBW Dual University of Baden-Württemberg, DIC lives up to its responsibility for training young talent.

We bring out the best in our staff!

All of our employees (100%) receive a regular assessment of their performance and career progress within the framework of annual feedback interviews.

We report transparently!

Expansion of the EPRA sBPR reporting: During the 2020 financial year, we started reporting about the number of advanced training options available to our staff, among other things.

We care for our employees!

Injury Rate: 0.0
(accidents/worked hour)

Our safety standards are effective.

We commit ourselves!

Expansion of our industry commitments through active trade association work and memberships

Social

Responsible corporate governance with a long-term perspective

We adjusted our risk management to accommodate ESG dimensions in order to identify risks as well as opportunities for our business model. In the process, we expanded the focus on regulatory risks to include physical climate and environmental risks.

0

During the 2020 reporting year, there were no corruption, money laundering or compliance breaches.

25 %

Proportion of women on the Management Board: target met!

4 of 6

Majority of Supervisory Board members is independent

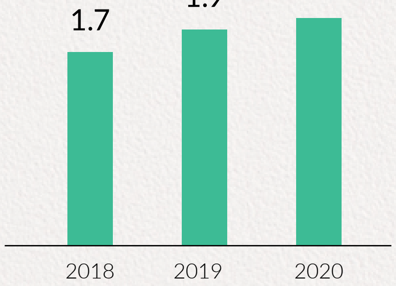
Governance

Governance

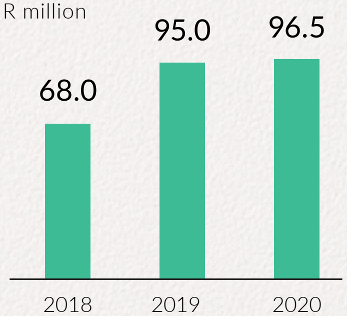
We enhance the quality of our existing property portfolio …

Economic

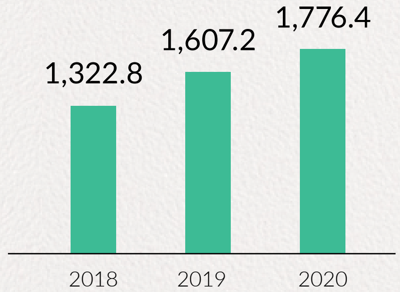
Market value of real estate assets*
in EUR billion



Funds from operations
in EUR million

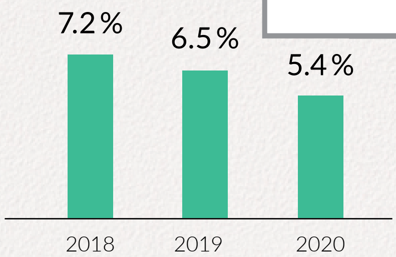


Adjusted net asset value **
in EUR million



** Each as at 31 December

EPRA vacancy rate*



* All figures representing only the proprietary real estate inventory held in the Commercial Portfolio; all figures excluding property developments and warehousing, except for the market value

… and create value-added

Economic

As conceptual partner of the City of Munich, we jointly developed the "Junges Quartier Obersendling" integration and education project as the first of its kind in Germany. The foundation stone was laid in 2016.

OUR PRO-BONO CONTRIBUTION: JUNGES QUARTIER OBERSENDLING

We have ways to stimulate the development and intrinsic value of properties within their urban environments.

A case in point is the KINDERSCHUTZ MÜNCHEN residential project for children in Munich whose first young residents moved into their new apartments in June 2020. Eventually, the quarter will house more than 150 young refugees between the ages of 18 and 27.

DIC supports the implementation of social projects and institutions like " Junges Quartier Obersendling" as property developer and asset manager. DIC and its investors see the project as their **long-term social contribution** by letting the entire properties to the City of Munich and to the DAA German Employees Academy at a fair rent level.

Institutions that found a home on campus include the following:
// Municipal vocational school // DAA German Employees Academy // Trägerkreis Junge Flüchtlinge (young refugee sponsorship circle) // Initiativgruppe IG München (intercultural encounters and education) // District Youth Council for the City of Munich // Caritas Association of the Archdiocese of Munich and Freising // Sozialbürgerhaus (social community centre) // Social Services Department // Afrikanisches Begegnungszentrum (African community centre)

QUICK, RELIABLE, AND CREATIVE – these are attributes that our tenants can rely on.

Several tenants of properties held in our Commercial Portfolio were affected by the Covid-19 pandemic. DIC proactively agreed to one-off arrangements with directly impacted tenants, most of whom belong in the retail and hotel sectors, in order to provide short-term relief.

Our standard approach was to adjust the rent rates for a three-month period while extending the lease term at the same time. The single-biggest tenant in our proprietary portfolio to be thus affected was GALERIA Karstadt Kaufhof GmbH, with whom we negotiated new contractual terms for two sites. At another location, we lost no time developing a re-letting concept to preserve a popular shopping destination and save jobs at the same time.

TENANT SURVEY

Our survey among 11 premium tenants and 59 top tenants in summer of 2020 confirmed the **high degree of contentment** among our tenant base.

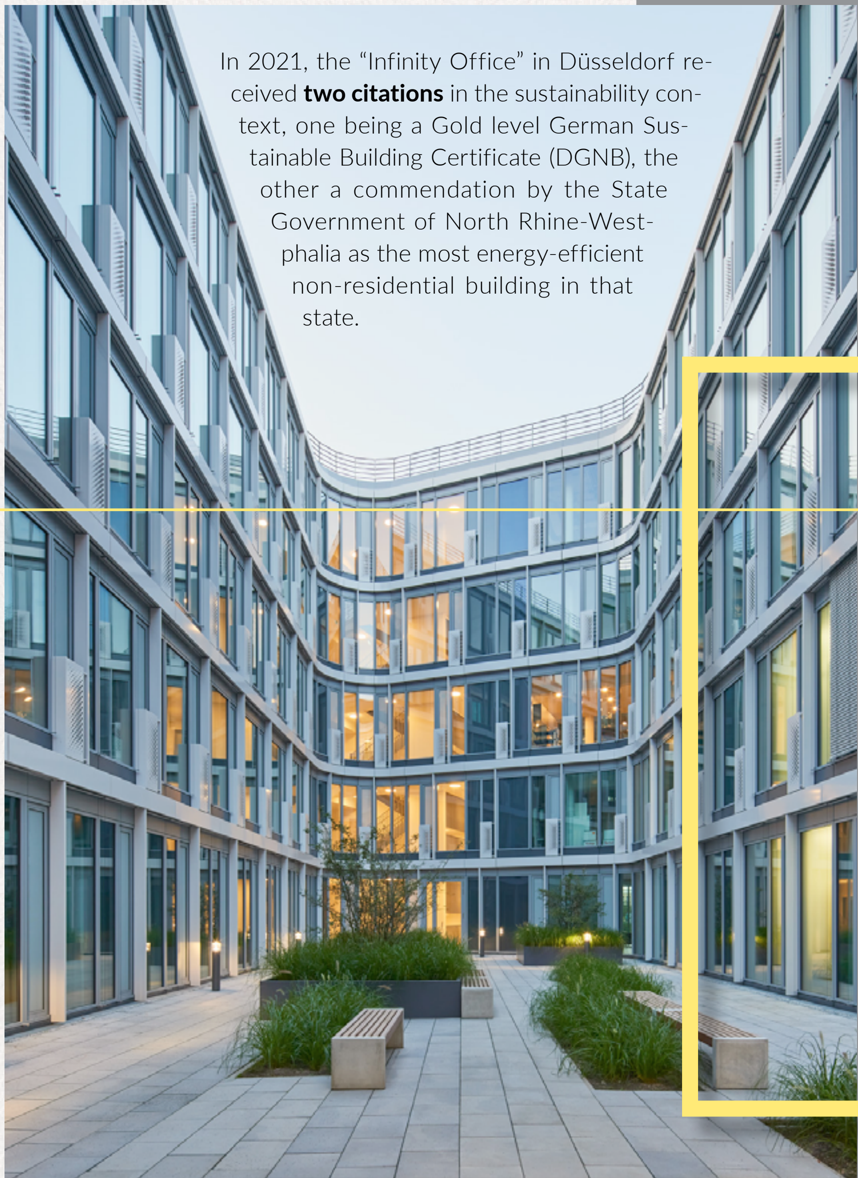
Hands-on Approach to Sustainable Commitment

DIGITAL INVESTOR SERVICE

Set-up of an **investor portal** to provide safe, quick and instantly available data staging for investors

Sustainable and Environmentally Sensitive Procurement

The successful participation in our “Easy on the Planet” program through the purchasing of sustainable products in 2020 resulted in the planting or six new trees in collaboration with “Plant-for-the-Planet” initiative. Each tree absorbs 700 kg of carbon dioxide, and thereby improves the air quality.



In 2021, the “Infinity Office” in Düsseldorf received **two citations** in the sustainability context, one being a Gold level German Sustainable Building Certificate (DGNB), the other a commendation by the State Government of North Rhine-Westphalia as the most energy-efficient non-residential building in that state.

DGNB, LEED, and BREEAM green building certifications in 2020:

During the 2020 reporting year, DIC had a total of 12 certified properties under management, which implies a proportion of **18.4** % of the total market value, thereof

Commercial Portfolio — **11.6** %
4 certified properties
share by market value

Institutional Business — **20.2** %
8 certified properties
share by market value

3 ENVIRONMENT

GRI 103-1 GRI 103-2 GRI 103-3

Since the real estate industry is a major contributor to global carbon dioxide emissions, it has a public responsibility to actively help achieve the climate targets set by the Paris Climate Accord. Accordingly, the issue of reducing every form of energy consumption along the entire real estate value chain has gradually moved centre stage in recent years, and increasingly been integrated into regulatory guidance, both on the building level and on the capital market level (see digression "Sustainability Context and Industry-Specific Challenges). Properties certified as "green buildings" (e. g. with the DGNB, LEED and BREEAM labels) are credited with a sustainable and energy-efficient building quality within our industry.

In order to contribute to climate protection, DIC and its stakeholders prioritise efforts to reduce our environmental impact and to optimise the efficiency of our asset management. Since 2011, we have therefore recorded and assessed the consumption data and CO_2 emissions of our portfolio properties in the Commercial Portfolio, and disclosed the ecological footprint of our business activities and our sustainability approaches. We have set ourselves the goal to minimise greenhouse gas emissions. To reduce our carbon footprint, we pursue several approaches:

- Use of renewable energies: In 2010, we switched the common-area electricity supply of our Commercial Portfolio to regenerative CO_2 neutral energy sources (green electricity), and do the same for every new property we acquire. Our business locations are also supplied with green electricity – for the whole building whenever we own it and for the tenant electricity wherever we are renting our units.

- We subject our company to energy audits from time to time, drawing on the support of an external service provider to determine energy scores and to identify potential for improvement.

- We promote the use of carbon-neutral long-distance service connections of Deutsche Bahn for our employees' business travels.

- We are striving to improve the data collection and evaluation in the longer run by installing smart metering systems, and to expand our lease agreements to include "green lease" provisions.

OUR PRINCIPLES OF SOCIAL SUSTAINABILITY:

- Energy and cost-effective management of the real estate under our management
- Long-term approach to upgrades of existing buildings and to project developments
- Optimisation and reduction of CO_2 emissions and resource consumption

OUR GREEN BUILDINGS

Cert-Tot CRE8

The real estate platform of DIC includes green buildings certified under the most widely used labels in Germany, these being DGNB, LEED and BREEAM. Below, this report includes our first-even balance sheet as of 31 December 2020 (still without RLI Investors at the time).

BUILDING CERTIFICATIONS 2020/2019

	Commercial Portfolio Segment		Institutional Business Segment		Total	
Certification form	**2020**	2019	**2020**	2019	**2020**	2019
DGNB Gold	**2**	2	**2**	1	**4**	3
in % of the rental space	**3.4%**	3.1%	**2.5%**	1.3%	**2.8%**	2.0%
in % of the market values	**5.8%**	6.1%	**2.9%**	0.8%	**3.5%**	2.1%
DGNB Silber	**0**	0	**1**	1	**1**	1
in % of the rental space	**0.0%**	0.0%	**3.0%**	3.6%	**1.9%**	2.1%
in % of the market values	**0.0%**	0.0%	**6.8%**	9.0%	**5.4%**	6.8%
LEED Gold	**1**	0	**4**	4	**5**	4
in % of the rental space	**1.2%**	0.0%	**7.9%**	9.6%	**5.6%**	5.6%
in % of the market values	**3.6%**	0.0%	**9.9%**	13.2%	**8.6%**	9.9%
BREEAM	**1**	1	**1**	1	**2**	2
in % of the rental space	**1.5%**	1.3%	**1.2%**	1.4%	**1.3%**	1.4%
in % of the market values	**2.2%**	2.4%	**0.5%**	0.6%	**0.8%**	1.0%
Total						
Number	**4**	3	**8**	7	**12**	10
in % of the rental space	**6.1%**	4.4%	**14.5%**	15.9%	**11.6%**	11.1%
in % of the market values	**11.6%**	8.4%	**20.2%**	23.6%	**18.4%**	19.9%

OUR REAL ESTATE – ECOLOGICAL FOOTPRINT OF THE COMMERCIAL PORTFOLIO

Since 2011, DIC has recorded the annual property-specific consumption data of the properties in its Commercial Portfolio. These are our property-specific ESG criteria: final energy consumption in the form of electricity and thermal energy, water and CO_2 emissions. Collecting and analysing data of our electricity, thermal energy and water consumption, and determining the resulting greenhouse gas emissions, enables us to measure the ecological performance of our real estate portfolio while also making it possible for us to identify and define optimisation potential and optimisation measures that could be executed for the portfolio and for each property. The data for a given year are aggregated in the spring of the subsequent year, and since 2019 we have contracted a third-party service provider to support us in this effort.

Our Commercial Portfolio is subject to change – on the one hand, through our active transaction management and through the concomitant acquisitions and dispositions; on the other hand, due to the restructuring and structural alterations of selected portfolio properties. To study our data, we therefore use a representative and sufficiently large analysis portfolio whose consumption data are validated separately for the sake of quality assurance. During the past three years, the analysis portfolio usually accounted for more than 70% of the portfolio floor space total. Using the analysis portfolio, we extrapolate the consumption rates of our entire directly held Commercial Portfolio over the past three years. The figures obtained serve as starting point for property-specific benchmarking. In future, we will increasingly use the benchmarks in collaboration with our tenants to ensure we operate our properties as efficiently as possible.

Directly comparing the absolute consumption rates and emissions for the analysis portfolio of each year is possible only to a certain degree because our property stock undergoes regular changes. The comparability improves, however, if you study like-for-like consumption data of the analysis portfolio for the past three years. This is what we do for the purpose of this report. In the like-for-like analysis, we included only properties that were part of the portfolio throughout the entire three-year period. This eliminates possible effects that property acquisitions and sales during the observation period could have, among other things.

The data evaluation for the purpose of this report covers the period of 2018 through 2020. Our ecological footprint is represented in reverse order of the measurement.

Analysis Portfolio

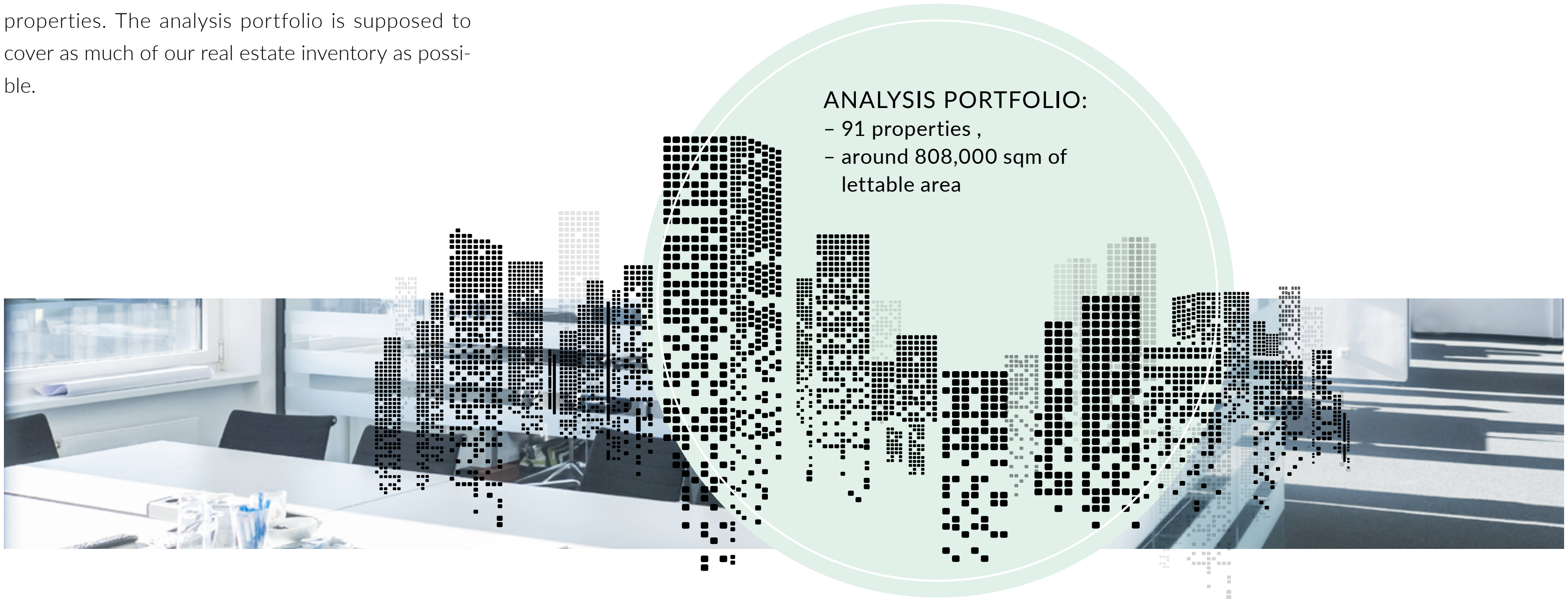
By the end of 2020, the Commercial Portfolio of DIC comprised 91 properties with around 808,000 sqm of lettable area under management.

