Keep pace: ESG+D

Know how and know why

Sustainability Report 2021

ESG strategy restated

Under the slogan “Know how and know why”, we set out our convictions regarding E, S, G and Digitisation, which we streamlined with our 360-degree management approach.

Page 5

Interview with Sonja Wärntges

In this interview, our CEO Sonja Wärntges describes how DIC Asset AG turns its ESG approach into a cornerstone of its success.

Page 24

Climate target

We set out a transparent and measurable climate target which we aim to achieve by 2030. Dive deep and explore the details.

Page 39

Editorial

Dear reader,

By reading our 2021 Sustainability Report, you are showing your interest in our company, its performance to date and the challenges that lie ahead of us. We would like to take this opportunity to thank you for your interest. When you read this report, we hope you will feel the same pleasure and confidence we did when preparing this document.

Sustainability concerns us all. It affects the entire organisation and covers a broad spectrum of topics. Almost all parts of the Group collaborated to prepare this report. Sustainability is team work at its best so we would like to sincerely thank our employees for all the engagement they have shown. We are also grateful for the active support provided by members of the Management Board and the Supervisory Board.

With some pride, we can now look back over 10 years of sustainability reporting. Seen in other quarters as an inconsequential peripheral topic, sustainable conduct – and hence, visionary corporate thinking – has always formed part of our DNA. Yet we are in no way resting on our laurels as regards our success. This report sees us usher in the next phase of sustainable transformation.

Despite the global coronavirus pandemic and the restrictions imposed by it, DIC Asset AG achieved a strong economic performance in 2021, including, for example, the first triple-digit FFO income. Our economic success is, we feel, an additional incentive which spurs us on to take responsibility for social and environmental issues.

This document reports on all we have achieved and what we have yet to do. To make our understanding of sustainability tangible, we set quantifiable targets for all ESG issues. Our climate target has taken on special significance. Achieving it over the next few years will provide us with both a challenge and an incentive, and we will continue to make our positive contribution towards mitigating climate change.

At the same time, our sustainable DNA is permeating throughout our entire organisation. With the appointment of our first Head of People and Culture, we are promoting a corporate culture that can be seen in our day-to-day working lives, and giving top priority to the needs of our employees. For a long time now, our social engagement has not ended at the office door. In this reporting year, we released some of our employees to help out on the spot with Germany's flood disaster in the particularly badly affected Ahrtal valley.

Our sector finds itself, by and large, in the midst of a radical change. While we continue to meet the huge demand in Germany's major metropolises through our strong regional presence, we are adapting our offering to the market trends – from logistics real estate to co-working to working from home. Meanwhile, regulatory frameworks are being overhauled. At European, and also national, level new demands are repeatedly being made, even as regards sustainability criteria. For DIC Asset AG, constant change is no cause for concern. It drives innovation. During this reporting year, it prompted us to issue our first ESG-linked promissory note – a key milestone in our sustainable transformation.

Yet with all the reforms, radical changes and innovations, we are maintaining our usual far-sightedness. Through our strong economic performance, we are shaping living environments, with and for the people.

We hope you enjoy exploring our 2021 Sustainability Report.

Sonja Wärntges

Contents

Navigation

At the top of each page, you will find references to the sections of the report.

Please click on the section title to use the embedded link. Every section starts with a dedicated separating page, providing details on the section content.

Please use the arrows to move around the report.

The PDF file contains **internal links**.

Additional content on the internet is highlighted in the text.

2021 at a glance

Steady increase in our assets under management to

EUR 11.5 billion

For the first time in our corporate history, we achieved a triple-digit FFO income of

EUR 107.2 million

Significant improvement (+27%) of income generated from third-party asset management (Institutional Business), to

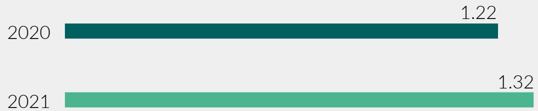
EUR 101.2 million

Shareholder structure
%

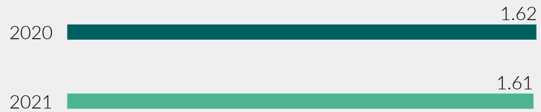
As at: February 2022

DIC offices

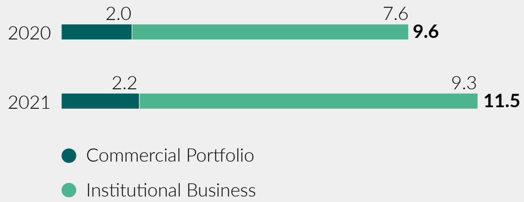
FFO per share
EUR



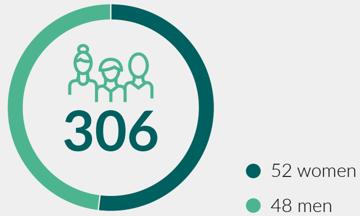
FFO II per share
EUR



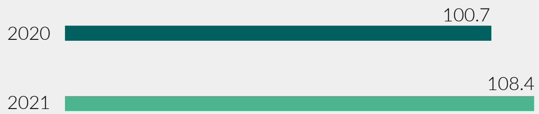
Assets under management
EUR billion



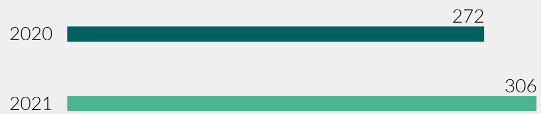
Number of employees by gender
%



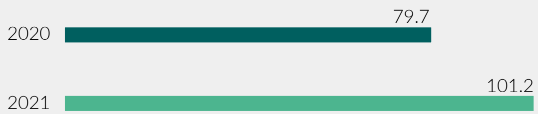
Gross rental income
EUR million



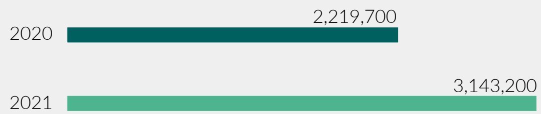
Number of employees
As at: 31 December 2021



Real estate management fees
EUR million



Managed rental space
sqm



ESG Profile

As a real estate company, we feel committed to preserving the long-term viability of our society and environment. This is why we have pinpointed our areas for action, and are tailoring our topics even more precisely to meeting the needs of our stakeholders. In this section, we describe how we are achieving a trusting and successful collaboration with our service providers, business partners and employees.

Company profile

GRI 102-1 | 102-2 | 102-3 | 102-4 | 102-5 | 102-7 | 102-45

Business segments

Since it was formed in 2002, DIC Asset AG has firmly established itself as key player in the German commercial real-estate market. The company domiciled in Frankfurt am Main has 306 employees at a total of eight branches in Germany: Berlin, Cologne, Dusseldorf, Frankfurt am Main, Hamburg, Mannheim, Munich and Stuttgart. DIC Asset AG generates diversified and sustainable cash flows across two business segments:

- the **Commercial Portfolio** segment (real-estate assets-under-management: EUR 2.2 billion) covers the portfolio of real estate we ourselves own as DIC Asset AG. Here, DIC Asset AG (referred to below as "DIC") produces steady cash flows from rental income by optimising the value of our portfolio properties and generating profits by selling properties. Further income is achieved with equity investments.

- the **Institutional Business** segment (real-estate assets-under-management: EUR 9.3 billion) is where DIC launches investment vehicles. These include especially real-estate funds for institutional investors investing in German commercial real estate. DIC manages the real estate acquired during the life of the fund. We obtain variable cash flows from fund fees, and from managing properties and trading in real estate.

4

operative **subsidiaries** besides DIC Asset AG.

Group entities

As a central management holding company, DIC undertakes all of the corporate governance duties. In total, the Group includes four subsidiaries besides DIC Asset AG. The Group entities of GEG German Estate Group GmbH, DIC Fund Balance GmbH, RLI Investors GmbH and DIC Onsite GmbH carry out important core operational tasks. The graphic on page 7 presents the strategic Group structure as at the end of 2021.

Ownership and legal form

DIC Asset AG was established in 2002 as a stock corporation within the meaning of the German Stock Corporation Act (AktG). The first listing on the open market occurred in 2003 on the Stuttgart and Munich stock exchanges. In 2006, this was followed by the IPO of DIC Asset AG on the Prime Standard of the Frankfurt stock exchange and inclusion in the SDAX.

As at 31 December 2021, 45.3% of its shares were in free float. The largest unit holders were Deutsche Immobilien Chancen-Gruppe (34.6% of shares) as well as Yannick Patrick Heller (10.1%) and RAG-Stiftung (10.0%).

We operate a comprehensive set of safeguards to protect against discrimination based on the ethnic identity, gender, religion, philosophy, any physical or mental impairment, age or sexual orientation of our employees or external business partners. Further information can be found in our Compliance Policy.

The terms used in this report refer equally to any and all genders, and the plural form will generally be used to make the document easier to read.

Strategic group structure DIC Asset AG

Management Board

Sonja Wärntges (CEO/CFO)	Christian Bock (CIBO)	Johannes von Mutius (CIO)	Patrick Weiden (CCMO)

Management

Corporate Development & Strategy	Communication & Marketing	Investor Relations	Nachhaltigkeit/ESG	Finance, Accounting, Treasury & Controlling	Administration (HR, IT)

Segments

Commercial Portfolio (balance sheet investments)	Institutional Business (Managed Accounts)

Investment
- Acquisitions and Sales
- Due Diligence
- Business Plan Modelling
- Legal Structuring

Portfolio Management
- Portfolio Analysis
- Portfolio Strategy
- Portfolio Controlling

Investment Management
- Structuring of new vehicles
- Implementing investment structures
- Sales
- Investor Relations

Real Estate Management
- Property Accounting
- Quality Management
- Legal (rental contract law)
- Letting

Development
- Planning of developments and refurbishments
- Key contact to assign construction contracts

Asset and property management (8 own nationwide operating local offices with regional heads)

Berlin	Cologne	Dusseldorf	Frankfurt
Hamburg	Mannheim	Munich	Stuttgart

Technical Property Management

External sources

Facility Management

Dynamic market environment

GRI 102-6 | 102-10

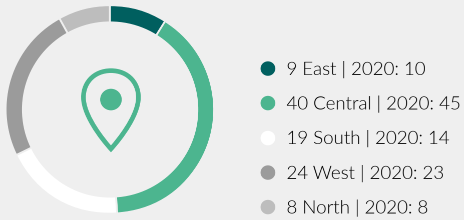
Markets, investment locations and local presence

DIC Asset AG has so far mainly been active in the German market for commercial real estate which we have broken down into five regional sub-markets. The following graphic shows the break-down of the market values of real-estate assets under our management by geographical region (EUR 11.5 billion in total as at 31 December 2021).

EUR 11.5 billion

Real-estate assets under management as at 31 December 2021 managed by DIC Asset AG.

Regional structure of overall portfolio for 2021
Basis: market value of assets-under-management
%



Significant changes to the organisation

Since 2021, the Head of Sustainability has been coordinating DIC sustainability activities, assessing the relevant company-specific ESG information in conjunction with Investor Relations and the organisation's units responsible and reporting on their activity directly to the CEO.

The reporting period just ended saw no significant changes in the organisation of DIC Asset AG. However, some (insignificant) effects for the company's organisation arose from the following measures and events. We should mention these briefly so as to provide a comprehensive picture of the company.

New regional office in Stuttgart

since January 2021, DIC Asset AG has been operating its own regional office in Stuttgart. With this opening of our eighth regional office, we are recognising Stuttgart's strong economy and ensuring we maintain a strong presence in all key markets. Ultimately, our proximity to our tenants and collaboration partners represents one of our main competitive advantages.

Take-over of logistics specialist RLI Investors

as at the end of 2020, DIC Asset AG acquired a 100% stake in RLI Investors GmbH (RLI) and a 25% minority interest in Realogis Holding GmbH (Realogis). With 16 employees in Berlin and Munich (now part of the DIC regional offices there), RLI is one of the leading independent logistics real-estate investors in Germany, with assets-under-management for institutional investors of over EUR 700 million. Realogis is the market-leading independent advisor in the Industrial and Logistics Real Estate sector in Germany, employing more than 60 staff across seven regional offices.

We integrated both companies into our Group structure at the start of the first quarter of 2021. The purchase price was around EUR 42 million, with the take-over contributing to the strong growth of our Institutional Business segment at the start of 2021.

"Green" financing structure

on the financing side, we arranged an inflow of around EUR 1.4 billion in 2021 across all segments, made up of new and renewed financing, including property financing. This also included initiating "green" financing, such as the placement of our first-ever ESG-linked promissory note for over EUR 280 million (after topping up after the year-end) and the first issuing of a EUR 400 million green bond which we successfully marketed with institutional capital-market investors in Europe.

We will use the funds from the promissory note and the "green" bond to finance green projects. We will use these financial resources to boost our share of Green Buildings by the end of 2023 from its current level at around 11% of the Commercial Portfolio market value to around 20%. "Green" financing instruments will lead to a greater diversification of our financing structure and provide us with more flexibility in the future.

Our employees

GRI 102-8 | 102-41

Employees

The knowledge, skills – and not least, huge commitment – of our employees are a prerequisite of our success. We therefore value and encourage an entrepreneurial mind-set and behaviour, independence, flexibility and expertise. Our personnel policy aims to strengthen our employees on the ground so we can provide all our real-estate services close to our clients.

The number of employees in our corporate Group grew from 272 in the previous year to 306 as at the end of 2021. The following graphic shows the number of employees in the individual areas.

Remuneration

Employee remuneration at DIC Asset AG is not subject to any collective-bargaining agreements. As detailed in our **Policy Statement on Respecting Human Rights** the principles of the freedom of assembly and the freedom to form associations enshrined in the German Basic Law apply Group-wide.

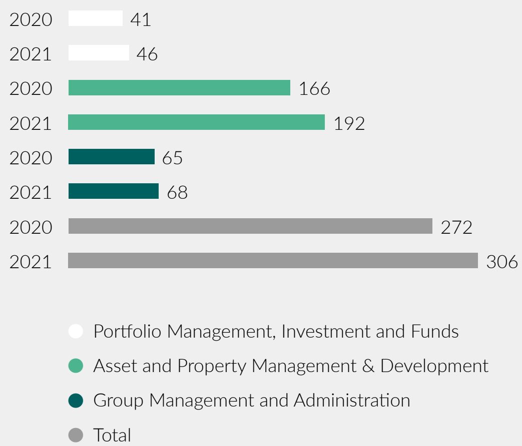
Salaries consist of basic income, supplementary benefits and performance-related components. Salary levels are based on industry standards and those of our competitors. Salaries are not bound by any collective bargaining agreements. The performance-related component is based on achieving individual as well as strategic and operating targets set annually with the line manager. In 2021, a tax-free, one-off COVID bonus was also paid to all employees. This means that a total of EUR 33.8 million was spent on employees in 2021. This figure includes performance-related remuneration of EUR 2.8 million or approximately 8.3%. Social security contributions, pensions and other benefits amounted to EUR 3.5 million.

What is more, the Management Board launched a Group-wide employee participation programme meaning that, from January 2022, every employee was offered an additional share-based salary component with a long-term incentive. DIC Asset AG buys its own shares in the market for employees every year for this purpose, and arranges for them to be managed by a trustee. After employees have completed four years of service with the company, they are able to participate in profit-sharing in the form of shares or dividend distributions, reflecting the share-price performance during this period.

306

highly qualified **employees** were employed by DIC Asset AG as at 31 December 2021.

Number of employees by Group area



Supply chain

GRI 102-9

By adopting the German Supply Chain Due Diligence Act (LkSG) on 25 June 2021, the German Bundesrat was underlining the increasing importance of fair and favourable working conditions worldwide. The legislator's aim was to increase the **protection of human rights** and the environment in the global **supply chain**.

Although DIC Asset AG is primarily active in the German real-estate market, we hold ourselves accountable for the protection of human rights and the environment in all of our procurement processes. This means that we consistently comply with and implement our Compliance Policy, and the principles of ethical conduct and integrity. Furthermore, we have drafted our Code of Conduct **Code of Conduct** to guide all of our company's actions and decisions.

DIC Asset AG undertakes hardly any new-build activities of its own. Instead, it takes on the (mostly turnkey) properties of appropriate project partners. Even though we have limited influence over the prevailing working conditions, in 2021 we set out the rules that govern every collaboration with our **Code of Conduct for Business Partners** In line with our Code of Conduct, DIC Asset AG will not tolerate any violations of human rights and will pursue any suspected instances with the necessary vigour.

Precautionary approach and risk management

GRI 102-11

Climate change and risks

In the light of the considerable increase in greenhouse gas effects and the associated impact on the environment, averting the harm caused to humans and nature is of great importance in all corporate decision-making. It is not enough to purely respond to the consequences of global climate change. DIC Asset AG fully supports Principal 15 of the Rio Declaration on Environment and Development. This principal states that the precautionary approach will not use the lack of full scientific certainty as a reason for postponing cost-effective measures to prevent environmental degradation.

DIC Asset AG possesses its own risk-management system (RMS) that serves to recognise early on any developments that might pose a risk to the portfolio. The RMS covers all areas of DIC and its subsidiaries, and is binding on every employee. Our risk system comprises five risk categories: (1) strategic risks (2) financial risks (3) compliance risks (4) political, social, legal, regulatory and environmental risks (ESG) and (5) operational risks. This system will investigate in passing whether these will have a material impact on the company's financial position and ability to continue as a going concern, and to achieve its corporate goals. The risk management was adjusted to accommodate ESG criteria when identifying threats and opportunities. The original focus lay on regulatory risks and was expanded to include climate and environmental risks. It equates to our striving to grow sustainably, thereby control, spread and reduce the risks that arise. Managing risks and opportunities therefore represents a fundamental part of corporate governance.

RMS

DIC Asset AG possesses its own risk-management system (RMS) that serves to recognise early on any developments that might pose a risk to the portfolio. The RMS covers all areas of DIC and its subsidiaries, is binding on every employee, and covers the following risk classes:

1. Strategic risks
2. Financial risks
3. Compliance risks
4. Political, social, legal, regulatory and environmental (ESG) risks
5. Operational risks

Initiatives and memberships

GRI 102-12 | 102-13

Our initiatives at a glance
The complete list of all memberships, donations and sponsoring by DIC Asset AG is updated annually and is available for download.

Commitment and responsibility

DIC Asset AG participates actively in national and international sustainability initiatives in the Real Estate sector. To support this, we are pursuing the aim of embedding sustainability topics even more deeply within our organisation, and encouraging the sharing of experience and information within our industry.

At national level, DIC Asset AG is a member of the German Property Federation (ZIA). Our CEO, Sonja Wärntges, contributes her experience and expertise as a member of its Executive committee whereas our Head of Sustainability has been a member of its Energy and Sustainability committee for many years. In terms of the Federal government's energy and climate policy, the ZIA has put forward the position that it should be left to industry participants to choose the resources they will use to achieve the climate goals. Beyond that, ZIA calls for the prompt creation of political parameters that support the sector's path to decarbonisation and enable real-estate companies to make rapid progress with CO_2 savings using existing technologies.

The Management Board and the Supervisory Board declare that, from the date of submitting its previous Declaration of Compliance, DIC Asset AG has complied, and will comply, with the recommendations of the German Corporate Governance Code as amended on 16 December 2019. The exceptions that apply are available for download on our website.

At European level, we are committed to the European Public Real Estate Association (EPRA). EPRA is involved in developing new ESG performance indicators and reporting formats for the European Real Estate sector. This includes the first Real Estate ESG database which has been steadily built up and now contains a wealth of data on Sustainability Best Practices Recommendations (sBPR).

DIC Asset AG is also part of ECORE, ESG Circle of Real Estate, an initiative for ESG compliance in real-estate portfolios. ECORE members have developed a scoring standard to make sustainability in real-estate portfolios transparent, measurable and comparable. This forms the basis of our continuous optimisation on the path to carbon neutrality. Our subsidiary, RLI Investors, has been involved since 2020 in developing a European standard to measure the sustainability performance of real estate and portfolios. Between February and May 2021, we took part in the ECORE pilot scheme with selected properties to subject the ESG scoring model developed to a field test, and actively support it to become an ESG assessment model for buildings and funds that is fit for the future.

We are currently testing the ECORE rating as part of our acquisition process to collect empirical data on marketability.

Besides our commitment at institutional level, our employees invest a great deal of effort in contributing to other initiatives and associations. These include, among others, the Initiative Corporate Governance der deutschen Immobilienwirtschaft e.V. (ICG), the Royal Institution of Chartered Surveyors (RICS), the Deutsche Investor Relations Verband e.V. of Germany (DIRK), the Urban Land Institute (ULI) Europe, the German real estate industry alumni network (IMMOEBS) as well as the Association of Friends and Supporters (Vereinigung von Freunden und Förderern) of Goethe-Universität Frankfurt.

