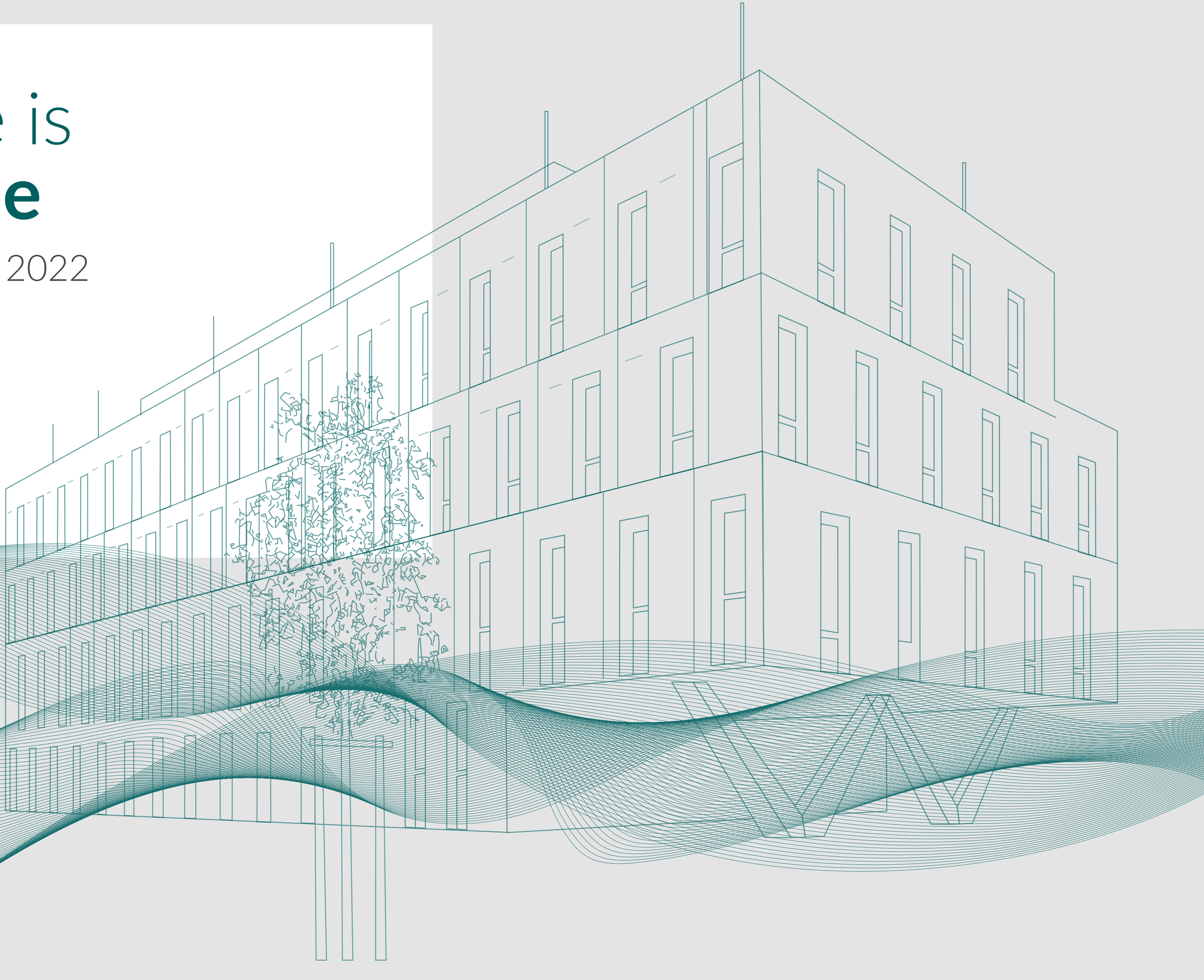
The future is **changeable**

Sustainability Report 2022



DIC

Dear reader,

Editorial

By reading our 2022 Sustainability Report, you are expressing an interest in our company and its sustainability performance over the past reporting year. We would like to take this opportunity to thank you for your interest. Every part of our organisation was involved in preparing this report. We put a considerable amount of time and effort into presenting our commitment and our company's performance in a transparent way.

Simply meeting our reporting obligations would have been nowhere near enough to communicate the passion and initiative our employees show in their pursuit of sustainability. As key figures, ratios and asset values only tell part of this story, we have also taken the opportunity to highlight our organisation's intellectual and social achievements in this report.

We can look back on a long history of development that has seen us celebrate many successes – and overcome plenty of challenges. If this journey has taught us one thing, it is this: the future is changeable.

This lesson is more relevant than ever today. The extent and speed of change in both our living and working environments has rarely been more apparent than it was in 2022. Each crisis seemed to give way to the next, with Russia launching its attack on Ukraine just as the world began to see an end to the coronavirus pandemic at the start of the year. These developments had a vast array of consequences that dominated the entire year to a greater or lesser degree, including supply chain disruption and material shortages in the industrial and construction sectors as well as record inflation and sharply rising interest rates, to name just a few. DIC is not an isolated entity that can remain untouched by this kind of upheaval. As a dynamic organisation, we have learned to manage change and find quick solutions, and we refuse to let external crises deter us from implementing our sustainability strategy. This attitude is based on our conviction that the course we set today lays the foundation for the success of tomorrow. With that in mind, we are utilising our financial and organisation potential and broad network to make the most of the opportunities created by sustainable transformation. 2022 was the most commercially successful year in the company's history, with reported FFO of EUR 114 million and assets under management of EUR 14.7 billion. We are proud of this performance, as it gives us the entrepreneurial scope we need to face the challenges ahead – including those relating to sustainable transformation.

Our climate pathway consists of a series of initiatives designed to reduce emissions, use energy more efficiently and drive innovation. While this shows we are committed to tackling climate change, we believe it is important to give equal priority to all four pillars of our sustainability strategy – Environment, Social, Governance + Digitalisation. We conduct all our business activities with this in mind. From installing smarter measurement and building technology and updating our governance policies to our colleagues' commitment to local social causes, we leave no action area untouched.

All of DIC's activities are shaped by our "spirit to create excellence". We see change not as a threat but as an opportunity to renew the foundations of our success. At the same time, we know that our responsibility as a company extends far beyond merely creating tangible value. That is why we work closely with all of our stakeholders to ensure that we are guided by their needs.

The future is changeable, and that applies to us as an organisation, too. The acquisition of VIB during the year under review added another facet to our business model, making it significantly more versatile and resilient. Logistics properties are now our second major asset class after office properties, comprising 39% of our Commercial Portfolio. At the same time, we are generating much steadier revenue streams than before. It is our responsibility to actively help shape future change and prepare ourselves for the challenges of tomorrow. We know that our business has an effect on the environment and society. That is why we continuously strive to minimise or offset our negative impacts.

We are always open to questions or suggestions about our plans and initiatives. We hope that reading our 2022 Sustainability Report gives you the same sense of joy and optimism we felt while preparing it.

Your Management Board

Torsten Doyen
Chief Institutional Business Officer (CIBO)

Sonja Wärntges
Chief Executive Officer/ Chief Financial Officer (CEO/CFO)

Johannes v. Mutius
Chief Investment Officer (CIO)

Christian Fritzsche
Chief Operating Officer (COO)

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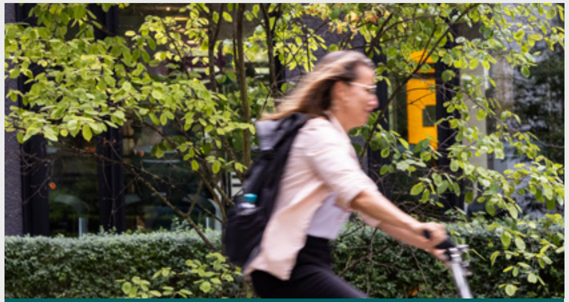


Navigation

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 scroll back and forth within the report.

The PDF file contains **internal links**.

Additional content on the internet is highlighted in the text.

2022 at a glance

Steady increase in our assets under management to

EUR 14.7 billion

FFO up again to reach

EUR 114.2 million

Dividend per share at prior-year level of

EUR 0.75

Share of recurring operating cash flows

78%

2021: 66%

Commercial Portfolio asset classes

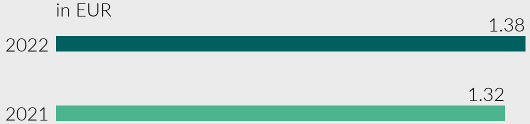
Share of asset classes in market value

- 39% Logistics
- 34% Office
- 15% Retail
- 7% Mixed-use
- 4% Project developments
- 1% Other

DIC offices

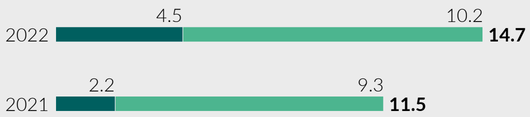
FFO per share

in EUR



Assets under management

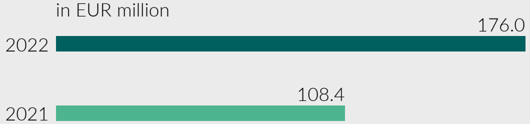
in EUR billion



- Commercial Portfolio
- Institutional Business

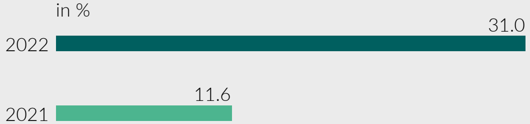
Gross rental income

in EUR million



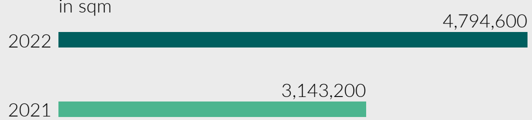
Green Building share in the Commercial Portfolio

in %



Managed rental space

in sqm



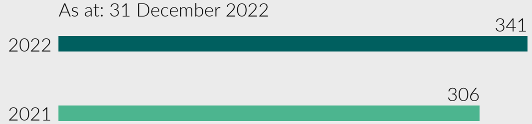
Employees by gender

in %

- 53 women
- 47 men

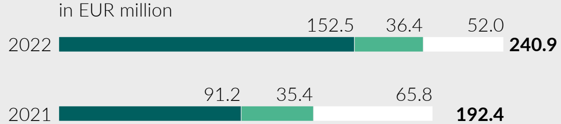
Number of employees

As at: 31 December 2022

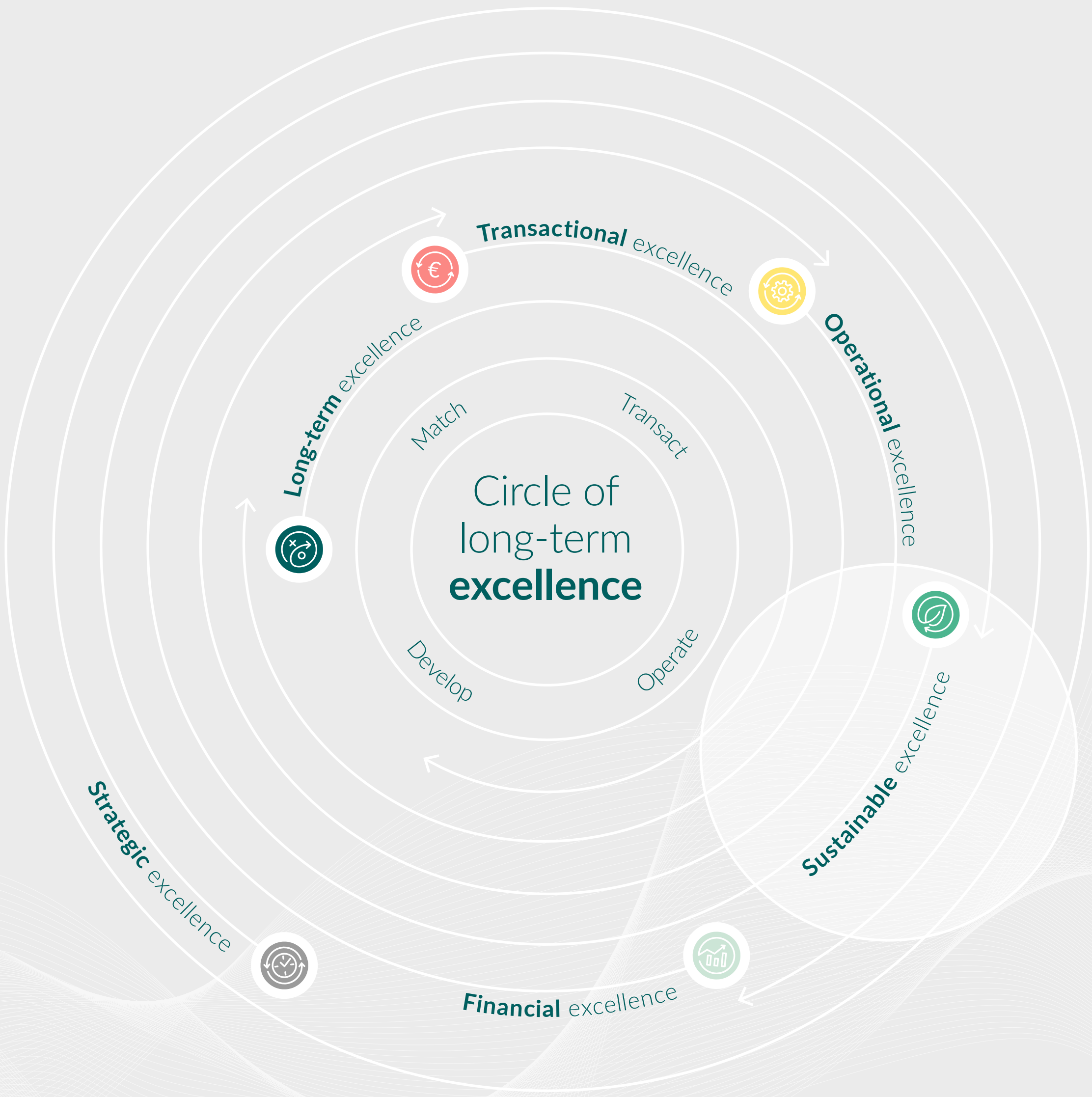


Sources of income

in EUR million



- Rents NRI
- Management fees (recurring)
- Management fees (non-recurring)



The spirit to **create** excellence

Excellence is the sum of many different strengths and elements – and always the result of ability and desire. We **achieved unparalleled success and posted record earnings in 2022**, despite the year's challenges.