The addition of a given property to the analysis portfolio presupposes that data covering a three-year period are available for at least seven of nine consumption data points. Their availability ensures a sufficiently high data quality. The higher the quality of the data pool, the more accurate are the insights that we can derive concerning sustainable and efficient property operations and the easier it becomes to develop, together with our tenants, suitable approaches for optimising the energy efficiency of our properties. The analysis portfolio is supposed to cover as much of our real estate inventory as possible.

As of the key date for this report, the analysis portfolio included 68 properties with a gross lettable area of around 574,000 sqm, which equals roughly 71% (previous year: 70%, 65 properties) of the directly held portfolio assets. Compared to the previous year, the analysis portfolio for 2020 shows a similar floor area percentage but includes more properties. This is explained, inter alia, by sales activities during the 2020 financial year, which resulted in a deviating composition of the analysis portfolio because the share of properties larger than 10,000 sqm declined.

BREAKDOWN BY SIZE

in % of the lettable area of the analysis portfolio	2020	2019
> 10,000 sqm	**65.4 %**	69.5 %
5,000-10,000 sqm	**18.7 %**	15.6 %
< 5,000 sqm	**16.0 %**	14.9 %



When comparing the analysis portfolio of 2020 with the one used for the Sustainability Report of 2019, it becomes evident that the share in office space (with or without air conditioning) increased by almost 5% (2020: 48.2%, 2019: 43.3%) whereas the share of retail space in the portfolio declined by about 4%.

The age structure of the analysis portfolio more or less resembles that of last year.

TYPES OF USE IN THE ANALYSIS PORTFOLIO* (AGGREGATED REPRESENTATION)

	2020		2019	
	Floor area (in ‘000 sqm)	Floor area percentage	Floor area (in ‘000 sqm	Floor area percentage
Office units without A/C	176	30.7 %	167	28.3 %
Air-conditioned office units	100	17.5 %	88	15.0 %
Storage and archive area, plant building	98	17.1 %	106	18.1 %
Retail units, supermarkets, department stores	98	17.0 %	125	21.3 %
Higher and continued education institutions	54	9.4 %	51	8.7 %
Hotels	14	2.4 %	27	4.5 %
Restaurants, cafés, cafeterias	9	1.5 %	8	1.3 %
Residential units	7	1.3 %	7	1.3 %
Special use units	7	1.3 %	3	0.5 %
Doctors’ offices	6	1.1 %	2	0.3 %
Server rooms	4	0.7 %	4	0.7 %
Total	573	100.0 %	588	100.0 %

* The categorisation of floor areas follows the recognised system of the Building Classification Catalogue (BWZK) of the Working Group of the Ministers and Senators of the Länder Responsible for Building, Housing and Settlement (ARGEBAU) and the German Energy Saving Ordinance (EnEV) 2009

BREAKDOWN BY YEAR BUILT*

in % of the lettable area of the analysis portfolio	2020	2019
before 1950	0.4 %	0.9 %
1950 –1959	1.9 %	0.4 %
1960 –1969	13.1 %	12.8 %
1970 –1979	16.0 %	15.6 %
1980 –1989	16.1 %	17.3 %
1990 –1999	30.3 %	31.8 %
2000 and since	22.2 %	21.2 %

* In cases of extensive refurbishments/modernisations: year of the most recent modernisation

Basis for Calculating and Validating the Consumption Data

GRI 103-1 GRI 103-2 GRI 103-3

Since the 2019 report, the data aggregation of electricity, heat and water consumption has been handled by a third-party service provider who is supported in the effort by our local property management and the facility management provider on site. In the consumption categories of thermal energy and water, we generally have access to the consumption bills submitted by the utility companies and the statements sent to the tenants (whenever tenants directly signed their own water supply contracts). In addition, meter readings for these media are available for most properties from our facility management service providers. Drinking water is procured exclusively from local water suppliers.

The biggest challenge here is to determine the total electricity consumption for each property. While it is no problem for us as owners to capture the common-area electricity consumption, the majority of tenants conclude their own supply contracts. To gather tenant electricity consumption data, we rely on the cooperation of our tenants, as we rarely have access to the grid operators' data. For the analysis portfolio, we estimated the tenant electricity consumption of 55 properties out of a total of 65. In this context, we expect the installation of smart meter systems ("smart metering") and the revision of our lease agreements to include "green lease" provisions to improve the data aggregation and analysis in the longer term.

Although we strive to make our analysis as comprehensive and precise as possible, we sometimes rely on qualified assumptions and simplifications when evaluating data. We will brief you on the steps of the calculation and the scope of the evaluated data in the respective section of the report and in the annex.

We refrained from using any methodological adjustments in the evaluation that would neutralize effects that could be caused by a change in use type for a given rental accommodation, the development of vacancies in the real estate portfolio, different material specifications and the age of buildings, or external influences such as weather conditions. When comparing the thermal energy consumption rates over time, you principally need to take the fluctuating lengths of the heating periods in the years analysed into account as an external influencing factor.

To validate our evaluations, we determine average rates for the analysis portfolio based on the energy consumption data of the past three years. In this context, we allow for the fact that differences in a building's use may influence the measurements. Properties running their own data centres and cooling systems in continuous operation, for instance, will obviously have a higher energy consumption average. Properties with a larger proportion of storage space or without their own cooling system, by contrast, tend to consume significantly less energy.

The analysis portfolio currently differentiates between 25 types of use. Specific square-metre ratios are assigned to each type/category of use. These ratios include currently the benchmark values for building-dependent electricity consumption (e.g.

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lighting, air conditioning, ventilation) according to the announcement dated 7 April 2015 by the Federal Ministry for Economic Affairs and Energy and the Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety with respect to the German Energy Saving Ordinance (EnEV), a parameter for user-dependent electricity consumption (e. g. operation of PCs, printers, servers) according to the Institute for Economy and the Environment (IWU) and a parameter for heating in accordance with the EnEV.*

For the 2020 reporting period, the overall parameters of our analysis portfolio (electricity 80.4 kWh/sqm/year, heat 92.5 kWh/sqm/year) are confirmed by comparable parameters in accordance with the EnEV and IWU standards (weighted by floor area percentage for our analysis portfolio – electricity 81.5 kWh/sqm/year, heat 97.6 kWh/sqm/year).

Basis for Calculating the CO_2 Emissions

We take the different CO_2 intensity of the various energy sources into account when measuring the ecological footprint. To calculate the CO_2 emissions that the energy consumption generated, we apply the following specific conversion factors:

- District heating (mixed renewable and non-renewable): 225.0 g CO_2e/kWh**
- Fuel oil (non-renewable): 280.0 g CO_2e/kWh*
- Natural gas (non-renewable): 191.9 g CO_2e/kWh*
- Electricity (mixed renewable and non-renewable): national average (if utility provider is unknown): 590.0 g CO_2e/kWh*
- Green electricity (from renewable energy sources): 0.0 g CO_2e/kWh**

* Source: Institut für Wirtschaft und Umwelt (IWU) - https://www.iwu.de/publikationen/fachinformationen/energiebilanzen/#c205
Joint announcement by the Federal Ministry for Economic Affairs and Energy and the Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety: announcement of the rules for energy consumption values and the comparative values in the non-residential building stock, dated 7 April 2015 (German Energy Saving Ordinance, EnEV)
** Source: International Economic Forum for Renewable Energies (IWR) – http://www.iwr.de/re/eu/co2/co2.html

Extrapolation – Ecological Footprint of the Commercial Portfolio

The table below represents the ecological footprint of our entire portfolio of directly owned properties, which was obtained via the extrapolation of the analysis portfolio's consumption data over a three-year period (2018 through 2020).

On the whole, the extrapolation suggests a positive trend for consumption rates and CO_2 emissions. The consumption of electricity (75 kWh/sqm) and thermal energy (83.6 kWh/sqm) declined when compared to the two previous years, both in absolute and specific terms. It should be noted that – as in previous years – we undertook no adjustment of the data (e.g. weather influences, vacancy development, occupancy). Additional analyses have been triggered in 2021 (Highlights 2021).

Particularly striking to note is the drastic drop in water consumption in 2020. We attribute the phenomenon to the downscaled presence of people in our buildings during the Covid-19 pandemic.

PORTFOLIO EXTRAPOLATION

	2020	2019	2018
Floor area of the Commercial Portfolio, in sqm*	**807,804**	842,349	888,426
Electricity consumption			
in kWh/sqm	**75.0**	84.7	81.5
Total consumption, in kWh	**60,623,304**	71,328,283	72,419,359
– thereof common-area electricity (100% renewable energies)	**18,626,282**	19,988,522	17,993,677
– thereof tenant electricity	**41,997,022**	51,339,761	54,425,683
Thermal energy consumption			
in kWh/sqm	**83.6**	96.1	97.7
Total consumption, in kWh	**67,493,943**	80,970,238	86,779,979
Total energy consumption			
in kWh/sqm	**128,117,247**	152,298,522	159,199,338
Water consumption			
in cbm/sqm	**0.22**	0.30	0.32
Total consumption in cbm	**179,623**	255,936	287,899
CO_2 emissions in tCO_2e**	**38,767**	46,949	49,824

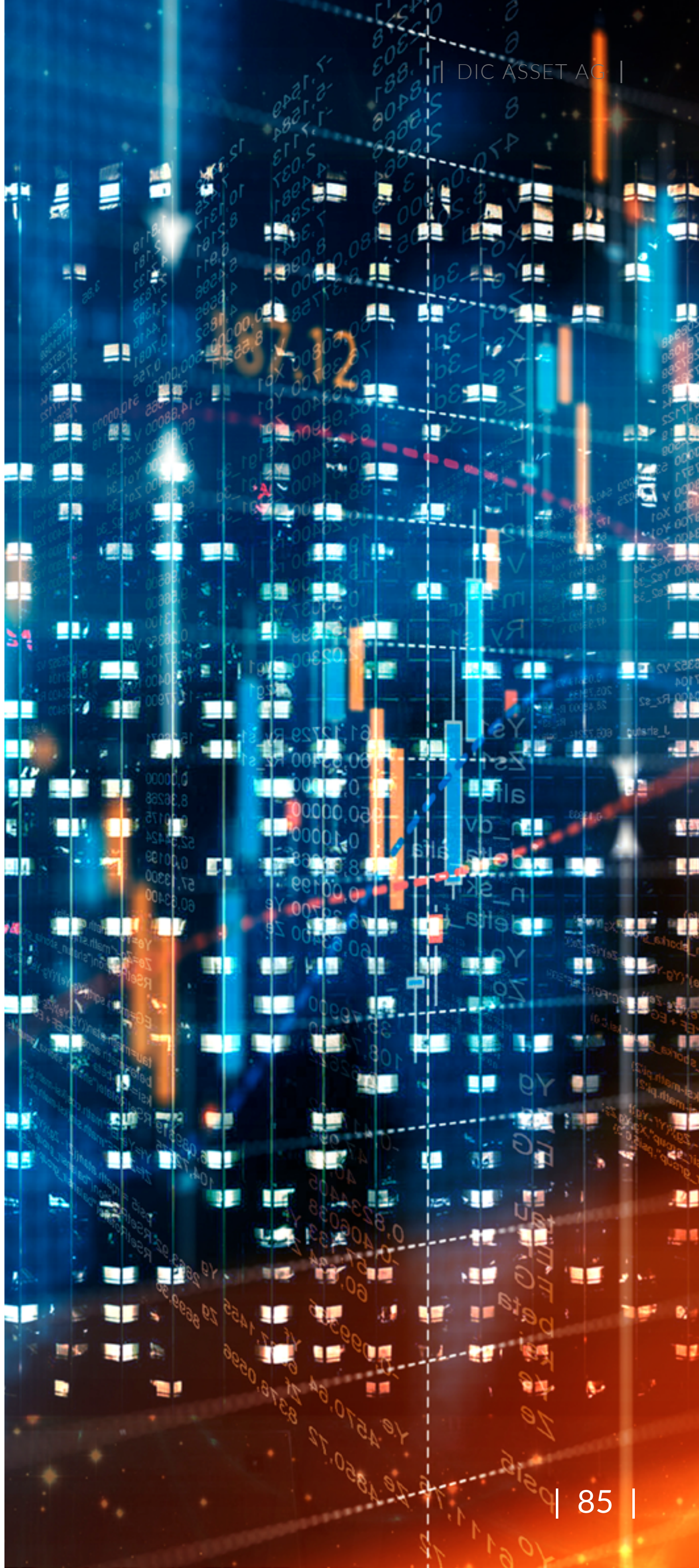
* not including property developments and warehousing
** CO_2 emissions from tenant-consumed electricity (conversion factor using the national average of 590 gCO_2e/kWh) and thermal energy (conversion factor depending on energy source)

A look at the key ratios of a typical property from the Commercial Portfolio shows that the consumption of thermal energy and water has declined. The electricity consumption in absolute terms has also decline whereas the specific rate has slightly increased. This is attributable to a year-on-year decrease in the typical property size, from 9,058 sqm in 2019 to 8,877 sqm in 2020. Additional analyses have been initiated.

CONSUMPTION OF A TYPICAL PROPERTY OF THE COMMERCIAL PORTFOLIO*

Avg. 2018 – 2020	per year	per sqm and year
Electricity consumption (kWh)	713,709	80.4
Thermal energy consumption (kWh)	821.120	92.5
CO_2 emissions (kgCO_2e)	559,389	63.0
Water consumption (cbm)	2,516	0.28

* The typical property size is 8,877 sqm, based on the lettable area and the number of properties held in the Commercial Portfolio at year-end 2020



Trend in Consumption Data – Analysis Portfolio

The analysis portfolio as of the key date of 31 December 2020 included 68 properties with a gross lettable area of around 574,000 sqm, which equals roughly 71% (previous year: 70%) of the directly held portfolio assets. When looking at the absolute consumption values measured for the analysis portfolio, it should be noted that the number of properties analysed in regard to thermal energy consumption (65 out of 91 properties) and electricity and water consumption (64 out of 91 properties) is lower for 2020 than the number of properties analysed for 2019 and 2018 (68 out of 91 properties in either year).

In order to obtain well-informed results, the analysis proceeded with a like-for-like comparison of the consumption data, meaning that the same properties were studied across the entire three-year period. The absolute consumption rates of each year before the data adjustment are shown as memo items in the tables on page 89.