In the future, we will also be active in trade associations and will collaborate in external initiatives. We will maintain interdisciplinary dialogue with interest groups and encourage the development of a uniform best practice in the sector.

Ethics and integrity

GRI 102-16

Company policies

DIC Asset AG cultivates a corporate culture that is committed to the principles of ethical conduct and integrity, and encourages mutual esteem, responsibility and respect among its staff. The company follows the recommendations of the German Corporate Governance Code (DCGK), as stated in its annual Declaration of Compliance. The Management Board regularly briefs the Supervisory Board about existing risks and how they are developing. Internal control, reporting and compliance structures within the company are periodically reviewed, upgraded and adapted to altered parameters.

All of the above documents are reviewed regularly and amended as required so that they comply with the relevant regulatory or other requirements. The **applicable version of the documents** can be requested from the company at any time and is available for download.

The **Code of Conduct** guides us in all of our organisation's actions and decisions. It serves as the foundation of our in-house policies and is binding on all employees. Executives especially are under a constant obligation to ensure compliance with this policy through the appropriate measures and processes. For whistle-blowers who wish to submit their information purely anonymously, DIC Asset AG operates its own Compliance **whistle-blower system** which is described in detail in the **Compliance** section.

In our **Policy Statement on Respect for Human Rights** we stated it goes without saying that we comply with all locally applicable legal provisions as an integral component of our corporate governance policy.

For the purpose of implementing this pledge, we align our corporate action specifically with the following conventions:

- **United Nations Universal Declaration of Human Rights**
- **United Nations Guiding Principles on Business and Human Rights**
- **The Eight International Labour Standards of the International Labour Organisation (ILO)**

We consider the values and standards contained therein to be the cornerstone of our corporate culture. This even and especially enshrines the fundamental principles of the freedom of association and the protection of the right to organise.

Our **Compliance Policy**, which we expanded and updated in 2021, provides comprehensive protection against discrimination, above all on the basis of ethnic identity, gender, religion or philosophy, or any physical or mental limitation, age or sexual orientation. Our stated objective is to actively prevent any kind of discrimination, unfairness or undesirable behaviour.

In line with our **Anti-corruption Policy** our employees are obliged to take their business decisions exclusively in the best interest of the DIC Asset Group, entirely unmotivated by personal interests. The Group resolutely rejects corrupt conduct in any form and any misuse of the decision-making powers entrusted to them.

The Management Board of DIC Asset AG adopted this **Lobbying Policy** as the basis of its accountable and lawful conduct towards DIC employees. This Policy determined that the lobbying work of DIC Asset Group is to be characterised by transparency, fairness, integrity and factual information. Furthermore, the Policy contains a series of principles that our employees and advisers acting on behalf of DIC employees must comply with.

The **Code of Conduct for Business Partners** of the DIC Group lays down rules that serve as the foundation for any collaboration. DIC Group business partners must comply with these rules and impose them on their own business partners, such as their suppliers, sub-contractors or similar. This includes, for example, compliance with the applicable occupational health and safety laws, other labour-law provisions and the provisions of the social-security law.

Corporate governance and sustainability strategy

GRI 102-18 | 102-20 | 102-21

Governance structure

As a listed stock corporation domiciled in Germany, DIC Asset AG has a dual management structure. In accordance with the statutory provisions, the company's management is divided into two strictly separate bodies in terms of organisation and personnel.

The Management Board is responsible for managing the company competently. Management Board members take collective responsibility for the overall management of the company. Notwithstanding their overall responsibility, individual Management Board members are each responsible for managing the division allocated to them by Management Board resolution. CEO, Sonja Wärntges, is responsible for Sustainability/ESG, among other things. Three other members sit on the Management Board in addition to the CEO: Christian Bock (Institutional Business), Johannes von Mutius (Investments) and Patrick Weiden (Capital Markets).

The Supervisory Board is the top control body within DIC. It appoints and removes members of the Management Board within the context of the Annual General Meeting. Furthermore, the Supervisory Board complies with the auditing and reporting obligations, and represents the company vis-à-vis the Management Board (§ 112 AktG). In addition to the Chair of the Supervisory Board, Prof Dr Gerhard Schmidt, there are five other members of the Supervisory Board. Further information on the composition of the bodies and the independence, professional experience and qualifications of the Supervisory Board members can be found in the **2021 Annual Report**, p. 145 et seq.

Sustainability strategy

The real-estate sector occupies a key position when it comes to sustainability and achieving national and international climate targets. Buildings are responsible for about 35–40%[1] of CO_2 emissions while exerting a massive demand for resources – especially fossil fuels – for construction and to operate.

Since the publication of the "Financing Sustainable Growth" action plan by the European Commission in March 2018, ESG has become a defining issue for capital markets. Ambitious climate targets have not yet been fully integrated into the mechanisms of the Real Estate sector. Aside from the regulatory requirements, we have welcomed the industry transformation ahead of us as an opportunity and, in the reporting year just ended, taken important strategic decisions.

As one of the leading listed German real-estate companies, DIC Asset AG is making an active contribution to the achievement of these targets. To ensure its long-term financial success, the company's Management Board therefore attaches material importance to ESG issues in addition to economic ones. In dealing with these issues, the focus is on identifying, monitoring, mitigating where necessary and avoiding the adverse consequences of our business activities, including for the properties we manage.

Sustainability and ESG hence form a fundamental and integral cornerstone of our corporate strategy. "Know how and know why" was our motto in 2021 (the 10th year of our sustainability reporting) which we used to expand our 360-degree approach (see the 2021 Annual Report) with four clear principles **E, S, G** and **D**igitisation.

To steadily improve our sustainability strategy, we conducted extensive analysis during the reporting year of the needs of stakeholders, societal changes and megatrends as well as expectations within the industry (see **Materiality Analysis**). By conducting our materiality analysis, we have also laid a transparent foundation for the development of our ESG strategy and our sustainability targets.

The areas for action within these pillars determine the material sustainability aspects.

[1] Source: https://www.bbsr.bund.de/BBSR/DE/veroeffentlichungen/bbsr-online/2020/bbsr-online-17-2020-dl.pdf?__blob=publicationFile&v=3, p. 17

Our business model is built around our management platform. ESG has become an essential and integral part of our corporate strategy, our management approach and our business activities. Combining it with our digital and IT strategy represents an important foundation.

360-degree approach and ESG strategy

MATCH

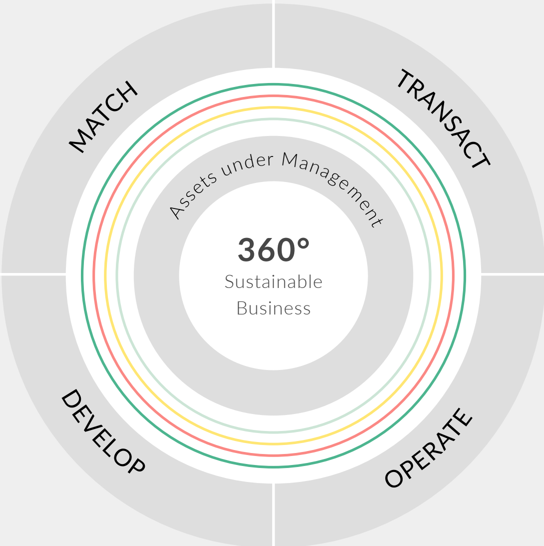
matching properties, occupiers, and investors

Investment strategy determines the ESG criteria

TRANSACT

Initiating and structuring transactions for growth and with a view to realising the appreciation achieved

ESG due diligence during the acquisition process incl. preparing ESG action plans in line with the investment strategy



DEVELOP

Developing, maintaining and optimising the proprietary portfolio we manage

Initiating & implementing ESG measures alongside the investment strategy

OPERATE

Comprehensively operating properties with an active and sustainable management approach

Management, controlling and reporting ESG in line with the investment strategy

We manage our business proactively in the context of sustainability aspects

Environment
- energy and energy efficiency
- emissions and decarbonisation
- sustainable products and portfolio performance
- innovative modernisation concepts

Social
- attractive employer
- diversity and equal opportunities

Governance
- economic/financial performance
- Compliance

Underpinned by
Digitisation – both internally and externally
- digital tools in our management approaches and processes
- new digital products and services

Environment
DIC Asset AG's approach is to develop our proprietary portfolio using environmental and governance criteria that is a match to DIC (MATCH), acquire suitable properties and dispose of unsuitable ones (TRANSACT), rent out and manage properties sustainably (OPERATE) and develop a managed real-estate portfolio through structural, technical or innovative measures (DEVELOP).

In our Institutional Business, we design innovative products and work closely with our third-party AIF management companies (AIFM) to inspire enthusiasm in investors for these concepts (MATCH). At the same time, we acquire suitable properties to resell at a profit at the right time (TRANSACT). We also operate a policy of actively managing the relevant (fund) products on the basis of the investment strategy (OPERATE) and develop individual investments and real estate with the approval of investors (DEVELOP).

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

We encourage and demand a healthy work environment, and maintain a culture of open and honest communication at all levels of our organisation which we consciously structure "with and for the people". As an employer, we are responsible for ensuring a positive corporate culture as well as a safe, social and healthy working environment. We also contribute to the well-being of our employees, even in difficult times when there is a global pandemic. Appropriate and fair remuneration across all levels of the hierarchy is part of our corporate culture. Apart from that, we invest significant resources into bringing out the full potential of talented employees. DIC Asset AG will not provide a breeding ground for discrimination in any shape or form. We welcome variety, equal opportunities and diversity.

As a key player in the German commercial real-estate market, we consider the interests of all stakeholders as well as the societal challenges and resulting requirements for real estate. Achieving tenants who are satisfied with our properties and range of amenities is therefore of key importance to us.

As a member of society, we want to make a commitment that benefits society and actively support, shape and develop our industry through our work with institutions and industry bodies.

Governance
We attach great importance to corporate governance in the sense of managing our company sustainably. To succeed in this ambition, we seek to enhance transparency and to integrate ESG issues consistently across all levels of our organisation.

Financial performance and sustainability are not incompatible issues for us. By creating the relevant skills along the entire value chain, we embed ESG issues at the heart of the way we see ourselves as a company. We are part of society – successful and sustainable.

By regularly reviewing (and adjusting) our ESG targets we can ensure that all our ESG measures are interconnected, effective and meaningful as well as in line with our corporate strategy.

This also includes creating frameworks and policies that are binding on all our internal or external stakeholders: Compliance Policy, Code of Conduct, Code of Conduct for Business Partners, etc.

Digitisation

ESG and digitisation will be the focus in the future for us as a company. Digitisation is a fundamental building block of our ESG strategy. DIC Asset AG views itself as a long-term stakeholder which is harnessing the synergies that emerge from standardising and automating operational and administrative processes.

Meanwhile, digitisation is one of the essential components of our day-to-day business. The coronavirus pandemic proved to be a catalyst for our existing approaches. The importance of a secure and flexible IT work environment became obvious, e.g. in the context of a home-office environment.

We are therefore working steadily on integrating digitisation into our ESG routines and work streams. We are incorporating digital tools in a targeted way so we can better network the data silos used so far. This will give us not only improved data oversight and increase our control options but also boost targeted communication with all stakeholders.

Sustainability organisation

What will also be key to the success of DIC is to clearly embed sustainability in our organisation, and work with all stakeholders and organisational entities.

The Head of Sustainability reports directly to the CEO, who is responsible for sustainability, among other things. Our Head of Sustainability is steadily developing our ESG strategy. This includes identifying, initiating and controlling strategic environmental projects as well as implementing governance issues, carrying out ESG ratings and, not least, sustainability reporting.

The ESG committee set up during the reporting year includes executives from all business units in addition to the CEO and the Head of Sustainability. The task of the committee is to agree important decisions affecting all divisions that are aimed at aligning the ESG strategy and targets.

The relevant organisational entities are responsible for the operational and other implementation of the ESG measures. ESG project heads are appointed in these units, and are in charge of implementing and achieving the set targets in our day-to-day business, and reporting to the committee.

ESG + D

Environment We make a positive contribution to mitigating climate change.

Social We shape our business with and for the people.

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

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

DIC Asset AG targets and KPIs

Governance (G)

Subject	Target	KPI	Status
Funds from operations (FFO)	Continuous increase of FFO	FFO compared to previous year	FFO 2022 +27% compared to 2021, and +41% compared to 2020
Green financing instruments	Increase in the share of green financing instruments by 2027 to around 40–50%	Overall share of green instruments on the financing side as a proportion of the balance sheet total	20%
ESG ratings	Maintain or improve performance in relevant ESG ratings	ESG rating results	Improvement in the following relevant ratings: Sustainalytics: from 26.8 to 9.2 (12 April 2022) Carbon Disclosure Project (CDP – Climate Change): from D to C (31 December 2021) MSCI – ESG Research: from BBB to A (31 December 2021) ISS ESG: from D to D+ (31 December 2021)
Compliance	Prevent misconduct on continued basis using appropriate measures	Number of reported compliance violations as well as measures taken	0 reported compliance violations; 0 measures taken
		Number of training hours: employees incl. Management Board members	No status as there is a new target

Environment (E)

Subject	Target	KPI	Status
Energy & Emissions	Establish a science-based climate pathway for our German business by 2023 or earlier	Climate pathway	No status as there is a new target
	Cutting greenhouse gas emissions per square metre for its Commercial Portfolio by 2030 by at least 40% compared to the 2018 base year.	Δ t CO_2e/sqm Commercial Portfolio in %	–21%
	Further develop the supply/purchase of renewable energy	Percentage of renewable energy in the communal-area electricity supply for the company's office locations owned by DIC Asset AG itself, and for the tenant electricity in the company's rented office spaces	100% renewable energy for the company's office locations owned by DIC Asset AG itself, and 73% for the tenant electricity in the company's rented office spaces.
		Number of buildings supplied with district heating or green gas (Commercial Portfolio)	44 of 94 properties (percentage of rental space in sqm: 45.4%)
		Number of buildings supplied with green electricity (Commercial Portfolio)	57 of 71 multi tenant properties (80%)
Green Buildings	Increase in the share of Green Buildings in the Commercial Portfolio to at least 20% by the end of 2023 (Commercial Portfolio)	(i) market value of Green Buildings; (i) compared to the Commercial Portfolio market value	11.6%

Social (S)

Subject	Target	KPI	Status
Balanced employee structure	Maintain current level of male/female quotas at senior management level below Mgmt Board	Number of employees by gender category (m/f/d) below Mgmt Board level	52% women 48% men[1]
	Maintain current age structure	Number of employees by age category	15% ≤ 30 years; 64,7% 31–50 years; 20,3% ≥ 51 years
Gender ratio	Increase in the proportion of women at the top executive level by 30 June 2022 to 15.38% (2/13).	Overall proportion of women at top executive level (excluding branch executives)	Completed, target achieved[2]
	Maintain or increase current level of women at executive level	Overall proportion of women at executive level (including branch executives)	26%
	Maintain or increase current level of women at non-executive level	Overall proportion of women employees	52%
	Increase in the proportion of women on the Management Board by 30 June 2022 to 25% (1/4)	Overall proportion of women on the Management Board	Completed, target achieved
	Increase in the proportion of women on the Supervisory Board by 30 June 2022 to 16.66% (1/6)	Overall proportion of women on the Supervisory Board	0%[3]

[1] At present, DIC Asset AG does not collect any information on the 'diverse' gender category.
[2] As a listed company without co-determination, DIC Asset AG is also legally obliged to set targets for the proportion of women on the Supervisory Board, on the Management Board and, where applicable, in the two executive levels below the Management Board.
[3] Dr Angela Geerling was elected as a new Supervisory Board member at the Annual General Meeting that took place on 24 March 2022.

Stakeholder dialogue

GRI 102-40 | 102-42 | 102-43 | 102-44

Most important stakeholders

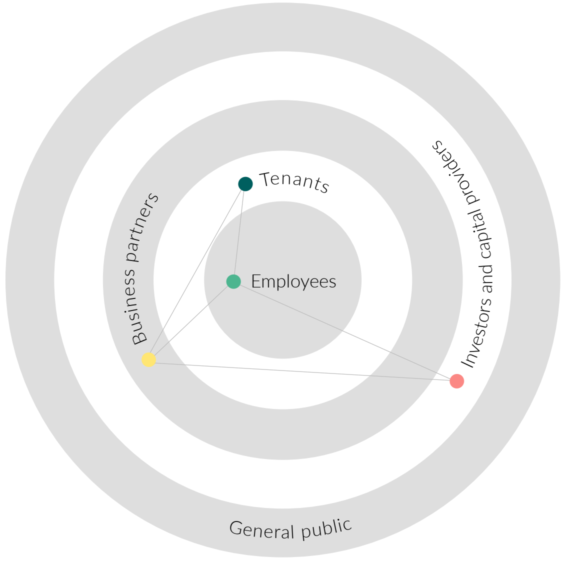
DIC Asset AG and its subsidiaries maintain an ongoing dialogue with a large number of different stakeholders whose expectations of the company are not always identical, or in some cases, may even be conflicting. DIC has therefore identified the most important stakeholders (stakeholder groups) and set up its work streams in such a way that, in addition to the actual business relationships, they function as the basis of transparent and fair dialogue with everyone involved.

As a listed company and one of around 300 companies listed on the Prime Standard – the stock-market segment of the Frankfurt Stock Exchange which is legally regulated and subject to the highest transparency standards – DIC Asset AG is of great 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 assist with their investment decisions to invest directly in real estate and support with their ongoing real-estate management. Besides these, tenants of the real-estate portfolio we manage represent a key stakeholder group to whom we offer attractive commercial premises for rent. We frequently engage in dialogue with cities and municipalities (body politic), the local general public and nearby neighbours to discuss the implementation of developments in the portfolio and larger building modernisations, and to take their interests into account early on, incorporating their feedback when planning our measures.

DIC Asset AG offers a wide range of services along the real-estate value chain. For this, we cooperate with a large number of business partners whom we regard as key stakeholder groups. The same applies to our employees who form the bedrock of our success and are the first point of contact for all external stakeholders.

Our goal is to reconcile the various interests of all our stakeholders in the best way possible. This also fits into our understanding of corporate citizenship. Under the motto, "We shape our business with and for the people", we find ways to stimulate the development and intrinsic value of properties as well as the urban environment. Positive value creation in the form of economic success that benefits all stakeholders is discussed at length in the Governance section.

DIC Asset AG sees itself as part of a vibrant, diverse and dynamic society. Meeting the demands of all interest groups is an ongoing task. Success here depends crucially on open and honest dialogue with our stakeholders. We place great importance on regular and systematic stakeholder dialogue to further develop our vision of sustainability and communicate internally as well as externally. We make use of the entire bandwidth of our communication platform for this purpose: talks, panel discussions, digital workshops and internal in-person meetings.



DIC has therefore identified its most important stakeholders (or stakeholder groups) and set up its work streams so that they – along with the actual business relationships – form the basis of a transparent and fair dialogue with everyone involved.

Key topics and concerns raised

All stakeholder groups have the opportunity to express individual demands or raise concerns at any time. The dialogue formats outlined above have been developed for this purpose. As soon as we receive any relevant input, it will be analysed and assigned to the correct part of our organisation. If need be, it will be escalated to the Management Board under the overall control of the CEO.

At company and property level, we encourage regular dialogue with specific target groups. We frequently used virtual formats to conduct our stakeholder dialogue during the 2021 financial year due to the COVID-19 restrictions and also to protect our business partners and employees.

We have identified six suitable dialogue formats for our stakeholder groups:

Capital providers and analysts

Our investor relations work is based on the principles of openness, transparency and fairness vis-à-vis all financial market participants. We provide a continuous flow of meaningful information about our business performance and strategy in the form of (virtual) roadshows, investor and telephone conferences, trade fairs or analyst events. We also use our Annual General Meeting for dialogue with our capital providers.

Institutional Business investors

In discussions with our Business Development and Fund Management teams, we provide a constant flow of information to our institutional investors about the performance of investment vehicles and properties. In addition, we deliver monthly reporting via our digital investor cockpit. Twice a year, we report in detail on our investment strategy, capex measures and acquisition and disposal plans.

Tenants

Our teams embedded in the market look after both tenants and properties actually on site. We see it as our task to keep a close and sensitive eye on developments in the various industries and sub-markets, right down to the level of each individual tenant. We prioritise the service quality, reliability and assured accessibility of our commercial and technical Property Managers. This will be supported in future by the systematic surveying of each tenant. This will enable us to help shape and attend to the wishes and requirements of our tenants promptly.