DIC keeps its finger on the pulse and stays close to the market. Our values, corporate strategy and expertise provide the foundation for our work, while our proximity to and dialogue with our stakeholders hold the key to our success. Our sophisticated system of key performance indicators gives us transparency at all times, and our management system allows us to control our business with clear targets in mind, whatever the situation.

We have the expertise, organisational structure, leadership skills, motivation and agility to react appropriately to the market and recognise and actively address risks, trends and opportunities at an early stage.

ESG risks are associated with environmental and social challenges and also have economic impacts. We see these as an opportunity to come up with create solutions based on innovative technologies. This keeps us evolving as the future is changeable.

Sustainable excellence

With our commitment to sustainability, clearly defined milestones and demonstrable transparency, ESG is part of our DNA and our sustainability strategy. It means equipping our buildings in an environmentally responsible way, making our internal processes more efficient, promoting a diverse and inclusive employee structure, generating a steady flow of income, ensuring continuity in our dividend policy and providing ESG-focused financing instruments.

Environment
We positively mitigate 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.

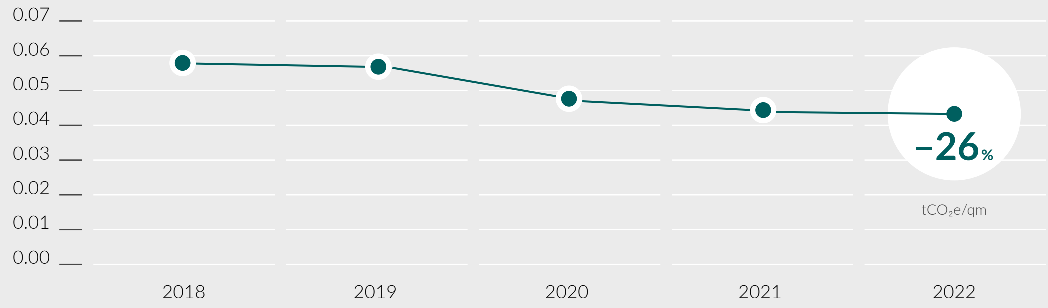
Digitalisation
We use digitalisation for ESG purposes as yet another building block (3 + 1).

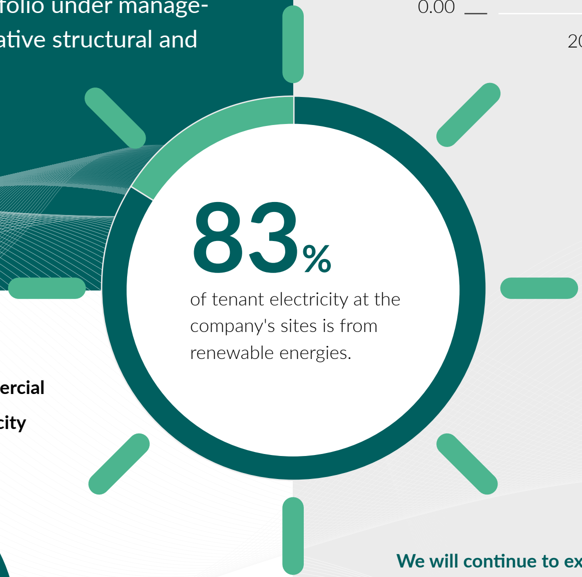
Environment

The approach taken by DIC consists of developing our proprietary portfolio based on DIC-specific environmental criteria, acquiring suitable properties and disposing of unsuitable ones, sustainable letting and management and further developing the property portfolio under management by implementing innovative structural and technical measures.

Greenhouse gas emissions

per square metre of the Commercial Portfolio



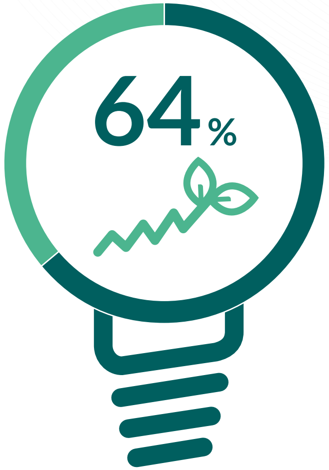


Proportion of buildings in the Commercial Portfolio supplied with green electricity

This equates to

66 of 103

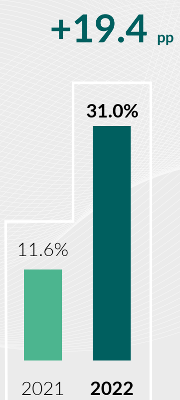
multi-tenant properties



We will continue to expand the supply of renewable energy.

100% of the sites owned by DIC obtain communal-area electricity from renewable energy sources.

Our goal is to increase the Green Building share to 20% by 2023 (Commercial Portfolio). We achieved this goal early in 2022.
The market value of Green Buildings in relation to the market value of the Commercial Portfolio increased by +19.4 percentage points.



Continuous change for climate action

Targets, KPIs, status

DIC's tables of targets were audited by an **independent auditor** on a voluntary basis for the first time in 2022. The **result** of the audit is presented in the Appendix.

Environment (E)

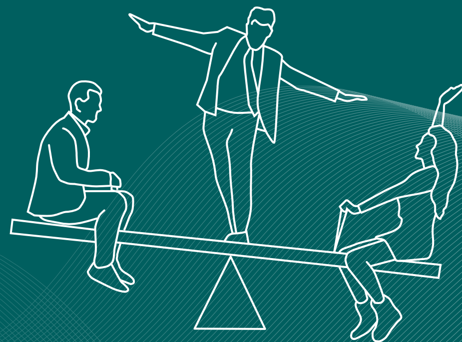
UN Sustainable Development Goals	Target	KPI	Status	Year-on-year change
9 Industry, innovation and infrastructure; 11 Sustainable cities and communities; 13 Climate action	Establish a science-based climate pathway for our German business by 2023 or earlier	Climate pathway	Climate pathway at portfolio level being implemented[1]	Specific ESG action plan created for all properties
	Reduce greenhouse gas emissions per square metre in the Commercial Portfolio by 2030 by at least 40% compared to the 2018 base year.	Δ t CO_2e/sqm Commercial Portfolio in %	–26%	–4%
	Further expand the supply/purchase of renewable energy	Percentage of renewable energy in the communal-area electricity supply for the company's office premises owned by DIC Asset AG itself, and for the tenant electricity in the company's office spaces	100% renewable energy for the company's office locations owned by DIC Asset AG itself, and 83% for the tenant electricity in the company's office spaces	±0% renewable energy for the company's office premises owned by DIC Asset AG itself; +10 percentage points for the tenant electricity in the company's office spaces
		Number of buildings supplied with district heating or green gas (Commercial Portfolio)	147 of 195 properties (percentage of rental space in sqm: 70.6%)	44 of 94 properties (percentage of rental space in sqm: 45.4%)
		Number of buildings supplied with green electricity (Commercial Portfolio)	66 of 103 multi tenant properties (64%)	57 of 71 multi tenant properties (80%)
	Increase the share of Green Buildings in the Commercial Portfolio to at least 20% by the end of 2023 (Commercial Portfolio)	Market value of Green Buildings and its ratio to the Commercial Portfolio market value	31.0%, target achieved ahead of schedule	+19.4 percentage points

[1] Climate pathway for VIB properties to be implemented by mid-2024.

Social

Social conduct focuses on responsible, inclusive and always fair interaction with employees, tenants, occupiers and business partners, and this ties in with the ambition to make a sustainable contribution to society.

We have a balanced age structure.

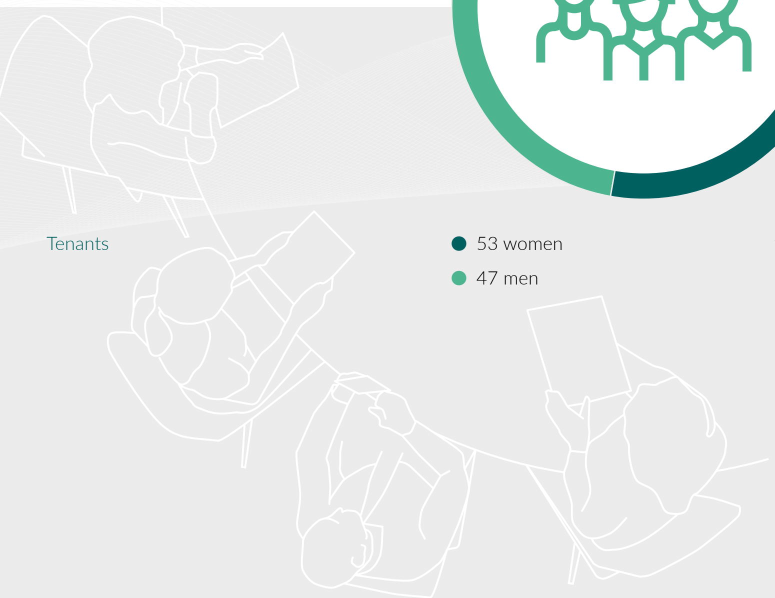


Total number of employees

341

Employees by gender
in %

We shape our business with and for the people and are engaged in regular dialogue with our employees and external stakeholders.



A positive trend – Overall proportion of women
in %

Constantly changing towards more diversity

Targets, KPIs, status

DIC's tables of targets were audited by an **independent auditor** on a voluntary basis for the first time in 2022. The **result** of the audit is presented in the Appendix.

Social (S)

UN Sustainable Development Goals	Targets (DIC incl. VIB)	KPI	Status	Year-on-year change
	Maintain current level of male/female quotas at senior management level below Management Board	Number of employees by gender category (m/f/d) below Management Board level[1]	53% women 47% men	+1 pp women –1 pp men
	Maintain current age structure	Number of employees by age category	13% ≤ 30 years 62% 31–50 years 25% ≥51 years	–2 pp ≤ 30 years –3 pp 31–50 years +5 pp ≥ 51 years
	Targets (DIC excl. VIB)			
	Increase the proportion of women at executive level 1 (extended executive level including regional managers) by 30 June 2027 to 28.125% (9/32)	Overall proportion of women at executive level 1 (extended executive level including regional managers)	31%, target achieved ahead of schedule	+5 pp
	Maintain or increase current proportion of women at executive level	Overall proportion of women at executive level (including branch managers)	31%	+5 pp
	Maintain or increase current proportion of women employees	Overall proportion of women employees	53%	+1 pp
	Increase the proportion of women on the Management Board by 30 June 2027 to 25% (1/4)	Overall proportion of women on the Management Board	25%, target achieved ahead of schedule	±0%
	Increase the proportion of women on the Supervisory Board by 30 June 2027 to 16.66% (1/6)	Overall proportion of women on the Supervisory Board	16.66%, target achieved ahead of schedule	+16.66 pp

[1] At present, DIC Asset AG is unable to provide information on the "diverse" gender identity.

Governance

We attach great importance to **corporate governance** along the lines of our sustainability approach. To fulfil this commitment, we want to enhance greater transparency and consistently integrate ESG across all levels of our organisation. In doing so, we are guided by the relevant **ESG ratings**.

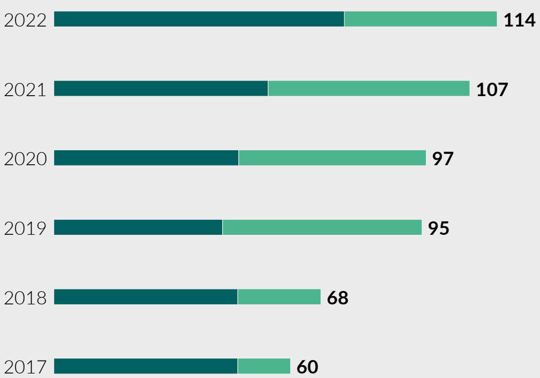
Training hours of all employees

1,996 **+126%**

Continuous increase in FFO

in EUR million

+7%



- Commercial Portfolio contribution
- Institutional Business contribution (until 2018: funds + other investments)

Maintain or improve performance in relevant ESG ratings

Rating	Score
Sustainalytics	6.8
Carbon Disclosure Project	C
MSCI – ESG Research	AA
ISS ESG	D+
S&P CSA	38

Successful change towards more responsibility
Targets, KPIs, status

DIC's tables of targets were audited by an **independent auditor** on a voluntary basis for the first time in 2022. The **result** of the audit is presented in the Appendix.