GRI 302-1 GRI 302-2 GRI 302-4 GRI 303-1
Elec-LFL DH&C-LFL Water-LFL

LIKE-FOR-LIKE CONSUMPTION DATA (ANALYSIS PORTFOLIO)*

	2020	2019	2018	Change since 2018
Indirect electricity consumption (kWh)	**40,448,957**	44,287,394	42,043,097	-3.8
Number of analysed properties		64 out of 91		
implied lettable area, in sqm		538,982		
Indirect electricity consumption (kWh/sqm)	**75.0**	82.2	78.0	
kWh/workplace**	**1,201**	1,315	1,248	
Indirect thermal energy consumption (kWh)	**43,412,406**	48,160,842	46,649,698	-6.9%
Number of analysed properties		65 out of 91		
implied lettable area, in sqm		519,583		
Indirect thermal energy consumption (kWh/sqm)	**83.6**	92.7	89.8	
kWh/workplace**	**1,337**	1,483	1,437	
Indirect CO_2 emissions ($kgCO_2e$)	**31,838,893**	35,934,640	32,535,293	-2.1%
Number of analysed properties		65 out of 91		
Water consumption (cbm)	**125,422**	170,886	182,437	-31.3%
Number of analysed properties		64 out of 91		
implied lettable area, in sqm		564,049		
Water consumption (cbm/sqm)	**0.22**	0.30	0.32	
cbm/workplace**	**3.6**	4.8	5.2	

* relative to the analysis portfolio
** average workplace in 7 major German cities, around 16 sqm (source: Cushman & Wakefield, "Office Space Across the World," 2017)

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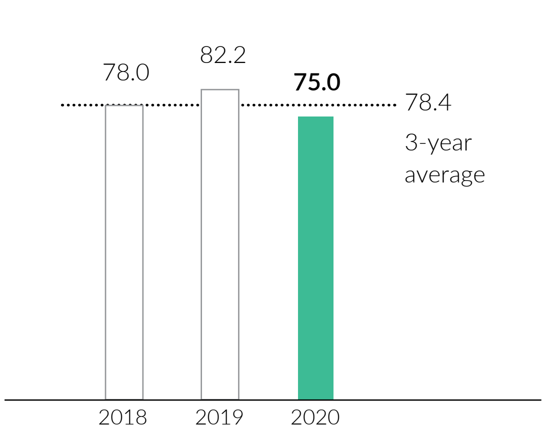
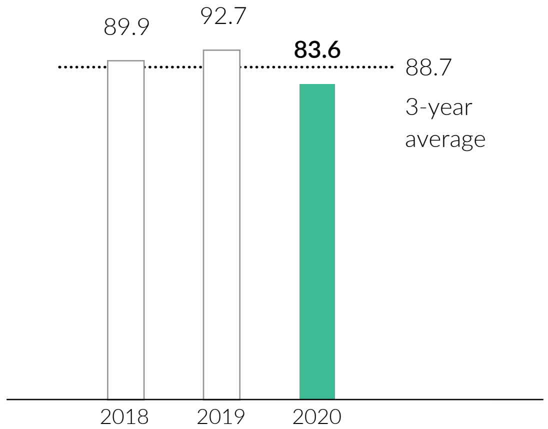
Electricity (Analysis Portfolio)

A like-for-like analysis of 64 properties shows that, compared to the benchmark year of 2018 (42.0 million kWh), the electricity consumption dropped by 3.8% to 40.4 million kWh in 2020. Relative to the lettable area, energy consumption in 2020 decreased by 11.5% to 75.0 kWh/sqm (2019: 82.2 kWh/sqm) and remained below the three-year average value of 78.4 kWh/sqm.

INDIRECT ELECTRICITY CONSUMPTION (LIKE-FOR-LIKE)
in kWh/sqm



INDIRECT THERMAL ENERGY CONSUMPTION (LIKE-FOR-LIKE)
in kWh/sqm



Heating (Analysis Portfolio)

On a like-for-like basis, the thermal energy consumption in 2020 amounted to 43.4 million kWh (83.6 kWh/sqm). This implies a decline by 6.9% from the figure of 46.6 million kWh (89.9 kWh/sqm) measured for the benchmark year of 2018.

One factor to be considered is the generally fluctuating length of the heating period during the years analysed, which represent external variables the influence the outcome, another factor being the failure to adjust the data for weather conditions.

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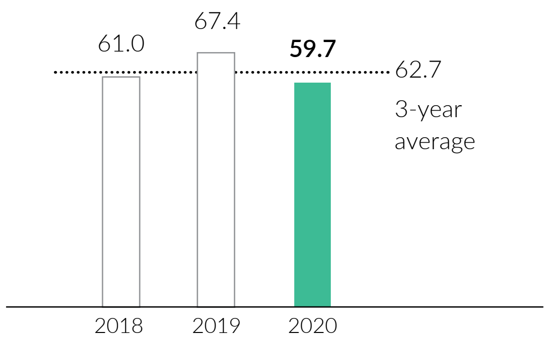
CO_2 emissions (analysis portfolio)

GRI 103-1 GRI 103-2 GRI 103-3
GRI 305-2 GRI 305-5
GHG-Indir-LFL

The like-for-like analysis measured 31,838 tCO_2e (59.7%) emitted in 2020, which is 2.1% fewer emissions than in the benchmark year of 2018 (32,535 tCO_2e; 61.0%), while the breakdown of the three energy sources district heating (45.2%), natural gas (54.4%) and fuel oil (0.4%) that our properties used as direct and indirect thermal energy supply more or less matches the ratio of 2019. In future, the replacement of oil-fired heating systems will contribute to the fulfilment of legal requirements and to the further reduction of CO_2 emissions.

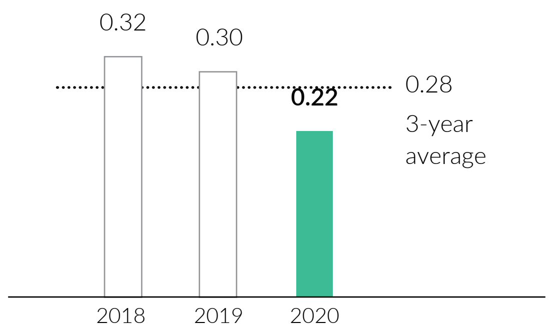
INDIRECT CO_2 OUTPUT (LIKE-FOR-LIKE)

in $kgCO_2e$/sqm



WATER CONSUMPTION (LIKE-FOR-LIKE)

in cbm/sqm



ENERGY SUPPLY (LIKE-FOR-LIKE)

Energy type	2020 Share of total consumption	2019 Share of total consumption
District heating	**45.2%**	46.9%
Natural gas	**54.4%**	52.8%
Fuel oil	**0.4%**	0.3%

Water (Analysis Portfolio)

Our like-for-like comparison revealed a 31.3% drop in consumption, from 182,437 cbm in the benchmark year of 2018 down to 125,422 cbm in 2020. Relative to the floor area, this implies a drop in consumption from 0.32 cbm/sqm in 2018 to 0.22 cbm/sqm in 2020.

GRI 302-1 GRI 302-2 GRI 303-1
Elec-Abs DH&C-Abs Fuels-Abs Water-Abs

ABSOLUTE CONSUMPTION DATA (ANALYSIS PORTFOLIO)*

	2020	2019	2018
Indirect electricity consumption (kWh)	40,448,957	48,586,817	46,771,608
– thereof common-area electricity	12,427,790	13,615,618	11,621,108
– thereof tenant electricity	28,021,167	34,971,199	35,150,500
Number of analysed properties	64 out of 91	68 out of 91	68 out of 91
implied lettable area, in sqm	538,982	573,784	573,784
Indirect thermal energy consumption (kWh)	43,412,406	55,154,645	56,046,328
Number of analysed properties	65 out of 91	68 out of 91	68 out of 91
implied lettable area, in sqm	519,583	573,784	573,784
Indirect CO_2 emissions ($kgCO_2e$)	31,838,893	39,793,282	34,426,617
Water consumption (cbm)	125,422	174,948	185,687
Number of analysed properties	64 out of 91	68 out of 91	68 out of 91
implied lettable area, in sqm	564,049	573,784	573,012

* relative to the analysis portfolio

CRE1 CRE2 CRE3 GRI 302-3 GRI 305-4
Energy-Int Water-Int GHG-Int

KEY RATIOS (ANALYSIS PORTFOLIO)*

	2020	2019	2018	Change since 2018
Indirect electricity consumption (kWh/sqm)	75.0	84.7	81.5	-7.9%
kWh/workplace**	1,201	1,355	1,304	
Number of analysed properties	64 out of 91	68 out of 91	68 out of 91	
Indirect thermal energy consumption (kWh/sqm)	83.6	96.1	97.7	-14.5%
kWh/workplace**	1,337	1,538	1,563	
Number of analysed properties	65 out of 91	68 out of 91	68 out of 91	
Indirect CO_2 emissions ($kgCO_2e$/sqm)	59.7	69.4	60.0	-0.5%
$kgCO_2e$/workplace**	995	1,110	960	
Water consumption (cbm/sqm)	0.22	0.30	0.32	-31.4%
cbm/workplace**	3.6	4.9	5.2	
Number of analysed properties	64 out of 91	68 out of 91	68 out of 91	

* relative to the analysis portfolio
** average workplace in 7 major German cities, around 16 sqm (source: Cushman & Wakefield, "Office Space Across the World," 2017)

SUSTAINABILITY APPROACHES AND ECO-BALANCE OF DIC

DIC has developed specific strategies and management approaches to contribute to climate protection and resource conservation, and once a year analyses the ecological footprint of its business activities. To this end, we capture data for electricity, thermal energy, water and waste quantities. The sustainability measures concerned and involved 272 employees (2019: 247) in 8 locations (2019: 7) and there in 9 properties (2019: 8) during the 2020 financial year.

Sustainability at the Workplace

Among our key priorities is the efficient and responsible use of resources. Our office units are wholly or partially (tenant electricity) supplied with carbon-neutral electricity. At our head office in Frankfurt, we occupy rented floor space in two sustainable office buildings – ”MainTor Primus” and “MainTor Panorama” – built to the highest certification level, Platinum, under the DGNB green building standard (German sustainable building certificate). New employees are given a comprehensive guide to their workplace, including practical energy-saving tips for the office.

Another area in which we achieve cost and energy savings is the IT infrastructure, e. g. by regularly replacing older equipment with technically more efficient new equipment. Our printers are centralised and require the input of a personal pin code. It helps us to raise awareness for a resource-conserving paper consumption in line with the “Think before you print” maxim. It is also a good way to improve data protection.

In the context of procuring office supplies, we strive for CO_2 savings by placing fewer small-scale orders and by favouring environmentally friendly products in order to reduce packaging material and transport-related carbon emissions. Moreover, we prefer to buy sustainable products that are associated with reforestation projects wherever sensible and possible, so as to compensate actively for CO_2 emissions.

DIC’s Environmental Guidelines

Resource Depletion: We pledge to optimise the consumption of all resources in all parts of our buildings and to use energy, waste and water sparingly and efficiently.

Continuous improvement: We pledge to regularly review and continuously optimise our operational workflows in ecological and economic terms, not least by considering employee suggestions.

Waste disposal: We pledge to avoid producing waste as much as possible and to practice uniform waste separation to the best of our ability.

Procurement: In our purchasing activities, we favour regional products, renewable resources and recognised environmental labels. We will also try to persuade our service partners to adopt the same attitude.

Self-commitment by our management board and our employees: The sustainability issue is of key importance for the way we think and act. We pledge to use the resources entrusted to us prudently and to keep optimising our in-house workflows as well as the workflows of our service providers.

Ecological Balance – Waste Quantities, Consumption Data and CO_2 Emissions

Since 2011, we have gathered the consumption data of DIC itself at its head office in Frankfurt and at its regional branch offices in Germany. The evaluation of consumption data in the properties we occupy and the calculation of the CO_2 emissions take the same methodological approach as the evaluation of our analysis portfolio.

In a few instances, the data analysis relies on qualified assumptions and simplifications. For details on the steps of the calculation and the scope of the evaluated data, please see the respective section of the report and the annex.

Recycling and Waste Management

GRI 103-1 GRI 103-2 GRI 103-3

We have reported on waste management, disposal and recycling since our 2015/2016 Sustainability Report. The resulting transparency creates a better decision-making basis, and thus facilitates our control.

Details on the type and quantity of waste materials are estimated on the basis of the general data provided by the local waste disposal companies (volume and frequency of the waste collection) as well as our commercial waste disposal partners at our office locations. In all locations, the waste disposal is carried out jointly for all tenants of a given property. The volume of waste attributable to DIC is estimated as the total waste volume of each type of waste for an entire property, multiplied by the floor area percentage of the rental units that are occupied by DIC. Next, the result is multiplied by 52 for the total number of weeks of the year to obtain the annual total (since 2018).

WASTE GENERATION AT DIC ASSET AG*

GRI 306-2 Waste-Abs

Volume, in litres	**2020**	2019	2018
Non-recyclable waste (residual waste)	**145,833**	145,634	96,679
Paper	**284,575**	293,014	253,282
Recoverable waste	**53,024**	46,350	47,371
Recyclable material (reusable material)	**110,742**	117,453	117,151
Total	**594,174**	602,450	514,483

* The consumption rates of the GEG premises in the “MainTor Panorama” building since 2019, which were estimated last year, have since been updated..

Energy Management – Consumption of Electricity and Thermal Energy

All things considered, the consumption rates follow a generally stable trend. While the consumption of electricity, thermal energy and water has increased in absolute terms, the specific consumption rates across all media have decreased (with the exception of the specific thermal energy consumption per area). This rise in absolute consumption is attributable mainly to the 47.5% growth of our employees and the 33.6% increase in occupied floor area relative to 2018.

We attribute the drastically reduced water consumption in 2020 to the downscaled presence of people in our buildings during the Covid-19 pandemic. It should also be noted that – as in previous years – we undertook no adjustment of the data (e.g. weather influences, vacancy development, occupancy).

These findings as well as the outcome of the energy audit that a third-party adviser conducted on behalf of DIC will trigger further analyses.

In detail:

- The total **electricity consumption** of DIC increased by 21.9 % to 727,276 kWh (2019: 596,813 kWh) during the 2020 financial year. Compared to the benchmark year of 2018, the consumption increased by 20.3 %. The electricity consumption per square metre fell by 10.0 %, from 99.0 kWh/sqm in the benchmark year of 2018 to 89.1 kWh/sqm in 2020. The tenant electricity consumption per employee was 847 kWh and thereby significantly undercut the level of the benchmark year (2018: 1,313 kWh).
- DIC uses district heat or natural gas to heat all of its branch offices. The **thermal energy consumption** came to 2,226 kWh per employee in 2020, exceeding the prior-year level (2019: 2,095 kWh). Compared to 2018 (2,247 kWh), the thermal energy consumption declined by 2.1 %.
- The **water consumption** amounted to 10.3 cbm per employee in 2020 (2019: 10.4 cbm/employee). Compared to the benchmark year of 2018 (13.7 cbm/employee), the consumption declined by 25.0 %.

ENERGY AND WATER CONSUMPTION OF DIC ASSET AG (ABSOLUTE VALUES) GRI 302-1

	2020	2019*	2018	Change since 2018
Electricity consumption (kWh)	**727,276**	596,813****	604,530****	20.3%
– for tenant electricity	**230,380**	257,892****	241,510	-4.6%
– for common-area electricity	**496,896**	338,922****	363,020****	36.9%
in kWh/sqm	**89.1**	86.3****	99.0****	-10.0%
Tenant electricity/employee (kWh)	**847**	1,044****	1,313	-35.5%
Thermal energy consumption (kWh)	**605,389**	517,465****	418,326****	44.7%
in kWh/sqm	**74.2**	74.8****	68.5****	8.3%
in kWh/employee	**2,226**	2,095****	2,274****	-2.1%
Water consumption (cbm)	**2,801**	2,567****	2,527****	10.9%
in cbm/sqm	**0.34**	0.37****	0.41****	-17.0%
in cbm/employee	**10.3**	10.4****	13.7****	-25.0%
Number of offices*	**8**	7	6	14.3%
floor area equivalent, in sqm**	**8,161**	6,916	6,108	33.6%
Number of employees (annual average)	**272**	247	184	47.8%

* Pro-rata inclusion of the consumption rates of the GEG premises in the “MainTor Panorama” building since June 2019. Some of the consumption figures represent estimates.
** The branch office in Halle (Centre Management) has been grouped with the Berlin office since July 2017. In late 2019, Cologne was added as the most recent branch. The two properties “MainTor Primus” and “MainTor Panorama” are lumped together as a single location (Frankfurt).
*** Units sublet by DIC are not included in the calculation.
**** Individual line items were revised in line with updates of the estimated data during the subsequent year

CO_2 Emissions of DIC Asset AG under the “Greenhouse Gas Protocol” (GHG Protocol)

GHG-Dir-Abs GHG-Indir-Abs
GRI 305-1 GRI 305-2 GRI 305-3

We intend to manage the CO_2 emissions generated in the course of our business activities, and compile a CO_2 score annually. Our CO_2 accounting is based on the globally recognised **Greenhouse Gas (GHG) Protocol** corporate standard. The standard distinguishes between three different emission types, the so-called “scopes”, according to which our disclosures break down as follows:

- **Scope 1** represents direct CO_2 emissions.
  We record the CO_2 emissions that are annually generated by the car fleet of DIC, distinguishing between the fuel types petrol and diesel.

- **Scope 2** refers to indirect CO_2 emissions.
  We record the CO_2 emissions generated by our suppliers when producing energy (tenant electricity and heat) for our DIC branch offices in properties we own outright and for the common-area electricity consumption associable with our real estate portfolio (“consumption control by DIC Asset AG”). Both the electricity we ourselves consume and the common-area electricity that the properties of our Commercial Portfolio consume are obtained from renewable energy sources (electricity projection 0.0 g CO_2e/kWh).

- **Scope 3** covers all other CO_2 emissions that are in some way related to our corporate activities.
  We record the CO_2 emissions of our domestic, continental and intercontinental air travels. When travelling by rail, we support the carbon-neutral use; no additional data material is currently available. Also captured are the CO_2 emissions caused by the common-area electricity and thermal energy consumption of the properties we rent for our offices. Moreover included are the CO_2 emissions from the electricity and thermal energy consumption of tenants occupying properties we own outright (Commercial Portfolio segment). For the first time, we are taking proportionaly CO_2 emissions into account in this report that are caused by the use of our properties in our third-party business, as we hold interests in them as co-investors (Institutional Business segment: here, electricity and thermal energy consumption of the tenants occupying the properties).