Employees

Our employees form the bedrock of our success. We place great value on a positive work environment in which our team members feel at ease and can perform to their full potential. We maintain a policy of open and honest communication across hierarchies and areas of expertise. This also includes handling errors and feedback fairly. Notable examples of this communication culture are our informative meetings "DIC Insights" as well as our "CEO Lunches" with employees from all Group areas. All employees have the opportunity to hold discussions with their line manager and/or Human Resources at any time. Any employee is able to express his/her needs or wishes within the context of the annual feedback interview. Our employees can discover information about ongoing developments from the DIC Office Hub and have permanent access to the policies that apply to their day-to-day work flows. DIC also encourages collaboration in working groups and project teams and through new regular formats, such as "DIC Insights". Material changes are communicated promptly in-house by the Management Board and/or Corporate Communications.

Business Partner

We strive to enjoy business relationships with our business partners that endure not only for one project but for the long term. Collaborations are based on trust and mutual respect. With larger projects, we schedule regular "jour fixe" meetings to maintain an ongoing dialogue with all stakeholders to ensure the implementation goes according to plan, thus enabling us to respond to any material changes to the project planning. Besides that, we are open to new business relationships, collaborative models and technologies.

General public

Due to its size, its listing on the Prime Standard of the Frankfurt Stock Exchange and the growing importance of (commercial) real estate as a societal issue, DIC Asset AG is increasingly the focus of the general public's attention. DIC regularly briefs the general public about the progress made in its financial and non-financial performance indicators. This occurs in the form of press releases, interviews, network and industry events as well as via our social media channels. For local real-estate projects, we seek dialogue with local residents and the municipal body politic.

In conversation
In this interview, Sonja Wärntges outlines how DIC Asset is playing a key role in shaping the transformation process towards a sustainable real estate sector, the targets the Group wants to hit and the successes it has already achieved.

Sonja Wärntges
Chief Executive Officer of DIC Asset AG since October 2017

"Anyone who works in Real Estate needs to think and act for the long term. We are setting ourselves this challenge, and rising to it successfully."

GRI 102-14

How relevant is the topic of sustainability for DIC Asset AG? Has this changed in recent years? And where do you see the greatest opportunities and challenges for your industry in terms of sustainability?

Wärntges › It is an extremely relevant topic, and has been for more than ten years. Anyone who works in Real Estate needs to think and act for the long term. We are setting ourselves this challenge, and rising to it successfully. In the meantime, we have been firmly embedding the various aspects of sustainability into our organisation.

We started focussing on sustainability in Real Estate early on. However overall, this topic is taking on a whole other meaning today as a result of climate-change discussions.

You asked about the challenges. For me, the first challenge starts with the change in attitudes that is needed. In the Real Estate industry, we should understand sustainability as a process of transformation. As one of the largest listed Real Estate companies, we are actively shaping this transformation and we are very glad to do so.

Environmental topics
- energy and energy efficiency
- emissions and decarbonisation
- sustainable products and portfolio performance
- innovative modernisation concepts

Other topics
- economic/financial performance
- compliance
- attractive employer
- Diversity and equal opportunities

The current materiality analysis for 2021 revealed that your key stakeholders view DIC Asset AG's impact on environmental topics to be extremely important. Do you see any overlap between the various topics, and have any new ones emerged?

Wärntges › These topics have become increasingly important to our stakeholders. We note, for example, the considerable increase in regulation in the capital markets. I welcome the momentum that comes with that. For me, sustainability has always been a whole-society task that we are setting ourselves.

The environmental topics of energy and energy efficiency – and therefore also of emissions and decarbonisation – have long been identified as material topics by DIC Asset AG and its stakeholders. We have been reporting on this since 2011 when we introduced the first measures, like providing our tenants with renewable energy.

So it is logical that we and our stakeholders have identified the two concepts, "innovative modernisation concepts" and "sustainable products and portfolio performance", as additional, really important topics. Incidentally, we have not been idle here. In 2021, we acted on our plans by placing our first ESG-linked promissory note and issuing our green bond. At the same time, we worked on "innovative modernisation concepts" for individual properties in the portfolio.

This enabled us to shape the transformation. And transformation means change. It affects our company just as much as other stakeholders in an industry which is receiving considerable attention in the current climate-change discussions. This process of transformation is a journey. New topics emerge and attract much attention. But it is also true to say that it is not always easy to understand the (occasionally very volatile) policy targets from a business point of view.

Other topics complement the list of top strategic areas for action. Some of them were already part of the ESG strategy. Others, like "attractive employer" or "diversity and equal opportunities" were added in 2021. How will you move forward with these new topics?

Wärntges › Economic performance is part of our DNA. I was therefore really pleased with the operating success we achieved in the 2021 reporting year, and with the new record we set. This was all built, of course, on our commitment to responsible and legally compliant conduct. We take compliance with the German Corporate Governance Code very seriously, and our performance is also reflected in the social topics. In 2021 especially, we reached some important milestones in our strategy. With the creation of our Head of People and Culture role, we were focusing again even more carefully on our employees. This is a change I wanted to see and we are taking it further. In 2022, we will also be concentrating on employee retention and satisfaction as well as on fostering a positive corporate culture to show we are an attractive employer and continuing to attract the brightest minds.

The cornerstone of DIC Asset AG's corporate strategy is its proprietary real-estate platform with its 360-degree value added and the four fundamental elements of match, transact, develop and operate. Do you see opportunities to implement sustainability aspects in all sub-divisions? Where do you see the greatest challenges?

Wärntges › With its 360-degree approach, the DIC real-estate platform is successful and unique because it maps the real-estate value chain in the four fundamental elements. We have hence laid the ideal foundation for integrating sustainability aspects into our measures in each phase of a property's life cycle with clear goals in mind. What is our greatest challenge? To transform the real-estate portfolio into a sustainable future under economic conditions that we actively shape in order to better respond to external influences.

Are there current macroeconomic or political developments that will have an especial impact on DIC Asset AG and its sustainability strategy? If so, how will you respond to these?

Wärntges › We see ourselves as a dynamic company which recognises trends early and derives opportunities from them. which we then implement creatively, quickly and reliably. One striking example of this was when we expanded our investment strategy with our Logistics asset class in the summer of 2020, right in the middle of the coronavirus pandemic. We were (and are) convinced that, by changing the global supply chain to a more local presence, we can achieve greater value and growth potential in this asset class.

In terms of sustainability, we view ourselves as a company that is actively shaping our industry, spotting tomorrow's trends and issues, and using them to develop a suitable sustainability strategy even when there remains considerable ambiguity from a regulatory and policy perspective. We greatly value the comprehensive understanding of ESG at all levels of our organisation. It is a continuously dynamic process – and one which we know our way around.

“We greatly value the comprehensive understanding of ESG at all levels of our organisation. It is a continuously dynamic process – and one which we know our way around.”

In the last Sustainability Report, you describe the ESG strategy as a lengthy, ongoing process which is being steadily adapted. Which important results and successes became apparent last year? And which challenges remain?

Wärntges › DIC Asset AG is improving from year to year: we set out and communicated our road map, and worked on establishing quantitative indicators. Now we are gradually expanding this. Our roadmap gives us a clear direction to aim in and sets us on the right path. To ensure our performance is transparent externally, we are now making it measurable and quantifiable. We have also laid the foundation for achieving these targets. We have created an awareness across our entire organisation of the many aspects of sustainability. It matters to me that we clearly express the importance of ESG and bring all our colleagues with us on this process of transformation. We have positioned ourselves extremely well since then, but it is a marathon and not a sprint.

Several projects have already launched in line with the ESG roadmap. Where do these projects stand now? Have we seen the first successes? Do we need to adjust any targets?

Wärntges › In 2021, we were already able to see some successes: the issuance of an ESG-linked promissory note, the creation of the new Head of People and Culture role, and improved stakeholder dialogue. Added to that, there were various healthcare campaigns for our employees, and let us not forget our first social impact day. In 2021, we created and filled the position of Head of Sustainability, established an ESG committee and ensured it became embedded into the organisation. Even our sustainability reporting and ESG communication did not stand still. It was especially pleasing to see the use of our new social media channels. At the same time, we have done our homework. Our Head of Sustainability, dovetailing closely with the entire organisation, has just initiated a whole series of in-house regulations and policies. Our recently revised Code of Conduct is just one example and I was delighted to support our 2021 stakeholder survey. Apart from that, we have continued to work on our corporate governance and driven through the implementation of ESG in our corporate strategy.

The fact that our efforts have been successful can clearly be seen from the improvement in our 2021 ratings, especially those from Sustainalytics. Data procurement continues to present a challenge, likewise digitising the data and linking it meaningfully; add to this, networking knowledge for such a dynamic topic and so many stakeholders. At the same time, we are going to build on the increasing standardisation in our industry.

Let us look ahead to the future. Where do you see DIC Asset AG in three years' time in terms of its biggest challenges and targets in a sustainability context?

Wärntges › We have the opportunity to shape the future. DIC Asset is taking a leading role in the German commercial real-estate market. We are aware of the responsibility associated with this. We have discussed our role, our tasks and our sphere of influence intensively here at DIC Asset AG. I am looking ahead confidently to the next three years. We will make our contribution to the decarbonisation of the Real Estate industry. By 2023, the share of Green Buildings in our Commercial portfolio is planned to increase to at least 20%. At the same time, we will maximise our sustainable financing structure to accelerate our ESG portfolio growth so we can invest in an increasingly green way. Our target is to increase green financing as a share of total assets to 40-50% by 2027. I liken it to dancing: technically demanding and requiring stamina but it is the moving actively which brings you such enormous gains.

The future at a glance:

2023

The share of **Green Buildings in the Commercial Portfolio** should have increased to at least 20%.

2027

The overall share of **green instruments on the financing side** should have increased to around 40–50% as a proportion of the balance sheet total.

Materiality analysis

GRI 102-46 | 102-47

Identification of material sustainability topics

DIC Asset AG is optimally networked with all the relevant stakeholders and service providers of Germany's Real Estate sector due to its activities across the whole of Germany. Our decisions and measures impact: investors and capital providers, around 300 employees, approximately 1,400 tenants in both business segments, over 6,000 business partners and the entire range of properties we manage, either in our proprietary portfolio or on behalf of third parties. Our key stakeholders are capital providers, employees, tenants, business partners and the general public; investors in third-party business (Institutional Business) have become increasingly important (**stakeholder dialogue**). To identify major sustainability issues for DIC Asset AG, we conducted a materiality analysis in 2021 in the form of a comprehensive stakeholder survey. This materiality analysis serves as a guideline for our sustainability targets and reporting.

The material sustainability topics are the result of a **systematic stakeholder survey conducted in 2021.** Topics like CO_2 emissions, compliance, being an attractive employer and diversity all increased in importance compared to the last survey in 2016.

Performance indicators

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

The material sustainability topics are the result of the systematic stakeholder survey conducted in 2021. They have been redefined to take account of societal changes and changes specific to the industry as well as the performance of the company. We will describe in detail our internal processes, the implementation status of the measures decided on and the other developments in the Sustainability Report we publish annually. There, we will comment on our stakeholder engagement and our ESG management approach.

In the Governance, Environment, and Social sections, we will report in detail on the topics identified while including the quantitative and qualitative ESG performance indicators in accordance with the GRI Standards and EPRA sBPR (see Appendix and comprehensive EPRA disclosures published separately).

Our materiality analysis is based on a comprehensive analysis of the industry, the economic climate and our company as well as the results of our 2016 materiality analysis. These results have been summarised in a long list. Responsibility for agreeing the content of the unfiltered long list lies with our CEO, working closely with our Head of Sustainability to perform this task. Together they have drawn up a short list containing 20 material topics in the categories of Governance, Environment, and Social.

Stakeholder survey

Interviews with our Supervisory Board members, selected shareholder representatives, institutional investors, tenants and banks provided information about the topics that were relevant for our stakeholders. We also conducted an online survey with additional stakeholders, especially selected tenants, employees, institutional investors and shareholders. The stakeholders we surveyed indicated in the results the importance of sustainability topics, using a four-point scale ranging from "less important" to "very important".

The results of the relevance to the company emerged from a materiality workshop with all members of DIC Asset AG's Management Board. company executives were similarly surveyed in detail to assess the significance of the 20 sustainability aspects ranging from "less important" to "very important" as regards the relevance to DIC Asset AG.

The sustainability relevance results were also based on the above interviews and those of the online survey. The aim of this process was to determine the impact of our business activity on the economy, the environment and society in the context of 20 sustainability aspects.

Key areas for action

Compared to our last stakeholder survey in 2016, CO_2 emissions, compliance, attractive employer and diversity have become more important as topics.

The Management Board has identified the following topics – all of which are highly relevant to stakeholders, sustainability and the company – as top-priority areas for action:

- energy and energy efficiency
- sustainable products and portfolio performance
- innovative modernisation concepts
- attractive employer
- diversity and equal opportunities
- economic/financial performance
- Compliance

The top environmental areas for action (A to D) have been grouped together under the general heading of “energy and emissions”. The description of the “attractive employer” topic follows the requirements of GRI 401 whereas all compliance aspects follow the requirements of GRI 205.

As part of our materiality analysis, we identified the presented sustainability topics to be material:

DIC Asset AG materiality matrix

Strategic areas for action
A Emissions and decarbonisation
B Energy and energy efficiency
C Sustainable products and portfolio performance
D Innovative modernisation concepts
E Economic/financial performance
F Compliance
G Attractive employer
H Diversity and equal opportunities

Governance
16 Risk management
17 Data protection and IT security
18 Client satisfaction
19 Supply chain
20 Attractiveness in the capital markets

Environment
3 Biodiversity
4 Water and waste
6 Operational protection of the environment

Social
10 Real-estate quality to suit the local market
11 Training and skill building
12 Urban development and local communities
13 Occupational health and safety

Report profile

GRI 102-48 | 102-49 | 102-54

This report has been prepared in accordance with the GRI Standards: core option.

Compared with the 2020 Sustainability Report, there have been no new material disclosures of information. The updating of our materiality analysis as at the end of the 2021 financial year led to the following changes in the list of material topics:

List of material topics

2020	2021 (new topics added)
Environment	
energy consumption and energy intensity	energy and energy efficiency
environmental protection measures	operational protection of the environment
greenhouse gases	emissions and decarbonisation
	sustainable products and portfolio performance
	innovative modernisation concepts
	biodiversity
	water and waste
Social	
health and safety in the workplace	occupational health and safety, and healthcare
employee remuneration	attractive employer
training and skill building	training and skill building
	diversity and equal opportunities
	real-estate quality to suit the local market
	urban development and local communities
Governance	
privacy and data protection[1]	data protection and IT security
anti-corruption[1]	compliance
compliance breaches[1]	compliance
economic performance	economic/financial performance
continuity of dividends	economic/financial performance
	risk management
	client satisfaction
	supply chain
	attractiveness in the capital markets

[1] Categorised under "Social" in previous year.

GRI 102-50 | 102-51 | 102-52 | 102-53 | 102-55 | 102-56

Sustainability reporting

As a commercial enterprise, we feel committed to preserving the long-term viability of both our company and our environment, which is why we have been reporting on our sustainability activities continuously since 2009. Since March 2011, this has taken the form of a separate yearly report in order to create an appropriate framework for the growing significance of sustainability as a topic in our company.

The reporting period is the same as our financial year, and begins on 1 January 2021 and ends on the balance sheet date of 31 December 2021. DIC Asset AG's last Sustainability Report was published in June 2021 and covered the reporting period 1 January 2020 to 31 December 2020.

Our Head of Sustainability is steadily developing the topic of Sustainability in terms of content. Since 2021, she has been leading the coordination of sustainability activities as well as ESG reporting processes and content, reporting directly to the CEO. The Management Board sets targets and measures that best match our sustainability principles (**ESG at DIC**). Investor Relations, working closely with other DIC Asset AG divisions, coordinates our internal and external corporate communications including capital market reporting.

Peer Schlinkmann
Head of Investor Relations
& Corporate Communications

Maximilian Breuer, CFA
Senior Investor Relations Manager

Auditor's opinion

DIC Asset AG's Sustainability Report is not currently subject to an audit requirement by an independent statutory auditor and has dispensed with a voluntary audit by a private ESG initiative. The consolidated financial statements of DIC Asset AG as at 31 December 2021 referred to frequently in this report are subject to an audit requirement under § 316 HGB. The audit firm Rödl & Partner GmbH, domiciled in Nuremberg, Germany, carried out the audit of the 2021 consolidated financial statements. This audit did not lead to any reservations relating to the legal compliance of the consolidated financial statements nor of the combined management report. The statutory auditor responsible for auditing the consolidated financial statements was Karsten Luce.

Governance

We attach great importance to corporate governance in the sense of managing our company sustainably. We commit ourselves to observing the principles of ethical conduct and integrity, any and all applicable legal provisions as well as our internal corporate values. In this section, we provide insights on how we apply this approach, improve transparency, and integrate ESG aspects at every organisational level.

Cornerstone of DIC Asset AG's corporate strategy

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

Economy and environment in harmony

This reporting year, DIC Asset AG conducted a stakeholder survey and identified two material Governance topics as strategic areas for action: "economic performance" and "compliance". With these strategic focal areas, DIC underpins its slogan:

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

The corporate strategy of DIC Asset AG observes the principles of ethical conduct and integrity, and centres on the generation of secure, steady, long-term income via our highly productive proprietary real-estate management platform. Various demands are made by the Group's stakeholders – ranging from shareholders and strategic business partners, municipalities and tenants through to analysts and ratings experts. Our ambition is **to achieve the best possible harmony with all of the environmental and economic targets**. In a global pandemic especially, it is no easy task to take informed decisions. Yet DIC Asset AG has succeeded in this magnificently. With its "Green Building blocks", the Group's economic performance was stronger in 2021 than ever before. Besides placing its ESG-linked promissory note, DIC Asset also issued a green bond during the reporting year just ended in line with its DIC Asset Green Bond Framework (GBF). This self-imposed commitment sets a framework for its current and future bond issuances with green financing uses. Established ESG rating provider, Sustainalytics, confirmed in an independent second-party opinion that DIC Asset AG's GBF aligns with the Green Bond Principles of the International Capital Market Association (**ICMA**). We set ourselves the target of increasing the overall volume of sustainable financing to 40–50% of the balance sheet total by 2027.

Group-internal policies

This once more demonstrates the far-sightedness of DIC Asset AG. Harmonising economic and environmental ambitions is no longer a distant goal in the Real Estate sector but already forms part of our corporate DNA. During the reporting year, we initiated a project to offer regular compliance training to our employees from 2022 onwards in order to realise these ambitions. In addition, we continually updated our in-house policies and codes of conduct. The – partly internationally applicable – regulatory requirements and reporting criteria are subject to constant amendment, especially in connection with sustainability. We closely monitor the compliance environment and update our internal regulatory framework to prevent any form of misconduct.

Ratings

As a capital market-orientated company, we are particularly the focus of attention by investors, analysts and supervisory authorities. ESG ratings and the resulting requirements play an increasingly important role. The continuous improvement in our sustainability performance is also reflected in the advancement made in our ESG ratings, both in terms of content and rating achieved. We would like to note the launching very recently of several initiatives by private ratings agencies whose ratings process we have little influence over. Such ratings are largely based on machine-generated interrogations of particular data records. Due to the lack of oversight of these activities and the resulting risks for capital-market companies, the European Securities and Markets Authority (ESMA) launched a Call for Evidence in February 2022. This measure aims to identify the ratings agencies operating in the European Union and develop a picture of their size, structure, resourcing, revenues and product offerings. We expressly welcome the ESMA's initiative and will take into account its results and the implications for our own ratings.

Economic/financial performance

To meet the (potential) requirements of rating providers, we expressly refer to our Annual Report in our Sustainability Report as well as to further relevant ESG publications and documents on our **Homepage**. In 2021, we also restructured our **ESG-Homepage**.

GRI 201-1

Consolidated results

Total income from DIC Asset AG's Commercial Portfolio and Institutional Business segments rose in the 2021 reporting year to EUR 375.9 million. Besides higher income from property management fees and gross rental income, increased sales proceeds were contributors to the positive performances.