Governance (G)

UN Sustainable Development Goals	Target	KPI	Status	Year-on-year change
	Continuous increase in FFO	FFO (after minority interests) compared to previous year	EUR 114.2 million	+7%
	Increasing the share of green financial instruments to around 40-50% by 2027	Overall share of green instruments on the financing side as a proportion of total assets	15%[1]	–5 pp (higher total assets due to VIB acquisition)
	Maintain or improve performance in relevant ESG ratings	ESG rating results	Sustainalytics: Improvement to 6.8 S&P CSA: Improvement to 38 Carbon Disclosure Project (CDP – Climate Change): C MSCI – ESG Research: Improvement to AA ISS ESG: D+	Sustainalytics: 9.2 S&P CSA: 26 Carbon Disclosure Project (CDP – Climate Change): C MSCI – ESG Research: A ISS ESG: D+
	Continue to prevent misconduct by taking appropriate preventive action	Number of reported compliance violations as well as actions taken	Zero reported compliance violations; Zero actions taken	Zero reported compliance violations; Zero actions taken
		Number of training hours: employees incl. Management Board members	1,996 hours	+126%

[1] Absolute share increased from EUR 680 million to EUR 772 million

ESG Profile

DIC is an active member of society and plays a leading role in the sustainable transformation of the real estate industry. The Group has identified key sustainability issues and clearly stated action areas that focus on the needs of its stakeholders. In this section, we describe how we succeed in collaborating with our service providers, business partners and employees based on trust and on equal terms.

Company profile

GRI 2-1 | 2-2 | 2-6

4

operating **subsidiaries** besides DIC Asset AG are part of the Group.

Business segments

Since it was formed , DIC Asset AG ("DIC") has firmly established itself as key player in the German commercial real estate market. DIC manages 360 properties with a combined market value of around EUR 14.7 billion – with a local presence that keeps us close to both our tenants and our properties. The acquisition of Neuburg an der Donau-based firm VIB Vermögen AG ("VIB"), where we intend to bundle our expertise in logistics properties going forward, marked the start of the expansion of our logistics portfolio along Europe's main transport corridors. We primarily let these properties to international logistics providers who use the sites as part of their distribution networks. Domiciled in Frankfurt am Main, DIC has 341 employees at a total of nine branches in Germany: Berlin, Cologne, Düsseldorf, Frankfurt am Main, Hamburg, Mannheim, Munich, Neuburg and Stuttgart. Despite the challenging market environment, the two pillars of the Group's proven business model – holding properties in our proprietary portfolio (Commercial Portfolio) and managing third-party properties (Institutional Business) – generated growing diversified cash flows during the 2022 reporting year:

- The **Commercial Portfolio** segment (real estate assets under management: EUR 4.5 billion; previous year: EUR 2.2 billion) comprises DIC's own properties. In this segment, DIC generates steady cash flows from rental income, optimises the value of its portfolio assets, and realises gains from sales. DIC also generates income from equity investments. Through its subsidiary VIB, DIC also acts as project developer for new logistics properties.

- The **Institutional Business** segment (real estate assets under management: EUR 10.2 billion; previous year: EUR 9.3 billion) comprises the services related to property investments of institutional investors. The managed vehicles mainly include real estate funds investing in German commercial real estate. DIC receives management fees for various elements of its active management service provided during the term of the funds.

Group entities

DIC is the central management holding company in charge of all of the corporate governance duties. The four subsidiaries GEG German Estate Group GmbH ("GEG Group"), DIC Fund Balance GmbH, DIC Onsite GmbH and VIB carry out important core operational tasks. DIC acquired a majority interest in VIB during the year under review (68% as of 31 December 2022). As a result, it is reported as a consolidated subsidiary. VIB is the logistics real estate specialist within the DIC, handling project development for new logistics properties and launching new investment vehicles. Further information about the consolidation of subsidiaries and the acquisition of VIB during the year under review can be found in the section entitled "Significant changes to the organisation" within this chapter. A complete list of consolidated subsidiaries is available on page 200 et seq. of the **2022 Annual Report**. The graphic on the next page shows the Group's strategic structure at the end of 2022.

Strategic Group structure of DIC Asset AG

Active 360-degree property management with 341 highly motivated employees[1]

Employees	Management Board				
	Sonja Wärntges (CEO/CFO)	Christian Fritzsche (COO)[2]	Torsten Doyen (CIBO)[2]	Johannes von Mutius (CIO)	

Employees	Management					
93	Corporate Development & Strategy	Communication & Marketing	Investor Relations	ESG	Finance, Accounting, Treasury & Controlling	Administration (HR, IT)

Segments (43 employees)

Commercial Portfolio (Balance Sheet Investments) | **Institutional Business** (Managed Accounts)

Investment	Portfolio Management	Investment Management	Real Estate Management	Development
• Acquisitions and Sales • Due Diligence • Business Plan Modelling • Legal Structuring	• Portfolio Analysis • Portfolio Strategy • Portfolio Controlling	• Structuring of new vehicles • Implementing investment structures • Sales • Investor Relations	• Property Accounting • Quality Management • Legal (rental contract law) • Letting	• Planning of developments and refurbishments • Key contact for awarding construction contracts

Asset and property management (eight branches with nationwide operations and regional heads, and VIB headquarters in Neuburg) (205 employees)

Berlin	Cologne	Düsseldorf	Frankfurt	Neuburg (VIB)
Hamburg	Mannheim	Munich	Stuttgart	External services
Technical Property Management				Facility Management

[1] Employees as of 31 December 2022
[2] Effective from 1 January 2023

Forms of investment

The following table lists all the different forms of investment made by DIC. The form of investment depends on the purpose or intent DIC is pursuing with the investment in question. The table also contains references to sections in the 2022 Annual Report providing further detail about the forms and values of these investments. Unless explicitly stated otherwise, all information and figures in this report relate to DIC and its consolidated subsidiaries.

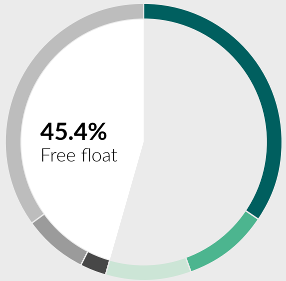
DIC's business relationships with entities and individuals classified as related parties are disclosed in detail from page 192 of the 2022 Annual Report.

Ownership and legal form

DIC Asset AG is a stock corporation within the meaning of the German Stock Corporation Act (AktG). It was initially listed in 2003 on the open market on the Stuttgart and Munich stock exchanges. In 2006, this was followed by the IPO, after which the shares have been listed in the Prime Standard of the Frankfurt stock exchange and included in the SDAX.

As at 31 December 2022, 45.4% of its shares were in free float (previous year: 45.3%). The largest free-float shareholder is FMR LLC with a share of around 7.4% (6.8%). Fidelity Securities Fund held a share of 3.1% (3.1%). DIC has three major shareholders: the Deutsche Immobilien Chancen Group with a share of 34.5% (34.6%), Yannick Patrick Heller with 10.1% (10.1%) and RAG-Stiftung with 10.0% (10.0%).

Shareholder structure



34.5% Deutsche Immobilien Chancen Group
10.1% Yannick Patrick Heller
10.0% RAG-Stiftung

45.4% Free float, of which:
34.9% Other
7.4% FMR LLC
3.1% Fidelity Securities Fund

As at: May 2023

Forms of investment

Form of investment	Measurement method in the Annual Report	Explanation in the 2022 Annual Report
Consolidated subsidiaries	IFRS 3 Business Combinations	Page 149
Associates	Equity method	Pages 143 and 151
Other equity investments	Equity instruments as defined by IAS 32: fair value through other comprehensive income	Page 151

Dynamic market environment

GRI 2-2 | 2-6

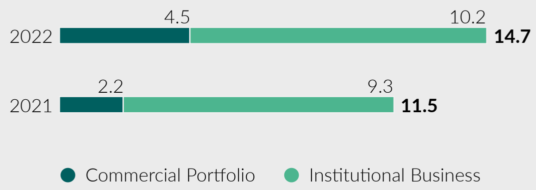
Markets, investment locations and local presence

DIC primarily operates in the German commercial real estate market, and has divided this market into five regional submarkets. The following graphic shows the breakdown of the market values of real estate assets managed by us by geographical region. By acquiring VIB during the past financial year and purchasing several logistics properties in the Netherlands (for a special fund), DIC is developing the logistics asset class into one of the main pillars of its business model. Despite the challenging market environment, real estate assets increased by around EUR 3.2 billion year-on-year (+28%) to EUR 14.7 billion at the 2022 reporting date. The value of the VIB portfolio as part of the proprietary portfolio was around EUR 2.3 billion.

The headquarters of VIB Vermögen AG in Neuburg a.d. Donau

Assets under management

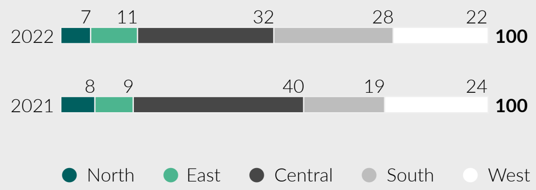
in EUR billion



Regional structure of overall portfolio in 2022

Basis: Market value of assets under management

in %



GRI 2-4 | 2-6

Significant changes to the organisation

DIC's organisational structure remained essentially unchanged compared to the previous year. There was no name change or significant restructuring within the Group. However, acquiring VIB and integrating it into the Group's structure constitutes a material event that also affects the parent company. For example, our managed rental space grew from around 3.1 million sqm to more than 4.7 million sqm compared to the previous year, while the number of employees also rose from 306 to 341 over the same period. VIB was consolidated into DIC's 2022 Annual Report from 1 April 2022. DIC's total assets increased by around EUR 1.6 billion compared to the previous year, with most of this growth attributable to VIB. VIB is also included in this Sustainability Report for the first time as an additional subsidiary. As a result, some sustainability-related key figures have changed compared to the prior-year period. This includes employee-related figures, the carbon emission balance (including consumption data), the Green Building ratio and economic key performance indicators. The corresponding effects are described in individual sections of this report. Unless explicitly stated otherwise, the figures shown in this report include effects triggered by the acquisition of VIB.

We began internationalising our business model during the year under review by acquiring several state-of-the-art logistics properties in the Dutch regions of Twente and Brabant for the RLI-GEG Logistics & Light Industrial III fund. This represents an expansion of our market environment, as we previously invested exclusively in Germany. The newly acquired properties are high-quality logistics properties in excellent locations along key trade routes. The properties meet the Netherlands' latest energy-related building standards and also meet the specifications for classifying the fund as a "green" investment product in accordance with Article 8 of the EU Sustainable Finance Disclosure Regulation.

The two Management Board members Christian Bock (CIBO) and Patrick Weiden (CCMO) left the Management Board of DIC at the end of 2022. Torsten Doyen, who is responsible for the Institutional Business segment as CIBO, and Christian Fritzsche, who is responsible for the new Operations division as COO, joined our Management Board team at the start of 2023.

VIB Vermögen AG

Headquartered in Neuburg an der Donau, VIB Vermögen AG has spent almost 30 years pursuing a balanced long-term strategy that reconciles economic goals with environmental and social responsibility. In particular, the company focuses on using photovoltaics on the rooftops of logistics buildings. Since it was founded, VIB has become one of Germany's most successful developers and owners of properties in the logistics, light industrial and retail sectors.

Rental income p.a.	EUR 99.8 million
Portfolio market value	EUR 2.3 billion
Property space	1.37 million sqm
EPRA vacancy rate	1.5%
Development pipeline of	156,000 sqm
Stable WALT at	5.4 years

Our employees

GRI 2-7 | 2-30

DIC employees

The knowledge, skills – and not least, great commitment – of our employees are a prerequisite of our success. We therefore value and encourage an entrepreneurial mindset and behaviour, accountability, 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.

341

highly skilled **employees** were employed by DIC Asset AG as at 31 December 2022.

The number of employees in the Group grew from 306 at the start of 2022 to 341 at the end of the year (including 34 VIB employees). Overall, 180 women and 161 men worked for DIC as of the reporting date. All employees have permanent employment contracts. No employees were hired on contracts with no guaranteed working hours (e.g. zero-hours contracts) during the year under review. A total of 145 of our female colleagues and 153 of our male colleagues work full-time, with 35 women and eight men employed on a part-time basis. Forty-three people work in Portfolio Management, Investment and Funds, 205 in Asset and Property Management & Development, and 93 colleagues in Group Management and Administration.

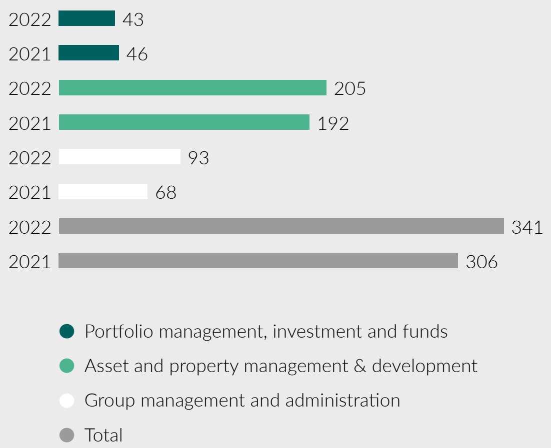
Personnel expenses include the wages and salaries of employees of DIC Asset AG and DIC Onsite GmbH, DIC Fund Balance GmbH, VIB and the entities of the GEG Group as well as the related social security contributions in the total amount of EUR 35,093 thousand (previous year: EUR 33,866 thousand). The social security contributions totalling EUR 4,329 thousand (previous year: EUR 4,108 thousand) include EUR 2,070 thousand (previous year: EUR 1,808 thousand) in contributions to the statutory pension fund. At EUR 42,581 thousand, total personnel expenses are higher than in the previous year (previous year: EUR 38,096 thousand), mainly due to the first-time inclusion of VIB. The average number of employees rose by eight to 297 in 2022. Averaged over the year, DIC Asset AG had 82 employees, while DIC Onsite GmbH had 155 employees, DIC Fund Balance GmbH had three employees, VIB had 32 employees and the GEG Group entities had 25 employees.