Basis for Calculating the CO_2 Emissions

We also take account of the differences in CO_2 intensity between the various energy sources when measuring the CO_2 emissions of DIC under the "Greenhouse Gas Protocol" (GHG Protocol) by applying the following specific conversion factors:

- District heating (mixed renewable and non-renewable): 225.0 g CO_2e/kWh*
- Fuel oil (non-renewable): 280.0 g CO_2e/kWh*
- Natural gas (non-renewable): 191.9 g CO_2e/kWh*
- Electricity (mixed renewable and non-renewable): national average (if utility provider is unknown): 590.0 g CO_2e/kWh*
- Green electricity (from renewable energy sources): 0.0 g CO_2e/kWh*
- Fuel consumption, diesel / petrol: 2,676 / 2,272 g CO_2e/litre**
- Air travel (domestic / continental / intercontinental): 360 / 350 / 300 g CO_2e/km**

To calculate the CO_2 foot print of our co-investment in the Institutional Business segment, we set the market value of the equity investments in relation to the market value that the Commercial Portfolio had in the various financial years. Next, we multiply this share with the CO_2 emissions from the portfolio extrapolation. For the time being, the calculation assumes an identical energy performance of the property stock across segments. However, we plan to work with real values when calculating this carbon footprint in future.

* Source: International Economic Forum for Renewable Energies (IWR) – http://www.iwr.de/re/eu/co2/co2.html

** Source: https://ghgprotocol.org/calculation-tools

During the 2020 financial year, the CO_2 footprint of DIC amounted to 42,257 tCO_2e (2019: 61,221 tCO_2e), with tenant consumption in the Commercial Portfolio segment accounting for 91.7% thereof and the Institutional Business segment accounting for 7.0%. Since 2018, the Group's carbon footprint has decreased by 23.0 % (2018: 54,883 tCO_2e), primarily because the Commercial Portfolio was downsized in line with the strategic portfolio optimisation.

Further Details

GREENHOUSE GAS EMISSIONS ACCORDING TO THE GHG PROTOCOL* in tCO_2e

	2020	2019	2018	Change since 2018
Scope 1				
Car fleet	**272**	212	231	+17.7 %
Scope 2				
DIC Asset AG consumption (tenant electricity)*	**0**	0	0	n/a
DIC Asset AG consumption (heating of office locations owned)**	**39**	44	43	-9.1%
Common-area electricity (Commercial Portfolio)***	**0**	0	0	n/a
Scope 3				
Business travel****	**17**	75	71	-76.1 %
Common-area electricity consumed at the properties rented by DIC Asset AG**	**155**	136	137	13.2 %
Heating consumed in properties rented by DIC Asset AG**	**97**	72	51	+90.5%
Tenant electricity and thermal energy of the Commercial Portfolio segment (based on a portfolio extrapolation)	**38,767**	46,949	49,824	-22.2%
Tenant electricity and thermal energy of the Institutional Business segment (based on the extrapolation for the Commercial Portfolio segment and for the co-investment share)*****	**2,949**	3,230	4,569	-35.5%
Total tCO_2e	**42,257**	50,674	54,883	-23.0%

* All of our rented units are supplied with green electricity

** for properties not owned by us (Berlin, Frankfurt and, since 1 January 2020, Munich): consumption data provided by owner, CO_2 output in line with national average / for properties not owned by us (Berlin, Frankfurt and, since 1 January 2020, Munich): green electricity

*** Common-area electricity obtained to 100% from renewable energies

**** not including employee commutes

***** 2018, not incl. the interest in TLG Immobilien

4 SOCIAL

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GRI 103-1 GRI 103-2 GRI 103-3

One of our key principles is to be responsible and always fair in our interaction with employees, clients and business partners. To ensure we live up to it, we maintain a constructive dialogue with our stakeholders that enables us to analyse our business performance in a social and societal context, and to act upon the findings. We structure our stakeholder dialogue individually, and align our human resources policy, our commitment within the industry and in society at large with the expectations of our target group as well as with our values and our corporate strategy.

Subject areas that are material for DIC are identified in an ongoing dialogue with our employees, and discussed in the subsequent sections (Materiality).

As in previous years, the figures for this sustainability report were compiled in anonymised form by our Human Resources department, and subsequently evaluated by the Head of Sustainability and the reporting team.

As one of Germany's largest portfolio holders of commercial real estate and providers of real estate investment products, we also seek to contribute to society at large and to help strengthen the real estate industry through diverse commitments and memberships in interest groups and initiatives. These will also be covered by this chapter.

OUR PRINCIPLES OF SOCIAL SUSTAINABILITY:

- Developing a positive corporate culture as well as a safe and pleasant working environment
- Helping employees to unfold and develop their potential, not least through continuing education and competitive pay
- Cultivating long-term partnerships with highly productive companies
- Handling historically evolved neighbourhoods respectfully through sensitive property development and urban development
- Charitable and sector-specific commitments

OUR EMPLOYEES

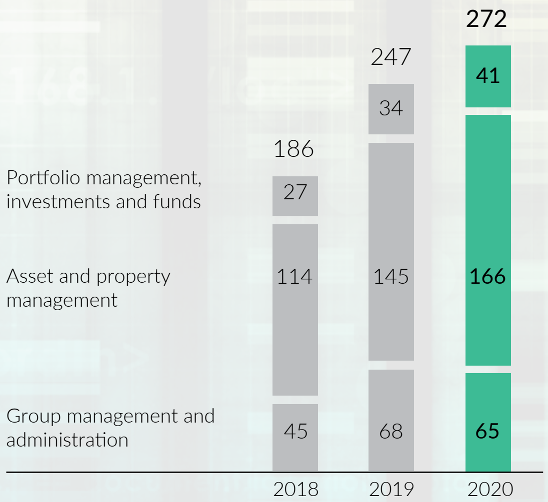
The knowledge, skills and commitment of our employees constitute the foundation of our company's success. We will achieve our ambitious goals only if we have qualified and motivated employees who represent our company to the outside world with dedication and success. Accordingly, we value and encourage an entrepreneurial mindset and behaviour, accountability, flexibility and expertise.

DIC Asset AG's principal place of business, where the key management and administrative tasks are taken care of, is Frankfurt am Main. With now eight offices across Germany, we are active in our portfolio's focal regions across Germany. In 2020, we opened up another two offices, one in Cologne and the other in Stuttgart, so that DIC Asset AG is now active in all major submarkets of Germany. Our human resources policy seeks to strengthen our teams on the ground so as to ensure we provide all of our real estate services close to our clients.

As in previous years, we expanded the capacities for the dynamic growth of real estate assets under management either in our proprietary portfolio or on behalf of third parties, so as to strengthen our real estate expertise and our implementation capacity. The number of employees in our group of companies increased to 272 as of year-end 2020 (31 December 2019: 247). The number of staff working in portfolio management increased in sync with the growth of assets under management to 41 (31 December 2019: 34) while the number of staff working in asset management and property management increased to 166 (31 December 2019: 145). The number of staff working in administrative roles remained stable at 65 (31 December 2019: 68).

NUMBER OF EMPLOYEES

GRI 102-8



Diversity and Equal Opportunity

GRI 103-1 GRI 103-2 GRI 103-3
GRI 102-8 GRI 405-1 Diversity-Emp

We live up to our principle of extending fair and equal treatment to our employees regardless of their gender and/or other criteria. We see DIC as a team whose sustained success depends on its collective effort.

We ensure that our employees are marked by diversity, and promote it across our group of companies:

- By the end of 2020, the Group had employees from 13 different nations (31 December 2019: 9 nations).
- Female employees filled 52 % of all positions as of 31 December 2020.
- On the same record date, the majority of our employees (63 %) were between 31 and 50 years of age. An additional 17 % of our employees are aged 30 or younger, while 20 % are aged 51 or older.

We believe that heterogeneous teams who differ in their individual skills, expertise and different solution approaches are in many ways better positioned to address complex issues than homogeneous teams, and that they bring more innovation potential to a given task. To this end, we maintain a corporate culture that is dedicated to the principles of ethical standards and integrity, and that promotes mutual respect, accountability and respect within our employees.

Our compliance guideline defines comprehensive safeguards against discrimination, particularly in regard to ethnic identity, gender, religion or belief, disability, age and sexual identity. Our stated objective is to actively discourage discrimination, unfairness or undesirable behaviour (Governance).

DIC also pursues a diversity concept in regard to the composition of Supervisory Board and Management Board, which is discussed in depth in the section "Corporate Governance" of our 2020 Annual Report (Governance).

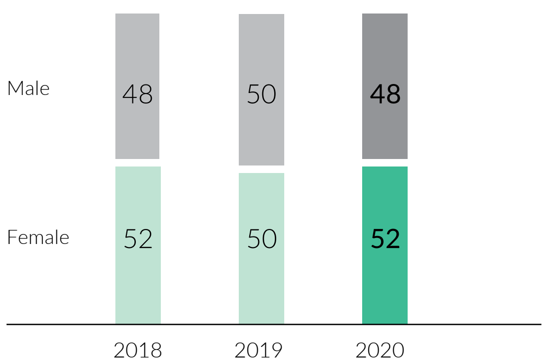
In addition to the knowledge, skills and professional experience required to perform the tasks properly, the Company shall take diversity into account when making board appointments. It should be considered to what extent different, mutually complementary professional profiles as well as job and life experiences may benefit the board's work. The objectives for its composition were defined according to the recommendations of the German Corporate Governance Code (DCGK) as stipulated by the Declaration of Conformity. These objectives also include the competence profile for the entire body and the diversity concept the Supervisory Board pursues in regard to its composition.

In keeping with legal requirements, DIC has defined targets for the proportion of women on the Supervisory Board, on the Management Board and on the executive level below the Management Board:

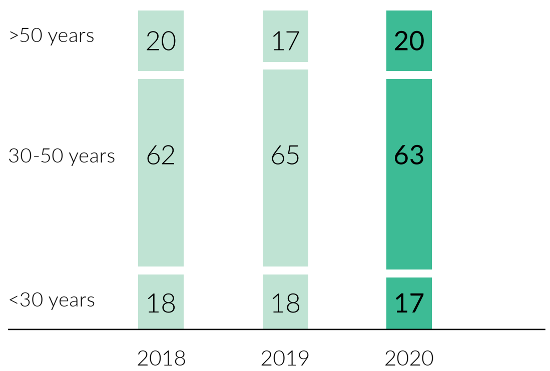
- The target of 1/6 or 16.66 % for the Supervisory Board was not achieved, as the rate by the end of 2020 was 0 %. When proposing candidates to the Annual General Meeting for the election of Supervisory Board members, the Supervisory Board will duly take account of the objectives it has set for its composition and the competence profile for the Supervisory Board as a whole, but will prioritise the professional and personal qualifications of a given candidate.
- The target of 1/4 or 25 % for the Management Board was achieved with 1/4 (25 %) as of year-end 2020.
- We missed the target figure for the proportion of women on the executive level below the Management Board, which is 2/13 or 15.38 %, with an actual rate of 2/14 or 14.28 % as of year-end 2020. It is one consequence of the expansion of this executive level in 2019 following the acquisition and integration of GEG German Estate Group.
- There is no second executive level below the Management Board.

The set deadline for achieving the targets is 30 June 2022.

EMPLOYEE GENDER BREAKDOWN in %



AGE STRUCTURE in %



Employee Remuneration and Performance Incentives

GRI 103-1 GRI 103-2 GRI 103-3
GRI 201-3 GRI 102-41 GRI 401-2
GRI 405-2 Diversity-Pay

In accordance with our principles and with the Compliance Directive, our employees must be treated equally and should not be privileged based on gender and/or other criteria. Our company attaches great importance to equal pay for equal work. DIC does not have any collective bargaining agreements with employees

Salary payments break down into basic income, additional benefits, and performance-related components. We pay salaries that match industry levels and competitive standards, and we conduct market surveys to obtain these benchmarks. The performance-related component is based on the achievement of strategic, operational and personal goals, which are determined annually for each employee together with his or her superiors. Total payroll and benefit expenses in 2020 equalled EUR 26.4 million. They include performance-related remunerations in the amount of EUR 3.2 million, implying a share of around 12 %. Social security contributions, pension plans and other benefits added up to EUR 2.9 million.

At the moment, DIC does not have enough data sufficiently well-informed to publish verifiable disclosures on gender-specific salary differences. That said, we will make an effort in 2021 to enhance our readiness for evaluation and to increase our level of transparency.

EMPLOYEE INFLOW AND OUTFLOW*

GRI 401-1 Emp-Turnover

	2020			2019			2018		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Hirings	37	48	85	30	26	56	19	24	43
Departures	28	26	54	28	21	49	9	21	30
Turnover rate**			19,9 %			19,8 %			16,3 %

* adjusted for staff changes within the DIC Group, based on employee-side termination of permanent employment contracts.
** defined as departures relative to the average number of employees during the financial year. The ratio determined for 2020 is 54/272 or 19.9% (previous year: 49/247 or 19.8%)

Human Resource Development

GRI 103-1 GRI 103-2 GRI 103-3 GRI 404-3 Emp-Dev

Target-oriented human resource development is an essential part of our long-term corporate development. With a view to the long-term retention of talent, it seeks to deepen the contentment among employees through sponsorship and continued professional development.

As individuals, employees have a high priority for DIC. Engaging in personal dialogue with our staff means a lot to us, as do periodic transparent performance ratings. All of our employees (100 %) receive a regular assessment of their performance and career progress within the framework of annual feedback interviews. In addition to established human resource development tools such as this one, it is very important to us to encourage an open dialogue among our employees across hierarchical boundaries. The general idea is that our employees should be able to approach their superiors any time with queries and concerns.

We ensure that talents are discovered, sponsored and tested. Human resource development and advancement are among the key responsibilities of our executives. We support our executives in the process and provide them with the tools they need, including through training classes and/or one-to-one coaching.

Driven by the booming economy and the "war for talents," employee turnover has generally increased in the real estate industry. In the case of DIC, the effect was reinforced by the company's inorganic growth. We will keep a close eye on this development going forward. Since we keep wanting to establish a strong and uniform corporate culture, we created the position Head of People and Culture during the second quarter of 2021. This role focuses on strategic human resources topics, and will facilitate the promotion of a tangible corporate culture in our workday reality.

31.12.2020

100 %

31.12.2019

Employees subject to performance reviews over the past 12 months

Recruiting

Inspiring enthusiasm in new co-workers is one of the most critical tasks of our group-wide Human Resources department. In order to appeal to young talent and highly skilled job seekers, we are committed to positioning DIC as an excellent employer. We offer flat organisational structures, let employees assume responsibilities early on, and delegate significant decision-making competences.

We adapt our recruiting processes to the job profiles and target groups of the advertised positions. To this end, DIC relies both on public portals, recruiting fairs and on established networks.

In June 2020, we relaunched our career website (www.dic-asset.de/karriere/). It gives interested parties and job seekers the opportunity to obtain exhaustive information about the service areas of the DIC Group and for getting a rough idea of the benefits offered.

In addition, DIC has an in-house peer-to-peer recruitment program ("Mitarbeiter werben Mitarbeiter"). If an employee happens to know a person in his or her private or professional network who is looking for a fresh opportunity – assuming the person would be an asset for us, and we an attractive employer for him or her – it will pay off for DIC employees to approach that person and broker the contact to the company. Personal ties between employee and applicant increase the chance that the new staff member will truly feel at home in the company and on the job. The pre-selection by in-house staff will also speed up the applicant screening and the job interviews. Employees are rewarded for the successful recommendation of a new staff member with a cash bonus.

On occasion of recruiting fairs we attend, our employees will provide first-hand insights into the various spheres of activity of our group of companies to curious students. We present our company at the IZ Career Forum at Goethe University Frankfurt on a regular basis. The job fair for the real estate industry attracts students and graduates of degree programs in real estate economics/management, facility management, civil engineering sciences, architecture/urban planning, business administration, geography, but is equally important to experienced professionals, young talent, apprentices and high school students considering a career in the real estate sector. The job fair is a great opportunity for employers and job seekers or students to meet and get to know each other directly. Students are encouraged to get in touch with us ahead of the job fair to schedule a personal appointment. It gives us a chance to talk personally with potential job seekers and to find out early on whether or not that person would fit in with the company. These interviews as followed by an analysis before we approach any applicant with a job offer. In the best case, the applicants become new staff members. In 2020, the Covid-19 pandemic kept the Immobilien Zeitung real estate trade paper from hosting the IZ Career Forum as a face-to-face event.

DIC used insights gained in the course of its progressive digitisation to prepare for future online options in human resource management and recruiting. The company will keep providing the option to conduct job interviews online, especially with our regional offices, in order to facilitate the recruitment of new staff.