Overview of income

EUR million	2021	2020	Change
Gross rental income	108.4	100.7	8%
Proceeds from sales of properties	139.3	116.3	20%
Real estate management fees	101.2	79.7	27%
Other income	27.0	24.4	11%
Total income	**375.9**	**321.1**	17%

Income KPIs

EUR million	2021	2020	2019
Total income (incl. net proceeds from sales)	375.9	321.1	364.3
Share of the profit or loss of associates	6.5	11.4	18.3
Other comprehensive income	7.5	–4.5	9.4
Direct economic value generated	390.0	327.9	392.0
Total expenses (incl. carrying amount of disposals)	–260.4	–214.9	–252.3
Net interest expense	–49.7	–28.1	–32.3
Tax expense	–14.1	–16.4	–17.2
Dividend distribution for the previous year	–56.4	–52.2	–33.9
Issuance of shares through capital increases	17.8	126.0	16.1
Other costs	–0.3	–2.7	–0.3
Distributed economic value	–363.1	–188.3	–319.9
Economic value retained in the company	**26.9**	**139.6**	**72.1**

One of our key targets is to continually increase our funds from operations (FFO). The key variables to be taken into account when calculating the FFO are net rental income, personnel and administrative expenses, real estate management fees, the share of the profit or loss of associates, and the net interest income. We manage our segments in a uniform manner operationally, particularly with regard to preserving value and increasing income from real-estate management. In the reporting year, we succeeded in raising DIC Asset AG's FFO to a record EUR 107.2 million (previous year: EUR 96.5 million). The early redemption of a syndicated loan translates into positive net income effects from 2022, as described in further detail on the following page.

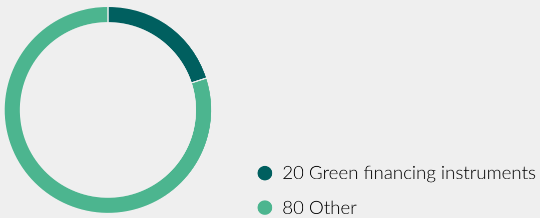
With the successful implementation of our ESG strategy, we are striving to achieve a further positive effect on our FFO KPI. To finance our operating activities, we are also relying increasingly on green instruments on the financing side (equity and debt capital). By 2027, we want to build up the share of these – as a proportion of the balance sheet total – from their current level of around 20% to around 40–50% so as to contribute to financing our ESG targets.

FFO development

EUR million	2021	2020	Change
Net rental income	91.2	82.2	11%
Profits on disposals	23.8	32.0	–26%
Administrative expenses	–21.5	–19.1	13%
Personnel expenses	–38.1	–30.3	26%
Other operating income/expenses	2.0	0.4	>100%
Real estate management fees	101.2	79.7	27%
Share of the profit or loss of associates, excluding property development and disposals	6.5	11.4	–43%
Interest result	–49.7	–28.1	77%
Other adjustments[1]	15.6	0.3	>100%
Funds from operations	107.2	96.5	11%
Funds from operations II (including profits on disposals)	131.0	128.5	2%

[1] Other adjustments include:
- transaction, legal and consulting costs of EUR 754 thousand (previous year: EUR 285 thousand)
- one-off refinancing costs of EUR 14,815 thousand (previous year: EUR 0)

Overall share of green instruments on the financing side as a proportion of the balance sheet total
%



Target: Increase in the share of green financing instruments by 2027 to around

40–50%

“We are demonstrating our creativity, agility and quality not just for developing our properties but for financing them too.”

Sonja Wärntges
CEO of DIC Asset AG

Improving FFO through the early redemption of a syndicated loan

DIC Asset AG is steadily working on improving its funds from operations (FFO). This performance indicator is affected, among other things, by the net interest income generated by the Group.

Towards the end of the 2021 reporting year, DIC Asset AG concluded the early refinancing of a collateralised loan in the amount of roughly EUR 550 million with a seven-year maturity.

This early refinancing allowed the Group to cut the average interest rate for external financing.

The resulting free cash flow was then available to be used for further investments, including for our ESG commitment.

“We are demonstrating our creativity, agility and quality not just for developing our properties but for financing them too. We have now taken advantage of the interest rate environment to significantly optimise our financial structure. We will use the annual cost savings of EUR 5 million for further investments in the growth and strength of the company”, said CEO of DIC Asset AG, Sonja Wärntges.

Compliance

GRI 205-1 | 205-2 | 205-3

Measures, frameworks and systems

DIC Asset AG has developed an extensive in-house compliance regulatory framework over the years whose components are described in detail in the section on GRI 102-16, **Ethical conduct and integrity**, To manage all compliance issues efficiently, we use our own systems which were expressly designed (and certified) for this purpose: EQS Integrity Line and Insider Manager. The aim of these measures and systems, as well as the regulatory framework, is to avoid any form of misconduct through consistent prevention work.

In 2022, we will be drafting a Group-wide internal environmental protection policy which we will provide to all employees.

We continue to assess the potential for internal corruption or compliance breaches as low. Using DIC Asset AG's risk management system (RMS), we are able to reliably record and assess five risk classes: (1) strategic risks, (2) financial risks, (3) compliance risks, (4) political, social, legal, regulatory and environmental risks (ESG), as well as (5) operational risks. The risk management system extends across the entire DIC Asset Group and is binding on all employees. We have identified the topics of "accepting undue advantages" and "receiving gifts" as having possible potential for breaches of compliance.

The Compliance Officer is responsible for auditing the compliance with the compliance rules as well as for analysing and deriving measures with regard to compliance risks. In addition, the Compliance Officer carries out random-sampling risk assessments on relevant accounts (e.g. gifts, entertaining, invitations) as part of an annual review, and reports any anomalies directly to the CEO.

All DIC Asset AG employees have sufficient awareness to be able to recognise fraudulent conduct. The principles of ethical behaviour and integrity introduced Group-wide form the foundation of this.

Everyone who belongs to our organisation, including the Management Board and the Supervisory Board, is obliged to report any suspected instances to the Compliance Officer. Responsibility for resolving and pursuing all reports submitted in connection with bribery or corruption lies with the CEO.

No instances of corruption were reported or confirmed in the reporting year.

Corporate Governance Code

The Management Board of DIC Asset AG submits an annual Declaration of Compliance stating that it has complied, and will comply, with the recommendations of the German Corporate Governance Code. If any recommendations of the Code have not been complied with, reasons for this will be given accordingly. These recommendations also refer to the broad topic of Compliance. The Management Board ensures that the Supervisory Board receives any relevant information broadly concerning compliance.

DIC Asset AG publishes all of the relevant in-house compliance policies on its **webpage** for any business partners or other stakeholder groups to view. Added to that, employees can use the DIC Office Hub, introduced in 2021, as a shared location for news and updates and to distribute in-house policies and other documents. On top of this, all DIC Asset AG employees are regularly emailed information about the applicable company policies, including those on anti-bribery and anti-corruption.

All new DIC Asset AG employees are notified about all of our in-house policies and sign to confirm receipt of these at the latest when they start their job. In 2021, we began introducing a standardised process that ensures that existing employees also sign to confirm receipt of our in-house policies at regular intervals. We will begin to implement this process in 2022. Working alongside a specialist Compliance training provider, we also intend to implement a comprehensive training programme in our organisation in 2022. The intention is that all employees will take part in at least one training course on Compliance or the Code of Conduct over the next three years.

Since the start of 2022, all new employees have attended a training session on data protection and data privacy as part of our on-boarding process. This training programme has also been implemented working with a specialist training provider to ensure the training content is up to date and consistent.

The Compliance Officer checks that these procedures and processes are compliant and already undertakes the relevant annual training. This training is also planned for members of the Management Board. In line with the recommendations of the German Corporate Governance Code, members of the Supervisory Board have the authority to decide on the Board's training and skill building.

Since 2018, all stakeholders in our organisation have had the opportunity to anonymously report any misconduct or breaches of statutory or in-house provisions online via our own **whistle-blower system** which exists for this purpose.

No reports of corruption or other misconduct were received in the 2021 reporting year. Consequently, no warning letters, terminations or cancellations of contracts with business partners occurred which were attributable to compliance issues.

Furthermore, no criminal or other procedures were brought against DIC Asset AG by state or supervisory authorities in connection with compliance issues.

Other topics

IT security

Nowadays, a substantial portion of our business activity takes place online which is why we attach great importance to ensuring the reliable protection of all our IT systems. Besides policies on IT and cybersecurity (internet policy, IT disaster recovery plan and MS Teams policy), we have put in place suitable security management. This enables us to minimise the risks and impacts on, or for, our IT security. In addition to regular security audits, we carry out in-house as well as external intrusion tests at system, data and network level (most recently in April 2021).

Environment

We have set measurable climate targets based on current knowledge of the environmental parameters available globally and our own market knowledge. Furthermore, we want to contribute actively to decarbonising the European Building sector. Reducing CO_2 emissions and decreasing environmental damage are a top priority for us. You can find more information about this in the following pages.

Climate change is our responsibility

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

Environmental protection in the Building sector

The rise in global average temperatures due to climate change caused by human activity has **far-reaching consequences for the world's ecosystems**. Carbon dioxide (CO_2) is the largest contributor to greenhouse gas emissions (GHG) at 88.6%.[1] In particular, generating energy by the combustion of fossil fuels (e.g. oil or natural gas) alone causes around 84%[1] of GHG emissions in Germany, with the Building sector being one of the largest emitters[2]. Through energy-efficient refurbishments and new constructions, the sector's CO_2 emissions fell from 210 million tonnes in 1990 to around **120 million tonnes in 2020**. Under Germany's **Federal Climate Change Act**, amended in August 2021, the Building sector's CO_2 emissions are planned to drop to 67 million tonnes of CO_2 by 2030.

Against this backdrop, the reduction in energy consumption – and therefore CO_2 emissions – along the entire real-estate value chain is an important building block in the implementation of our **ESG road map**. We had already established in 2016, as part of comprehensive materiality analysis, that energy and emissions were very important to the company itself as well as to the stakeholders. The huge significance of these aspects was confirmed in the 2021 materiality survey. Two further strategic areas for action were added to this: sustainable products and portfolio performance as well as **innovative modernisation concepts**. Green Buildings played a crucial role in this context.

Reducing emissions plays a key part in all material categories. In our ESG project "CO_2 reduction in Hamburg", we show how we actively supported the city with implementing its climate targets. Further initiatives are planned for the next few years. We will be relying on innovative modernisation concepts to improve the energy balance of individual properties. Our ESG project "Innovative Building Technology" shows how this works.

CO_2 emissions and energy consumption

At 84.6% (2020: 88.6%) of total emissions, the energy supply (heating and tenant electricity) of rented properties in the Commercial Portfolio represented the largest source of DIC Asset AG's CO_2 emissions. Other emissions totalling 15.4% (2020: 11.4%) resulted from using the company's car fleet, procuring materials and services, purchasing fuel and energy, disposing of waste, travelling for business, commuting by employees, supplying communal-area electricity and heating to DIC Asset AG's offices, supplying communal-area energy for the Commercial Portfolio and supplying energy – based on the percentage of market value – to properties in the Institutional Business segment.

Since supplying energy to the Commercial Portfolio makes up such a large share of total emissions, this was the starting point for the company's targeted decarbonisation measures. However, the company is only able to influence the energy consumption in the buildings indirectly so the success of such measures depends on excellent cooperation with our tenants. ESG means teamwork – it is only by working together that we can achieve the set sustainability targets.

Our target

DIC Asset AG is one of the leading players in the German commercial real-estate market. As a listed company, we are also subject to close scrutiny by our shareholders, the capital market and the supervisory authorities. Not least, we have a great responsibility towards our tenants to conduct ourselves as a viable and reliable business partner. DIC Asset AG, as an industry leader, recognises its responsibility to protect the environment. It has therefore set itself the target of reducing greenhouse gas emissions per sqm for its Commercial Portfolio by an average of 40% by 2030 compared to the 2018 base year. We used 2018 as the base year for our current calculations because we had access to an adjusted portfolio base starting from that year. This provided an accurate benchmark for our calculations and enabled us to avoid larger-scale adjustments and/or conversions.

[1] German Environment Agency (Umweltbundesamt); Greenhouse Gas Emissions in Germany; 15 March 2022.
[2] German Environment Agency; 1990–2020 Greenhouse Gas Emissions Trends Table.

Our target

Target	KPI	Status as at 2021
Cutting greenhouse gas emissions (GHG) per sqm for the Commercial Portfolio by at least 40% by 2030 compared to the 2018 base year.	Δ tCO_2e/sqm for the Commercial Portfolio as a %	–21.3%
Development of a climate pathway by 2023 at the latest	Climate pathway	No status, new target

We have set a transparent and measurable climate target based on current knowledge of globally available environmental parameters, scientific analysis and our own market knowledge. We acknowledge this target and meeting it is our top priority. As a dynamic organisation, we are accustomed to responding to new market demands or scientific discoveries by realigning our targets and measures. If such discoveries make it necessary to adjust our climate targets in a later reporting period, we will disclose this in a transparent and clear manner, including any reasons for doing so.

Our climate pathway

To achieve our climate target our we – working closely with external sustainability experts – are currently developing a climate pathway for our Commercial Portfolio. This climate pathway is intended to form a framework for the upcoming measures and act as a plumb line for the essential prioritising of the various activities. We are currently considering a whole range of organisational and technical measures in our planning: from saving energy by making more efficient use of existing facilities, providing employee training courses, engaging tenants, increasing the share of green electricity and purchasing green gas to achieve further CO_2 savings all the way through to selectively deploying smart meters and targeted using district heating, heat pumps and solar power. And then there are also our strategic initiatives: our targeted portfolio strategy which makes the most of tailor-made sales and disposal measures. We plan to use our climate pathway to determine which of these measures will have the greatest impact on achieving our climate target, and when. We will report in a transparent and clear manner on the development of our climate pathway and the resulting initiatives in the course of the coming reporting periods.

Innovative Building Technology

Bahnhofplatz | Karlsruhe

The building in Karlsruhe which was rated “Very Good” under BREEAM DE forms part of our Commercial Portfolio. Our collaboration partner MeteoViva adopted an innovative approach, in comparison with other measures aimed at energy refurbishments and increases in energy efficiency. Instead of investing in new facilities and/or building work with a mostly long payback, the process used construction physics and weather forecasting to harness the available systems technology in a visionary way instead of simply responding to issues, as was previously the case. The forecast efficiency gains totalled 22%, with CO_2 emissions savings of 49.5 tonnes during the year.

360-degree management strategy

DIC Asset has always focused on the long-term impact of the measures it is implementing. This is why we are also coordinating the optimisation of the CO_2 footprint based on our **360-degree management approach** (match – transact – operate – develop).

By taking this comprehensive approach that includes all partners and phases of property management, we ensure we can optimise the use of resources – people, capital and expertise – while networking properties, occupiers and investors effectively on our platform. Investing in property and its ongoing management is the focus of our activity. Our business model is unique because it turns previously linear value chains into a dynamic, circular process. This enables us to deliver 360-degree value creation for our investors and shareholders and take advantage of strong synergy effects, disclosing the environmental impact of our properties in all phases of our business model.

During the last reporting year, DIC overhauled its entire real-estate approach. To analyse the (potential) environmental impacts of our real estate, DIC Asset AG applied the following lifecycle analysis (LCA) which is described in more detail below:

80%

of communal areas supplied with **green electricity** in the multi-tenant buildings in our Commercial Portfolio since 2010.

Portfolio properties (Operate and Develop)

DIC records and analyses energy consumption and the resulting greenhouse gas emissions partly to identify the general optimisation potential for the Commercial Portfolio but partly to take the appropriate steps, ranging from CO_2-emission and energy due diligences to energy refurbishment measures.

Since 2010, we have been supplying at least 80% of green electricity for the communal-area electricity used in the multi-tenant buildings in our Commercial Portfolio. This contributes to a reduction in our CO_2 footprint, shrinking the proportion of fossil fuels and hence the emissions of harmful greenhouse gases. Since the start of our current base year for recording GHG emissions (2018), we have already been able to save 34,696t CO_2e in this way.

We want to further boost the proportion of renewable energy supplied to heat our properties too. In line with this plan, we concluded “green gas” framework agreements. We also analysed whether we could increase the share of district-heating properties in the Commercial Portfolio (currently 46 properties) yet further. The most important decision-making criteria when concluding district-heating contracts was whether a large proportion of renewable energy was being used to generate heating. Our **“Efficient District Heating” ESG project** illustrates the potential that exists. Further initiatives are planned for the next few years.

If we look at the life cycle of a building, the largest share of environmental impacts occurs during the new construction phase associated with choosing the site (locked-in carbon) and the resulting use of the surface area. As DIC does not undertake any construction activities of its own – although it does hold one of the largest portfolios in the commercial-property market in Germany – it concentrates on energy refurbishments and increases in energy efficiency in the ongoing operation of buildings. DIC manages real estate where energy consumption and energy procurement during the occupation phase make up a significant proportion of the environmental impact. Additional environmental impact occurs as part of maintenance, replacement and renovation measures, as well as energy refurbishments. As part of our ESG due diligence when we acquire new properties, we set high standards for the lifecycle analysis of the building.

Acquisition of portfolio buildings and new constructions (match & transact)
DIC invests in sustainable and energy-efficient buildings where possible as well as in assets with a green-building certification under DGNB, LEED and BREEAM (transact). This enables us to meet the standards we ourselves specified in the ESG-linked promissory note we placed in 2021 and in our green bond.

In our Institutional Business segment, we are designing fund products – including with ESG aspects – and matching the relevant fund investment strategy and the specific ESG features included (match).

Before approving an acquisition, DIC Asset AG carries out ESG due diligence where it analyses the building's energy efficiency and other energy parameters as well as the resulting environmental impacts (e.g. CO_2 emissions). It also determines the potential for achieving green-building certification or possessing ESG features, and this is confirmed by external experts.

Where individual assets do not meet our ESG standards, we prepare action plans and take account of the corresponding investment costs in the business plan. Sustainable investments and high return expectations are, for us, not a contradiction in terms but are complementary. Our investment teams possess the necessary skills and experience to be able to create specific solutions for each building or office and use innovative approaches.

Efficient district heating

Vahrenwalder Straße | Hannover
In an office and multi-purpose complex in Hannover (Institutional Business), DIC Asset AG, together with its collaboration partners, achieved significant CO_2savings by switching the heating facility from gas to district heating. Through its innovative modernisation concept, the existing heating system was able to be re-used, thus ensuring significant savings in terms of renewal costs. A complete success for DIC. Besides meeting the economic criteria, this modernisation delivers a CO_2 saving of around 165 tonnes per year.

Johannes von Mutius
Chief Investment Officer
of DIC Asset AG
since April 2015

"Incorporating sustainable investment criteria offers considerable potential."

Returns play a crucial role in the acquisition of real estate. Does that conflict with demands for a sustainable real-estate economy?

Von Mutius › Quite the opposite. It lends itself extremely well to sustainability aspects. For me, it is part of the reason for our success.

DIC Asset AG is one of the most active players in the German investment market in terms of transaction volume. In 2021, the German transaction market reached record levels for commercial real estate. DIC and its real-estate platform achieved a transaction volume of EUR 1.9 billion, making it also one of the largest players in the market. So you can see that incorporating sustainable investment criteria offers considerable potential.

Yet it does not distract us from focussing on our economic performance. Overall, our assets under management as at the 2021 year-end had grown to EUR 2.2 billion for our proprietary portfolio (Commercial Portfolio segment) and to around EUR 9.3 billion for third-party mandates (Institutional Business segment).

Can you give us more detail about the Commercial portfolio?

Von Mutius › Our Commercial Portfolio segment includes our direct real-estate investments which we use to achieve stable, sustainable rental income. Our target is to increase the share of "green" properties by the end of 2023 from its current level at around 11% of our Commercial Portfolio market value to around 20%. On top of that, we are using "green" financing for the first time, for example, by placing an ESG-linked promissory note for over EUR 280 million and issuing a EUR 400 million green bond. "Green" in the case of our green bond, means that the planned use of funds is in keeping with the United Nations' sustainable development goals. We have been very successful with these measures.

How do you handle portfolio properties that do not meet the specific DIC ESG criteria?

Von Mutius › In 2021, the focus for our portfolio properties was on identifying properties with high carbon-intensity levels during our portfolio screening. We performed carbon due diligence on ten properties which included carrying out extensive on-site inspections and identifying the potential for improvement. This laid the foundations for measures to prepare for CO_2 reductions during the next phase as regards these specific properties. At the same time, we also continued working on our implementation strategy for asset management.

How relevant are sustainability criteria when acquiring or disposing of real estate?

Von Mutius › Sustainability criteria form part of our due diligence process. In the Institutional Business segment, investment strategy and investor decisions are crucial for us. We are designing new fund products that take ESG compliance into account when acquiring or disposing of real estate.
Added to that, there is the demand for "green" properties or those with "manage-to-green" potential. It should be noted that the supply of already certified buildings is relatively modest and currently stands at around 2,600 certified properties. This makes the portfolio and our "manage-to-green" approach all the more important. We now need to determine and analyse how feasible it is, both time-wise and financially. The number of certified buildings is rising rapidly and this should certainly be in the interests of all stakeholders, and clearly of investors as well. So certifications serve to orientate investors but simultaneously they confirm what has been achieved too.