The above information was generated by our internal HR management system on the 31 December 2022 reporting date.

Breakdown of employees by category

	Female	Male
Gender distribution of employees	180	161
Permanent employment contracts	180	161
Temporary employment contracts	0	0
Non-guaranteed working hours	0	0
Full-time	145	153
Part-time	35	8

Number of employees by Group area

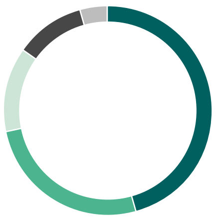


GRI 2-8

Other employees

DIC is supported by other professionals in addition to the aforementioned employees of DIC and its subsidiaries. DIC defines apprentices, trainees, interns, inactive employment relationships and freelancers as ‘other employees’ and enters them into the HR management system as such. During the year under review, six apprentices, two trainees, 21 external staff, 12 interns and five working students provided support for the day-to-day business or project work at DIC Asset AG. All individuals identified as ‘other employees’ were on an employment or project contract.

Other employees



Sustainable architecture is **memorable**

A style icon in the heart of Frankfurt: The Global Tower

Built in 1973 by famed architect Richard Heil in the “International Style”, this skyscraper in the heart of Frankfurt's central business district is now listed as a historic monument. The closed front façade, typical for the era, and its two staggered towers are among the distinctive features of this 110-metre-high two-block building. The Global Tower originally served as the headquarters of Commerzbank AG and has undergone repeated technical upgrades over the years. The European Central Bank moved into the premises in 1997. In 2016, GEG ultimately acquired the building in a joint venture.

Modernisation with sustainability in mind

For DIC’s team, this notable acquisition meant one thing in particular: lots of work. The passage of time clearly left its mark on the building's listed façade. At the same time, its offices needed to be made ready to meet the needs of the 21st century. The solution: dismantling the original façade and installing an exact, double-shell replica. The building’s technology also received extensive upgrades. Despite the great deal of work involved, our team was highly motivated to make the building shine in its former glory from the very beginning. Going even further, the team designed the refurbished building to meet the highest standards in efficient and sustainable building operation. The underlying philosophy was that the preserved building should stand up to any comparison with a new building in terms of its sustainability credentials. Along with saving time and money on constructing a new shell, the project to preserve the existing building fabric saves considerable amounts of CO_2 by storing grey energy.

Much more than a façade

The outcome was worth all of their hard work: the Global Tower exceeds all expectations. The result is one of Frankfurt’s most modern office spaces. We integrated all the demands of the modern working world when designing spaces: from areas for concentrated quiet work to flexible rooms for meetings and the latest digital technology. The project also used green materials, created barrier-free access and made sure to offer users a high-quality experience. The refurbished building has been awarded a WiredScore certificate for fail-safe infrastructure and received the renowned DGNB Platinum certificate, which proves its highly efficient building operation. Our tenants can enjoy premium work spaces that exude an atmosphere of innovation and sustainability. It's what we call ‘fit for the future’.

High-rise buildings are a familiar sight in Frankfurt am Main. It’s impossible to imagine the city centre of Germany's financial capital without them now. A true style icon dominates the banking district’s silhouette: The Global Tower is resplendent once again after its recently completed refurbishment by DIC.

GRI 2-19 | 2-20 | 2-30

Remuneration

Employee remuneration at DIC is not subject to any collective bargaining agreements. Competitive remuneration for all employees is set out in our **Policy Statement on Respecting Human Rights**. The principles of freedom of assembly and freedom of association enshrined in fundamental law also apply throughout the Group.

Salaries consist of a basic income, supplementary benefits and performance-related components. We base our salaries on customary industry standards. Salaries are not governed by any collective bargaining agreements. The performance-related component is based on achieving individual goals as well as strategic and operating targets, which are set annually together with supervisors.

In 2022, we spent a total of EUR 39.5 million on employee remuneration (excluding Management Board remuneration). This figure includes performance-related remuneration of EUR 4.4 million, corresponding to a share of approximately 11.1%. Social security contributions, pension plans and other benefits added up to EUR 4.3 million.

The DIC Management Board has also launched an employee share scheme, with which DIC aims to offer employees a long-term remuneration component in addition to their standard pay package. For this purpose, DIC buys own shares on the market for the employees every year in December and holds them in a securities account. Payouts under the scheme can be made after four years at the Company. The amount paid reflects the share price performance during this period.

The remuneration policy for members of the Supervisory Board and Management Board is subject to our comprehensive **corporate governance** systems. In particular, this includes the **remuneration system for Supervisory Board members** and the **remuneration system for Management Board members**, which was approved by the General Shareholders' Meeting in March 2021. Further information about the remuneration of the Group's highest governance body and senior executives as set out in GRI 2-19 can be found in our **remuneration report**.

Supply chain

GRI 2-6 | 2-24

The German Supply Chain Due Diligence Act (LkSG) came into force on 1 January 2023. The Act regulates the protection of human rights and the environment within global supply chains. On 23 February 2022, the European Commission also submitted a draft directive to promote sustainable corporate governance. The draft Corporate Sustainability Due Diligence Directive (CSDDD) includes both human rights and environmental due diligence obligations as well as provisions for responsible corporate governance. The aim is to ensure that European companies meet certain due diligence obligations to prevent their respective business activities from negatively impacting human rights and the environment within their supply chains both inside and outside Europe.

Although DIC primarily operates in the German and European 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 observe and implement our **Business Partner Code of Conduct**, and the **principles of ethical conduct and integrity**. Furthermore, we prepared a **Code of Conduct** to guide all of our company's actions and decisions.

DIC undertakes hardly any new-build activity of its own (less than 10% of the entire portfolio) but instead takes on properties from corresponding project partners, usually on a turnkey basis. During the year under review, we carried out a supplier evaluation to assess our highest-volume suppliers. In particular, the analysis focused on identifying dependencies on individual suppliers. After careful consideration, we came to the conclusion that none of DIC's suppliers is responsible for more than 5% of the total procurement volume. The results of the supplier evaluation inform the Critical Supplier Identification (CSI), which will be a key systematic supplier and supply chain management tool in the future.

On 20 December 2022, we also adopted a Company-wide sustainable procurement policy that obligates all DIC employees to incorporate the aspects mentioned in the policy into the tendering and awarding process as well as into all purchasing decisions wherever possible and economically feasible. By introducing this policy, we want to embed sustainable procurement as a key issue within our organisation.

Our Business Partner Code of Conduct provides the foundations for every collaboration. It allows us to ensure that our values and standards are also transferred to our business partners and applied along the entire supply chain. Our aim is to make sure that our business practices are consistent and ethically justifiable. DIC also reserves the right to monitor compliance with the provisions set out in the Code of Conduct for Business Partners. In accordance with our Code of Conduct, DIC does not tolerate any human rights violations and pursues every suspicious case with the necessary determination. We have also committed ourselves to a more inclusive and sustainable economy for the benefit of all people and the environment with our **Declaration of Compliance** with the ten principles of the United Nations Global Compact (UNGC).

Precautionary approach and risk management

GRI 2-23

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. Merely reacting to the consequences of global climate change is not enough. DIC fully supports Principal 15 of the Rio Declaration on Environment and Development. This sets out the precautionary approach, according to which a lack of full scientific certainty must not be a reason for postponing cost-effective measures to prevent environmental degradation.

DIC possesses its own risk management system ("RMS") that serves to recognise early on any developments that might pose a going-concern risk. The RMS extends throughout all areas of DIC and its subsidiaries, and is binding on all employees. The RMS of VIB is described in the **2022 Annual Report** on pages 90–91. The risk assessment of VIB is transposed to the risk assessment of DIC. DIC's risk system comprises five risk classes: (1) strategic risks, (2) financial risks, (3) compliance risks, (4) political, social, legal, regulatory and environmental (ESG) risks and (5) operational risks. Risk management is regularly adjusted to accommodate ESG criteria when identifying both risks and opportunities. The original focus until 2020 was on regulatory risks and was then expanded to include climate and environmental risks. This reflects our efforts to grow on a sustainable basis and accordingly control, spread and reduce any risks which may arise. The management of risks and opportunities is therefore a fundamental component of corporate governance.

Our RMS, the identified risks and the measures taken to minimise risks are described in detail in our report on expected developments, risks and opportunities, which is part of the management report published in the 2022 Annual Report (from page 85).

Sustainability-related risks are also identified and assessed in our RMS. Physical and transitional environmental and climate risks are particularly relevant for DIC. These are explained in detail in the **Governance** chapter.

The complete **list of all of DIC Asset AG's memberships, donations and sponsorships** is updated annually and publicly available.

RMS

DIC Asset AG's own **risk management system** that serves to recognise early on any developments that might pose a going-concern risk. The RMS extends to 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 2-23 | 2-28

Commitment and responsibility

DIC participates actively in national and international sustainability initiatives in the real estate sector. In this context, we are pursuing the aim of embedding sustainability topics even more firmly within our organisation, and encouraging the sharing of experience and information within our industry.

At national level, DIC is a member of the German Property Federation (ZIA). Our CEO Sonja Wärntges contributes her experience and expertise as a member of the ZIA Executive Committee. As regards 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 carbon savings using existing technologies.

The Management Board and the Supervisory Board declare that DIC from the date of submission of its previous Declaration of Compliance has complied with the recommendations of the German Corporate Governance Code (DCGK) as amended on 16 December 2019 and 28 April 2022, as applicable, and will comply with them in the version amended on 28 April 2022. The exceptions that apply are **available publicly** on our website.

At European level, we are involved in the European Public Real Estate Association (EPRA). EPRA contributes to developing new ESG performance indicators and reporting formats for the European Real Estate sector. This includes the first ESG database of the property sector, which since 2011 has been continuously populated with data that comply with sustainability Best Practices Recommendations (sBPR).

DIC is also part of the ESG Circle of Real Estate (ECORE), 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 standard forms the basis of our work to continuously optimise our carbon footprint on the path to achieving carbon neutrality. Since 2020, we have been involved in developing a European standard to measure the sustainability performance of properties and portfolios via our subsidiary in the funds sector. 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. In 2022, we began testing the ECORE rating as part of our acquisition process to collect empirical data on marketability.

Besides our work at institutional level, our employees invest a great deal of effort in contributing to other initiatives and associations, such as the Institute for Corporate Governance in the German Real Estate Industry (ICG), the Deutsche Investor Relations Verband (DIRK), the German Sustainable Building Council (DGNB), the Wirtschaftsinitiative FrankfurtRheinMain, the Urban Land Institute (ULI) Europe, and the Association of Friends and Supporters of Goethe-Universität Frankfurt.

DIC Asset AG pays ongoing **membership fees** to a number of industry and professional associations. Expenses for association memberships in the past financial year came to around EUR 131 thousand (2021: around EUR 119 thousand). Donations for charitable purposes, sponsorships and other expenses in the context of "corporate citizenship" amounted to around EUR 7 thousand in the past financial year (previous year: around EUR 22 thousand). We will continue to be actively involved in trade associations and collaborate in initiatives outside DIC, maintaining an interdisciplinary dialogue with stakeholders and encouraging the development of standardised best practices in the sector.

Ethics and integrity

GRI 2-23 | 2–24 | 2-27

Company policies

DIC maintains a corporate culture that is committed to the principles of ethics and integrity and promotes mutual appreciation, responsibility and respect within the workforce. The Company is in compliance with the recommendations of the DCGK as described in its annual Declaration of Compliance. The Management Board regularly informs the Supervisory Board of any existing risks and their development. The Company's internal control, reporting and compliance structures are continuously reviewed, enhanced and adjusted to changes in the general environment.

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 by implementing appropriate measures and processes. For whistleblowers who only wish to submit their information anonymously, DIC operates its own whistleblower system which is described in detail in the Compliance section.

In our **Policy Statement on Respect for Human Rights** we stated compliance with all locally applicable legal provisions is a matter of course for us and 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:

- The United Nations Universal Declaration of Human Rights
- The United Nations Guiding Principles on Business and Human Rights
- the Eight Core Labour Standards of the International Labour Organization (ILO)
- the Ten Principles of the UN Global Compact
- the 17 Social Development Goals of the United Nations

We consider the values and standards contained therein to be the main foundation of our corporate culture. During the year under review, we classified our sustainability initiatives in accordance with the **17 Social Development Goals** (SDGs) of the United Nations. Graphics representing the SDGs to which the main focus areas of our initiatives or activities contribute are clearly visible in the relevant chapters.

Our **Compliance Policy**, which we updated again in 2022, defines comprehensive protection against any form of discrimination, unfairness or harassment, especially on the basis of ethnic identity, gender, religion or belief, or any physical or mental limitation, age or sexual orientation. Our stated objective is to actively

Sustainability goals – simple, understandable and **notable**

The UN Sustainable Development Goals

In September 2015, the UN General Assembly adopted the 2030 Agenda for Sustainable Development – an action plan for all member states of the United Nations to carry out a sustainable transformation of society, the economy and the environment by 2030. The **17 Sustainable Development Goals and their 169 associated targets** form part of the 2030 Agenda.