Flexible Working Time Models

DIC offers flexible working time models, especially to support employees returning to work after parental leave. Flextime arrangements are to make it easier for our employees to reconcile family and job. In 2020, a total of 35 employees (13%) worked part-time, the same as in 2019 (35 employees, 14%).

Professional Training and Continued Professional Development, and Sponsorship of Young Employees

GRI 401-2 GRI 404-1 GRI 404-2 Emp-Training

We support the personal goals of our employees in terms of continued professional development and advancement, and invest in the development of individual expertise and competence. For one thing, we offer general training classes (e. g. on data protection) as well as subject-specific advanced training on current expert subjects. These are taught by in-house and third-party lecturers or by training institutes. In individual cases, DIC agreed to cover the tuition fees for work-study degree programs.

Collaborative venture with the DHBW Dual University of Baden-Württemberg: We live up to our responsibility for training young talent

During the 2020 financial year, we started reporting about the number and types of advanced training options available to our staff. The figures for 2020 were 367 advanced training classes, and a total of 694 man-hours were calculated and itemised. Based on the average number of employees in 2020, this translates into a ratio of 2.6 hours per employee spent in continued professional development.

For years, DIC has sponsored and actively encouraged the professional training and retention of young talent. It creates a variety of possibilities. We train estate agents, support work-study degree programs and offer trainee programs to help new recruits get directly started on the job. We have been certified as trainer for the profession of estate agent since 2015. Moreover, we currently support four university students in their bachelor or master thesis projects. We consider all of these programs to be important building blocks to keep attracting qualified young talent to our company in the future, but also to live up to our social responsibility.

As a "dual partner" of the DHBW Dual University of Baden-Württemberg, DIC lives up to its responsibility for training young talent. In collaboration with the DHBW campus in Mannheim, the company takes part in work-study degree programs majoring in real estate economics. The collaboration includes, inter alia, defining learning objectives and scheduling regular feedback meetings, providing opportunities for acquiring subject-specific, social and methodological competencies, and coordinating leave times that work-study employees need to prepare for exams and to write practical papers and their Bachelor's theses. At present, we have 5 students across Germany on the payroll. Most of the students will be hired for in-house positions, e. g. as commercial property managers.

University graduates may take advantage of our trainee program (12 to 18 months) after getting their degrees. The programs' purpose is to prepare career starters for responsible positions. Our work placements give secondary school students (two weeks) and university students (two to six months) the opportunity to get to know the various units of our company.

Pleasant Working Environment & Open-Minded Corporate Culture

GRI 402-1

We promote collaboration and the exchange of know-how through regular meetings of working groups in which staff from different regional offices and from the head office work together on a variety of projects and subject areas. Internal get-togethers and events are encouraged to boost the team spirit. Freedom of assembly and the option to organise are basic rights of our employees that we honour. That being said, we have negotiated no collective bargaining agreements.

Employees are notified proactively and early about organisational changes, which are normally communicated personally by the Management Board or other executives. Any corporate news that we make public will also be separately circulated in-house.

New employees are given a comprehensive guide to their workplace, and a copy of the compliance policy for them to sign and thereby to commit themselves to a responsible and lawful conduct. Aside from enhancing the flow of communication, the guidelines directly brief new team members about their rights and obligations and the resources available to them.

We care a lot about making our office environment not just safe but welcoming, too. All employees are granted a number of benefits, regardless of their workplace:

- A free choice of hot beverages and cold soft drinks are available in common areas and kitchens.
- In addition, exclusive discounts on products and services are offered on an internal employee portal.
- A collaboration with a fitness chain gives our employees the opportunity to take out a discounted membership.
- The company's office locations are convenient to reach by means of public transportation.

Roughly three out of four DIC employees work in the head office at the MainTor complex in downtown Frankfurt. Located in the two buildings MainTor Primus and MainTor Panorama, the offices get plenty of natural light and overlook both the MainTor grounds and the inner city of Frankfurt. The location is also attractive because of its rich spectrum of gastronomy, retail and cultural amenities that lie within walking distance.

Occupational Health and Safety

GRI 103-1 GRI 103-2
GRI 103-3 GRI 403-1

We meet the strict safety standards for occupational safety and health under German law. In addition, we conduct regular internal and external audits of occupational safety and current work practices. Although DIC has not adopted any international health and safety standards yet, we believe that the workplaces we provide to our employees by complying with all statutory requirements that apply in Germany are safe and healthy.

We follow an occupational health and safety strategy to create safe and healthy working conditions that the management board defines during regular meetings of an occupational health and safety committee, which is composed of internal representatives and external experts.

Our executives are briefed on best practices in tutorials, among other options, e. g. on the subject of their responsibility for occupational safety.

In addition, we trained occupational safety specialists, safety officers, in-house first responders as well as fire safety officers and evacuation assistants. Moreover, DIC has designated a company doctor.

The fire safety training we provide for our fire protection officers and the fire safety briefing we give to every new employee when entering the company also contribute to a safe working environment. Fire protection equipment and first aid materials with appropriate instructions are easily accessible on each floor in case of an emergency. In addition, we periodically offer first aid training courses for employees at any of our branch offices in Germany.

This way, we meet Germany's strict statutory requirements in our day-to-day business routines.

Measures Taken in Response to the Covid-19 Pandemic

We respond promptly to acute safety and health issues that affect our company. In conjunction with the necessary protective and precautionary measures in the context of the Covid-19 pandemic, DIC also took advantage of remote working options on a major scale for the first time during the first quarter of 2020. At its core, the group-wide work concept focuses on employee health and the best possible way to continue normal business operations. It involves the formation of teams in all departments who have taken turns working in-house and remotely from their home offices. This enables us to make sure that the employees, reduced to half its usual number, fully complies with the social distancing and safety rules in their shared office facilities. To make it easier to coordinate the geographically distributed teams, we rely more heavily on digital tools for internal communication and collaboration that will now become a permanent component of the working environment in line with additional digitisation measures introduced within the DIC Group.

Sick Absence and Accidents

GRI 403-2 H&S-Emp

We strive to keep sickness absence days to a minimum through active communications. For instance, we will sit down with employees returning to work after a lengthy sickness absence and jointly try to find ways to adjust their work environment optimally to their needs.

SICK ABSENCE

	2020	2019	2018
Total sick absence days	**2,846**	2,105	1,866
Avg. sick absence days per employee	**10,5**	8,5	10,0

The sickness absence per employee was slightly higher in 2020 than the year before, rising from 8.5 to 10.5 days on average. Yet it remained well below the established average among German employees, which is 15.4 sick absence days annually, according to the latest data released by the TK health insurance.*

* Source: Gesundheitsreport 2020; Techniker Krankenkasse; https://www.tk.de/resource/blob/2081662/6382c77f2ecb10cc0ae-040de07c6807f/gesundheitsreport-au-2020-data.pdf

Overall, 3 accidents at work occurred within the corporate group during the year under review (previous year: 7), of which 0 were fatal (previous year: 0). This translates into an **injury rate** of 0.0 accidents per hour worked (previous year: 0.0). The non-fatal occupational accidents resulted in a total of 1,064 hours of absence (previous year: 64 hours of absence). Relative to the total number of target working hours for the financial year under review, this implies a **lost day rate** of 0.2% (previous year: 0.0%) caused by non-fatal accidents. On the whole, accidents and illnesses resulted in 30,392 hours of absence during the 2020 financial year (previous year: 16,808 hours of absence). When seen in relation to the total number of target working hours, the total number of absentee hours results in an overall **absentee rate** of 5.6% (previous year: 3.4%).

METRICS ON SICK ABSENCE AND ACCIDENTS

	31.12.2020	31.12.2019
Number of occupational accidents during the financial year concluded	**3**	7
Number of fatal occupational accidents during the financial year concluded	**0**	0
Working hours lost due to the above non-fatal occupational accidents during the financial year concluded	**1,064**	64
Total number of working hours lost due to sickness absence and occupational accidents during the financial year concluded	**30,392**	16,808
Injury rate (IR): No. of occupational accidents/hour worked	**0.0**	0.0
Lost day rate (LDR): Hours of absence due to non-fatal occupational accidents/total number of target working hours during the financial year	**0.2%**	0.0%
Absentee rate (AR): Total hours of absence/total target working hours during the financial year	**5.6%**	3.4%

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OUR INVOLVEMENT

Active Trade Association Work and Memberships in Real Estate Industry Interest Groups

GRI 102-13

We are active members in various trade associations and industry organisations, our goal being to anchor sustainability-related topics such as transparency, reporting or investor communications more firmly in the German real estate sector, and to promote the exchange of experience and information within our industry.

Together with other industry players, we engage in efforts to boost awareness for real estate businesses and their concerns, especially in the trade associations German Property Federation (ZIA) and European Public Real Estate Association (EPRA). Sonja Wärntges, our CEO, contributes her expertise to the ZIA German Property Federation as a member of its executive committee while also sitting on the board of the German Capital Market Institute (DAI). Our membership in the European Association for Investors in Non-Listed Real Estate Vehicles (INREV) underlines the growing significance of the third-party business in our Institutional Business segment. Moreover, some of our executives and employees are personally committed in various networks and as alumni, memberships including e. g. the Royal Institution for Chartered Surveyors (RICS), the German Investor Relations Association (DIRK), the Economic Initiative Frankfurt-Rhine-Main (Wirtschaftsinitiative Frankfurt-RheinMain), the Initiative Corporate Governance in the German Real Estate Industry (ICG), the Urban Land Institute (ULI) Europe as well as the German real estate industry alumni network (IMMO EBS) and the Association of Friends and Sponsors of the University of Frankfurt.

Our Head of Digital Development has been an active member in the ZIA Digitisation Committee since April 2020. The committee's brief covers all aspects of digitisation in the real estate industry. This way, the committee maintains a process of continuous learning of new solution approaches from business-administrative, technical and macro-societal angles, while also engaging expert members of the body politic in dialogue.

As of 2021, we continue our active efforts in interest groups and industry bodies (Strategy & ESG).

Community involvement

GRI 203-1

We are among the sponsors of the "Blickachsen" biannual sculpture exhibition, which presents the works of international artists living in the Frankfurt metro region, and appreciate the opportunity to contribute financially to regional art and culture.

For several years, DIC has also supported the "Girls' Day" career orientation project for schoolgirls worldwide. Within the framework of the project, schoolgirls have the chance to familiarise themselves with vocational job training and degree programs in the real estate industry, and to meet female executives. The Girls' Day is organised in support of a federally sponsored initiative ("Klischeefrei – Nationale Kooperationen zur Berufs- und Studienwahl"). The initiative's objective is to help young women select a profession or degree program based on personal interests and free of gender stereotypes across Germany.

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GOVERNANCE

DIC Asset AG attaches great importance to corporate governance. The term corporate governance signifies, both in general and for us in particular, the legal and factual framework for managing and monitoring a company. This includes current laws, guidelines and codes as well as the management board's declarations of intent and business practices along with their supervision.

Our Management Board and Supervisory Board are committed to ensuring the continued existence of the company and sustainable value creation through responsible corporate governance with a long-term horizon. DIC Asset AG believes that the responsible handling of risks is part of good corporate governance as well. The Management Board therefore installs appropriate risk management and risk controlling mechanisms in the Company and ensures compliance with applicable laws and regulations. The Company follows the recommendations of the German Corporate Governance Code (DCGK), as stated in its annual declaration of conformity. The Management Board regularly briefs the Supervisory Board about existing risks and their development. Internal control, reporting and compliance structures within the company are periodically reviewed, upgraded and adapted to changed parameters as needed.

We implement uniform and binding requirements across the Group, using the Compliance Policy to guide all of our employees in their work routines, and undertake to act responsibly and lawfully within the DIC Group.

Through our declaration of conformity with respect to the recommendations of the German Corporate Governance Code, our risk management and our compliance policy as amended, we manage the subject areas that we and our stakeholders identified as essential.

The full-length Corporate Governance Report is an integral part of our 2020 Annual Report, starting on p. 218.

Responsible Corporate Governance in Accordance with the German Corporate Governance Code

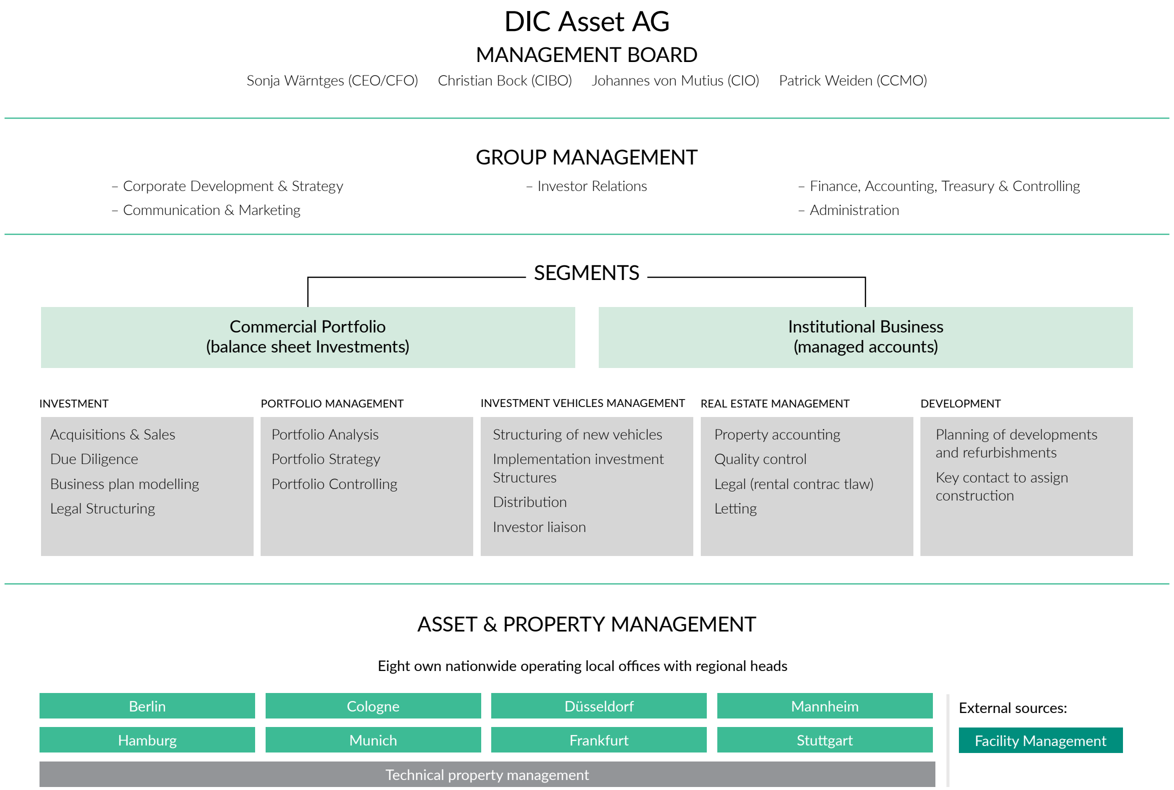
The purpose of the German Corporate Governance Code is to make the rules that are applicable to corporate management and supervision in Germany transparent for national and international investors so as to inspire faith in the corporate governance of German companies. During the 2020 financial year, as in previous years, the Management Board and Supervisory Board reviewed the Company's compliance with the recommendations of the German Corporate Governance Code. The deliberations resulted in the adoption of an updated annual declaration of conformity dated 22 December 2020 that has been made permanently available to the public on the company's website:
https://www.dic-asset.de/investor-relations/corporate-governance/entsprechenserklaerung/

ORGANISATIONAL STRUCTURE

Strategic Group Structure

GRI 102-5 GRI 102-45

As its central management holding company, DIC Asset AG handles the group's combined corporate management tasks: the alignment of the corporate strategy (in particular the investment, portfolio management and sales strategies), the corporate and real estate financing, the risk management, the compliance management, and the control of the property management. The central level is also responsible for capital market communication and corporate communication. Two subsidiaries take care of certain important operative core tasks. One, GEG German Estate Group GmbH, is responsible for the Institutional Business unit which handles the fund and asset management of the structured investment products on behalf of third parties, as well as the further development of the investment strategies and the management of the institutional investor accounts. The other is the in-house property management company DIC Onsite GmbH, which manages the entire real estate portfolio – both the directly held Commercial Portfolio of DIC Asset AG and the properties held in the Institutional Business unit – by maintaining a nationwide presence on the ground.



Aside from DIC Asset AG, the Group included 177 subsidiaries by year-end 2020. The majority of these represent asset-holding companies that are used to conduct the operating activities. All of the group's equity investments are listed in Annexes 1 and 2 of the Notes to the 2020 Consolidated Financial Statements, starting on p. 232 of the 2020 Annual Report. The transfer of beneficial ownership of the shares in the logistics real estate company RLI Investors GmbH (100%) that were acquired in December 2020 took place after the balance sheet date of 31 December 2020, involving more than EUR 700 million in assets under management and a minority interest of 25% in the company Realogis Holding GmbH.