What, in your view, is the correlation between digitisation and sustainability?

Von Mutius › Sustainability will not take place in a modern industrial society without digitisation and its associated economies of scale. I am primarily thinking here of the automated gathering and analysis of data. Humans are also increasingly relying on digital aids to analyse data and draw the right conclusions. Digitisation brings enormous efficiency gains, and they are exactly what we need for the successful ESG transformation of the commercial Real Estate industry.

EUR 1.9 billion

Transaction volume achieved by DIC and its real-estate platform in 2021.

EUR 2.2 billion

DIC Asset AG's proprietary assets under management (Commercial Portfolio) grew to EUR 2.2 billion by the end of 2021.

EUR 9.3 billion

Assets under management for **third-party mandates (Institutional Business)** grew to EUR 9.3 billion.

Method used to calculate the environmental data

Organisational boundaries

Three organisational boundaries were established to calculate emissions and energy and water consumption:

- The data and information presented in the Environment section (GRI 300) related to the business activities of DIC Asset AG and hence solely to the Commercial Portfolio properties held directly by the Group (94 properties as at 31 December 2021).
- Consumption disclosures for third-party properties (Institutional Business) have not been taken into consideration in the reported analysis. This was based on the fact that the fund strategy and decisions regarding individual measures are determined jointly by all investors and owners. DIC, in its role as a property manager and, in some cases, a co-investor, only has a limited influence over such decisions. To calculate the environmental footprint of our own participation in the vehicles, since 2020 we have been taking the CO_2 emissions in the Commercial Portfolio caused by us as a guideline, and extrapolating from this for the Institutional Business segment. These emissions are classified as Scope 3 according to the GHG Protocol used to calculate the CO_2 footprint.
- Reporting under EPRA is disclosed in a separate document and takes into consideration the reporting requirements under the EPRA sBPRs.

Within these organisational boundaries, we report on the energy consumption in the Commercial Portfolio for the past four calendar years from 2018 to 2021 in compliance with the applicable requirements contained in the GRI standards (Core option). The consumption data for 2018 to 2020 reflects our disclosures in the 2020 Sustainability Report.[1] Due to our constantly changing portfolio, we do not have complete coverage of the consumption data and this explains why the total energy consumption in the Commercial Portfolio has been based on extrapolated data. The method used to determine total energy consumption was optimised in 2021. The main difference was that the extrapolations for the previous years were based on an analysis of the portfolio. For a property to be included in the analysis portfolio, at least seven of the nine consumption data points must have been available over a three-year period.[2] Energy consumption for the relevant calendar year has been extrapolated for each energy source (each medium) since 2021 – and so included for the first time in this Sustainability Report – using the key indicators identified on the basis of the consumption data available.

No neutralisation of non-recurring effects

As our emissions data shows, we have refrained from methodically neutralising non-recurring effects which may arise as a result of changed occupations of rental space or vacancy rates, variations in the properties of construction materials, the age of buildings and external influences (e.g. weather anomalies). When comparing the consumption of heating energy for the various reporting years, it should be noted that the heating periods in the years analysed are naturally subject to fluctuations. The reported values have not been adjusted to reflect this, however.

Energy and water consumption

heating and water consumption has been gathered by an external service provider, with the support of our local Property Management team (and the Facility Management service provider on site). The data is always gathered at the start of the year for that coming calendar year. For multi-tenant properties, the meter reading for consumption data for heating energy, communal-area electricity and water is taken by our Facility Management service provider. Our Property Manager or external service provider transmits this reading to our energy supplier who then provides us with consumption statements. This primarily occurs on the basis of the supply company's consumption

[1] See DIC's 2020 Sustainability Report, p. 84.
[2] See DIC's 2020 Sustainability Report, p. 80.

86%

of communal-area electricity for our Commercial Portfolio came from **renewable energy.**

statement and secondarily based on the meter readings. To determine the tenant electricity, we also rely on the consumption figures transmitted by the tenants. If these are not available, we use standard benchmarks depending on the asset class and the drinking-water/heating/water provision. For single-tenant properties, where direct supply contracts operate between the tenant and the supplier, we rely on the cooperation of the tenant to pass on the data, complying strictly with all data-protection requirements. In 2021, we successfully obtained communal-area electricity consumption data for 65 out of a total of 94 properties. For tenant electricity, this figure was 32 properties. In addition, we obtained data for 70 properties for heating energy and 75 properties for water consumption.

To calculate the specific energy and water consumption for our Commercial Portfolio, we totalled the consumption figures available for each energy source (broken down into communal-area and tenant consumption) and compared them as a proportion of the relevant rental rental space (in sqm) of the properties. The date was normalised and the indicators were determined based on the rental rental space (sqm). The baseline data obtained was tested for plausibility as part of our internal controls. As a result, we verified, among other things, that 86% of communal-area electricity came from renewable sources, with the coverage (according to consumption) for district heating in 2021 standing at 46.7% of properties (natural gas: 53.3%; fuel oil: 0.0%).

Data for electricity, heating and water consumption as well as waste was gathered – as in the past – by local branch offices at DIC Asset AG offices. Plausibility tests were carried out by our property management and by external service providers.

Emissions

The emissions detailed in this report were calculated in accordance with the provisions of the GHG Protocol. This standard differentiates between three scopes of emissions: Scope 1 includes all greenhouse gas emissions incurred directly within the organisation, e.g. greenhouse gases from the combustion of fuel in fixed or mobile facilities. Scope 2 includes all indirect greenhouse gas emissions incurred as a result of energy suppliers outside of the organisation supplying energy. Scope 3 includes all other material upstream or downstream greenhouse gas emissions caused by the organisation's business activities.

The greenhouse gas emission calculation includes all six of the greenhouse gases specified by the Intergovernmental Panel on Climate Change (IPCC) and

CO_2 reduction in Hamburg

Marckmannstraße | Hamburg

The project in Hamburg-Rothenburgsort almost completely replaced the natural gas energy source for the building's heating supply. This enabled us to contribute to a reduction in CO_2 emissions by around 1,200 tonnes per year. This was initiated by enercity as part of an industrial heating project intended to supply that entire part of the city with environmentally friendly, almost carbon-neutral industrial heat.

set out in the Kyoto Protocol. To simplify matters and provide an improved overview, we have converted the various greenhouse gases into carbon dioxide equivalents (CO_2e) and presented them using the relevant global warming potential. The consumption data acquired (e.g. electricity consumption) was converted using emissions factors to give the GHG emissions per unit. The data benchmark for emissions factors was taken from the German Environment Agency, the British Department for Environment, Food & Rural Affairs (DEFRA), the Carbon Risk Real Estate Monitor (CRREM) and from other relevant studies.

The base year for reporting GHG emissions was 2018. To adjust for any inaccuracies in gathering and calculating the values already reported, we added a safety margin of 20% to our total emissions to 2018. The values reported since 2018 were adjusted retrospectively to take account of the extended methodology and the necessary updating (using factor bases, among others).

We calculated the total consumption of the Commercial Portfolio on the basis of the energy consumption determined. The proportionate supply to rental spaces fed into this extrapolation: district heating (45.4%), natural gas (53.7%) and fuel oil (0.9%). As no consumption data was available for fuel oil, we took the specific consumption value for natural gas (kWh/sqm of rental space) as the basis.

We primarily attribute the reductions described below in our energy and water consumption, as well as in our GHG emissions, to the work-from-home requirement introduced in January 2021 associated with the global coronavirus pandemic. It is not possible to exactly quantify the resulting effects at present. To record these impacts resulting from the coronavirus pandemic and to take account of data gaps and any uncertainties in the database, both the entire GHG emissions and the GHG intensity per square metre in the Commercial Portfolio contain a safety margin of 20% (in accordance with the methodology). We plan to give a more precise account of the coronavirus pandemic and its effects on our energy consumption and GHG emissions in the 2022 reporting year.

DIC Asset AG offices

	2018	2019	2020	2021
Number of local offices as per the Annual Report	6	6	7	8
Rental space (sqm)	6,108	6,916	8,161	8,211

Commercial Portfolio

	2018	2019	2020	2021
Number of properties	101	93	91	94
Rental space (sqm)	888,400	842,400	807,800	829,900
Market value EUR million	1,697	1,900	2,000	2,222

Energy

GRI 302-1 | 302-2 | 302-3 | CRE1

Energy consumption

The reported energy consumption within the organisation[1] umfaincluded the communal-area electricity supplied to properties in the Commercial Portfolio (87.65% of the total energy consumption; 2020: 91.84%) and DIC Asset AG's proprietary offices (1.58%; 2020: 1.16%). Other energy consumption was attributable to the fuel consumption of the company's car fleet (7.63%; 2020: 5.11%), the tenant electricity for the company's rented offices (1.9%; 2020: 1.14%) and the district heating supplied to DIC Asset AG's proprietary offices (1.23%; 2020: 0.76%).

In the reporting year, total energy consumption within the organisation declined compared to the previous year by around 33%. In particular, communal-area energy supplied for the Commercial Portfolio fell sharply in 2021. In comparison to the 2018 base year, total energy consumption fell by around 30% to 13,508,232kWh. Here too, this positive trend could mainly be traced back to the decreased consumption resulting from the overall decline in office use and the reduction in the Commercial Portfolio rental space by 6.6% (2021: 829,900sqm; 2018: 888,400sqm).

The communal-area energy supplied to rented properties in the Commercial Portfolio in 2021 of 87.65% once again clearly caused the largest share of total energy consumption by DIC Asset AG. As early as 2010, we identified this fact as an opportunity for the future decarbonisation of DIC Asset AG. With the targeted measures derived from this, we are making a positive contribution to protecting the environment. In our Palazzo Fiorentino ESG project, we are using an office property to illustrate the energy optimisation measures for our in-house technology – and their impact on communal-area electricity – which are possible when you involve cooperative tenants.

[1] The energy consumption within the organisation relates to property (including the car fleet) which DIC owns or otherwise directly controls.

Palazzo Fiorentino

Mainufer | Frankfurt am Main

In an office building in Frankfurt am Main, Germany, DIC Asset AG carried out a partial energy refurbishment of the technical facilities during a change of tenant in its role as an asset manager. One of the building assessments initiated by DIC with regard to the ESG criteria revealed that the cooling unit no longer met current technical and environmental standards. Building work was then undertaken – on the electricity, cooling and ventilation technology too – to significantly improve the energy efficiency of the building. As a result, the current tenant participated in the energy optimisation measures, thereby benefiting from reduced energy costs. The measures carried out took advantage of a grant received under the German government efficient buildings subsidy programme.

Energy consumption within the organisation

kWh	2018	2019	2020	2021	Δ 2020–2021		Δ 2018–2021	
Communal-area electricity for proprietary offices	**130,950**	**108,005**	**234,256**	**212,971**	**–21,285**	**–9%**	**82,021**	**63%**
of which, from renewable energy	130,950	108,005	234,256	212,971	–21,285			
of which, from conventional sources	0	0	0	0	0			
Communal-area electricity supply for properties in the Commercial Portfolio	**17,993,677**	**19,988,522**	**18,626,282**	**11,840,569**	**–6,785,713**	**–36%**	**–6,153,108**	**–34%**
of which, from renewable energy	17,993,677	19,988,522	18,626,282	10,182,889	–8,443,393			
of which, from conventional sources	0	0	0	1,657,680	1,657,680			
Tenant electricity for the company's rented offices	**241,510**	**257,892**	**230,380**	**256,846**	**26,466**	**11%**	**15,336**	**6%**
of which, from renewable energy	234,265	224,366	205,038	187,498	–17,540			
of which, from conventional sources	7,245	33,526	25,342	69,348	44,006			
District heating for proprietary offices	**172,832**	**171,780**	**153,599**	**166,547**	**12,948**	**8%**	**–6,285**	**–4%**
of which, from renewable energy					0			
of which, from conventional sources					0			
Fuel for the company's car fleet[2]	**867,282**	**796,954**	**1,037,116**	**1,031,299**	**–5,817**	**–1%**	**164,016**	**19%**
Petrol	125,631	139,585	390,602	514,375	123,772			
Diesel	741,651	657,370	646,514	516,924	–129,590			
Total	**19,406,251**	**21,323,153**	**20,281,633**	**13,508,232**	**–6,773,401**	**–33%**	**–5,898,020**	**–30%**

[2] Energy conversion figures taken from the Federal Office for Economic Affairs and Export Control (BAFA) were used as conversion factors for the various energy sources.

Energy consumption percentages within the organisation

%	2018	2019	2020	2021	Δ 2020–2021	Δ 2018–2021
Communal-area electricity for proprietary offices	0.67	0.51	1.16	1.58	0.42%	0.90%
Communal-area electricity supply for properties in the Commercial Portfolio	92.72	93.74	91.84	87.65	–4.18%	–5.07%
Tenant electricity for the company's rented offices	1.24	1.21	1.14	1.90	0.77%	0.66%
District heating for proprietary offices	0.89	0.81	0.76	1.23	0.48%	0.34%
Fuel for the company's car fleet[3]	4.47	3.74	5.11	7.63	2.52%	3.17%
Total	**100**	**100**	**100**	**100**		

[3] Energy conversion figures taken from the Federal Office for Economic Affairs and Export Control (BAFA) were used as conversion factors for the various energy sources.

The energy consumption outside of the organisation included the heating supply (62.37% of total energy consumption; 2020: 56.94%) and tenant electricity (27.32%; 2020: 35.43%) for the Commercial Portfolio as well as – pro rata by market value – for the heating supply (6.71%; 2020: 4.33%) and the electricity supply (2.94%; 2020: 2.70%) for the Institutional Business segment. Communal-area electricity supplied in the real estate rented by DIC Asset AG (0.26%; 2020: 0.22%) as well as supplying these areas with heating (0.40%; 2020: 0.38%) also fed into this. Other energy consumption was incurred through employees' business travel and commuting to the work place. As no valid data was available at the time for these types of consumption and it was impossible to allocate them pro rata to the Commercial Portfolio and Institutional Business, DIC Asset AG was unable to systematically record them at that point.

Compared to the previous year, energy consumption outside of the organisation increased during the reporting year by 2,377,987kWh (2%), i.e. within the forecast variation range. Compared to the 2018 base year, however, energy consumption dropped by 33,719,186kWH (–22%).

At 62.37%, the heating supply in the Commercial Portfolio resulted in the largest energy consumption.

Energy consumption outside of the organisation

kWh	2018	2019	2020	2021	Δ 2020–2021		Δ 2018–2021	
Communal-area electricity in properties rented by DIC Asset AG	**232,069**	**230,917**	**262,639**	**310,783**	**48,144**	**18%**	**78,714**	**34%**
Heating supply in properties rented by DIC Asset AG	**245,494**	**345,685**	**451,789**	**484,684**	**32,895**	**7%**	**239,190**	**97%**
Commercial Portfolio tenant electricity	**54,425,683**	**51,339,761**	**41,997,022**	**33,035,933**	**–8,961,089**	**–21%**	**–21,389,750**	**–39%**
Commercial Portfolio heating supply	**86,779,979**	**80,970,238**	**67,493,942**	**75,408,612**	**7,914,670**	**12%**	**–11,371,367**	**–13%**
District heating	31,446,456	33,144,125	30,486,785	30,627,857				
Natural gas	55,138,429	47,588,288	36,708,652	44,100,195				
Fuel oil	195,094	237,825	298,505	680,560				
Institutional Business tenant electricity	**4,991,028**	**3,531,874**	**3,194,998**	**3,556,023**	**361,025**	**11%**	**–1,435,005**	**–29%**
Institutional Business heating supply	**7,958,031**	**5,570,276**	**5,134,721**	**8,117,063**	**2,982,342**	**58%**	**159,032**	**2%**
District heating	2,883,751	2,280,121	2,319,336	3,296,815				
Natural gas	5,056,389	3,273,794	2,792,676	4,746,992				
Fuel oil	17,891	16,361	22,709	73,256				
Total	**154,632,284**	**141,988,751**	**118,535,111**	**120,913,098**	**2,377,987**	**2%**	**–33,719,186**	**–22%**

Energy consumption percentages outside of the organisation

%	2018	2019	2020	2021	Δ 2020–2021	Δ 2018–2021
Communal-area electricity in properties rented by DIC Asset AG	0.15	0.16	0.22	0.26	0.04%	0.11%
Heating supply in properties rented by DIC Asset AG	0.16	0.24	0.38	0.40	0.02%	0.24%
Commercial Portfolio tenant electricity	35.20	36.16	35.43	27.32	–8.11%	–7.87%
Commercial Portfolio heating supply	56.12	57.03	56.94	62.37	5.43%	6.25%
Institutional Business tenant electricity	3.23	2.49	2.70	2.94	0.25%	–0.29%
Institutional Business heating supply	5.15	3.92	4.33	6.71	2.38%	1.57%
Total	**100**	**100**	**100**	**100**		

Energy intensity

The energy intensity (kWh per sqm) within the organisation included the communal-area and tenant electricity consumption for the company's offices, the district heating of the proprietary offices, the car fleet and the communal-area electricity supply to the leased properties in the Commercial Portfolio. DIC Asset AG records its energy intensity based on a property's rental space (per sqm) and reports this separately for the company's offices (which includes the car fleet) and for the Commercial Portfolio. An analysis of last reporting year revealed that the energy consumption per square metre for the company's offices saw a minimal increase by 0.26kWh/sqm (+0.13%) by comparison with the previous year. Compared to the 2018 base year, the energy consumption per square metre for the company's offices last reporting year decreased by 28kWh/sqm (–12%).

The energy consumption per square metre in the Commercial Portfolio (here, communal-area electricity) fell by 8.79kWh/sqm (–38%). Even compared to the 2018 base year, the energy consumption per square metre in the Commercial Portfolio improved by 5.87kWh/sqm (–29%).

The energy intensity outside of the organisation includes the common-area electricity and heating supply for the company's rented offices as well as the tenant electricity and heating supply for the Commercial Portfolio. Besides the energy consumption per square metre for the company's rented offices, DIC Asset AG also reported the energy consumption for the Commercial Portfolio. Compared to the previous year, the energy consumption per square metre for the company's rented offices rose from 88kWh/sqm to 97kWh/sqm (+11%). By comparison with the 78kWh/sqm reported in the 2018 base year, we also saw an increase in the energy intensity per square metre for the company's offices of 19kWh/sqm (+24%) during the reporting year. This could be traced back to the growth of the company during this period, among other things.

By contrast, the energy intensity for the Commercial Portfolio (tenant electricity and heating supply) declined by 5kWh/sqm (–4%) compared to the previous year and by 27kWh/sqm (–17%) compared to the 2018 base year.

Energy intensity within the organisation per sqm in the company's offices (including the car fleet)

kWh	2018	2019	2020	2021	Δ 2020–2021		Δ 2018–2021	
Total energy consumption in the company's offices	1,412,574	1,334,631	1,655,351	1,667,663	12,312	1%	255,088	18%
Energy consumption per sqm in the company's offices	231	193	203	203	0	0%	–28	–12%

Energy intensity within the organisation per sqm in the Commercial Portfolio

kWh	2018	2019	2020	2021	Δ 2020–2021		Δ 2018–2021	
Total energy consumption in the Commercial Portfolio	17,993,677	19,988,522	18,626,282	11,840,569	–6,785,713	–36%	–6,153,108	–34%
Energy consumption per sqm in the Commercial Portfolio	20	24	23	14	–9	–38%	–6	–29%

Energy intensity outside of the organisation per sqm in the company's offices

kWh	2018	2019	2020	2021	Δ 2020–2021		Δ 2018–2021	
Total energy consumption in the company's offices	477,563	576,602	714,428	795,467	81,039	11%	317,904	67%
Energy consumption per sqm in the company's offices	78	83	88	97	9	11%	19	24%

Energy intensity outside of the organisation per sqm in the Commercial Portfolio

kWh	2018	2019	2020	2021	Δ 2020–2021		Δ 2018–2021	
Total energy consumption in the Commercial Portfolio	141,205,662	132,309,999	109,490,964	108,444,545	–1,046,419	–1%	-32,761,117	–23%
Energy consumption per sqm in the Commercial Portfolio	158	157	136	131	–5	–4%	-27	–17%

Emissions

GRI 302-4 | 305-1 | 305-2 | 305-3 | 305-4 | 305-5 | CRE3

Greenhouse gas emissions

DIC Asset AG's total emissions declined by –2% compared to the previous year and by –25.1% to 48,512t CO_2e (including a 20% safety margin) compared to the 2018 base year. The largest source of emissions continued to be the tenant consumption of electricity and heating energy in the Commercial Portfolio segment which in 2021 amounted to 34,202t CO_2e.