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 publicly available.

prevent any kind of discrimination, unfairness or undesirable behaviour. The Policy also provides information on reporting misconduct and violations as well as related consequences and points of contact.

In 2022, the lobbying and **anti-corruption rules** contained in the Compliance Policy were transferred to separate policies. In accordance with our Anti-corruption Policy, our staff are obliged to make all business decisions exclusively in the best interests of DIC and without any intention of furthering personal interests. The Group has a zero-tolerance policy to corrupt behaviour and the abuse of decision-making powers as granted to individuals. The **Lobbying Policy** stipulates that DIC's lobbying work should be characterised by transparency, fairness, integrity and factual information. The Policy also defines a set of principles that our staff and all advisors acting on behalf of DIC are obliged to follow and observe. The Lobbying Policy also sets out the obligations of advisors and lobbyists acting on behalf of DIC. Among other things, this includes the obligation to identify themselves "outwardly" as representatives of DIC and act transparently in their dealings with third parties and/or public servants.

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

Our general principles for and commitment to climate change mitigation and environmental protection are set out in our Environmental Protection Policy circulated across the Company on 18 February 2022. The Environmental Protection Policy applies to our own business activities, our own property portfolio and the properties we manage for third parties.

Since 20 December 2022, DIC has also had a sustainable procurement policy that encourages all employees to incorporate the aspects mentioned in the policy into the tendering and awarding process as well as into all purchasing decisions wherever possible and economically feasible.

On 20 December 2022, we also adopted a safety policy for our products, services and buildings to prevent adverse effects on life, health and the assets of our business partners and other people as well as the environment. During the year under review, we analysed 100% of our portfolio of products and services for potential improvements to reduce adverse impacts on the health and safety of our business partners and other people. In 2022, there were no violations of statutory provisions or internal guidelines associated with the impact of our products, services and buildings on the health or safety of our employees, business partners or clients.

All company policies listed here have been approved at Management Board level and are updated as required.

Corporate governance and sustainability strategy

GRI 2-9 | 2-10 | 2-11 | 2-12 | 2-13 | 2-15 | 2-25

Management structure

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

The Management Board is responsible for managing the company. Management Board members take collective responsibility for the overall management of the company. Notwithstanding their overall responsibility, the 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 sat on the Management Board in addition to the CEO as of 31 December 2022: Christian Bock (CIBO), Patrick Weiden (CCMO) and Johannes von Mutius (Investments). Management Board members Christian Bock and Patrick Weiden stepped down at the end of 31 December 2022. The Management Board has had two new members in addition to Sonja Wärntges and Johannes von Mutius since 1 January 2023, with Torsten Doyen (CIBO) and Christian Fritzsche (COO) joining the Management Board team at the start of the year.

The Supervisory Board is the highest governance body within DIC. It may appoint and remove members of the Management Board. The Supervisory Board also takes on certain auditing and reporting obligations, and represents the company vis-à-vis the Management Board (section 112 AktG). The Supervisory Board has six members, including its Chair, Prof Dr Gerhard Schmidt. 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 **2022 Annual Report**, p. 197 et seq. None of the Supervisory Board's members has a management role at DIC.

The nomination and selection procedures applicable to the Supervisory Board and its committees are set out in DIC's Articles of Association. Among other things, the Articles of Association also include provisions on convening Supervisory Board meetings and adopting resolutions. The Supervisory Board most recently addressed the targets regarding its composition and their implementation on 14 December 2022. The targets, which take the recommendations of the DCGK into account in accordance with the Declaration of Compliance (especially as regards sustainability expertise), also include the skills profile for the Supervisory Board as a whole as well as the diversity policy it pursues for its composition. Further details on the targets set and their implementation can be found in the management report of the 2022 Annual Report (page 123 et seq.).

Supervisory Board members declare conflicts of interest that arise while carrying out their duties in accordance with the DCGK. No conflicts of interest arose in financial year 2022. The Supervisory Board, in conjunction with the Management Board, in December 2022 issued the annual **Declaration of Compliance** in accordance with section 161 of the AktG on the recommendations of the DCGK, taking into account its amendments. It was published on the Company's website in the Corporate Governance section, including the applicable exceptions.

One of these exceptions concerns the following matter: The DCGK recommends in clause C.10 sentence 1 that the Chairman of the Supervisory Board should be independent of the Company and its Management Board. According to clause C.7 of the Code, when assessing the independence from the Company and its Management Board it shall be taken into account, among other things, whether the Supervisory Board member (i) currently is maintaining (or has maintained) a material business relationship with the Company or one of the entities dependent upon the Company in the year prior to his appointment, directly or as a shareholder, or in a leading position of a non-group entity, and/or (ii) has been a member of the Supervisory Board for more than 12 years. The Supervisory Board has decided to use the formal indicators referred to in the Code as relevant for its assessment and not to apply a different classification, as would be permitted under clause C.8 of the Code. Notwithstanding the fact that the Chairman of the Supervisory Board based on the aforementioned formal indicators would not be regarded as independent of the Company and its Management Board, the Supervisory Board has no doubt that the Chairman

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 ESG with our digital and IT strategy represents an important foundation.

can fully meet his advisory and supervisory duties. In addition, the Supervisory Board has what it considers to be an appropriate number of independent members as more than half of the shareholder representatives, including the Chairman of the Audit Committee, are independent of the Company and its Management Board.

Further criteria for the composition of the management structure, such as terms of office, gender quotas, further training programmes carried out or existing skills, are set out in the Supervisory Board report published in the **2022 Annual Report** (page 22 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 37%[1] of carbon emissions while requiring huge amounts of resources – especially fossil fuels – during construction and operation.

Since the EU published its Sustainable Finance Action Plan in March 2018, ESG has become a defining issue for capital markets. It ambitious climate targets have not yet been fully integrated into the mechanisms of the real estate sector. Irrespective of the regulatory requirements, we identified the sector transformation that lies ahead as an opportunity and made important strategic decisions during the past reporting year.

As one of Germany's leading listed real estate companies, DIC is actively helping to achieve these targets. To ensure that the Company can remain commercially successful in the long term, management therefore attaches considerable significance to both economic issues and ESG aspects. When dealing with these issues, we focus on identifying, monitoring, mitigating where possible and avoiding any adverse consequences of our business activities on the environment ("inside-out view"). At the same time, we analyse the potential impact of climate change on our business model and commercial real estate business as part of our efforts to manage risks and opportunities ("outside-in view").

As a result, sustainability and all related ESG action areas form a fundamental and integral part of our corporate strategy. At DIC, our strategic considerations focus on the **"circle of long-term excellence"** ,which fully represents our value chain as a 360-degree model. In addition to the long-term commercial success that forms the basis for our activities, we are also striving to take a leading role in the sustainable transformation of our industry. For us, that means pursuing the ESG targets set out in this report with the same meticulous care and passion we take in reaching our commercial milestones. More than anything else, long-term success at DIC means combining all environmental, social, governance and digitalisation aspects in one integrated management model.

Environment

The approach taken by DIC consists of developing our proprietary portfolio based on DIC-specific environmental and governance criteria (MATCH), acquiring suitable properties and disposing of unsuitable ones (TRANSACT), sustainable letting and management (OPERATE) and further developing the property portfolio under management by implementing innovative structural and technical measures (DEVELOP).

In our Institutional Business, we design innovative products and, in close cooperation with our AIF management companies (German "KVG"), inspire investors with these designs (MATCH). At the same time, we acquire suitable properties to sell them at the right time at a higher value (TRANSACT). We also actively manage the respective (fund) products based on our investment strategy (OPERATE) and develop individual investments and properties with the approval of the investors (DEVELOP). The RLI-GEG Logistics & Light Industrial III special fund is DIC's first "green" investment product in accordance with Article 8 of the EU Sustainable Finance Disclosure Regulation.

[1] Source: UN Environment Programme, 2022 Global Status Report for Buildings and Construction, page 37

Social

Our conduct focuses on responsible, inclusive and always fair interaction with our employees, tenants, occupiers and business partners, and this ties in with our ambition to make a sustainable contribution to society. 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 embrace the responsibility to provide a positive corporate culture and to promote a safe, socially fair and healthy work environment. We also contribute to the well-being of our employees. Appropriate and fair remuneration across all levels of the hierarchy is part of our corporate culture. Apart from that, we invest significant resources unlocking the full potential of talented employees. DIC will not provide a breeding ground for discrimination in any shape or form. We welcome variety, equal opportunity and diversity. As an established player in the German commercial real estate market, we consider the interests of all stakeholders as well as the challenges faced by society and the requirements resulting from this for the property sector. Achieving tenants who are satisfied with our properties and range of services 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 by working with institutions and industry bodies.

Governance

We attach great importance to corporate governance along the lines of our sustainability approach. To fulfil this commitment, we want to enhance greater transparency and consistently integrate ESG 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 our corporate DNA. We are part of society – successful and sustainable.

Regularly reviewing (and adjusting) our ESG targets enables us to ensure that all our ESG measures are coordinated, effective and meaningful, and 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, Business Partner Code of Conduct etc.

Digital transformation

ESG and digital transformation are future focus areas for our company. Digitalisation is a fundamental building block of our ESG strategy. DIC views itself as a long-term stakeholder which is harnessing the synergies that emerge from standardising and automating operational and administrative processes.

Digitalisation has become a natural part of our daily business, and we consider a secure and flexible IT working environment to be very important – including in the context of mobile working.

This is why we are continuously working on integrating digitalisation into our ESG routines and work streams. We use digital tools to better network previously existing data silos. This will give us not only improved data oversight and increase our control options but also boost communication addressing all stakeholders.

GRI 2-12 | 2-14

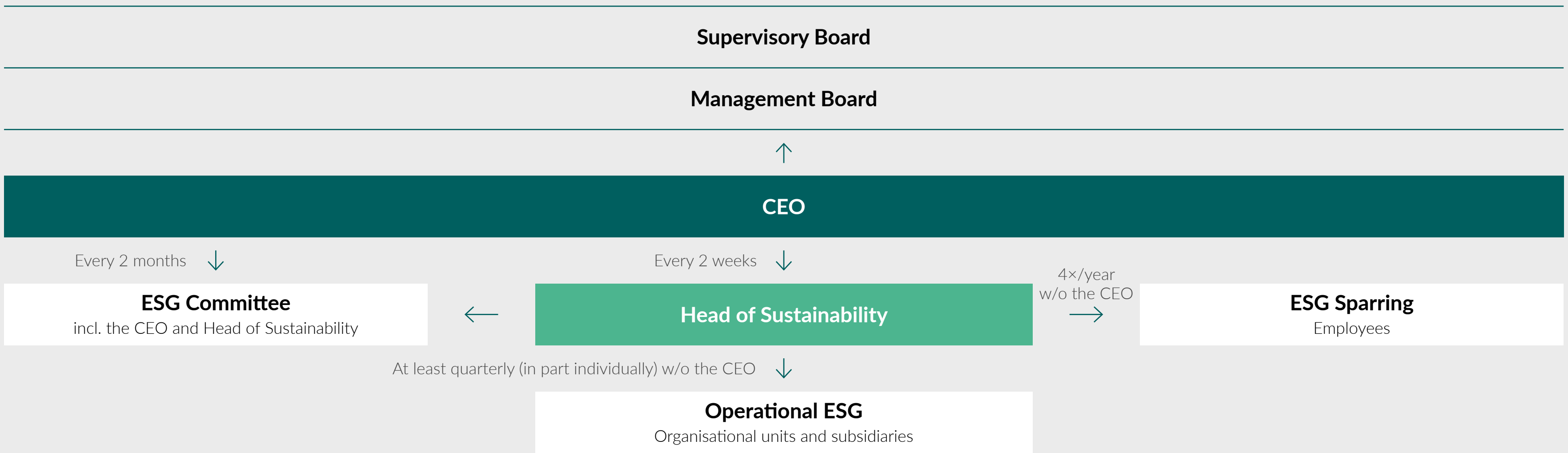
Sustainability organisation

Embedding sustainability in our organisation and working with all stakeholders and organisational entities will be key for the success of DIC.

The CEO of DIC is responsible for sustainability and regularly discusses this topic with the Supervisory Board in the context of the business strategy. The Head of Sustainability reports directly to the CEO and is closely involved in the Company's ESG-related decision-making processes. The Head of Sustainability is responsible for developing the ESG strategy on an ongoing basis and working with DIC's administrative and operating areas to step up their ESG activities. This includes identifying and centrally managing strategic and economically viable ESG projects along the Company's value chain, setting targets, managing the implementation of governance issues, ESG reporting and sustainability communications.

We have set up an ESG Committee consisting of the CEO, Head of Sustainability and executives from Investor Relations & Corporate Communications, Human Resources, Investment, Portfolio Management, Development, Corporate Finance, and Accounting/Compliance to make key decisions on the focus of ESG strategy and targets. The ESG Committee's role is to set ESG priorities, launch ESG initiatives and manage ESG risks. This ensures that ESG strategy, targets and risk management are integrated and implemented across all business units.

ESG topics and projects are operationally managed, implemented and processed by the organisational units in accordance with DIC's organisational structure (operational ESG). The organisational units also appoint ESG project managers who are responsible for implementing initiatives and setting targets as part of day-to-day business and reporting to the Head of Sustainability on a regular basis.