Dual Management Structure

GRI 102-18

The dual management structure of DIC Asset AG as listed stock corporation consists of Management Board and Supervisory Board.

The two bodies are strictly separated in persons and functions, and fulfil their differing tasks independently of each other. The Management Board is responsible for managing the company on its own authority, while the Supervisory Board's task as controlling body is monitoring.

Selection process for the governing body

GRI 102-24 Gov-Selec

In accordance with its declaration of conformity, which reflects the recommendations of the German Corporate Governance Code as amended, the Supervisory Board defined objectives for its own composition. These objectives also include the competence profile for the entire body and the diversity concept the Supervisory Board pursues in regard to its composition. The Supervisory Board should generally have the knowledge, skills and professional experience necessary to perform its tasks. The members of the Supervisory Board should collectively be familiar with the industry in which the company is active.

It should be ensured that at least some of the members of the Supervisory Board bring the following types of know-how and experience to the job: (i) familiarity with the commercial real estate industry, (ii) expertise in the fund/asset and property management business, (iii) expertise in the area of capital market and financing, (iv) expertise in the areas of financial accounting or the auditing of annual financial statements in the case of at least one member of the Supervisory Board, (v) experience in the management of a mid-market company. To meet this requirement, the individual qualifications of the various member may mutually complement each other.

Independence and the avoidance of conflicts of interest are also important objectives: The Supervisory Board shall include an appropriate number of independent members representing the shareholder side within the meaning of item C.6 of the German Corporate Governance Code (DCGK). More than half of the shareholder representatives should be independent from the Company and from the Management Board within the meaning of item C.9 of the German Corporate Governance Code. At least half of the shareholder representatives should be independent from a controlling shareholder within the meaning of item C.9 of the German Corporate Governance Code. In regard to conflicts of interest, the Supervisory Board also complies with the recommendations of the German Corporate Governance Code. The Supervisory Board should include no member who serves on a governing body or in an advisory role at a major third-party competitor of the Company or of the Group. No more than two former members of the Management Board should sit on the Supervisory Board.

As a listed company without co-determination, DIC Asset AG is also legally obliged to set targets for the number of female appointees to the Supervisory Board, the Management Board and, where applicable, to the two executive levels below the Management Board. For more details on the target figures, see pages 223-225 of the Annual Report 2020 of DIC Asset AG and the section (Social).

Composition of Management Board and Supervisory Board

GRI 102-22 Gov-Board

Composition of the Management Board in 2020:

- Sonja Wärntges (Chair of the Management Board), Chief Executive Officer (CEO), certified economist, Frankfurt am Main
- Christian Bock (since 1 August 2020), Chief Institutional Business Officer (CIBO), chartered economic geographer, Frankfurt am Main
- Herr Johannes von Mutius, Chief Investment Officer (CIO), certified business administrator, Königstein im Taunus
- Patrick Weiden (since 1 April 2020), Chief Capital Markets Officer (CCMO), certified business administrator & CIIA (certified international investment analyst), Oberursel (Taunus)

This composition of the Management Board was correct at the time this report was published in June 2021.

Composition of the Supervisory Board in 2020:

- Prof. Dr. Gerhard Schmidt (chair), lawyer, Glattbach
- Klaus-Jürgen Sontowski (deputy chair), entrepreneur, Nuremberg
- Michael Zahn (since 8 July 2020), (deputy chair since May 2021), Chief Executive Officer of Deutsche Wohnen SE, Potsdam
- Prof. Dr. Ulrich Reuter, President of the Association of Bavarian Savings Banks (since 1 January 2021)
- Eberhard Vetter, Head of Capital Investments at RAG Foundation, Nauheim
- Dr. Anton Wiegers (until 8 July 2020), former CFO of Provinzial Rheinland Holding, Provinzial Rheinland Versicherung AG and Provinzial Rheinland Lebensversicherung AG, Winterbach
- René Zahnd, Chief Executive Officer of Swiss Prime Site AG, Bern

This composition of the Supervisory Board was correct at the time this report was published in June 2021. Michael Zahn has served as additional Deputy Chairman of the Supervisory Board since May 2021.

At present, the Supervisory Board of DIC Asset AG includes six professionally and personally qualified members, among them Prof. Dr. Ulrich Reuter as financial expert for the areas of financial accounting and auditing of annual financial statements, and as independent chairman of the audit committee. With Prof. Dr. Ulrich Reuter, Eberhard Vetter, Michael Zahn and René Zahnd, the Supervisory Board included four member who are independent from the Company and from the Management Board within the meaning of item C.7, DCGK, who were simultaneously independent from the controlling shareholder within the meaning of item C.9, DCGK. With at least four members being independent from the Company and from the Management Board, on the one hand, and from the controlling shareholder, on the other hand, the Supervisory Board has an adequate number of independent members on the shareholder side in the opinion of the Supervisory Board. That said, the Supervisory Board believes that the other target benchmarks have already been met, with a single exception: The target benchmark for the proportion of women on the Supervisory Board is currently not met; yet the Supervisory Board will ensure that the deadline which it imposed on itself in order to meet this benchmark will be duly considered.

Memberships in Governing Bodies and Supervisory Bodies

For disclosures on memberships of the Management Board and Supervisory Board members in other governing bodies and supervisory bodies, see the 2020 Annual Report, pp. 209-210.

Avoidance of conflicts of interest

GRI 102-25 Gov-COI

In compliance with the German Corporate Governance Code, each member of the Management Board and of the Supervisory Board shall disclose any conflict of interest that might arise. No conflicts of interest arose during the 2020 financial year. Between the company and law firm of Weil, Gotshal & Manges LLP, of which Supervisory Board Chairman Prof. Dr. Gerhard Schmidt is a partner, advisory mandates existed during the 2020 financial year with the approval of the Supervisory Board. Prof. Schmidt did not attend the Supervisory Board's corresponding discussion and adoption of the resolution.

RISK AND OPPORTUNITY MANAGEMENT

GRI 201-2

One of the basic tasks of a company is to identify and exploit emerging opportunities in a dynamic environment. At the same time, companies are exposed to all kinds of risks that can put not only short and medium-term goals in jeopardy but also the implementation of the long-term strategy. It therefore counts among the key aspects of good corporate governance to keep an eye on global phenomena such as climate change and its ramifications for the real estate industry.

Our risk management procedures regarding the opportunities and risks of climate change are integrated into the company-wide multidisciplinary risk management processes. The risk management system (RMS) covers all corporate divisions, including the group subsidiaries, and is binding for all employees. Risks are understood to be strategic and operational factors, events and actions that could have grave implications for the continued existence of the company and its business situation. The external aspects also analysed include the competitive environment, demographics and other factors that could put the achievement of the company's objectives at risk. The RMS comes into play both in strategic decisions of the Management Board and in day-to-day business.

Accordingly, the internal control and monitoring system forms an integral part of the RMS. It helps to minimize operational and financial risks, as well as to monitor processes while also ensuring compliance with laws and regulations, including financial reporting requirements. During the year 2020, no material changes were made to the company's organisation and processes. The risk management was adjusted to accommodate ESG criteria when identifying threats and opportunities. The original focus on regulatory risks was expanded to include climate and environmental risks. For a comprehensive representation of the risk management process followed by DIC Asset AG, see the 2020 Annual Report, starting on p. 111.

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RISK/OPPORTUNITY GRI 307-1	POSSIBLE IMPACT	MANAGEMENT APPROACH
Portfolio Risks and Changed Consumer Behaviour (Direct / Indirect)		
◆ Significant and sustained extreme changes in weather conditions increase the risk that, e.g., storms, floods, severe global warming or changes in the air climate may have a direct and indirect impact on the building fabric of DIC's real estate portfolio or of the properties DIC manages for third parties, may limit usage options, and may prompt changes in occupancy patterns. ◆ The tenant-side energy and water consumption could rise.	In the future, tenants could attach greater importance to accommodation that is energy-efficient or certified for sustainability. A climate-related increase in tenant-side consumption of energy or water is likely to increase the operating costs as well.	While the energy refurbishment of existing buildings involves major expenditures, it will also lower the operating costs in the long run. Working together with the tenants, we look for the most efficient approach to meeting their energy needs. Especially when repositioning properties through refurbishments and upgrades, structural alterations that will reduce the energy consumption and carbon emissions should be prioritised. Within the framework of our energy procurement, the electricity needs of the common areas of our properties have been covered by renewable energies since 2010. The implementation of smart metering systems for the entire real estate portfolio is expected to improve the analytic and management options for consumption data in future.
Regulatory and Legislative Aspects		
◆ The Paris Climate Agreement of 12 December 2015 is the successor document to the Kyoto Protocol, and is considered a major milestone in the fight against global warming. At the UN Climate Change Conference in France in December 2015, a total of 196 countries plus the European Union agreed for the first time to limit global warming to well below two degrees Celsius, preferably below 1.5 degrees Celsius even, compared to pre-industrial levels. The mitigation of climate change so as to keep it below this temperature level is meant to effectively limit environmental impacts such as natural disasters, droughts and sea level rise. ◆ New regulations and restrictive legislation on energy efficiency and emission limits could necessitate increased expenditures for capital improvements. The Renewable Energy Sources Act (EEG) prescribes a renewable energy share of >40 % by 2025, among other requirements.	DIC Asset AG could be affected by tightened legislation on emission limits or on the energy efficiency targets for real estate. Future re-enactments of relevant laws by German lawmakers could necessitate material changes in the construction or conversion of real estate, and could also raise energy efficiency requirements in the areas of asset management and property management.	DIC Asset AG brings in-house expertise to the field of energy management, and has a team of property managers on hand who are experienced in handling tenant needs. We regularly invest in our buildings. We promptly take note of legal and regulatory changes to ensure compliance with all relevant regulations. At the start of 2021, DIC Asset AG further reinforced its in-house ESG expertise, and created the position of Head of Sustainability to ensure that the changed parameters are continuously reviewed and that the necessary adjustments are integrated in the operational processes. The tightening requirements imposed by the ESG criteria on a company's business activities also create opportunities for DIC Asset AG. The proactive modernisation of buildings, the inclusion of ESG criteria in decision-making processes and the selection of future investments and divestments with due consideration of ESG criteria, may necessitate additional business activities within the existing real estate platform and for those institutional investors who put a premium on sustainability-based aspects as additional key investment criterion.

For the 2020 financial year, we rate both the risks and the opportunities caused by climate and environmental threats as low, including in regard to their financial repercussions.

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COMPLIANCE MANAGEMENT

GRI 103-1 GRI 103-2 GRI 103-3
GRI 102-16

The DIC Asset Group has a compliance policy since 2013. Our key aspects have been defined and are reviewed and updated from time to time. A compliance officer monitors the observance of material compliance requirements. In addition, a whistleblower system for reporting misconduct and breaches is linked to the Compliance sub-page of the company homepage. The Compliance Policy stipulates that employees of DIC Asset AG and its subsidiaries are obliged to act responsibly and lawfully. This includes adherence to the principles of ethical conduct and integrity within the company, in particular compliance with legal provisions, internal company guidelines and self-imposed values.

During the 2020 reporting year, there were no corruption, money laundering or compliance breaches.

KEY ASPECTS OF THE COMPLIANCE GUIDELINE OF DIC ASSET AG

1. Discrimination protection

- No discrimination or undesirable behaviour for reasons of ethnic origin, gender, religion/belief, disability, age or sexual identity

2. Avoidance of conflicts of interest and corruption risks

- Rejection of corrupt conduct in any form and of the misuse of entrusted decision-making powers
- Binding regulations for the acceptance and granting of gifts/invitations or other benefits
- When dealing with officials, even the appearance of granting benefits to public officials should be avoided
- No influence on employment contract activities through private secondary activities or corporate investments

3. Data protection

- Obligation to observe trade and business secrets
- Compliance with data protection laws
- Central placement of information that personal data is handled in accordance with the European General Data Protection Regulation (GDPR) on the company website

4. Capital market requirements/prohibition of insider trading

- Prohibition of insider transactions and of the recommendation or inducement of third parties to engage in insider transactions
- Prohibition of unauthorised disclosure of insider information

5. No money laundering

- No tolerance of money laundering, and reporting suspicious behaviour of business partners and advisers
- Commitment to comply with all relevant regulations and requirements

6. Prohibited agreements

- Strict rejection of any distortion of competition or corrupt practices contrary to antitrust law
- Encouragement to employees to promptly identify violations of competition rules, expressly distance themselves from any such agreement and to notify the compliance officer immediately

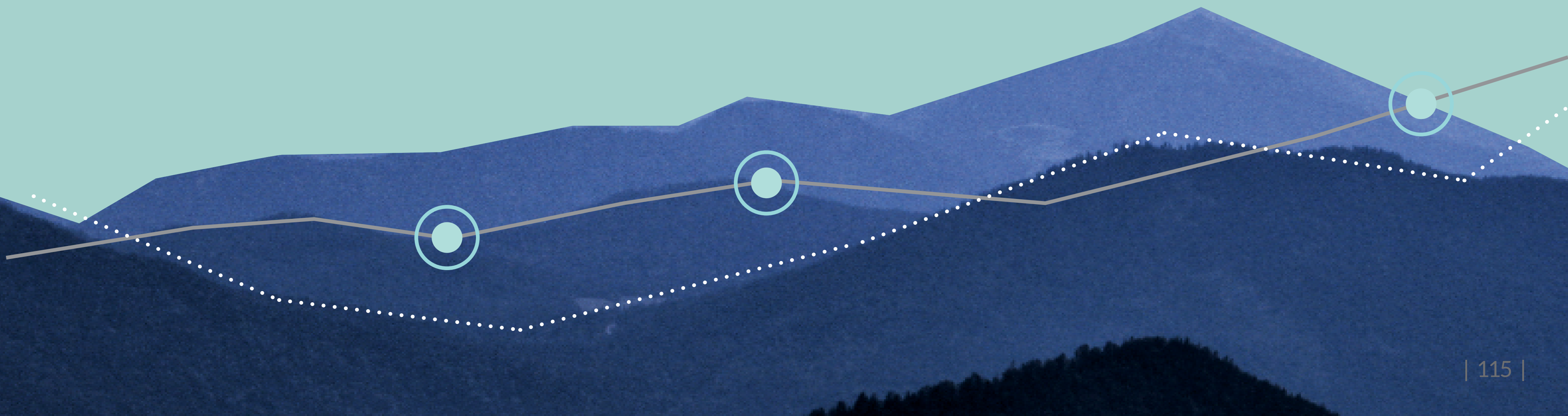
7. Indications of misconduct and breaches

- Request to report misconduct and violations of legal provisions or regulations and internal company guidelines either to the Compliance Officer, the relevant supervisor, the Management Board, the Human Resources department or via an anonymous whistleblower system

8. Consequences

- Sanctions under labour law for breaches of legal provisions and internal company guidelines
- Criminal charge / criminal complaint in the event of a criminally relevant violation

6 ECONOMY



GRI 103-1 GRI 103-2 GRI 103-3

DIC Asset AG is a profitably operating company with a long-term horizon whose activities not only create values for the benefit of shareholders, employees, tenants and business partners but also contribute to the common good within the framework of its value-creation. We manage our company on the basis of clearly defined financial performance indicators and we brief the capital market public regularly and comprehensively about the progress achieved.

OUR PRINCIPLES OF SOCIAL SUSTAINABILITY:

- Investments in sustainable value-added through acquisitions and redevelopments of existing buildings
- Stable long-term cashflows on the basis of an optimised diversified real estate portfolio
- Yield-driven growth and corporate development in sync with our business model and its two earnings mainstays
- Continuity in terms of diversified positive contributions to operating income and dividends, even in times of crisis
- Balanced financial structure with a long-term horizon and diversified funding sources

ECONOMIC PERFORMANCE

At the centre of our corporate strategy is the generation of secure, steady long-term income via our own highly productive property management platform. We achieved all of the forecasts for our performance indicators as updated, and significantly exceeded some of them. Despite the challenging parameters and the temporary restrictions of public life to fight and contain the Covid-19 pandemic, we managed to keep expanding our broad-based real estate platform via a number of investments both for our proprietary portfolio and within the framework of third-party mandates during the 2020 financial year.

Our economic outperformance includes the following successes:

- We achieved a new transaction record by trading commercial real estate in a volume of EUR 2.5 billion.
- We acquired a new circle of investors, and significantly expanded our institutional client business, which grew by 33% to EUR 7.6 billion in assets under management by year-end 2020.
- In the process, we launched our largest investment fund to date: It has a target volume of EUR 1.6 billion, and its entire equity was already subscribed by the time it was launched.
- As a result of highly profitable sales (on average 20% above the most recently appraise market value) and also due to well-selected acquisitions and successful lettings, the value of our proprietary portfolio rose by EUR 100 million or 5.3% by the end of 2020, totalling EUR 2.0 billion.
- This increased assets under Management across the entire platform by 26% to EUR 9.6 billion as of 31 December 2020. When including our takeover of RLI Investors, which became effective after the end of 2020, along with that company's GRESB-rated fund "RLI Logistic Fund – Germany I," the company already crossed the target mark of EUR 10 billion.