At that time, 14% of communal-area electricity supply in the 2021 Commercial Portfolio did not come from renewable energy. We quickly took steps to boost the percentage of renewable energy in the communal-area electricity supply for the Commercial Portfolio to the targeted 100%.

The intensity of DIC Asset AG's greenhouse gas emissions (t CO_2e/sqm) included all material sources of emissions under Scopes 2 and 3. The Table on page 56 below includes the intensity of greenhouse gas emissions per square metre in the Commercial Portfolio (excluding the Institutional Business, but including the safety margin of 20%). By comparison with the previous year, greenhouse gas emissions per square metre for the Commercial Portfolio dropped by –8% last reporting year and by –21% compared to the 2018 base year. This resulted in a greenhouse gas intensity of 0.0514t CO_2e/sqm in the Commercial Portfolio for 2021.

Carbon footprint under the GHG Protocol (Table continued on page 56)

t CO_2e	2018	2019	2020	2021	Δ 2020–2021	Δ 2018–2021
Scope 1						
Car fleet	226	205	259	255		
Scope 1 subtotal	**226**	**205**	**259**	**255**	**–1.4%**	**12.9%**
Scope 2						
DIC Asset AG, tenant electricity consumption	4	17	13	36		
DIC Asset AG, district heating consumption	32	30	27	28		
DIC Asset AG, communal-area electricity consumption [1]	0	0	0	0		
Commercial Portfolio communal-area electricity [2]	0	0	0	869		
Scope 2 subtotal	**36**	**48**	**40**	**933**	**>100%**	**>100%**
Scope 3						
Materials/services purchased	153	199	263	348		
Upstream emissions from purchasing fuel and energy	902	987	944	520		
Waste	2	2	2	2		
Business travel	58	50	13	6		
Employee commuting [3]	231	200	195	217		
Communal-area electricity in properties rented by DIC Asset AG	120	119	137	163		
Heating supply in properties rented by DIC Asset AG	53	70	90	98		
Tenant consumption of electricity and heating energy, Commercial Portfolio segment (based on a portfolio extrapolation)	47,781	44,272	36,521	34,202		

We set ourselves the target of cutting our greenhouse gas emissions per square metre in our Commercial Portfolio by an average of 40% by the end of 2030 compared to the 2018 base year. With this ambitious target, we are underlining our commitment to protecting the climate and, with the right mix of entrepreneurial vision and targeted measures, we will achieve this too. DIC has set us on a path to reducing emissions that will form the framework for the appropriate initiatives for (i) the property portfolio and (ii) the acquisition of portfolio buildings and new constructions. Through these targeted measures, we have already succeeded in reducing our GHG emissions per square metre for the Commercial Portfolio by around –21% since 2018. We are focussing on the following initiatives:

Carbon footprint under the GHG Protocol (Table continued from page 55)

$t\,CO_2e$	2018	2019	2020	2021	Δ 2020–2021	Δ 2018–2021
Scope 3						
Tenant consumption of electricity and heating energy, Institutional Business segment (based on the extrapolation of the Commercial Portfolio segment and the share of co-investments)	4,382	3,046	2,778	3,682		
Scope 3 subtotal	**53,681**	**48,945**	**40,943**	**39,237**	**–4.2%**	**–26.9%**
Total	**53,943**	**49,197**	**41,242**	**40,426**	**–2.0%**	**–25.1%**
plus 20% safety margin	10,789	9,839	8,248	8,085		
Total plus 20% safety margin	**64,732**	**59,037**	**49,491**	**48,512**	**–2.0%**	**–25.1%**

[1] DIC Asset AG, communal-area electricity supply (to the company's proprietary offices only) was 100% sourced from green electricity).
[2] Communal-area electricity for the Commercial Portfolio through to 2020 was 100% sourced from green electricity.
[3] Employees' business travel was calculated using modelling based on German government (Bundesverkehrsamt) figures.

Intensity of greenhouse gas emissions per sqm in the Commercial Portfolio excluding the Institutional Business

$t\,CO_2e$	2018	2019	2020	2021	Δ 2020–2021	Δ 2018–2021
Total greenhouse gas emissions in the Commercial Portfolio	48,607	45,127	37,438	35,538	–5%	–27%
plus 20% safety margin	9,721	9,025	7,488	7,108	–5%	–27%
Total plus 20% safety margin	**58,329**	**54,153**	**44,926**	**42,646**	**–5%**	**–27%**
Greenhouse gas emissions per sqm in the Commercial Portfolio	**0.0653**	**0.0643**	**0.0556**	**0.0514**	**–8%**	**–21%**

I Reduction in the energy consumption and GHG intensity in the portfolio properties

Monitoring

We regularly record and analyse the electricity and heating energy consumption of our real estate, and report on the relevant data in a transparent manner. For low-performing assets (i.e. properties with increased energy consumption), we carry out CO_2 and energy due diligence to identify potential energy refurbishment measures. Constant, transparent monitoring of our energy consumption enables us to monitor and analyse the resulting greenhouse gas emissions in the properties we manage. We can therefore easily identify low-performing properties, reveal the optimisation potential (LCA approach) and determine the appropriate measures. On top of this, we are gradually plugging any data gaps in the consumption figures for buildings.

Energy management

Our top priority in our energy management is to use digital tools to improve energy efficiency. To achieve this, we are establishing energy and sustainability platforms as well as smart data and smart metering. In our **"Innovative Building Technology" ESG project** we demonstrate the potential that this technology can offer. Our aim is to implement a tool to be used for data management as well as for reporting and monitoring the ESG performance of the portfolio and individual assets. We want to continue to reduce our emissions by using smart energy-efficiency strategies. Competent energy management is a firm part of the range of services provided by our Facility Management partners who drive forward technological and digital solutions to improve energy efficiency and know our buildings better than anyone else.

Reductions

Energy consumption is one of DIC Asset AG's largest sources of emissions. That is why we are striving to achieve a steady reduction in our energy consumption through, for example, operational, or where necessary, energy-refurbishment measures. To us, each project is unique so we believe in targeted refurbishment measures in individual properties. Innovative modernisation concepts enable us to reach rapid reduction targets like this. Our "CO_2 reduction in Hamburg" ESG project is a great example of this. We strive to supply the communal areas in all of our multi-tenant properties – and especially the newly acquired ones – as best we can with renewable energy (gas and electricity) on the basis of the relevant framework agreements with energy providers. In addition, we create incentives for our tenants to gradually switch to environmentally friendly energy contracts. To encourage this, we use "green" lease clauses as a separate appendix in our standard leasing contracts.

Including our tenants

Our tenants play a particularly crucial role, especially in the case of saving heating and electricity. Often, small changes in behaviour can lead to large leaps forward in efficiency. To further maximise this potential, last reporting year we started a dialogue with selected tenants. We expected to gain significant insights from this initiative and benefit from a valuable knowledge transfer – valuable for DIC Onsite GmbH too. At the same time, we involved our tenants more closely in our energy-saving measures through our green leases and our green facility management.

II Reduction in the energy consumption when acquiring portfolio buildings and new constructions

Investments

We strive to reduce our portfolio's energy requirements and our CO_2 emissions through targeted investments in sustainable and energy-efficient real estate (ESG criteria: Green Building).

Green Buildings and sustainably certified buildings

CRE8

Sustainable portfolio performance

GBuildings with sustainability certifications are already represented in our property portfolio today. In our Sustainability Reports, we regularly report on the performance of our green asset sub-portfolio, for both our Commercial Portfolio and the Institutional Business (since 2021, with RLI Investors). By "Green Buildings", we mean either sustainability certified buildings with high energy-efficiency standards or buildings with a minimum certification level, such as LEED Gold, BREEAM Very Good or DGNB Gold.[1] Using our "Innovative Building Technology" ESG project, we will demonstrate that there are large overlaps between the core topics of Green Buildings and innovative modernisation concepts. These are not contradictory issues for us, but confirm our 360-degree management approach.

In Mettmann we were able to acquire a **certified "Green Building" office** – characterised by excellent cash-flow stability as a result of public-service occupiers – for around EUR 22 million. The property has around 6,300 sqm of leasable rental space and is leased out completely with a weighted-average lease term (WALT) of nine years.

Differences may exist between this report's illustration of the sustainably certified buildings on the real-estate platform and the Green Buildings according to the definition in our Green Bond Framework and the green bond impact reporting in the 2021 Annual Report.[2]

Our target

Target	KPI	Status as at 2021
Increase in the share of Green Buildings (in the Commercial Portfolio) to at least 20% by the end of 2023	Market value of Green Buildings as well as the ratio to the Commercial Portfolio market value	11.6%

Our aim is to increase the share of Green Buildings in the Commercial Portfolio to at least 20% (with reference to our Green Bond Framework) by the end of 2023.

Commercial Portfolio

In 2021, DIC Asset AG made two long-term investments in sustainably certified buildings for the Commercial Portfolio. This included the property in Mettmann which, with its DGNB Gold certification, now meets the criteria of our ESG-linked promissory note and our green bond.

The Table shows the share of DIC Asset AG Green Buildings as at the reporting date of 31 December 2021 for the three most widely used labels, DGNB, LEED and BREEAM. Compared to the previous year of 2020, DIC Asset AG's Green Buildings increased from 11 certifications to 25. This equates to 15.2% of rental rental space or 13.8% of the market value of our entire platform. The increase in Green Buildings in the Institutional Business segment contributed to this growth in particular.

[1] For details, please see the Green Bond Framework: www.dic-asset.de/download/publikationen/DIC-Green-Bond-Framework.pdf

[2] For details, please see the DIC Asset AG 2021 Annual Report, Green Bond – Impact reporting section, p. 107.

Sustainably certified building

	Commercial Portfolio			Institutional Portfolio			Total		
%	**2021**	**2020**	**2019**	**2021**	**2020**	**2019**	**2021**	**2020**	**2019**
DGNB Gold	**3**	**2**	**2**	**11**	**2**	**1**	**14**	**4**	**3**
Rental space	4.1	3.4	3.1	8.9	2.5	1.3	7.7	2.8	2.0
Market value	6.4	5.9	6.0	4.4	2.9	0.8	3.6	2.3	2.1
DGNB Silver	**0**	**0**	**0**	**3**	**0**	**0**	**3**	**0**	**0**
Rental space	0	0	0	2.4	0	0	1.8	0	0
Market value	0	0	0	0.8	0	0	0.6	0	0
LEED Gold	**1**	**1**	**0**	**5**	**5**	**5**	**6**	**6**	**5**
Rental space	1.2	1.2	0	5.8	9.5	11.5	4.6	6.6	6.7
Market value	3.4	3.7	0	11.8	14.4	18.7	9.5	11.4	13.9
BREEAM Very Good	**1**	**1**	**1**	**0**	**0**	**0**	**1**	**1**	**1**
Rental space	1.4	1.5	1.3	0	0	0	0.4	0.5	0.5
Market value	2.1	2.3	2.4	0	0	0	0	0	0.6
BREEAM Good	**1**	**0**	**0**	**0**	**0**	**0**	**1**	**0**	**0**
Rental space	3.0	0	0	0	0	0	0.8	0	0
Market value	3.3	0	0	0	0	0	0	0	0
Total	**6**	**4**	**3**	**19**	**7**	**6**	**25**	**11**	**9**
Rental space	9.7	6.1	4.4	17	12	12.7	15.2	9.9	9.2
Market value	15.1	11.9	8.4	17	17.3	19.5	13.8	13.8	16.6

All values have been calculated excluding project performance and repositioning properties/excluding preliminary certificates, and this leads to a deviation in the value compared to the figure disclosed in the 2020 Sustainability Report.

Other topics

GRI 303-1 | 306-2 | CRE2

Water and waste

Total water consumption (for the company's offices including the Commercial Portfolio) amounted to 183,769m3 in 2021 and increased slightly compared to the previous year by 0.7%. By contrast, this was a decline of 36.7% compared to the 2018 base year.

Total waste generation reduced by 3.1% compared to last year, but increased by 11.9% compared to the 2018 base year. In particular, the percentage of waste that cannot be recycled (non-recyclable waste) rose by 46.2% compared to 2018.

This was attributable to the development of additional offices and the associated increasing DIC office rental space. A downward trend emerged from an analysis of the specific waste volume (litres/sqm for the company's office).

Disclosures on the type and quantity of waste materials have been estimated using the underlying data provided by local waste disposal companies (capacities and frequency of clearance) and with the help of the commercial waste-disposal partners at our offices. Waste disposal is communal at all DIC offices for all property tenants. The estimated volume of waste attributable to DIC Asset AG was calculated using the total volume of waste for each type of waste in an entire property, multiplied by the percentage of rental space leased by DIC Asset AG, and then extrapolated (since 2018) by multiplying by 52 weeks in the year.

Water consumption of DIC Asset AG

m^3	2018	2019	2020	2021	Δ 2020–2021	Δ 2018–2021
Water consumption in the company's offices	2,527	2,567	2,801	1,901	–32.1%	–24.8%
Commercial Portfolio water consumption	287,899	255,936	179,623	181,868	1.2%	–36.8%
Total	**290,426**	**258,503**	**182,424**	**183,769**	**0.7%**	**–36.7%**

m^3/sqm	2018	2019	2020	2021	Δ 2020–2021	Δ 2018–2021
Water consumption per sqm in the company's offices	0.41	0.37	0.34	0.23	–32.5%	–44.0%
Energy consumption per sqm in the Commercial Portfolio	0.32	0.30	0.22	0.22	–1.4%	–32.0%

Volume of waste for DIC Asset AG

Litres	2018	2019	2020	2021	Δ 2020–2021	Δ 2018–2021
Non-recyclable waste	96,679	145,634	145,833	141,389	–3.0%	46.2%
Paper (paper/cardboard)	253,282	293,014	284,575	274,901	–3.4%	8.5%
Recyclable waste (per the Waste Water Assoc., AzV)	47,371	46,350	53,024	51,659	–2.6%	9.1%
Recyclable (reusable) material	117,151	117,453	110,742	107,716	–2.7%	–8.1%
Total	**514,483**	**602,451**	**594,174**	**575,665**	**–3.1%**	**11.9%**

Litres/sqm	2018	2019	2020	2021	Δ 2020–2021	Δ 2018–2021
Volume of waste per sqm in the company's offices	84.23	87.11	72.81	70.11	–3.7%	–16.8%

Social

As an employer, we are responsible for ensuring a positive corporate culture as well as a safe, social and healthy working environment. Collaboration at DIC is based on motivation, diversity, an entrepreneurial mind-set and behaviour, independence, flexibility and expertise. Sounds tempting? Dive into the following section.

Trust and appreciation

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

Ideal framework conditions

We see ourselves as a team whose sustained success depends on its collective effort. We therefore offer the brightest minds the ideal environment in which to reach their full potential. Over 99.5% of our colleagues have a permanent employment contract. This builds trust and lays the foundation for a partnership of equals – even during the difficult times of a global pandemic. It not only provides employees with financial security in their private lives but also shows how much we value them. Our employees' remuneration is calculated according to a dynamic system which consists of a basic income, supplementary benefits and performance-related components. The performance-related component is based on achieving individual as well as strategic and operating targets set annually with the line manager.

From the stakeholder survey conducted in 2021, we identified two social topics as being extremely material for our sustainable success. Besides our profile as an attractive employer, this includes all aspects of diversity and equal opportunities.

The core element that links all of these criteria is – and remains – unchanged, namely our employees form the bedrock of our success as a company. In the light of the coronavirus pandemic, the reporting year just ended was anything but ordinary. Yet even in those highly unusual times, our employees once more demonstrated their enormous commitment and contributed very significantly to us achieving our ambitious targets.

We believe that heterogeneous teams which differ in their individual skills, expertise and different approaches to solutions are better positioned in so many ways to address complex issues than homogeneous teams as they simply bring more innovation potential to any given task. So this is why we cultivate a corporate culture that is committed to the principles of ethical conduct and integrity, and encourage mutual esteem, responsibility and respect among our staff. We operate a zero-tolerance strategy as regards discrimination. This permeates our internal policies, such as our Code of Conduct, Compliance Policy, Code of Conduct for Business Partners and other guidelines.

Supporting employees

As additional encouragement, we are currently developing a programme to support our employees in a variety of other areas of their lives. We provide coaching sessions as well as offers to establish childcare. The measures in question are to be introduced gradually over the next two years and will, as a matter of principle, be available to all employees.

Parental leave 2021

	Female	Male
Number of employees who took parental leave, by gender	25	5
Number of employees who returned to work after parental leave ended	7	5

Attractive employer

GRI 401-1 | 401-3

Despite the significant impact of the coronavirus pandemic, DIC Asset AG did not need to make any significant redundancies in 2021 nor lay off staff.

In the past four reporting periods, DIC Asset AG staff turnover remained stable at between 16% and 20%. During the reporting year, our staff turnover level improved slightly compared to the previous year, from 19.9% to 18.3%. The average staff turnover in the German Real Estate industry during 2021 was 30%[1].

DIC Asset AG's growth trajectory and sustainable economic success makes us an attractive employer even at a time of crisis: our new joiners' rate was around 28% in 2021.

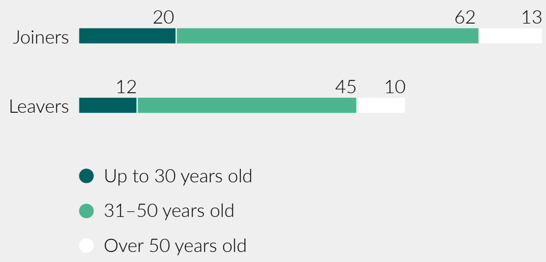
With a very few exceptions, all DIC Asset AG employees possess permanent employment contracts. This contributes significantly to the achievement of an attractive work environment. In 2021, the proportion of active, permanent employment contracts stood at 99.5%.

At DIC Asset AG, we believe that a good collaboration can only be successful if there is a healthy work-life balance. Of our 306 employees, 158 women and 148 men had a statutory entitlement to parental leave in 2021 and during the reporting period, 25 women and five men made use of this entitlement. In addition, seven female and five male employees returned to work after parental leave ended.

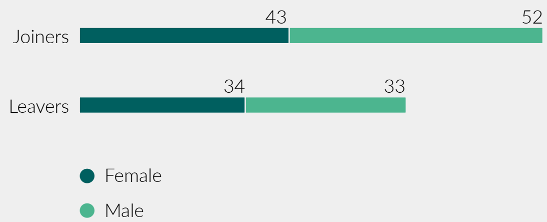
[1] Source: Federal Statistical Office (Statistisches Bundesamt), 2021.

[2] Calculation: the following data meet the requirements of § 267(5) HGB.

Leavers and joiners by age group[2]

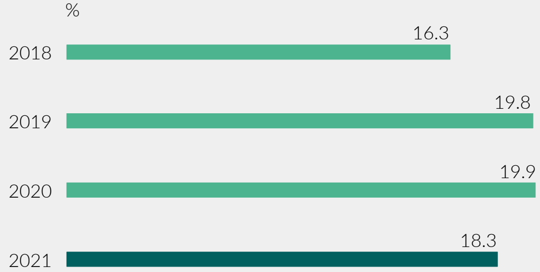


Leavers and joiners by gender group[2]



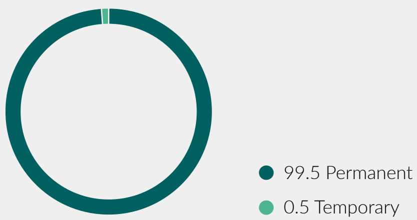
Staff turnover rates

%



Permanent and temporary employment contacts

%



Diversity and equal opportunities

GRI 405-1 | 405-2

Employee categories

The overall proportion of female employees below Management Board level at DIC Asset AG in the 2021 reporting period was 52%. At executive level including branch executives, the proportion of women was 26%, and 54% in all other employee categories. DIC Asset AG has set itself the target of making or keeping the proportion of men and women balanced in all employee categories. At employee level, we have already achieved this target, and intend to continue consolidating this high level going forward. At executive level 1 (excluding branch executives), we have already exceeded the target proportion of women set in 2017 of 15.38% (2021: 15.79%).

The governing body of DIC Asset AG consists of members of the Supervisory Board. As at the balance sheet date of 31 December 2021, DIC Asset AG had six Supervisory Board members (0 women, 6 men). This equates to a proportion of women on the governing body of 0%. DIC Asset AG has set itself the target of increasing the proportion of women on the Supervisory Board to 16.66% (1/6) by 30 June 2022. Accordingly, it was recommended to the Annual General Meeting on 24 March 2022 that Dr Angela Geerling be elected as a member of the Supervisory Board. The shareholders represented at the Annual General Meeting agreed to the election and approved this appointment. This now meets the target benchmark for the proportion of women on the governing body.