Stakeholder dialogue

GRI 2-29

Our key stakeholders

DIC 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 carried out a comprehensive stakeholder analysis to identify its key stakeholders/stakeholder groups) and set up its work streams in a way that enables transparent and fair dialogue with all stakeholders to complement the actual business relationships.

As a listed company and one of around 300 companies listed in the Prime Standard – the stock-market segment of the Frankfurt Stock Exchange which is legally regulated and subject to the highest transparency standards – DIC is of great interest to the general public. In addition to the actors on the capital markets who help us finance our business activities (equity and debt providers, such as shareholders, bond investors and banks), our most important stakeholders in our third-party business are institutional investors whom we assist with their investment decisions to invest directly in real estate and support with their ongoing real estate management. Tenants in our managed real estate portfolio represent another key stakeholder group to whom we offer attractive commercial premises for rent on our entire DIC platform. We frequently engage in dialogue with cities and municipalities (body politic), the local general public and neighbouring communities 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 offers a wide range of services along the real estate value chain, cooperating 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.

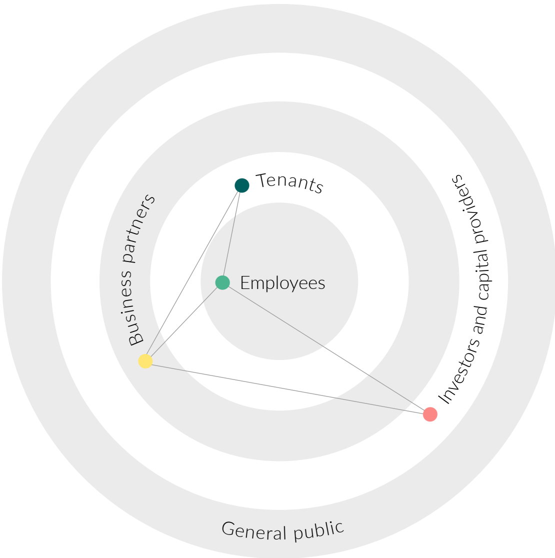
Our goal is to reconcile the various interests of all our stakeholders in the best way possible. This also fits into our understanding of corporate citizenship. Following the guiding principle of "shaping our business with and for the people", we find ways to stimulate the development and intrinsic value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

DIC sees itself as part of a vibrant, diverse and dynamic society. Meeting the demands of all stakeholder groups is an ongoing task whose success depends crucially on open and honest dialogue with them. We place great importance on regular and systematic

A holistic stakeholder approach

Stakeholders are defined in the GRI Standards for Sustainability Reporting ("GRI") as "individuals or groups that have interests that are affected or could be affected by an organisation's activities". This definition is also referred to as the "inside-out view" as it refers to a company's direct or indirect impacts on the environment. For the purposes of sustainability reporting, DIC has also expanded the GRI definition to include the "outside-in view". This includes environmental factors that could have an impact on DIC, its employees, processes or business practices (e.g. extreme weather phenomena caused by global warming). By expanding this definition, our aim is to take the most holistic approach possible to our stakeholders.

stakeholder dialogue to further develop our vision of sustainability and communicate internally as well as externally. We use the entire bandwidth of our communication platform for this purpose: talks, panel discussions, digital workshops and internal in-person meetings.



DIC has identified its key stakeholders/stakeholder groups and set up its work streams in a way that enables transparent and fair dialogue with all stakeholders to complement the actual business relationships.

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 necessary, it will be escalated to the Management Board headed by our CEO. In November 2022, for example, we carried out a tenant satisfaction survey. Out of approximately 1,400 tenants in our Commercial Portfolio and Institutional Business, we invited the top 50 revenue contributors from each segment to participate in the survey. In total, 35 of the 100 people invited took part in the survey, answering questions on communication with the landlord, the property and its services, advice on New Work and new concepts, and renewable energy and ESG issues. Tenant satisfaction was measured on a scale from 1 (highly satisfied) to 5 (dissatisfied). The average of all answers across all question categories was 2.7. This score gives us an opportunity to make further improvements to our service. The survey showed us that our tenants are very interested in issues such as New Work and ESG, and we will continue this dialogue with our tenants in the year ahead. Our next survey is scheduled for the third quarter of 2023.

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

Institutional Business investors

Based on discussions with our business development and fund management teams, we regularly provide our institutional investors with information about the performance of investment vehicles and properties. We also deliver monthly reports via our digital investor cockpit. Twice a year, we report in detail on our investment strategy, capex measures, and acquisition and sales plans.

Capital providers and analysts

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

Business partners

Our goal is to have business relationships with our business partners that endure not only for one project but for the long term. Collaboration is based on trust and mutual respect. For 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. We are also open to new business relationships, collaborative models and technologies.

Tenants

Firmly embedded in the regional market, our teams provide both tenants and properties with on-site support. We prioritise the service quality, reliability and assured accessibility of our commercial and technical property managers. Going forward, this will be supported by carrying out regular tenant surveys. We see it as our responsibility to keep a close and sensitive eye on developments in various sectors and subsectors, right down to the level of individual tenants. This will enable us to play a part in shaping the wishes and requirements of our tenants and attend to them promptly.

General public

Given its size, its listing in the Prime Standard segment of the Frankfurt Stock Exchange and the growing importance of (commercial) real estate as an important issue for society, DIC 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, and via our social media channels. In local real estate projects, we seek dialogue with local residents and municipal governments.

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 internal information event "DIC Insights" and our "CEO Lunches" with employees from all Group areas. All employees have the opportunity to talk to their line manager and/or Human Resources at any time. Employees can express their needs or wishes within the context of their 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. Material changes are communicated promptly in-house by the Management Board and/or Corporate Communications.

Sonja Wärntges
Chief Executive Officer

"We don't think about sustainability issues on their own any more. They have become a natural part of our success as a business."

GRI 2-22

The best FFO earnings in DIC's history, double gold at the EPRA awards and a top rating from Sustainalytics are just a few of the highlights from the past reporting year. It looks like DIC's typical "dynamic performance" is gaining more and more traction in the sustainability space, too. What does the path forward look like for DIC? What challenges will you have to overcome?

We are gaining "traction" in sustainability because we are getting more and more people involved. In my mind, our sustainability topics are a common thread that is gradually running its way through our entire organisation and becoming increasingly woven into all levels and parts of our company. In 2022, we increased the number of workshops, events and guidelines again. Our employees are excited and enthusiastic about working on sustainability-related issues. So our ESG issues have become much more prevalent. It's something you can really tell about our company.

What does the path forward look like? We are working to implement our strategy step by step. We don't think about sustainability issues on their own any more. They have become a natural part of our success as a business. In other words, sustainability is part of our DNA.

And all of that changes the way we see things. The entire industry will have a few challenges to overcome in the years ahead. We are also involving our institutional investors, banks and tenants in our strategic approach. We want to take a holistic view of a property or a portfolio. And we're working flat-out to make that happen. Every day. We won't get anywhere by getting bogged down in isolated measures. At the same time, we have to explain and present our strategy properly. After all, ESG is now a fundamental element of our business model. Our motto is: ESG+D is part of the new normal and we are acting accordingly.

DIC calls its sustainability strategy "ESG+D". What does that mean? Can you describe your strategy in a few words?

I'd be happy to. DIC has been involved in sustainability issues affecting the property sector from very early on. We started by implementing individual measures and ideas. Ultimately, we began systematically creating an organisation to work on sustainability and assigned responsibilities. So, sustainability is firmly embedded in DIC. We are working together to make sustainable transformation a success.

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 opportunity

Today, the question we are addressing is: how can we make sustainable transformation clear and measurable?

One thing is clear: what we measure today, we can report in a transparent manner tomorrow. That is to say, we receive robust data in a form that we can analyse. And we can resolve any shortcomings we identify in a targeted manner. So it's clear that an ESG strategy only works if we add in digitalisation. The industry is facing a veritable quantum leap in measurement and building technology.

And it's worth pointing out that buying software is nowhere near the end of the story. Smart building technology first has to be installed, set up and trained. Complex systems are created in the process, whose data streams have to be analysed in a meaningful way. This shift does not happen overnight. So, digitalisation has to be well considered if it is to help to make buildings more efficient. Our response? Challenge accepted. Because by developing practical, streamlined tools, we are helping to make all stakeholders more accepting of our sustainability topics. We want to gather and evaluate our data ourselves and draw the right - meaningful - conclusions. It's the core of our ESG+D strategy.

Are there any macroeconomic, political or social developments that are having a particular impact on DIC at the moment? How are they changing DIC's sustainability strategy?

Yes, there are. We are not immune to the major developments taking place in almost every industry, from the war in Ukraine to inflation and the rapid rise in interest rates. And several components are coalescing at the moment that affect our industry, and that includes us at DIC.

The war in Ukraine was omnipresent in 2022. It was associated with a severe shortage of goods and materials. There was also supply chain disruption, including those from China. The scarcity went hand in hand with an increase in the price of almost all construction services for new buildings and refurbishments alike.

We take a more nuanced view of rising inflation and interest rates. Inflation has not affected us directly because our rents are indexed. But we are still tracking developments closely since they pose a severe burden for our customers and tenants. However, rising interest rates are hitting us just as much as all other players in the property industry. By the way, our firm commitment to sustainability is definitely appreciated on the property side. For me, this serves as further confirmation of the course we have taken.

We have made the necessary preparations and are ready for the challenges that lie ahead. Regardless of any economic changes, our focus on ESG remains a priority.

DIC's sustainability strategy covers a broad spectrum of different topics. What topics are you prioritising at the moment, and why?

I agree. As we develop and implement our sustainability strategy, we are, of course, turning up a wide range of topics. That's why I talked earlier about a common thread that we are gradually weaving throughout the company. But we can always trace back all facets of sustainability to the same four or five overarching themes. These themes are well-known. We've talked about them in depth, including in this report.

I want to stress that all of them are equal. Reaching a gender quota at a certain level is just as important as establishing a new policy on complying with corporate governance requirements or correctly measuring our carbon emissions. It's impossible to say that one is more important than another.

By the way, these topics also complement one another. We need high "social" skills to convey our "numbers-based" targets and concerns in a way that people can understand. We are using different training formats to do so. And we're setting a good example, for instance at our Social Impact Days.

We have created separate areas of responsibility for each topic, for instance, our Head of Sustainability. But it takes more than just one person to make change happen. We need an entire organisation to make transformation a success. And we need each individual to be on board too. Our ESG Committee dovetails all initiatives, including risk management. I'm a member of the committee too, so we are making sure that decision pathways are short.

We have gained considerable expertise in leveraging solar power by acquiring VIB. As a leading project developer for logistics properties, VIB recognised the potential of photovoltaics at an early stage and created its own network of skilled partners. We are now exploring ways to replicate VIB's successful PV model at DIC's office properties. It's a different category of assets and subject to different conditions. We're working on this issue as well. We couldn't be more thrilled to gain VIB's experience and expertise in solar power.

"We aren't the company we were three years ago. And we will continue to evolve."

Sustainable transformation is a hot topic. How are you mapping the positive (and negative) effects your company has? How are you making (positive and negative) impacts measurable?

Let me start by talking about something small. We develop climate pathways for our properties. These pathways illustrate a whole spectrum of measures that can contribute towards the "green" transformation of a property. The results are easy to see, for instance lower electricity consumption or reduced heating costs. We can develop these climate pathways at portfolio level, as well.

But we repeatedly experience growth spurts and changes as a result of acquisitions. That's something that we can plan for to only a limited degree. Such transactions have a strong impact on our "green" metrics. For example, the ratio of Green Buildings in our Commercial Portfolio has increased by leaps and bounds as a result of the takeover of VIB. It helped us reach our goal one year early. So VIB is not just helping us expand our logistics asset category, but also accelerating our sustainable transformation.

Incidentally, small successes can have big results. For example, we have added ESG-related criteria to our internal policies. This step helps us to make different decisions today than we did a year ago, for example in procurement or building operations . I always talk about different levels of measurability. Depicting a company's transformation in just two indicators is very risky in my opinion.

It's often said that sustainable transformation has an impact on companies' business models. Is that true of DIC too?

Yes. At the end of the day, transformation is the evolution of the business model. More than anything, we are making our business model broader and wider. By reading our financial or sustainability reports, you can see that what we do has changed a lot in recent years. In everyday life, we often only notice the little things. Our sustainability report shows the sum of everything we have achieved.

We aren't the company we were three years ago. And we will continue to evolve. Sustainable thinking has already radically changed our business model. By the way, we are involving all stakeholders in this change. It's the only way to make sure that we reach our goals.

“We have accepted the challenge and embarked on the right path.”

The progress made in achieving ESG goals is promising. DIC has already fully or almost fully met its social goals in particular. Is the company planning to set new social goals? When do you think a goal is realistic? At what point does it become elusive?

These are the very questions that we are constantly discussing. Of course, we use the “classic” indicators for social issues. These metrics help to create transparency and ensure that all employees receive equal treatment. Many women still take a break from full-time employment for family-related reasons. In my view, that doesn't have to mean that their career is over. For me, this issue is much more diverse than something that affects just men or women. Each year, we organise several events in different formats to translate our understanding of social responsibility into action, both internally and externally. This approach helps us to change as individuals and an organisation. I don't know if we get extra points for doing so. At any rate, we are doing it for the people who work for us and because we want to have a positive effect on our surroundings.