ECONOMIC PERFORMANCE INDICATORS

GRI 201-1

	31.12.2020	31.12.2019	31.12.2018
Number of properties*	**91**	93	101
Market value of real estate assets, in EUR million*	**2,000.0**	1,900.0	1,696.8
Lettable area, in sqm*	**807,800**	842,400	893,500
Annualised rental income, in EUR million*	**95.8**	101.8	97.6
Average rent, in EUR/sqm*	**10.81**	10.41	9.64
EPRA vacancy rate*	**5.4%**	6.5%	7.2%
Gross rental yield*	**4.9%**	5.4%	5.9%
Net asset value (NAV), in EUR million	**1,409.9**	1,244.2	1,085.8
Adjusted NAV, in EUR million	**1,776.4**	1,607.2	1,322.8

	2020	2019	2018
Funds from operations (FFO), in EUR million*	**96.5**	95.0	68.0
FFO II (including profits on disposals), in EUR million	**128.5**	135.5	86.6
Profit for the period, in EUR million	**73.1**	80.7	47.6
Cash flow from operating activities, in EUR million	**67.4**	64.8	61.9

* All figures represent only the proprietary real estate inventory held in the Commercial Portfolio; all figures without property developments and warehousing, except for the number of assets, the market value and the lettable area

- Notwithstanding disposals and the impact of the pandemic, our gross rental income nearly matched the prior-year level at EUR 100.7 million (previous year: EUR 101.9 million), which is mainly explained by the acquisition of properties with strong cash flows and the renewal of office lease agreements on far more favourable terms in some cases.
- We were able to increase the income from management fees by 27% to EUR 79.7 million. In addition, our year-end rally laid the foundation for the strong growth that will be recognised in the 2021 financial statements.
- The FFO, which does not reflect profits on disposals, increased from EUR 95.0 million to EUR 96.5 million, which indicates not least that the sales caused us no real-value losses. With profits on disposals included, the FFO II adds up to EUR 128.5 million.

VALUE CREATION AND CONTINUITY OF DIVIDEND PAYMENTS

GRI 201-1

For the 2020 financial year, the economic value directly generated and distributed (EVG&D) is derived in compliance with the group's GRI requirements and the statement of changes in equity.

The **economic value directly generated** in the amount of EUR 327.9 million represents the sum of the total income in the amount of EUR 321.1 million, the net income from associates in the amount of EUR 11.4 million and other net income in the amount of EUR -4.5 million.

Deducted from the total is the **distributed economic value** in the amount of EUR -188.3 million. This is defined as the sum total of EUR -214.9 million in total expenses (thereof EUR -30.3 million in payroll and benefit costs), EUR -28.1 million in net interest expenses, EUR -16.4 million in taxes (thereof EUR -14.1 million in current income tax expense), EUR 126.0 million in gross proceeds from the issuance of new shares (via capital increases in January 2020 and September 2020 in conjunction with the scrip dividend), EUR -52.2 million in dividends paid for the prior year, and EUR -2.7 million in transaction costs (costs of issuing equity instruments).

This results in an **economic value remaining in the company** of EUR 139.6 million, a sum that matches the increase in group equity during the 2020 financial year.

ECONOMIC VALUE DIRECTLY GENERATED AND DISTRIBUTED

in EUR million	**2020**	**2019**	2018
Total income (incl. net proceeds from sales)	321.1	364.3	241.6
Share of the profit or loss of associates	11.4	18.3	15.8
Other comprehensive income	-4.5	9.4	44.4
Economic value directly generated	**327.9**	**392.0**	**301.8**
Total expenditures (incl. carrying amount of assets disposed)	-214.9	-252.3	-164.7
Net interest expense	-28.1	-32.3	-36.8
Taxes	-16.4	-17.2	-8.3
Dividend paid for the prior year	-52.2	-33.9	-43.9
Shares issued through capital increase	126.0	16.1	19.3
Transaction costs	-2.7	-0.3	-0.4
Distributed economic value	**-188.3**	**-319.9**	**-234.8**
Economic value retained by the company	**139.6**	**72.1**	**67.0**

BREAKDOWN OF THE DISTRIBUTED ECONOMIC VALUE

in Mio. Euro	**2020**	**2019**	2018
Distributed to employees (personnel expenses)	30.3	27.9	18.2
Distributed to lenders (net interest expense)	28.1	32.3	36.8
Distributed to public authorities (current income tax expense)	14.1	13.8	6.2
Distributed to shareholders (dividend payments – capital increase)	-73.8	17.8	24.6
Other distributed economic value	189.6	228.1	149.0
Distributed economic value	**188.3**	**319.9**	**234.8**

RESPONSIBLE INVESTMENT

Our transaction team managed to fully achieve all of the targets planned for the 2020 financial year. The target mark for acquisitions, which had been adjusted to a range of EUR 700 million to EUR 1.1 billion in response to the pandemic, was significantly exceeded in the end, while sales concluded also exceeded the targeted scale.

The prior-year figure, which had set a new record (EUR 2.2 billion), was actually topped with a transaction volume of c. EUR 2.5 billion. Almost 90% of the acquired assets, totalling c. EUR 1.6 billion, are earmarked for the Institutional Business (12 assets), whereas acquisitions for the Commercial Portfolio (4 assets) added up to EUR 213 million.

Inversely, we got the sales of 10 properties in a combined volume of EUR 612 million notarised: five of these, held in the Commercial Portfolio and adding up to c. EUR 242 million, were sold for the purposes of portfolio optimisation and realisation of income, while another five properties in a combined volume of c. EUR 370 million were sold in conjunction with our active fund management mandates. This means that we outperformed our year-end target of c. EUR 400 million in sales proceeds by more than 50% The transaction prices negotiated during the 2020 financial year were around 19% above the latest market values measured.

MARKET PRESENCE

Focus on the Renewal of Unexpired Lease Agreements

The lettings total in 2020 equalled 269,900 sqm (previous year: 211,300 sqm), or an annualised rental income of EUR 33.2 million (previous year: EUR 32.7 million) in signings, thereof EUR 23.1 million in the Commercial Portfolio and EUR 10.1 million in the Institutional Business. The trend to renew existing lease agreements, gathered momentum under the impact of the Covid-19 pandemic as the year progressed, reflecting a growing need for stability and a waning desire to relocate on the tenant side. Generally speaking, lease renewals on the platform increased drastically to a total of 192,600 sqm (previous year: 83,900 sqm) while new lettings added up to 77,300 sqm (previous year: 122,000 sqm). We take the development not least as reassurance that we met the expectations of our tenants, and that our stakeholder engagement has worked out.

While the like-for-like rental income in the Commercial Portfolio declined by 3.1% from the impact of the GALERIA Karstadt Kaufhof situation, the signing of more valuable leases in the Institutional Business prompted a 4.3% increase in the like-for-like rental income. On the whole, the like-for-like rental income from the overall portfolio rose by 1.9 % to EUR 301.0 million (previous year: EUR 295.3 million). The average lease term of the Commercial Portfolio rose to 6.5 years as of 31 December 2020 (previous year: 6.0 years) while the EPRA vacancy rate dropped to 5.4 % (previous year: 6.5 %).

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Regional Development: On the Ground now in All of the “Top 7” Cities

With the acquisitions of the multi-tenant office building “GATE NEUN” in Leinfelden-Echterdingen and the office scheme “LOOK 21” in downtown Stuttgart, we sustainably expanded our portfolio in the Stuttgart metro region. In order to optimise the management of the acquired properties and to keep reinforcing and networking our activities in the region, we opened a new branch office in Stuttgart at the turn of the year 2020/2021. This means we are now directly on the ground in all of Germany’s “Top 7” cities, living up to our corporate philosophy of providing our services by in-house staff based in regional offices.

By the turn of the year 2019/2020, we had already opened a new office in Cologne, and had thereby adjusted our management capacities to the growth dynamic of our assets under management. The transfer of the “Stadthaus Köln” asset in a volume of c. EUR 500 million and a lettable area of more than 100,000 sqm in particular pushed up the portfolio share of this economic region. With the financing activities for our Institutional Business segment included, we realised a funding volume (new borrowings and repayments) of c. EUR 1,483 million, compared to c. EUR 1,705 million in new arrangements the previous year.

BALANCED FINANCIAL STRUCTURE

Through our financial management, we ensure that DIC Asset AG and its equity investments are solvent at all times. Moreover, we strive to achieve the highest possible level of stability against external influences while at the same time maintaining degrees of free-dom that ensure the ongoing development of our company. With the financing activities for our Institutional Business segment included, we realised a funding volume (new borrowings and repayments) of c. EUR 1,483 million, compared to c. EUR 1,705 million in new arrangements the previous year.

The average maturity of debt remained stable overall. Year on year, the average remaining term to maturity, bonds included, declined by 0.3 years to 3.6 years by the end of December 2020. The average level of interest rates across all financial liabilities remained unchanged at 2.0% as of 31 December 2020. Efforts to optimise the funding structure lowered the loan-to-value (LTV) ratio by 330 basis points down to 44.5% by year-end 2020 (previous year: 47.8%).

For details on the current performance of DIC Asset AG, see our financial reports (www.dic-asset.de/en/ir/publications/).

7 APPENDIX

GLOSSARY

Adjusted NAV (adjusted net asset value)
The adjusted NAV complements the NAV by supplementing another economic performance measure for the Institutional Business unit, which was determined by a third-party appraisal at year-end, and which is not fully recognised in the consolidated accounts. Accordingly, the adjusted NAV serves as measure for the intrinsic value of the wholw group, with all of its earnings pillars included.

Analysis Portfolio
Environmental aspects are analysed for every property in our proprietary real estate holdings (Commercial Portfolio) for which a full set of consumption data is on record as at the reporting date. The analysis portfolio covers the majority of the Commercial Portfolio.

BREEAM
BREEAM (Building Research Establishment Environmental Assessment Method) is a British certification process for sustainable construction that was developed by the Building Research Establishment (BRE). The assessment method for measuring sustainability is applied to projects, infrastructure and buildings throughout their construction and operation phases. The rating system uses ten rating criteria: management, energy, water, land use, health and well-being, transport, materials, pollution, waste, and innovation. Each category is given a point score, the categories being subject to weighting differences. The eventual rating is calculated on the basis of the total score. Depending on the degree of compliance with the assessment criteria, a given building is awarded one out of six quality labels: "Outstanding," "Excellent," "Very Good," "Good," "Average" or "Acceptable."

CO_2
Carbon dioxide is a chemical compound made up of carbon and oxygen. It represents one of the crucial and best-known greenhouse gases. It is produced specifically by the combustion of fuels containing carbon, e. g. fossil energy sources like coal, natural gas and petroleum.

CO_2e = carbon dioxide equivalent (CDE)
In order to quantify the emission of all greenhouse gases via a single measure, the climate impact of gases like methane or nitrous oxide is converted into that of carbon dioxide. This value is called the CO_2-equivalent value (CO_2e).

Commercial Portfolio
The "Commercial Portfolio" comprises the direct real estate investments ("investment properties") of DIC Asset AG. In the company's financial statements, the properties in this portfolio are recognised in the line item "investment property." The revenues generated by the management and value optimisation of the proprietary real estate portfolio are gathered in the reporting segment of the same name.

Corporate Governance
This term refers to a set of rules for the responsible management of a business. The objective is to base corporate management on values and standards that reflect the best interests of shareholders and other stakeholders. For these, the management's annual declaration of compliance with the German Corporate Governance Code (DCGK) provides a corporate governance assessment tool.

CRESS
(Construction and Real Estate Sector Supplement)
This is a sector-specific supplement to the GRI Standards that is aimed at companies in the real estate and building sector. In addition to the general performance measures, it includes sector-specific performance measures.

CRREM
CRREM (Carbon Risk Real Estate Monitor) is an initiative funded by the EU's "Horizon 2020" research framework program, which defines evidence-based decarbonisation pathways for the commercial and residential real estate sector in line with the climate targets of the Paris Agreement. This results in a framework that enables stakeholders to assess the so-called "transition risks" (carbon risks and stranding risks) due to premature ageing, depreciation, changed market expectations, and statutory requirements. CRREM concentrates on possible CO_2 reduction strategies and includes elements that are necessary for conducting scenario analyses to meet the requirements of the Sustainable Finance Disclosure Regulation and the EU Taxonomy.

DGNB (Deutsche Gesellschaft für Nachhaltiges Bauen and Deutsches Gütesiegel Nachhaltiges Bauen)
The acronym DGNB stands for both the "German Sustainable Building Certificate" and for the "German Sustainable Building Council" that issues the certificate. The German Sustainable Building Council is a non-profit and non-government organisation. It is actively committed to furthering sustainability in the construction industry and the real estate industry by indicating ways and solutions for the sustainable planning, building and occupying of built structures. Its work focuses on establishing and expanding a certification system for sustainable buildings, and on awarding the German Sustainable Building Certificate in the grades "Platinum," "Gold" and "Silver." The DGNB system rates the sustainability pillars of ecology, economy and society with equal weighting, while also rating the location as well as the technical and process quality. The DGNB certification system differentiates between usage profiles (e. g. office, logistics) and may be applied to new-build construction, to existing buildings as well as to the operation of buildings.

ECORE
The "ESG Circle of Real Estate" (ECORE) is a European sustainability standard established in Germany for the purpose of measuring the sustainability performance of commercial real estate and portfolios, taking into account the ESG dimensions, the EU Taxonomy criteria, and the Paris climate targets. The methodology is based on an ESG scoring model consisting of the three clusters "Governance," "Consumption and Emissions" and "Asset Check." Cluster I, "Governance," focuses on sustainability and management within the portfolio, communication and external quality assurance (e.g. evidence, ratings). Cluster II, "Consumption and emissions" addresses key issues such as energy consumption, CO_2 emissions, water consumption and waste generation. The assessment "Paris-ready" reconciles the results with the target data for 2030. Cluster III, "Asset Check," breaks down into eight qualitative subject areas: building automation, shell and technical systems, resources, user comfort, economy, location, operational measures and long-term viability. The ESG scoring model provides a concrete catalogue of actions that participants can take to achieve the ESG targets, and creates a basis for comparability within a peer group.

EPRA (European Public Real Estate Association)
Based in Brussels, the European Public Real Estate Association (EPRA) is an organisation that represents the interests of Europe's major real estate companies vis-à-vis the public, and that supports the development and market presence of European public real estate companies.

ESG
The acronym ESG stands for "Environmental, Social and Governance," i. e. environmental and social issues within the corporate sphere of ownership as well as sustainability-related aspects of corporate governance.

FFO (funds from operations)
The term refers here to funds from operations in property management before amortisations, taxes, and also before gains on sales and development projects, while also covering other one-off or non-cash earnings components.

GEG
Domiciled in Frankfurt am Main, the GEG German Estate Group ("GEG") became a subsidiary of DIC Asset AG in 2019. GEG is one of Germany's leading investment and asset-management platforms for high-end commercial real estate, focusing on the segments club deals, pool funds and separate accounts. GEG is responsible (together with RLI Investors) for the Institutional Business division, which includes the fund management and asset management of the investment products structured on behalf of third parties.

German Energy Saving Ordinance (Energieeinsparverordnung (EnEV))
Germany's "Energieeinsparverordnung" (Energy Saving Ordinance) prescribes standard building engineering requirements for builders and owners that ensure an efficient operating energy consumption in buildings or construction projects. It applies to residential and office buildings as well as to certain operational buildings. The Energy Saving Ordinance was integrated, together with the Energy Saving Act (EnEG) and the Renewable Energies Heat Act (EEWärmG), into the Building Energy Act that entered into force in November 2020.

GHG Protocol

The Green House Gas (GHG) Protocol defines the basic principles of relevance, completeness, consistency, transparency and accuracy that are used when measuring CO_2 emissions, and is based on principles of financial accounting. Emissions are broken down into three areas (scopes 1 through 3). Scope 1 captures all emissions generated directly by the company itself through combustion in own facilities. Scope 2 covers emission of purchased energy (e. g. electricity, district heating). Scope 3 records emissions generated for services provided by third-parties.

Green Lease

According to the ZIA German Property Federation, a green lease means a lease agreement that is committed to sustainability and uses special structuring – possibly backed by the requirements of an existing certification of the property – to oblige the tenant to ensure an occupancy as sustainable as possible and, inversely, to oblige the landlord to keep the property management as sustainable as possible.

GRESB

The Global Real Estate Sustainability Benchmark (GRESB) is a standard originally defined by the Green Building Certification Institute (GBCI) and owned by an eponymous investor initiative based in the Netherlands. GRESB aims to make the sustainability performance of real estate portfolios comparable by using a uniformly measured score in its assessments. The assessments consider the categories “management,” “performance” and “development.” To calculate this score, data from all the players involved, including property managers, facility managers, occupiers, tenants or service providers, are entered into a comprehensive questionnaire. GRESB participants receive a report on the sustainability performance of their portfolios that takes account of the three ESG dimensions, and a roadmap for optimising that performance. A comparison with the peer group delivers the score (“star”) that a given participant receives. The achievable score ranges from 1 to 5. The goal is to attain a “green star.”