Target: diversity and equal opportunities

Target	KPI	Status
Increase in the proportion of women at the top executive level by 30 June 2022 to 15.38% (2/13).	Overall proportion of women at the top executive level (excluding branch executives)	Completed, target achieved[1]
Maintaining or increasing the current level of women at executive level	Overall proportion of women at executive level (including branch executives)	26%
Maintaining or increasing the current level of women employees	Overall proportion of women employees	52%
Increase in the proportion of women on the Management Board by 30 June 2022 to 25% (1/4)	Overall proportion of women on the Management Board	Completed, target achieved
Increase in the proportion of women on the Supervisory Board by 30 June 2022 to 16.66% (1/6)	Overall proportion of women on the Supervisory Board	0%[2]

Proportion of employees, by employee category

	Up to 30 years old	31–50 years old	Over 50 years old	%
Body (Management Board and Supervisory Board)				
Female	0	0	1	10
Male	0	2	7	90
Executive level				
Female	0	5	2	26
Male	0	17	3	74
Employees				
Female	32	94	25	54
Male	14	82	32	46

[1] As a listed company without co-determination, DIC Asset AG is also legally obliged to set targets for the proportion of women on the Supervisory Board, on the Management Board and, where applicable, in the two executive levels below the Management Board.
[2] Dr Angela Geerling was elected as a new Supervisory Board member at the Annual General Meeting that took place on 24 March 2022.

One woman and three men sat on the Management Board as at the balance sheet date of 31/12/2021. This equated to a proportion of women on the Management Board of 25%. The target of 25% (1/4) set in 2017 has therefore already been met.

Salaries

One of our most major social targets is to bring the basic salary and remuneration of women and men more into balance overall in each employee category. We are convinced that the same work should be rewarded the same, regardless of gender, background or other social factors. To live up to this claim, we are steadily working to improve our internal controlling tools. These should pave the way for us to identify the reasons for any pay gaps and, where needed, remove them. At employee level, we have already succeeded admirably. In the 2021 reporting year, women earned on average 2.2% more than their male colleagues. This corresponds to an average salary (excluding bonus) of EUR 44,623 for women compared to EUR 43,668 for their male colleagues. By contrast, at non-executive level, men's pay was on average 28.3% higher than it was for women. In 2021, men not in executive roles earned EUR 88,553 on average whereas women earned EUR 63,500. At the top executive level and individual branch executive positions, the gender pay gap stood at 19%. The average salary of men at executive level during the reporting year was EUR 151,940 compared to an average salary for women at this level of EUR 123,145.

Employee categories

	Salary in EUR	Pay gap in %
Executive level		
Male	151,940	
Female	123,145	–19
No executive role		
Male	88,553	
Female	63,500	–28.3
Employees with similar duties		
Male	43,668	
Female	44,623	2.2

Our commitment to good and fair collaborations

GRI 401-2 | 404-1 | 404-2 | 404-3

Employee retention and satisfaction

Our 2021 social highlights included the creation of the Head of People and Culture role. This role was created in the second quarter of 2021 to continue to develop a strong and uniform corporate culture. At the same time, the role contributes to an even greater focus on strategic human resource issues and the promotion of a tangible corporate culture in our workday reality. The Head of People and Culture reports directly to the CEO. With this appointment we have created a platform that enables us to recognise the wishes of our employees and respond to human resources needs in a timely way. Our first priority always remains the satisfaction of our employees.

Added to this, we have responded to constantly changing human resources needs by reorganising and boosting our Human Resources department.

At the same time, we place great value on fostering individual motivation and supporting the development potential of our employees. A regular and transparent assessment of their performance and career progress is provided by their line manager within the framework of the annual feedback interview (2020 and 2021: 100%). To improve our on-boarding yet further, we conduct an anonymous employee survey two months after new employees join us.

Sickness absence

	2021	2020	2019
Total days of sickness absence	2,204	2,846	2,105
Days of sickness absence per employee	7.2	10.5	8.5

Healthcare and prevention

Protecting the health of all of our employees is of particular concern to us which is why, this reporting year, we set out our management approach in writing in our **Occupational Safety Policy**. By offering preventative healthcare services through our company doctor (e.g. eye tests), we take regular steps to prevent work-related ailments. To support this, DIC joined forces with a statutory health insurance fund at the end of 2021 to organise a virtual health day on mindfulness and dealing with stressful situations. We intend to continue offering this in the current year too. DIC Asset AG also supports the Germany-wide **#ZusammenGegenCorona** (united we stand against coronavirus) vaccination campaign, offering straightforward, timely vaccinations to all employees.

Sickness absence and accidents

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

In comparison with the previous year, sickness absence per employee declined slightly to 7.2 days. This continued to be below the average for employees in Germany identified by the health insurance fund, Techniker Krankenkasse, of 14.5 days in the reporting year.[1]

In addition to our healthcare and prevention, we create a safe working environment to prevent accidents. During the last reporting year, DIC Asset AG recorded zero occupational accidents (fatal or non-fatal) at all within our Group, equating to an injury rate of 0.0% (previous year: 0.0%),

[1] Source: https://www.tk.de/presse/themen/praevention/gesundheitsstudien/niedrigster-krankenstand-seit-acht-jahren-2121454

lost day rate of 0.0% (previous year: 0.2%) and lost time injury frequency rate of also 0.0% (previous year: not recorded). In the 2021 reporting year, there were 26,704 hours of absence through sickness (previous year: 30,392). As a percentage of target working hours, this was an absentee rate of 4.4% (previous year: 5.6%).

Flexible working time

We offer our employees a flexible working time model that is tailored to their individual needs, above all to support parents returning to work after parental leave. As a result, they gain a large degree of flexibility and, for the most part, can plan their working hours independently. At the height of the coronavirus pandemic, DIC Asset AG created rules at short notice for the use of a home office without them negatively impacting individual employees' responsibility for the smooth operation of the business.

Cohesion and team-building

The social commitment of DIC Asset AG by no means ends at the office door. On 19 November 2021, we released 22 employees to help out in situ with the flood disaster in the German Ahr valley. The focus was on social cohesion. Our colleagues helped out, for example, by cleaning out hotel premises devastated by the flood. Those involved in this – from both inside and outside the community – developed a great solidarity that went far beyond doing your usual duty. This is why we decided to continue our social commitment in the current reporting year as well.

To increase the touch points and the communication between our divisions and their employees, we initiated a series of events, DIC Insights, to take place regularly starting from January 2022. This brand new format offers an excellent opportunity for networking across departmental lines and the transfer of know-how within our organisation.

Our regular town hall meetings also promoted an awareness of our DIC Corporate Citizenship. Another event which took place in the reporting year – in strict compliance with pandemic hygiene regulations – was our DIC summer festival.

Supporting talent

As a forward-looking company, we are constantly on the look-out for the brightest minds to supplement our team. For many years we have been training estate agents and supporting work-study degree programmes. Recruitment has become increasingly important in recent years. That is why we use specialist recruiters, assisted by external HR service providers, where required. This enables us to record and serve the human resources needs of the entire DIC Group.

Commitment

In November 2021, our DIC colleagues helped to clean out hotel premises devastated by the flood in the Ahr valley in Germany. The focus was on social cohesion and solidarity amongst internal and external partners. We will continue our commitment in the current reporting year by actively supporting additional social projects.

810

hours spent by our employees participating in **training and skill building sessions** in 2021.

As part of our recruiting programme for young talent, we launched several projects during the reporting period. Employees from various DIC Asset AG departments took part in the Immobilienkongress real estate conference at EBS Business School and also attended the Expo Real Career Day. The aim was to introduce ourselves to young talent and to offer internships, student trainee roles and entry-level positions as well as meet tomorrow's talent. We also entered into a collaboration with the Frankfurt School of Applied Science to provide financial and professional support to three of its students. In terms of professional support, we are particularly concerned to supplement the award-winners' theoretical knowledge with practical experience. Added to that, we underpin our fostering of talent by participating in various coaching and mentoring programmes for young employees.

To encourage the talent of our employees, we started to hold "CEO Lunches". Here, eight talented employees drawn from different areas of DIC Asset AG had the opportunity to speak directly with our CEO.

This event was a great success and will continue in this reporting year. Like this, we will ensure that DIC Asset AG will continue to maintain its dynamic reputation and that we make the most of our employees' potential in terms of ideas and innovation.

We also offer our employees numerous opportunities to undertake training and skill building to steadily expand their know-how. In 2021, our employees undertook a total of 810 hours (previous year: 694 hours) of training and skill building. That equates to 2.65 hours of continuing professional development per employee based on the average number of employees in 2021 (previous year: 2.55). We invested EUR 55,114.42 in continuing professional development programmes during the reporting year, that is, EUR 187.72 invested in training and skill building per full-time post.

Diversity and equal opportunities

DIC Asset AG strives to achieve a balanced age structure and mix of genders. We are convinced that the right mix of people in a range of age groups ultimately yields better results. We specifically promote collaboration between different age and gender groups in order to combine the practical experience of older people with the methodological knowledge of younger ones. Our experience is that this collaboration across generations and genders contributes to people finding common ground. Our work environment benefits just as much as the social competence of all employees and executives. Social cohesion is one of the most important resources our company possesses, but it contributes significantly to our improved handling of peak times and their consequences.

The diversity of nations also enriches our everyday working lives. We currently employ people from 11 nations which only serves to underline our openness to all cultural backgrounds. Other cultures are no reason to exclude someone. On the contrary, they are explicitly welcomed as a way to expand our knowledge and skills.

Appendix

DIC Asset AG's ESG Reporting is based on the GRI Standards. To improve transparency and adhere to standards of best practice amongst European listed real estate companies, we also apply the reporting principles established by the European Public Real Estate Association (EPRA).

GRI-Index

GRI 102-55

GRI 102: General disclosures

		Page	Comments
1. Organisational profile			
GRI 102-1	Name of the organisation	6	
GRI 102-2	Activities, brands, products and services	6	
GRI 102-3	Location of headquarters	6	
GRI 102-4	Location of operations	6	
GRI 102-5	Ownership and legal form	6–7	
GRI 102-6	Markets served	8	
GRI 102-7	Scale of the organisation	6–7	
GRI 102-8	Information on employees and other workers	10	
GRI 102-9	Supply chain	11	
GRI 102-10	Significant changes to the organisation and its supply chain	9	
GRI 102-11	Precautionary principle or approach	12	
GRI 102-12	External initiatives	13	
GRI 102-13	Membership of associations	13	
2. Strategy			
GRI 102-14	Statement from senior decision-maker	24–27	
3. Ethics and integrity			
GRI 102-16	Values, principles, standards, and norms of behaviour	14	
4. Corporate governance			
GRI 102-18	Governance structure	15	
GRI 102-20	Executive-level responsibility for economic, environmental and social topics	15, 18	

GRI 102-21	Consulting stakeholders on economic, environmental and social topics	15–21	
5. Stakeholder engagement			
GRI 102-40	List of stakeholder groups	22–23	
GRI 102-41	Collective bargaining agreements	10	
GRI 102-42	Identifying and selecting stakeholders	22–23	
GRI 102-43	Approach to stakeholder engagement	22–23	
GRI 102-44	Key topics and concerns raised	22–23	
6. Reporting practice			
GRI 102-45	Entities included in the consolidated financial statements	6–7	
GRI 102-46	Defining report content and topic boundaries	28	
GRI 102-47	List of material topics	29	
GRI 102-48	Restatements of information	30	
GRI 102-49	Changes in reporting	30	
GRI 102-50	Reporting period	31	
GRI 102-51	Date of most recent report	31	
GRI 102-52	Reporting cycle	31	
GRI 102-53	Contact point for questions regarding the report	31	
GRI 102-54	Claims of reporting in accordance with the GRI Standards	30	
GRI 102-55	GRI content index	70–75	
GRI 102-56	External assurance	31	DIC Asset AG currently undertakes no external review of the Sustainability Report. The 2021 Annual Report and the associated annual financial statements were audited in 2022 by the audit firm Rödl & Partner.

GRI 200: Governance

		Page	Comments
1. GRI 201: Economic/financial performance			
GRI 103	Management approach	33–34	
GRI 201-1	Direct economic value generated and distributed	34–36	
GRI 202-2	Financial implications, and other risks and opportunities due to climate change	12	
GRI 202-3	Defined benefit plan obligations and other retirement plans		DIC Asset AG does not possess a benefit plan for employees.
GRI 201-4	Financial assistance received from government		No financial assistance was received from the government in the reporting year.
2. GRI 205: Anti-corruption			
GRI 103	Management approach	33–34	
GRI 205-1	Operations assessed for risks related to corruption	37	
GRI 205-2	Communication and training about anti-corruption policies and procedures	37–38	
GRI 205-3	Confirmed incidents of corruption and actions taken	37–38	
Other topics			
GRI 206-1	Legal actions for anti-competitive behaviour, anti-trust and monopoly practices		No such incidents in the 2021 financial year
GRI 205-2	IT security	38	

GRI 300: Environment

		Page	Comments
1. GRI 302: Energy			
GRI 103	Management approach	40–48	
GRI 302-1	Energy consumption within the organisation	49–51	
GRI 302-2	Energy consumption outside of the organisation	51–53	
GRI 302-3	Energy intensity	53–54	
GRI 302-4	Reduction of energy consumption	57	
GRI 302-5	Reductions in energy requirements of products and services		DIC Asset AG does not possess any systematic data material about this. Please refer to GRI 302-1 to GRI 302-4 for details of the energy consumption for service rendered.
CRE1	Building energy intensity	53–54	
2. GRI 305: Emissions			
GRI 103	Management approach	40–48	
GRI 305-1	Direct (Scope 1) GHG emissions	55–56	
GRI 305-2	Energy indirect (Scope 2) GHG emissions	55–56	
GRI 305-3	Other indirect (Scope 3) GHG emissions	55–56	
GRI 305-4	GHG emissions intensity	56	
GRI 305-5	Reduction of GHG emissions	57	
GRI 305-6	Emissions of ozone-depleting substances (ODS)		DIC Asset AG does not possess any systematic data material about this.
GRI 305-7	Nitrous oxides (NOx), sulphur oxides (SOx) and other significant air emissions		DIC Asset AG does not possess any systematic data material about this.
CRE3	Intensity of GHG emissions from buildings	56	

3. CRE8: Sustainable portfolio performance			
GRI 103	Management approach	40–48	
CRE8	Number and type of Green Building certifications	58–59	
Other topics			
GRI 303-1 | CRE2	Water	60	
GRI 306-2	Waste	60	

GRI 400: Social

		Page	Comments
1. GRI 401: Employment (described as an attractive employer)			
GRI 103	Management approach	62	
GRI 401-1	New employee hires and employee turnover	63	
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	10, 66–68	
GRI 401-3	Parental leave	63	
2. GRI 405: Diversity and equal opportunities			
GRI 103	Management approach	62	
GRI 405-1	Diversity of governance bodies and employees	64–65	
GRI 405-2	Ratio of basic salary and remuneration of women to men	65	
Other topics			
GRI 402-1	Minimum notice periods regarding operational changes		Employees are notified proactively and early about organisational changes, and these 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.

GRI 403-2 | CRE6	Hazard identification, risk assessment, and incident investigation		Although DIC Asset AG has not currently adopted any international occupational health and safety standards, all workplaces meet the strictest German health and safety standards. In addition, internal and external occupational health and safety committees regularly review current practices. DIC Asset AG's Occupational Safety Policy sets out our general principles and practices (see https://www.dic-asset.de/download/policy/DIC_Occupational_Safety_Policy_2021.pdf)
GRI 404-1	Average hours of training per year per employee	68	
GRI 404-2	Programmes for upgrading employee skills, and transition assistance programmes	66–68	
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	66	
GRI 406-1	Incidents of discrimination and corrective actions taken		No such incidents were identified
GRI 408-1	Operations and suppliers at significant risk of incidents of child labour		No child labour risk was identified for any operation or supplier
GRI 409-1	Operations and suppliers at significant risk of incidents of forced or compulsory labour		No risk of forced or compulsory labour was identified for any operation or supplier
GRI 414-1	New suppliers that were screened using social and/or working-practices criteria		DIC Asset AG's business activities in 2021 were limited exclusively to Germany, where strict labour and human-rights legislative standards apply. We expect seamless compliance with the applicable national and international regulations by our suppliers. Suppliers are not formally scrutinised. DIC Group business partners are obliged to comply with the rules set out in the Code of Conduct for Business Partners and must impose them on their own business partners, such as their suppliers, sub-contractors or similar (https://www.dic-asset.de/download/policy/DIC_Code_of_Conduct_Business_Partner_2021.pdf).
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		No such incidents in the 2021 financial year
GRI 419-1	Non-compliance with laws and regulations in the social and economic area		No such incidents in the 2021 financial year (monetary value: EUR 0).

EPRA sustainability performance measures

EPRA Sustainability Best Practice Recommendations
The indicators and notes on Environmental, Social and Governance (ESG) aspects were prepared in accordance with version three of the Sustainability Best Practice Recommendations (sBPR) of the European Public Real Estate Association (EPRA) for the 2020 and 2021 financial years of DIC Asset AG. The separate EPRA disclosures includes the overarching recommendations and indicators for the relevant sustainability topics.

Commercial Portfolio data and Portfolio performance measures – Environmental

				Total			Office			Other uses		
Area	**EPRA code**	**Indicator**	**Unit**	**2020**	**2021**	**Δ**	**2020**	**2021**	**Δ**	**2020**	**2021**	**Δ**
Portfolio		Total number of properties	Number	91	94	3	55	55	0	36	39	3
		Rental space	sqm	807,800	829,900	3%	474,600	456,100	–4%	333,200	373,800	12%
		Market value	EUR million	2,000	2,222	11%	1,391	1,491	7%	609	731	20%
Energy	Elec-Abs	Total landlord-obtained electricity consumption	kWh/year	10,879,742	9,745,776	–10%	5,319,243	5,066,110	–5%	5,560,499	4,679,666	–16%
		of which, renewable energy	%	100	87	–13%	100	75	–25%	100	100	0%
		Landlord-obtained electricity consumed in tenant areas	kWh/year	0	0	0%	0	0	0%	0	0	0%
		Total landlord-obtained electricity consumption	**kWh/year**	**10,879,742**	**9,745,776**	**–10%**	**5,319,243**	**5,066,110**	**–5%**	**5,560,499**	**4,679,666**	**–16%**
		Number of properties analysed	Number	52	52	0%	31	31	0%	21	21	0%
		by rental space	sqm	431,720	431,720	0%	223,637	223,637	0%	208,083	208,083	0%
		Coverage as a % of total rental space	%	53	52	–3%	47	49	4%	62	56	–11%

Commercial Portfolio data and Portfolio performance measures – Environmental (continued)

				Total			Office			Other uses		
Area	**EPRA code**	**Indicator**	**Unit**	**2020**	**2021**	**Δ**	**2020**	**2021**	**Δ**	**2020**	**2021**	**Δ**
Energy	Elec-Lfl	Like-for-like total landlord-obtained electricity consumption	kWh/year	10,879,742	9,745,776	–10%	5,319,243	5,066,110	–5%	5,560,499	4,679,666	–16%
		of which, renewable energy	%	100	87	–13%	100	75	–25%	100	100	0%
		Landlord-obtained electricity consumed in tenant areas	kWh/year	0	0	0%	0	0	0%	0	0	0%
		Like-for-like landlord-obtained electricity consumption	**kWh/year**	**10,879,742**	**9,745,776**	**–10%**	**5,319,243**	**5,066,110**	**–5%**	**5,560,499**	**4,679,666**	**–16%**
		Number of properties analysed	Number			52			31			21
		by rental space	sqm			431,720			223,637			208,083
		Coverage as a % of total rental space (2021)	%			52			49			56
	DH&C-Abs	**Total landlord-obtained district heating & cooling consumption (consumed in tenant areas)**	**kWh/year**	**12,641,838**	**13,695,586**	**8%**	**5,866,159**	**6,227,372**	**6%**	**6,775,679**	**7,468,214**	**10%**
		of which, renewable energy	%	0	0	0%	0	0	0%	0	0	0%
		Number of properties analysed	Number	24	24	0%	14	14	0%	10	10	0%
		by rental space	sqm	185,891	185,891	0%	91,617	91,617	0%	94,274	94,274	0%
		Coverage as a % of total rental space	%	23	22	–3%	19	20	4%	28	25	–11%
	DH&C-Lfl	**Like-for-like landlord-obtained district heating & cooling consumption (consumed in tenant areas)**	**kWh/year**	**12,641,838**	**13,695,586**	**8%**	**5,866,159**	**6,227,372**	**6%**	**6,775,679**	**7,468,214**	**10%**
		of which, renewable energy	%	0	0	0%	0	0	0%	0	0	0%
		Number of properties analysed	Number			24			14			10
		by rental space	sqm			185,891			91,617			94,274
		Coverage as a % of total rental space	%			22			20			25