In my opinion, goals should be ambitious to create a clear picture of where we want to go. And that’s especially important for our employees. But it’s something that our investors are also more vocal about. That being said, goals should be realistic too. Otherwise, they quickly become arbitrary. I would like politicians to provide a clear framework to guide companies and private households. That’s particularly true when it comes to support for construction and renovation projects - an area where there’s a lot of confusion at the moment. We need dependable statements so we can draw up reliable plans.

In 2021, DIC set itself the specific goal of reducing greenhouse gas (GHG) emissions per square metre in its Commercial Portfolio by an average of 40% by 2030, compared to the 2018 baseline year. How will you reach this ambitious goal? What projects were carried out to work towards this goal in 2022?

Basically, our way to achieve this goal is by creating a climate pathway for the portfolio. It sums up all measures in our Commercial Portfolio towards the goal. In 2022, we worked hard to analyse our portfolio and identify tangible measures. They include organisational, contractual, structural and technical measures in different programmes. This formal process paves the way for us to roll out these measures systematically.

We didn’t rest on our laurels when implementing steps in 2022, either. For example, we have now rolled out our new Green FM Standard to well over half of our properties. Building efficiency is a key issue for us. We addressed this area with a number of pilot projects in 2022. Smart metering is important in this context. Our sustainability report details a whole range of other measures. So we have accepted the challenge and embarked on the right path.

I think that there are many small levers that we are adjusting to drive constant improvements. I am sure that our team has the expertise and tools needed to achieve our goals. I am looking ahead confidently to the future. We have a lot of work ahead of us. DIC has always understood how to work together as a team to leverage change as an opportunity.

Materiality analysis

GRI 3-1 | 3-2

Identification of material sustainability topics

As it operates throughout all of Germany, DIC enjoys an excellent network comprising all relevant stakeholders and service providers of Germany's real estate sector. Our decisions and actions impact investors and capital providers, around 341 employees, some 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, with investors in third-party business (Institutional Business) having become increasingly important since 2019 (stakeholder dialogue). To identify the sustainability topics significant for DIC, 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.

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 in the previous year to reflect social and industry-specific changes, and the development of the company. In our annual Sustainability Report, we describe in detail our internal processes, the implementation status of the actions adopted and other developments. We also discuss our stakeholder engagement and our ESG management approach.

In the Governance, Environment and Social sections, we 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 separate documents).

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 2021 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 ESG categories.

Stakeholder survey

We identified topics that are relevant for our stakeholders by conducting interviews with our Supervisory Board members, selected shareholder representatives, institutional investors, tenants and banks. We also conducted an online survey with additional stakeholders, especially selected tenants, employees, institutional investors and shareholders. The stakeholders we surveyed indicated 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's Management Board. Company executives were also surveyed in detail to assess the significance of the 20 sustainability aspects ranging from "less important" to "very important" as regards their relevance to DIC.

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.

In the 2021 update of the GRI Standards – the framework for this report – the GRI focuses on the **inside-out view** when carrying out a materiality analysis. However, DIC continues to take a two-pronged approach to materiality to ensure that it can comprehensively cover all sustainability-related aspects. This materiality analysis is also conducted in accordance with soon-to-be-adopted European reporting obligations set out in the CSRD, EU Taxonomy and ESRS, in which double materiality is firmly established.

Material action areas

Based on their relevance to stakeholders, sustainability and the company as determined in the materiality analysis, the Management Board has identified the following top-priority action areas:

- Emissions and decarbonisation
- Energy and energy efficiency
- Sustainable products and portfolio performance
- Innovative modernisation concepts
- Attractive employer
- Diversity and equal opportunity
- Economic/financial performance
- Compliance

The top environmental action areas (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 2 and GRI 205. As part of our materiality analysis, we identified the sustainability topics shown in this chart to be material:

DIC Asset AG materiality matrix

Strategic action areas

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 opportunity

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 Environmental stewardship

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

Stakeholder relevance

Important Very important

Report profile

GRI 2-3 | 2-5

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 stand-alone Sustainability Report, to give adequate scope to the growing importance of sustainability within our company.

The reporting period is the same as our financial year, and begins on 1 January 2022 and ends on the balance sheet date of 31 December 2022. DIC's most recent Sustainability Report was published in May 2022 and covered the reporting period 1 January 2021 to 31 December 2021.

Our Head of Sustainability is continually working on refining the content of our sustainability reporting. Since 2021, this function 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 divisions, coordinates our internal and external corporate communications including capital market reporting.

Lukas Brunert
Head of Sustainability

Peer Schlinkmann
Head of Investor Relations &
Corporate Communications

Maximilian Breuer, CFA
Senior Investor Relations Manager

Auditor's report

DIC Asset AG is currently not required to have its Sustainability Report reviewed by an independent auditor. DIC decided to have an independent auditor conduct, for the first time, voluntary limited assurance on parts of its Sustainability Report 2022, specifically the **Targets, KPIs, status** tables in this report.

The internal procedure for the appointment of the independent auditor for the consolidated financial statements is described on page 129 of the **2022 Annual Report**. Hamburg-based audit firm BDO AG, which was already responsible for the audit of the 2022 consolidated financial statements, was engaged to carry out the voluntary audit of the 2022 Sustainability Report. The voluntary audit of the Sustainability Report was performed as part of a simplified engagement. The German Public Auditor responsible for the audit of the 2022 consolidated financial statements is Christoph Hyckel. The partner responsible for the voluntary audit of the 2022 Sustainability Report is Carmen Auer. Please refer to the **appendix** to this report for the audit opinion and the statements made about the independence of the audit firm and the quality management system in place there.

Governance

Corporate governance plays an important role at DIC. We are committed to respecting the principles of ethics and integrity and supplement this by continually expanding our internal policies and regulatory frameworks. We ensure that all statutory provisions are observed by clearly allocating responsibilities and following systematic compliance processes. This chapter provides insights into how we incorporate our values into our day-to-day operations and consistently implement our ESG policies at every level of the organisation.

Cornerstone of DIC's corporate strategy

GRI 3-3

Economy in consistency with the environment

The materiality survey carried out in 2021 identified two governance topics as strategic action areas: "economic/financial performance" and "compliance". The identification of these topics underpins DIC's guiding principle for its own corporate governance:

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

Back in 2020, the German Environment Agency published a **report** that closely examined the impact of climate change on the German economy. The report described climate change as a global challenge and, among other things, mentioned that "climate change is affecting the frequency, intensity and geographical distribution of extreme weather events as well as gradual climatic changes. Even when the consequences of climate change are limited to specific regions, they spread across political boundaries due to global physical and economic ties. A country may be indirectly affected by the international impact of climate change depending on the extent of their global interconnections and interactions with other vulnerable nations. This is true of both developed and developing countries. These international impacts of worldwide climate change may be particularly relevant for countries such as Germany that are heavily intertwined with the global economy."[1]

Based on this and other analysis, DIC expanded its Group-wide risk management system to incorporate environmental and other sustainability-related factors back in 2020. Since the 2022 reporting year, we have also explicitly distinguished between physical and transitional climate risks and outline their potential effects on our business model. During the year under review, we also conducted a systematic physical risk assessment that incorporated databases of climate threats and natural hazards such as NATHAN. This assessment provides the basis for carrying out further analysis and developing any mitigation measures that may be required. The aim of this assessment is to ensure that any risks (and opportunities) arising from changes to the global climate are enshrined at the heart of our business model. This forms the basis for a holistic approach to corporate governance in which equal consideration is given to both economic and environmental considerations.

The corporate strategy of DIC Asset AG observes the principles of **ethical conduct and integrity**, and focuses on generating secure, steady, long-term income via our highly productive proprietary real-estate management platform. Our aim is to steadily grow recurring cash flows that offer reliable predictability and create a high level of resilience during difficult market phases. Despite geopolitical tensions and their economic impacts, which also significantly affected our industry, we recorded the best results in the history of our company in the 2022 financial year. DIC's proprietary portfolio has grown from EUR 2.2 billion to EUR 4.5 billion over the past year, making a significant contribution to the increase of sustainable revenue streams. Assets under management have risen from EUR 5.6 billion to EUR 14.7 billion in the past five years alone, with funds from operations (FFO) increasing from EUR 68 million to more than EUR 114 million in the same period. The clear focus of our strategy is to expand logistics properties as an additional asset class alongside office properties. We have emphatically succeeded in doing this, with logistics properties now comprising 39% of our proprietary portfolio. This progress was primarily driven by the acquisition of VIB and our first foray into internationalisation as we purchased four properties in the Netherlands along Europe's main north-south trade corridor.

This success is not to be taken for granted. While we are pleased that the strategic decisions we have taken in recent years are now bearing fruit, we also see this as an additional incentive to pave the way for a successful transition to the world of tomorrow. Although the wider environment is changing considerably, particularly with regard to the ecological (energy-based) demands being placed on commercial properties, the driving force behind our success is the same as ever: using our agility, vision, extensive expertise and resilient network of innovative partners to create sustainable added value for all of our stakeholders. This is from where we draw our "spirit to create excellence".

[1] Source: www.umweltbundesamt.de/publikationen/folgen-des-globalen-klimawandels-fuer-deutschland-0

Our strategic orientation encompasses much more than just economic performance. With its “green building blocks”, the Group’s economic performance was stronger in 2022 than ever before. In the summer of 2022, DIC completed the placement of additional promissory note tranches with a volume of EUR 100.0 million. The new issue was again ESG-linked, which ties interest rates to reliably measurable sustainability metrics. As part of the issuance of the company’s first Green Bond and the publication of a Green Bond Framework (GBF) in 2021, DIC committed to reporting on the development and use of the funds used to finance green projects and properties on an annual basis. The Green Bond placed in 2021 was fully allocated by the end of 2022, as the proportion of Green Buildings within our own portfolio rose even higher after the VIB acquisition. The GBF sets the parameters within which DIC can issue its Green Bonds. After being subjected to an independent external review (second party opinion), the Framework was found to be in accordance with the ICMA Green Bond Principles (GBP) for 2021 as well as Sustainable Development Goals (SDGs) 9 and 11 set by the United Nations. DIC recognised the opportunities presented by “green” financing and will grow this share further over the next few years. DIC has underlined its ambitious commitment by setting itself a target to increase the overall volume of sustainable financing to 40-50% of total assets by 2027.

Internal company policies

DIC once again is proving its foresight. Harmonising economic and environmental ambitions is no longer a distant goal in the real estate sector but already forms part of our corporate DNA. Our close monitoring of the compliance environment means we regularly update and, where necessary, expand our internal regulatory framework. This prompted us to redefine several of our internal standards during the year under review. In addition to the DIC Environmental Protection Policy and our Green Procurement Policy, we also introduced a safety policy for our products, services and buildings. In 2022, the lobbying and anti-corruption rules were transferred to separate policies. By consistently expanding our internal regulatory framework, we are realising our commitment to ensuring seamless compliance in everyday business practice along the entire value chain. During the year under review, this also included introducing and incorporating all of our Group-wide policies at VIB. A detailed presentation of our company policies can be found in the **ESG Profile** section of the Sustainability Report. The updated list of **DIC policies** is available online at any time.

DIC also joined the United Nations Global Compact (“UNGC”) in 2022. This step shows that DIC is committed to supporting the UNGC’s ten principles in the areas of human rights, labour standards, environ-

Human rights and labour standards are **inalienable**

The **UN Global Compact** pursues a vision of a more inclusive and sustainable economy. Well over 22,200 companies and organisations have already signed the UN Global Compact which is based on ten universal principles:

Human rights and labour standards

1 Businesses should support and respect the protection of international human rights.
2 Businesses should make sure that they are not complicit in human rights abuses.
3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
4 Businesses should uphold the elimination of all forms of forced and compulsory labour.
5 Businesses should uphold the effective abolition of child labour.
6 Businesses should uphold the elimination of discrimination in respect of employment and occupation.

Environment and climate

7 Businesses should support a precautionary approach to environmental challenges.
8 Businesses should undertake initiatives to promote greater environmental responsibility.
9 Businesses should encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

10 Businesses should work against corruption in all its forms, including extortion and bribery.

mental protection and anti-corruption. At the same time, we are committed to integrating the UNGC and its principles into our corporate strategy, culture and day-to-day business and participating in collaborative projects that promote the broader goals of the United Nations, particularly the Sustainable Development Goals. Joining the UNGC reaffirms our commitment to integrated corporate governance. At the same time, we are looking forward to networking and sharing experiences with companies that share and advocate the same values that we do.

Ratings

As a listed company, we are the focus of attention of investors, analysts and supervisory authorities in particular. 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 their number and the ratings achieved.

ESG INDUSTRY TOP RATED 2023

ESG REGIONAL TOP RATED 2023

One particular highlight during the year under review was DIC's double gold at the annual EPRA (European Public Real Estate Association) Awards. In addition to our Annual Report, our Sustainability Report has now also received its first gold award from the European industry association. We are grateful for the award and believe that this confirms the transparent communication of our sustainability targets.

DIC achieved excellent results in 2022 as it successfully completed its initial ESG rating with internationally renowned provider Sustainalytics. An overall result of 9.2 prompted Sustainalytics to present DIC with the "ESG Industry Top Rated" and "Region Top Rated" awards in January 2023 for its outstanding results in the ESG Risk Rating. With an overall result of 6.8 (ESG Risk Rating), DIC improved its score even further year-on-year on 25 April 2023, placing it among the top ten companies in the real estate industry (10th out of 1,048) and making it one of the best real estate management companies (2nd out of 162). Sustainalytics measures the most important sector-specific ESG risks and evaluates how well a company manages these risks.