GRI (Global Reporting Initiative)

The Global Reporting Initiative sees itself as an ongoing international dialogue that integrates a large number of stakeholder groups. It was formed in 1997 for the purpose of creating a basis for transparent, standardised and comparable sustainability reporting on the economic, environmental and social performance of the global economy. Its guidelines seek to promote sustainable development worldwide while simultaneously supporting companies/organisations in the compilation of sustainability reports by providing a voluntary reporting framework.

GRI Standards

The GRI Standards of the Global Reporting Initiative (GRI) have replaced the GRI 4 framework. These internationally recognised sustainability standards help to improve the comparability of the economic, environmental and social indicators reported by us.

INREV

INREV (European Association for Investors in Non-Listed Real Estate Vehicles) is a non-profit organisation based in the Netherlands. As the name suggests, it represents the interests of investors in property funds that are not publicly traded. Its work focuses on enhancing the transparency and comparability of this asset class by benchmarking its standards of best practice.

Institutional Business

The “Institutional Business” reporting segment covers all earnings from property management services and all earnings from associates (esp. those from co-investments).

LEED

LEED (Leadership in Energy and Environmental Design) is an American green building certification process. It was developed by the US Green Building Council (USGBC). The LEED assessment is suitable for any type of building or any construction phase and appraises eight categories: infrastructural integration of the site, plot quality, water efficiency, energy and global environmental impact, material cycles and resource conservation, indoor environment quality, design innovation, with possible bonuses granted for criteria with special significance for the location. Depending on the degree of compliance with the assessment criteria, a given building is awarded one out of four LEED levels of certification: “Platinum,” “Gold,” “Silver” and “Certified”.

NAV (net asset value)

This performance measure represents the intrinsic value (real value) of an enterprise. The net assets it represents are measured as the difference between the fair values of a company's assets and its liabilities.

Regenerative / renewable energy sources

Regenerative or renewable energies come from sources that will either self-renew quickly or whose use will not contribute to its depletion, and are therefore considered particularly sustainable energy resources. Good cases in point are hydropower, wind energy, solar radiation (solar energy) and geothermal energy.

RLI Investors

Domiciled in Frankfurt am Main, the RLI Investors GmbH ("RLI Investors") became a subsidiary of DIC Asset AG in January 2021. RLI Investors is Germany's second-largest independent asset manager for logistics real estate, and was acquired by DIC in December 2020. RLI Investors is responsible for the Institutional Business division, which includes the fund management and asset management of the investment products structured on behalf of third parties.

Smart Metering

The term "smart metering" refers to methods and systems for the automated and digitised consumption data acquisition and analysis that contribute to intelligent building management and enhanced resource control. Aside from electricity metering, smart meters may also be used to measure the consumption of gas, water and district heating.

Stakeholder

The term "stakeholder" usually refers to a person or group who has distinct demands and interests in the development or outcome of an enterprise, a business unit or a project. An additional distinction is made between internal stakeholders (employees, owners) and external stakeholders (business partners, tenants, service providers, the general public).

Sustainability

Sustainability means to give equal consideration to aspects of ecology, economy and social issues, and moreover to create and to preserve values and future potential for the benefit of all present and future interest groups and generations.

UN-PRI

UN Principles for Responsible Investment (UN-PRI) is a United Nations investor initiative established in 2006 and launched by the UN Global Compact together with the Finance Initiative of the UN Environment Programme (UNEP). It is mainly aimed at investment managers. The objective is to better understand the impact of investment activities on environmental, social and governance issues, and to integrate these issues into investment decisions.

ZIA (Zentraler Immobilien Ausschuss)

The ZIA German Property Federation is the interest group for Germany's entire real estate industry in regard to regulatory and economic policies.

Units of measurement

– kWh/year	kilowatt hours per year
– kWh/sqm	kilowatt hours per sqm
– cbm	cubic metre
– cbm/sqm	cubic metre per sqm
– $kgCO_2e$	kilograms of carbon dioxide emissions
– $kgCO_2e$/sqm	kilograms of carbon dioxide emissions per sqm
– kWh/employee	kilowatt hours per employee
– kWh/workplace	kilowatt hours per workplace
– cbm/employee	cubic metre per employee
– cbm/workplace	cubic metre per workplace

GRI CONTENT INDEX including Construction and Real Estate Sector Supplement

GRI 102-55

GRI Standard	Disclosure	Page	Note/ Omission/ Direct Answer
GRI 101: Foundation 2016			
GENERAL STANDARD DISCLOSURES			
GRI 102: General Disclosures 2016			
Organisational profile			
102-1	Name of the organisation	3	
102-2	Activities, brands, products, and services	3	
102-3	Location of headquarters	3, 103	
102-4	Location of operations	3	
102-5	Ownership and legal form	56, 108	
102-6	Markets served	4	
102-7	Scale of the organisation	3	
102-8	Information on employees and other workers	97	
102-9	Supply chain	3	
102-10	Significant changes to the organisation and its supply chain	52	
102-11	Precautionary Principle or approach	19	
102-12	External initiatives	54	
102-13	Membership of associations	35, 105	
Strategy			
102-14	Statement from senior decision-maker	6–14	
Ethics and integrity			
102-16	Values, principles, standards, and norms of behaviour	113–114	

GRI Standard	Disclosure	Page	Note/ Omission/ Direct Answer
Governance			
102-18	Governance structure	109	
102-22	Composition of the highest governance body and its committees	110	
102-24	Nominating and selecting the highest governance body	109	
102-25	Conflicts of interest	110	
Stakeholder engagement			
102-40	List of stakeholder groups	64	
102-41	Collective bargaining agreements	99	
102-42	Identifying and selecting stakeholders	55–59, 64	
102-43	Approach to stakeholder engagement	55–63, 64	
102-44	Key topics and concerns raised	55–63, 65–66	
Reporting practice			
102-45	Entities included in the consolidated financial statements	108	
102-46	Defining report content and topic Boundaries	52–53	
102-47	List of material topics	65	
102-48	Restatements of information		There were no major restatements of information given in previous reports
102-49	Changes in reporting		There were no significant changes during the reporting period in the list of material topics and topic boundaries.
102-50	Reporting period	52	
102-51	Date of most recent report	52	
102-52	Reporting cycle	52	
102-53	Contact point for questions regarding the report	136	
102-54	Claims of reporting in accordance with the GRI Standards	54	
102-55	GRI content index	126–135	
102-56	External assurance		DIC Asset AG does not currently seek external assurance for sustainability reporting. Our 2020 Annual Report and the annual financial statements associated with it were audited by Rödl & Partner in 2021.

GRI Standard	Disclosure	Page	Note/ Omission/ Direct Answer
SPECIFIC STANDARD DISCLOSURES			
Material Topics Environmental			
GRI 302: Energy 2016			
103-1, 103-2, 103-3	Management approach disclosures	19, 77, 82	
302-1	Energy consumption within the organisation	86, 89, 92	
302-2	Energy consumption outside the organisation	86, 89	
302-3	Energy intensity	89	
302-4	Reduction or energy consumption	86	
CRE1	Building energy intensity	89	
GRI 303: Water and Effluents 2018			
103-1, 103-2, 103-3	Management approach disclosures	19, 77, 82	
303-1	Interactions with water as a shared resource	86	
CRE2	Building water intensity	89	
GRI 305: Emissions 2016			
103-1, 103-2, 103-3	Management approach disclosures	19, 77, 88	
305-1	Direct (Scope 1) GHG emissions	93–94	
305-2	Energy indirect (Scope 2) GHG emissions	93–94	
305-3	Other indirect (Scope 3) GHG emissions	93–94	
305-4	GHG emissions intensity	89	
305-5	Reduction of GHG emissions	88	
CRE3	GHG emissions intensity from buildings	89	

GRI Standard	Disclosure	Page	Note/ Omission/ Direct Answer
GRI 306: Effluents and Waste 2016			
103-1, 103-2, 103-3	Management approach disclosures	19, 91	
306-2	Waste by type and disposal method	91	The waste quantity was not reported as weight (kg or metric tons) but as estimated volume (litres).
GRI 307: Environmental Compliance 2016			
103-1, 103-2, 103-3	Management approach disclosures	19, 77	
307-1	Non-compliance with environmental laws and regulations	112	
Construction and Real Estate Sector Supplement			
CRE8	Type and number of green building certifications	78	

Material Topics Social and Governance

GRI Standard	Disclosure	Page	Note/ Omission/ Direct Answer
GRI 401: Employment 2016			
103-1, 103-2, 103-3	Management approach disclosures	19, 96–99	
401-1	New employee hires and employee turnover	100	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	99, 101	
401-3	Parental leave		DIC Asset AG has no systematic data collection on this aspect.

GRI Standard	Disclosure	Page	Note/ Omission/ Direct Answer
GRI 402: Labour/Management Relations 2016			
103-1, 103-2, 103-3	Management approach disclosures	19, 96	
402-1	Minimum notice periods regarding operational changes	102	
GRI 403: Occupational Health and Safety 2018			
103-1, 103-2, 103-3	Management approach disclosures	19, 96, 103,	
403-1	Occupational health and safety management system	103	
403-2	Hazard identification, risk assessment, and incident investigation	104	
403-4	Worker participation, consultation, and communication on occupational health and safety		DIC Asset AG currently has no formal agreements with any trade union.
CRE6	Percentage of the organisation operating in verified compliance with an internationally recognised health and safety management system.		Although DIC Asset AG is not oriented towards an international occupational safety standard at this time, all of its workplaces comply with the strictest German safety and health standards. On top of that, internal and external occupational safety committees regularly review current practices.
GRI 404: Training and Education 2016			
103-1, 103-2, 103-3	Management approach disclosures	19, 96, 99, 100	
404-1	Average hours of training per year per employee	101	
404-2	Programs for upgrading employee skills and transition assistance programs	101	
404-3	Percentage of employees receiving regular performance and career development reviews	100	

GRI Standard	Disclosure	Page	Note/ Omission/ Direct Answer
GRI 405: Diversity and Equal Opportunity 2016			
103-1, 103-2, 103-3	Management approach disclosures	19, 97	
405-1	Diversity of governance bodies and employees	98	
405-2	Ratio of basic salary and remuneration of women to men	99	DIC Asset AG has no systematic data collection on this aspect.
GRI 414: Supplier Social Assessment 2016			
103-1, 103-2, 103-3	Management approach disclosures	19, 96	Business transactions with third parties are subject to the Compliance Guideline
414-1	New suppliers that were screened using social criteria		DIC Asset AG conducts its business activities exclusively in Germany, a country with very high standards for labour and human rights. We expect suppliers to adhere to national and international regulations at all times. No formal supplier screening is undertaken.
GRI 406: Non-Discrimination 2016			
103-1, 103-2, 103-3	Management approach disclosures	19, 96	
406-1	Incidents of discrimination and corrective actions taken		Unaware of any such incidents
GRI 408: Child Labour 2016			
103-1, 103-2, 103-3	Management approach disclosures	19, 96	
408-1	Operations and suppliers at significant risk for incidents of child labour		No operations or suppliers were identified that were at risk for incidents of child labour

GRI Standard	Disclosure	Page	Note/ Omission/ Direct Answer
GRI 409: Forced or Compulsory Labour 2016			
103-1, 103-2, 103-3	Management approach disclosures	19, 96	
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour		No operations or suppliers were identified that were at risk for incidents of forced or compulsory labour
GRI 205: Anti-Corruption 2016			
103-1, 103-2, 103-3	Management approach disclosures	19, 96	
205-3	Confirmed incidents of corruption and actions taken		No incidents of this type during the 2020 financial year
GRI 206: Anti-Competitive Behaviour 2016			
103-1, 103-2, 103-3	Management approach disclosures	19, 96	
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices		No legal action of this type during the 2020 financial year
GRI 418: Customer Privacy 2016			
103-1, 103-2, 103-3	Management approach disclosures	19, 96	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		No incidents of this type during the 2020 financial year
GRI 419: Socioeconomic Compliance 2016			
103-1, 103-2, 103-3	Management approach disclosures	19, 96, 113	
419-1	Non-compliance with laws and regulations in the social and economic area		No incidents of this type during the 2020 financial year (monetary value: EUR 0.00).

GRI Standard	Disclosure	Page	Note/ Omission/ Direct Answer
Material Topic Economic			
GRI 201: Economic Performance 2016			
103-1, 103-2, 103-3	Management approach disclosures	15, 19, 116	
201-1	Direct economic value generated and distributed	117, 118	
201-2	Financial implications and other risks and opportunities due to climate change	111	
201-3	Defined benefit plan obligations and other retirement plans		DIC Asset AG has no pension plan for its employees.
GRI 202: Market Presence 2016			
103-1, 103-2, 103-3	Management approach disclosures	15, 19, 116	
202-1	Ratios of standard entry level wage by gender compared to local minimum wage		DIC Asset AG has no systematic data collection on this aspect.
GRI 203: Indirect Economic Impacts 2016			
103-1, 103-2, 103-3	Management approach disclosures	15, 19, 116	
203-1	Infrastructure investments and services supported	105	
GRI 204: Procurement Practices 2016			
103-1, 103-2, 103-3	Management approach disclosures	15, 19, 116	
204-1	Proportion of spending on local suppliers		DIC Asset AG has no systematic data collection on this aspect. The company's eight branch offices rely heavily on the services of local providers to maintain our properties.

EPRA PERFORMANCE INDICATORS (I)

Code	Performance measure	GRI standard	Unit	Page	Note
Environment					
Elec-Abs	Total energy consumption	302-1	kWh/year	89	
Elec-LFL	Total energy consumption like-for-like	302-1	kWh/year	86	
DH&C-Abs	District heating and district cooling, total consumption	302-1	kWh/year	89	
DH&C LFL	District heating and district cooling, total consumption, like-for-like	302-1	kWh/year	86	
Fuels-Abs	Total fuel consumption	302-1	kWh/year	89	
Fuels-LFL	Total fuel consumption like-for-like	302-1	kWh/year	n.a.	No like-for-like consumption data are available at the moment
Energy-Int	Building energy intensity	CRE1	kWh/sqm	89	
GHG-Dir-Abs	Total direct GHG emissions	305-1	t CO_2e/year	93	
GHG-Indir-Abs	Total indirect GHG emissions	305-2	t CO_2e/year	93	
GHG-Dir-LFL	Total direct GHG emissions, like-for-like	305-1	t CO_2e/year	n.a.	No data available
GHG-Indir-LFL	Total indirect GHG emissions, like-for-like	305-2	t CO_2e/year	88	
GHG-Int	GHG emissions intensity from buildings	CRE3	kg CO_2e/sqm	89	
Water-Abs	Total water consumption	303-1	cbm/year	89	
Water-LFL	Total water consumption, like-for-like	303-1	cbm/year	86	
Water-Int	Building water intensity	CRE2	cbm/sqm	89	
Waste-Abs	Total waste weight and share by disposal method	306-2	Litre/year and %	91	The waste quantity was not calculated as weight (kg or metric tons) but as volume (litres)
Waste-LFL	Like-for-like total waste weight and share by disposal method	306-2	Litre/year and %	n.a.	No data available
Cert-Tot	Number of buildings with sustainability certifications	CRE8	Total number by certificates	78	

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EPRA PERFORMANCE INDICATORS (II)

Code	Performance measure	GRI standard	Unit	Page	Note
Social					
Diversity-Emp	Composition of the senior management	405-1	%	97	
Diversity-Pay	Gender-specific difference in pay	405-2	Ratio	99	
Emp-Training	Average annual number of continuing education hours	404-1	Number	101	
Emp-Dev	Employees receiving performance reviews	404-3	%	100	
Emp-Turnover	Employee turnover rate	401-1	Number and %	100	
H&S-Emp	Occupational safety	403-2		104	
Governance					
Gov-Board	Composition of the governing body	102-22		110	
Gov-Selec	Selection process for the governing body	102-24		109	
Gov-COI	Avoidance of conflicts of interest	102-25		110	

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GRI 102-53

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Forward-Looking Statements
This sustainability report contains statements that refer to future developments. Such statements represent assessments that we made on the basis of information currently available to us. If the assumptions underlying these statements fail to materialise or if risks – as discussed in the risk report of the latest annual report – eventuate, the actual results may deviate from the results currently anticipated.

The text of this report implies all genders without prejudice.

For calculation reasons, figures quoted in tables and in references may be subject to rounding differences from the mathematically exact figures (TEUR; percentages [%], etc.).

This report is published in German (original version) and in English (non-binding translation).

Publisher: DIC Asset AG

Design and Realisation:
LinusContent AG, Frankfurt am Main
www.linuscontent.com