Commercial Portfolio data and Portfolio performance measures – Environmental (continued)

				Total			Office			Other uses		
Area	**EPRA code**	**Indicator**	**Unit**	**2020**	**2021**	**Δ**	**2020**	**2021**	**Δ**	**2020**	**2021**	**Δ**
Energy	Fuels-Abs	**Total landlord-obtained fuel consumption (consumed in tenant areas)**	**kWh/year**	**23,611,813**	**26,977,798**	**14%**	**17,249,919**	**17,403,308**	**1%**	**6,361,894**	**9,574,490**	**50%**
		of which, renewable energy	%	0	0	0%	0	0	0%	0	0	0%
		Number of properties analysed	Number	28	28	0%	17	17	0%	11	11	0%
		by rental space	sqm	245,829	245,829	0%	132,020	132,020	0%	113,809	113,809	0%
		Coverage as a % of total rental space	%	30	30	–3%	28	29	4%	34	30	–11%
	Fuels-Lfl	**Like-for-like landlord-obtained fuel consumption (consumed in tenant areas)**	**kWh/year**	**23,611,813**	**26,977,798**	**14%**	**17,249,919**	**17,403,308**	**1%**	**6,361,894**	**9,574,490**	**50%**
		of which, renewable energy	%	0	0	0%	0	0	0%	0	0	0%
		Number of properties analysed	Number			28			17			11
		by rental space	sqm			245,829			132,020			113,809
		Coverage as a % of total rental space (2021)	%			30			29			30
	Energy-Int	**Buildings energy intensity (landlord-obtained consumption)**	**kWh/sqm**	**109.2**	**116.8**	**7%**	**127.1**	**128.3**	**1%**	**89.9**	**104.4**	**16%**
Emissions	GHG-Dir-Abs	Direct scope 1 (total) GHG emissions (by regional office)	t CO_2e/year	0	0	0%	0	0	0%	0	0	0%
	GHG-Indir-Abs	Indirect scope 2 (total) GHG emissions (by regional office)	t CO_2e/year	5,679	5,107	–10%	2,777	2,655	–4%	2,903	2,452	–16%
		Indirect scope 2 (total) GHG emissions (by market)	t CO_2e/year	0	682	>100%	0	673	>100%	0	9	>100%
		Other indirect scope 3 (total) GHG emissions (by regional office)	t CO_2e/year	7,946	9,183	16%	5,136	5,396	5%	2,810	3,786	35%
		Other indirect scope 3 (total) GHG emissions (by market)	t CO_2e/year	7,946	9,183	16%	5,136	5,396	5%	2,810	3,786	35%

Commercial Portfolio data and Portfolio performance measures – Environmental (continued)

				Total			Office			Other uses		
Area	**EPRA code**	**Indicator**	**Unit**	**2020**	**2021**	**Δ**	**2020**	**2021**	**Δ**	**2020**	**2021**	**Δ**
Emissions	GHG-Int	**Buildings greenhouse gas (GHG) emissions intensity (by regional office)**	**kg CO_2e/ sqm**	**31.6**	**33.1**	**5%**	**35.4**	**36.0**	**2%**	**27.5**	**30.0**	**9%**
Water	Water-Abs	**Total water consumption**	**m³**	**125,422**	**144,716**	**15%**	**68,114**	**78,673**	**16%**	**57,308**	**66,043**	**15%**
		Number of properties analysed	Number	64	75	17%	42	45	7%	22	30	36%
		by rental space	sqm	564,049	660,965	17%	350,576	371,319	6%	213,473	289,646	36%
		Coverage as a % of total rental space	%	70	80	14%	74	81	10%	64	77	21%
	Water-Lfl	**Like-for-like water consumption**	**m³**	**115,015**	**100,785**	**−12%**	**58,995**	**59,602**	**1%**	**56,020**	**41,183**	**−26%**
		Number of properties analysed	Number			58			38			20
		by rental space	sqm			489,870			287,075			202,795
		Coverage as a % of total rental space (2021)	%			59			63			54
	Water-Int	**Buildings water intensity**	**m³/sqm**	**0.22**	**0.22**	**−2%**	**0.19**	**0.21**	**9%**	**0.27**	**0.23**	**−15%**
Waste	Waste-Abs	**Total weight of waste by disposal route**	**t/year**	**n/a**	**n/a**	**–**	**n/a**	**n/a**	**–**	**n/a**	**n/a**	**–**
	Waste-Lfl	**Like-for-like weight of waste by disposal route**	**t/year**	**n/a**	**n/a**	**–**	**n/a**	**n/a**	**–**	**n/a**	**n/a**	**–**
Certified assets	Cert-Tot	Number of sustainably certified assets	Number	4	6	50%	4	5	25%	0	1	>100%
		Number of sustainably certified assets as a % of rental space [1]	%	6.1	9.7	59%	6.1	6.7	10%	0	3.0	>100%
		Number of sustainably certified assets as a % of market value [1]	%	11.9	15.1	27%	11.9	11.8	−1%	0	3.3	>100%

[1] Please refer to the Environment section of our 2021 Sustainability Report for further information.

DIC regional offices performance measures – Environmental

Area	EPRA code	Indicator	Unit	2020	2021	Δ
Energy		Number of regional offices	Number	7	8	14%
		Rental space	sqm	8,161	8,211	1%
	Elec-Abs	**Total electricity consumption**	**kWh/year**	**727,276**	**780,600**	**7%**
		of which, renewable energy	%	60	51	–15%
		Number of regional offices analysed	Number	7	8	14%
	Elec-Lfl	**Like-for-like electricity consumption**	**kWh/year**	**727,276**	**758,342**	**4%**
		of which, renewable energy	%	60	53	–13%
		Number of regional offices analysed	Number			7
	DH&C-Abs	**Total district heating & cooling consumption**	**kWh/year**	**605,388**	**651,231**	**8%**
		of which, renewable energy	%	0	0	0%
		Number of regional offices analysed	Number	7	8	14%
	DH&C-Lfl	**Like-for-like total district heating and cooling consumption**	**kWh/year**	**605,388**	**629,513**	**4%**
		of which, renewable energy	%	0	0	0%
		Number of regional offices analysed	Number			7
	Energy-Int	**Buildings energy intensity (by regional office)**	**kWh/sqm**	**163**	**175**	**7%**
Emissions	GHG-Dir-Abs	Direct scope 1 (total) GHG emissions (by regional office)	t CO_2e/year	0	0	0%
	GHG-Indir-Abs	Indirect scope 2 (total) GHG emissions (by regional office)	t CO_2e/year	269	275	2%
		Indirect scope 2 (total) GHG emissions (by market)	t CO_2e/year	40	65	63%
		Other indirect scope 3 (total) GHG emissions (by regional office)	t CO_2e/year	227	261	15%
		Other indirect scope 3 (total) GHG emissions (by market)	t CO_2e/year	227	261	15%
	GHG-Int	**Buildings greenhouse gas (GHG) emissions intensity (by regional office)**	**kg CO_2e/sqm**	**60.8**	**65.6**	**8%**

DIC regional offices performance measures – Environmental (continued)

Area	EPRA code	Indicator	Unit	2020	2021	Δ
Water	Water-Abs	**Total water consumption**	**m³**	**2,801**	**1,901**	**–32%**
		Number of regional offices analysed	Number	7	8	14%
	Water-Lfl	**Like-for-like water consumption**	**m³**	**2,801**	**1,840**	**–34%**
		Number of regional offices analysed	Number			7
	Water-Int	**Buildings water intensity (by regional office)**	**m³/sqm**	**0.34**	**0.23**	**–32%**
Waste	Waste-Abs	**Total weight of waste by disposal route**	**t/year**	**97.84**	**94.75**	**–3%**
		of which, recycling	%	80	80	0%
		of which, composting	%	0	0	0%
		of which, for waste incineration	%	5	5	1%
		of which, for landfill	%	15	15	0%
	Waste-Lfl	**Like-for-like weight of waste by disposal route**	**t/year**	**97.84**	**91.68**	**–6%**
		of which, recycling	%	80	80	0%
		of which, composting	%	0	0	0%
		of which, for waste incineration	%	5	5	–3%
		of which, for landfill	%	15	14	–3%
Certified assets (buildings	Cert-Tot	**Number of regional offices with sustainably certified assets**	**Number**	**1**	**1**	**0%**

Gender
w = women
m = men

DIC Asset AG performance measures – Social and Governance

Area	EPRA code	Indicator	Unit	2020	2021
Employees	Diversity-Emp	**Employee gender diversity**			
		Supervisory Board	%	0 w / 100 m	0 w / 100 m
		Management Board	%	25 w / 75 m	25 w / 75 m
		executive level	%	18 w / 82 m	26 w / 74 m
		employees	%	52 w / 48 m	54 w / 46 m
		employees below Management Board level	%	52 w / 48 m	52 w / 48 m
	Diversity-Pay	**Gender-specific pay gap**			
		executive level	%	n/a	–19.0
		employees not in executive roles	%	n/a	–28.3
		employees with similar duties	%	n/a	2.2
	Emp-Training	Employee training and development	Hrs./empl.	2.55	2.65
	Emp-Dev	Employee performance appraisals	%	100	100
	Emp-Turnover	**Employee turnover and retention**			
		number of joiners	Number	85	95
		joiners	%	31.3	31.0
		number of leavers	Number	54	67
		leavers	%	19.9	18.3
	H&S-Emp	**Health and safety employees**			
		injury rate	%	0.0	0.0
		lost day rate	%	0.2	0.0
		absentee rate	%	4.0	2.8
		number of work-related fatalities	Number	0	0

DIC Asset AG performance measures – Social and Governance (continued)

Area	EPRA code	Indicator	Unit	2020	2021
Properties	H&S-Asset	Number of properties with H&S assessments	%	n/a	100
	H&S-Comp	Number of H&S non-compliance incidents	Number	n/a	3
	Comty-Eng	Local community engagement programmes or the number of buildings located near public transport hubs	%	n/a	90.4
Supervisory Board and Management Board	Gov-Board	**Composition of the highest governing boards**			
		Number of members of the non-executive board (Supervisory Board)	Number	6	6
		Number of members of the executive board (Management Board)	Number	4	4
		Average term of office of non-executive board (Supervisory Board) members	Years	7.8	8.8
		Average term of office of executive board (Management Board) members	Years	3.5	4.5
		Board members (non-executive and executive boards) with expertise and experience of environmental and social topics.	Number	10	10
	Gov-Select	Process used for selecting and appointing the highest governing body	Process description	See 2020 AR, p. 222–225	See 2021 AR, p. 144–148
	Gov-Col	Process for resolving conflicts of interest	Process description	See 2020 AR, p. 14 and 225	See 2021 AR, p. 36 and 148

Additional publications
AR = Annual Report

Glossary

Adjusted NAV (Adjusted Net Asset Value)
The adjusted NAV serves as an indicator of the intrinsic value of the whole group, including all of its main sources of income.

Analyse Portfolio
Environmental aspects are analysed for every proprietary real-estate portfolio property (Commercial Portfolio) for which a full set of consumption data is on record as at the reporting date.

BREEAM
The Building Research Establishment Environmental Assessment Method (BREEAM) was developed in Great Britain by the Building Research Establishment (BRE). BREEAM is an assessment and certification system for the sustainability of buildings and infrastructure, for new constructions and for in-use buildings. The assessment categories are management, energy (and emissions), health and well-being, innovation, land use, materials, water, waste, transport and pollution. There are different excellence ratings grades: Outstanding, Excellent, Very Good, Good, and Adequate.

CO_2
Carbon dioxide (CO_2) is a chemical compound made up of carbon and oxygen and is one of the best-known greenhouse gases. Carbon dioxide is produced during the combustion of fuels containing carbon (e.g. coal, natural gas and oil).

CO_2e = CO_2 equivalent
CO_2 equivalent (CO_2e) means the conversion of the climate impact of gases, like methane or nitrous oxide, into carbon dioxide emissions. This conversion is so we can quantify the emissions of all greenhouse gases using one single measure, a value we term the CO_2 equivalent value.

Commercial Portfolio
The Commercial Portfolio comprises the direct real-estate investments (“investment properties”) of DIC Asset AG. Real estate in this portfolio is recognised in the “Investment property” line item.

Corporate Governance
Corporate Governance refers to rules for the sound, responsible management of a business. It aims to base corporate management on values and standards that reflect the best interests of shareholders and other stakeholders.

CRESS
CRESS (Construction and Real Estate Sector Supplement) is a sector-specific supplement to the GRI Standards aimed at companies in the Real Estate and Construction sector.

CRREM
CRREM (Carbon Risk Real Estate Monitor) is an initiative funded by the EU’s “Horizon 2020” research-framework programme which sets out evidence-based decarbonisation pathways for the commercial and residential Real Estate sector in line with the Paris Agreement climate targets.

DGNB
The German Sustainable Building Council (Deutsche Gesellschaft Nachhaltiges Bauen, DGNB) is a not-for-profit, non-governmental organisation which actively deploys sustainability in the construction and real-estate market. At the heart of its work lies the construction and cultivation of a certification system for sustainable buildings and the awarding of the German Sustainable Building Certificate. DGNB assessment criteria include: environmental quality, economic quality, sociocultural and functional quality, technical quality, process quality and site quality.

ECORE
ECORE (ESG Circle of Real Estate) is an initiative for ESG compliance in real-estate portfolios. This initiative developed a European sustainability standard (ESG scoring model) to measure the sustainability performance of commercial real estate and portfolios, taking into account ESG issues, the EU Taxonomy criteria and the Paris Agreement climate targets.

German Energy Saving Ordinance (EnEV) and Building Energy Act (GEG Act)
The German Energy Saving Ordinance (EnEV) sets out energy requirements for heated or air-conditioned buildings (both new-build and portfolio). The Ordinance, together with the German Energy Saving Act (EnEG) and the German Renewable Energies Heat Act (EEWärmeG), became the new German Building Energy Act (GEG Act) which entered into force on 1 November 2020.

EPRA
The European Public Real Estate Association (EPRA) is an organisation based in Brussels. It represents the interests of Europe’s major real-estate companies as regards the general public, and supports the performance and market presence of European real-estate stock corporations.

Regenerative/renewable energy sources
Regenerative or renewable energy originates from sources that will either self-renew in the short term or will not be depleted by using them. This type of energy is a particularly sustainable energy source and includes hydropower, wind energy, solar energy and geothermal energy.

ESG
ESG or Environment, Social and Governance, that is, environmental and social issues within the corporate sphere of responsibility as well as the sustainability aspects of corporate governance.

FFO (Funds from Operations)
Funds from operations refers to operating income from property management before depreciation and amortisation and tax as well as before profits from disposals of assets and development projects, and other non-recurring or non-cash income components.

GEG (German Estate Group)
The German Estate Group (GEG), domiciled in Frankfurt am Main, Germany, is a subsidiary of DIC Asset AG. GEG is one of the leading German investment and asset management platforms for high-end commercial real estate and is responsible for the Institutional Business segment.

GHG Protocol
The Greenhouse Gas (GHG) Protocol sets out the fundamental principles of relevance, completeness, accuracy, consistency and transparency for the recording of CO_2 emissions. Emissions can be broken down into three areas (scopes 1 to 3). Scope 1 records all emissions generated directly by the company itself through combustion in its own facilities. Scope 2 covers emissions of purchased energy (e. g. electricity, district heating) and scope 3 records emissions from services performed by third parties.

Green bond
Green bonds are fixed-rate securities whose sole planned use of the funds relates to activities that contribute to reducing or avoiding climate risks.

Unit of measure

kWh/year
kilowatt-hours per year

kWh/sqm
kilowatt-hours per sqm

m^3
cubic metre

m^3/sqm
cubic metre per sqm

kg CO_2e
carbon dioxide emission in kilogramme

kg CO_2e/sqm
carbon dioxide emission per sqm

kWh/employee
kilowatt-hours per employee

kWh/workplace
kilowatt-hours per workplace

m^3/employee
cubic metre per employee

m^3/workplace
cubic metre per workplace

Green Bond Framework
With its Green Bond Framework, DIC Asset aligns with the global Green Bond Principles and creates bond issuances with green funding, hence also complying with the United Nations' sustainable development goals 9 and 11. A publicly available second-party opinion was also obtained to assess the Framework.

Green Bond Principles
The Green Bond Principles (GBP) established by the International Capital Market Association (ICMA) provide a globally established standard for assessing green-bond issuances. The Green Bond Principles make recommendations concerning the allocation of the funds acquired.

Green Buildings
Green Buildings are defined in DIC Asset's Green Bond Framework as buildings that meet very high energy-efficiency standards. DIC Asset follows established market definitions and applies minimum certification levels like LEED Gold, BREEAM Very Good or DGNB Gold, among others.

Green lease
A green lease is a lease agreement that is committed to sustainability. It uses special structuring to oblige the tenant to ensure a sustainable occupancy while similarly obliging the landlord to operate sustainable property management.

GRESB
The Global Real Estate Sustainability Benchmark (GRESB) is a standard developed by the Green Building Certification Institute. The Institute sets itself the goal of facilitating a comparison of the sustainability performance of real-estate portfolios using a benchmarked score.

GRI (Global Reporting Initiative)
The Global Reporting Initiative (GRI) sees itself as an ongoing international dialogue that includes a large number of stakeholder groups. Set up in 1997, the GRI's vision was to lay the foundation for the transparent, standardised and comparable sustainability reporting of the economic, environmental and social performance of the global economy. Its policies seek to promote sustainable development worldwide while simultaneously supporting companies/organisations with drafting sustainability reports by providing a voluntary reporting framework.

GRI Standards
The internationally recognised Global Reporting Initiative (GRI) standards contribute to an improved ability to compare the economic, environmental and social indicators reported by us.

INREV
The European Association for Investors in Non-Listed Real Estate Vehicles (INREV) is a not-for-profit organisation which aims to protect the interests of investors in unlisted real-estate funds. It focuses on enhancing transparency and comparability through best practice.

Institutional Business
The Institutional Business reporting segment combines all of the income from real-estate management services with all of the income from associates (especially in connection with co-investments).

LEED
Leadership in Energy and Environmental Design (LEED) is an American Green Building certification process developed by the US Green Building Council (USGBC). A LEED assessment is suitable for any type of building or any construction phase, and assesses eight categories: infrastructural integration of the site, plot quality, water efficiency, energy and global environmental impact, material cycles and resource conservation, indoor environmental quality and design innovation, potentially granting bonuses for criteria that are especially significant for the location. Depending on the degree of compliance with the assessment criteria, a building is awarded one of four LEED certification levels: Platinum, Gold, Silver or Certified).

Sustainability
Sustainability means giving equal consideration to the environment, to the economy and to social issues and moreover, creating and preserving value and future potential for the benefit of all current and future stakeholders and generations.

NAV (Net Asset Value)
The Net Asset Value (NAV) represents the intrinsic value of a company. The net assets it represents are measured as the difference between the fair value of a company's assets and liabilities.

RLI Investors
RLI Investors GmbH (RLI Investors) is domiciled in Frankfurt am Main, Germany, and is a subsidiary of DIC Asset AG. RLI Investors is Germany's second-largest independent asset manager of logistics real estate, and was acquired by DIC Asset AG in December 2020. RLI Investors is responsible for the Institutional Business segment.

ESG-linked promissory note
An ESG-linked promissory note is a loan placed with capital-market investors where the funds raised may be used for general corporate purposes. By linking the financing terms to ESG criteria (ESG-linked), this creates an additional incentive for issuers (and emitters) to drive forward green projects.

Smart metering
Smart metering refers to the methods and systems implemented for the automated and digitised gathering and analysis of consumption data. These methods and systems contribute to smart building management and the enhanced management of resources.

Stakeholder
Stakeholder is the term generally used for people or groups who have different requirements or interests in a corporate process or result, business segment or project. An additional distinction is made between internal stakeholders (employees, owners) and external stakeholders (business partners, tenants, service providers and the general public).

ZIA (Zentraler Immobilien Ausschuss)
The German Property Federation (Zentraler Immobilien Ausschuss, ZIA) represents the entire real-estate sector in Germany as regards regulatory and economic policies.

Legal Notice

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Forward-looking statements

This sustainability report contains statements that refer to future developments. Such statements constitute assessments that have been made in the light of the information available. Should the assumptions on which they are based not prove accurate, or should risks actually occur – as specified in the Risk Report section of our latest Annual Report – the actual results may differ from those anticipated.

Note

For computational reasons, rounding differences from the exact mathematical values calculated (in EUR thousand, %, etc.) may occur in tables and cross-references.

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