In February 2023, DIC also improved its CSA (Corporate Sustainable Assessment) rating from S&P by an impressive 12 points to 38 points. We also received a Category A grading in the MSCI - ESG Research rating, which was raised further to AA in January 2023. This places DIC among the best 20% of evaluated companies in its peer group of "Real Estate Development & Diversified Activities".

At the end of June 2022, the European Securities and Markets Authority (ESMA) published the results of its investigation (**Call for Evidence**) into ESG rating providers and market developments within the European Union. This investigation showed that the range of ESG ratings is divided among a small number

ESG ratings of DIC

Rating	Previous	Current
Sustainalytics	Overall result, 2021: **26.8**	**9.2** Overall result, 2022; April 2023: ↗ **6.8**
S&P CSA	2021: **18**	**26** Overall result, 2022; February 2023: ↗ **38**
MCSI ESG Research	2021: **A**	**A** 2022; January 2023: ↗ **AA**
EPRA sBPR	2021: **Bronze**	2022: ↗ **Gold**
ISS ESG	2021: **D+**	2022: → **D+**
CDP – Climate Change	2021: **C**	2022: → **C**

of very large non-European ratings providers and a large number of significantly smaller European providers. It also established that ratings are generally commissioned by investors ("investor-pays basis"). There appear to be significant differences when it comes to the collection of data and methodology used by each ratings agency. Due to the lack of transparency and inconsistency in the ESG ratings market within the EU, ESMA urged the European Commission to introduce regulatory measures in an **official letter** back in 2021. The aim is to create binding rules for all providers and thus help provide greater market transparency – and ultimately better ratings processes.

We expressly welcome the ESMA's initiative and will take into account its results and the implications for our own ratings. DIC cooperates openly with ESG ratings agencies at all times in their efforts to collect data and exchange information. We draw on the expertise of our specialist departments as required when gathering data and qualifying our information. Our Investor Relations team and Head of Sustainability are available to contact at any time, and we appreciate being able to exchange information honestly and on equal terms in accordance with our core values. To meet the (potential) requirements of rating providers, in our Sustainability Report we expressly refer to our **2022 Annual Report** as well as to further relevant ESG publications and documents on our **website**.

Please refer to the 2022 Annual Report of DIC Asset AG for further information on the Company's financial performance.
To the Annual Report

Economic/financial performance

GRI 201-1

62%
Increase in rental income

Group results

DIC generated gross rental income of EUR 176.0 million in 2022. This represents a (primarily M&A-driven) year-on-year increase of more than 60% and offers impressive proof of DIC's strong performance even in a generally challenging market environment. Real estate management fees were strong at EUR 88.4 million despite a challenging transaction environment particularly towards the end of the year. Total income from the Commercial Portfolio and Institutional Business fell slightly to EUR 352.9 million during the year under review, partly as a result of a lower transferred sales volume compared to the previous year.

Despite the challenges faced in the year under review, the financial year ended with the highest ever FFO figure after minority interests since the company's IPO, EUR 114.2 million, which represents an increase of around 7% year-on-year. Due to the company's acquisition of a 68% interest in VIB, the FFO figure now includes a significantly higher proportion of revenue which can be planned long-term. This means that the company is placed on a stable and resilient footing for the future. Further information on DIC's operating performance during the year under review can be found in our **2022 Annual Report** (page 59 et seq.).

Overview of income

in EUR million	2021	2022	Change
Gross rental income	108.4	176.0	62%
Net proceeds form disposal of property	139.3	51.5	–63%
Real estate management fees	101.2	88.4	–13%
Other income[1]	27.0	37.0	37%
Total income	**375.9**	**352.9**	**–6%**

[1] Service charge income on principal basis and other operating income

Key earnings figures

in EUR million	2021	2022	Change
Total income (incl. net proceeds from disposal of property)	375.9	352.9	–6%
Share of the profit or loss of associates	6.5	18.9	191%
Other comprehensive income	7.5	–12.7	–269%
Direct economic value generated	390.0	359.1	–8%
Total expenses (incl. carrying amount of disposals)[2]	–260.4	–251.3	–3%
Net interest expense	–49.7	–60.6	22%
Taxes	–14.1	–17.0	21%
Dividend distribution for the previous year	–56.4	–61.4	9%
Issuance of shares through capital increases	17.8	17.9	1%
Other costs	–0.3	–0.2	–33%
Economic value distributed	–363.1	–372.6	3%
Economic value retained in the company	**26.9**	**–19.7**	**–173%**

[2] All expenses in P&L up to interest expense

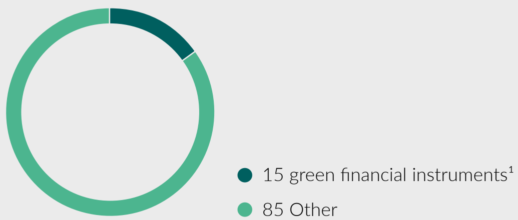
By successfully implementing our ESG strategy, we are striving to achieve a further positive effect on our FFO KPI. To finance our operating activities, we are also relying increasingly on green financial instruments on the financing side. By 2027, we want to boost their share from their current level of around 15% of total assets to around 40–50% to contribute to financing our ESG targets. During the year under review, the overall share of green financial instruments on the financing side declined slightly from 20% of total assets in the previous year to 15%. This effect is attributable to the increase in total assets that resulted from the VIB acquisition. Overall, however, the volume of green financial instruments grew from EUR 680 million in the previous year to EUR 772 million.

FFO development

in EUR million	2021	2022	Change
Net rental income	91.2	152.5	67%
Profits on property disposals	23.8	12.7	–47%
Administrative expenses	–21.5	–37.9	76%
Personnel expenses	–38.1	–42.6	12%
Other operating income/expenses	2.0	2.3	15%
Real estate management fees	101.2	88.4	–13%
Share of the profit or loss of associates, excluding property development and disposals	6.5	18.9	191%
Net interest expense	–49.7	–60.6	22%
Other adjustments	15.6	13.3	–15%
Funds from operations	107.2	134.3	25%
Funds from operations (excl. non-controlling interest)	107.2	114.2	7%
Funds from operations II (excl. non-controlling interest, incl. profits on property disposals)	131.0	147.0	12%

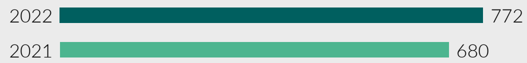
Overall share of green instruments on the financing side as a proportion of total assets

in %



Volume of green financial instruments

in EUR million



Goal: Increase the share of green financial instruments by 2027 to around

40–50%

[1] Calculation based on nominal values for Green Bond and ESG SSD in relation to total assets

Financial implications of climate change

GRI 201-2

When it comes to climate and environmental risks, DIC differentiates between two classes of risk: physical and transitional climate risks.

Physical climate risks

For DIC, physical risks include acute weather events and natural hazards such as storms, heavy rain, earthquakes, floods and forest fires. Our portfolio is concentrated on the commercial and logistics real estate markets in Germany. Significant and lasting climate change increases the direct and indirect risks to the real estate portfolio's building stock. These events could cause physical damage to a building's structure or envelope, for example. In such cases, the risk to DIC mainly consists of the financial cost of any necessary repairs as well as rent defaults that may arise from limited use of a building due to damage. Such events may also result in cost increases or exclusions of liability within building insurance policies. During the year under review, the first systematic Physical Risk Assessment was carried out to determine existing risk potential. This assessment also included existing data on climate and natural risks (such as those from NATHAN). The plan is to carry out further analysis on this basis in subsequent periods in order to derive guidelines for any mitigation measures that may be required. The report on expected developments, risks and opportunities published in our 2022 Annual Report (from page 100 et seq.) outlines in detail the physical climate risks to DIC arising from climate change, the potential financial impact of these risks, and the steps we are taking to adapt to and mitigate them.

Transitional climate risks

Transitional risks for DIC result from the transition to a decarbonised economy arising from changes in policy, regulation, technology and consumer preferences.

The amendment of the Federal Climate Change Act (Klimaschutzgesetz) in 2021 tightened national climate targets further. The act now aims to reduce greenhouse gas emissions by 65% (previously 55%) by 2030 compared to 1990 levels and for Germany to achieve greenhouse gas neutrality by as early as 2045 (previously 2050).

New regulations and stricter laws on energy efficiency and emissions requirements may necessitate increased spending on modernisation or directly result in additional costs for tenants and landlords (e.g. carbon cost allocation resulting from the Federal Fuel Emissions Trading Act (BEHG) or the EU Emissions Trading System (EU-ETS)). Future amendments by the legislature, e.g. in the Building Energy Act (GEG) could require significant changes in the construction or conversion of real estate and lead to higher expenses for complying with energy efficiency requirements in the areas of asset and property management.

The report on expected developments, risks and opportunities published in our 2022 Annual Report (from page 100 et seq.) outlines in detail the transitional climate risks to DIC arising from climate change, the potential financial impact of these risks, and the steps we are taking to adapt to and mitigate them.

The increasing requirements for ESG criteria within companies' own business activities are also creating opportunities for DIC. Proactive modernisation of buildings, the building of ESG criteria into decision-making processes, and selection of future investments and divestments incorporating ESG criteria may give rise to additional business activity on the existing real estate platform and among institutional investors.

Methods and actions for managing climate and environmental risks

DIC has the expertise required to manage the risks and opportunities that arise from the transition to a decarbonised economy. DIC has strengthened its ESG team further since the previous year, while its ESG Committee ensures that shifting parameters are constantly reviewed and any necessary adjustments are embedded within operating processes.

In addition to the CEO, who is ultimately responsible for sustainability, and the Head of Sustainability, DIC's ESG Committee also includes executives from every business unit. These executives' role is to disseminate Committee decisions throughout the organisation. The Committee's task is to make important cross-department decisions on the ESG strategy's focus and to manage RSG risks. This ensures that ESG strategy, targets and risk management are integrated and implemented across all business units.

DIC's approach is to develop its proprietary portfolio based on DIC-specific environmental and governance criteria, acquire suitable properties and sell unsuitable ones, let and manage properties sustainably, and use construction, technical and innovative techniques to develop the managed real estate portfolio.

Strategic initiatives are also being pursued, such as a targeted portfolio strategy that leverages carefully tailored purchase and sale policies. Thanks to our climate pathway, we can determine which of these measures goes the furthest to achieving our climate target and at which point in time.

ibc Frankfurt – state-of-the-art air conditioning technology **is plannable**

The ibc Campus, an ensemble of three modern office buildings, is located directly next to the Messe Frankfurt fair grounds and therefore right on one of the city's main traffic arteries. Forming part of GEG's portfolio and boasting a usable area of around 84,000 sqm, the entire building complex is one of Frankfurt's most prestigious office addresses.

The ibc Campus also stands out from the perspective of sustainability. Completed in 2003, the buildings' technology has already undergone several extensive updates. The air-conditioning system for the ultra-modern office space was upgraded in 2022, with our Property Management team liaising closely with a service provider specialising in energy systems and building technology.

Comprehensive replacement of air-conditioning equipment

Measures taken to make the complex more energy-efficient included replacing 13 cooling units with total power consumption of around 9 megawatts (MW). The higher efficiency of the new units reduced their power consumption to around 7 MW, which lowered electricity consumption accordingly. Before the units were replaced, actual cooling requirements were analysed and evaluated. Particularly replacing the analogue pumps with high-efficiency pumps that can be precisely controlled generated significant efficiency gains. It is estimated that carbon emissions will be reduced by around 580 tonnes per year.

Retrofitting during business operations

The units were updated section by section to ensure that the ibc Campus continued to receive supplies of cold water while the modernisation work was being carried out. Tenants were largely unaffected by the measures and were able to use their offices in the manner to which they were accustomed. The unit in the 112 metre-high ibc Tower was the last to be replaced. A mobile crane was deployed to replace the cooling units on the roof of the building, as these weigh over 10 tonnes.

Digitalising building technology

The external facility management team and our staff from DIC Onsite ensure that the newly installed units and pumps work efficiently using software configured for this specific purpose. Continuous evaluation of performance data helps us to identify ways to make further improvements. Our team builds up valuable experience in using smart metering technology at the same time.

The ibc Campus regularly participates in the internationally renowned LEED sustainability certification. The data generated by the building software is particularly useful here. A significant amount of the data requested during the certification process can now be generated automatically, which greatly simplifies and speeds up data collection. The ibc Campus earned LEED Gold rating in the most recent certification process.

Compliance

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

Measures, frameworks and systems

Over the years, DIC has developed an extensive in-house compliance regulatory framework, whose components are described in detail in the section on GRI 2-23, 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 by taking consistent preventative action. To this end, we continuously review all rules and regulations to ensure that they are up to date and update them as necessary.

We continue to assess the potential for internal corruption or compliance breaches as low. Using the DIC risk management system ("RMS"), five risk classes can be reliably recorded and assessed: (1) strategic risks, (2) financial risks, (3) compliance risks, (4) political, social, legal, regulatory and environmental (ESG) risks, and (5) operational risks. The risk management system extends across the entire DIC and is binding on all employees. The risk assessment of VIB is transposed to the risk assessment of DIC. We have identified the topics of "accepting undue advantages" and "receiving gifts" as having the potential for breaching compliance. The Compliance Officer is responsible for checking compliance with the compliance rules as well as for analysing and deriving measures with regard to compliance risks. The subsidiary VIB, which was acquired in the year under review, also has a Compliance Officer with the same function and identical responsibilities. The Compliance Officer carries out spot-check based risk assessments on relevant accounts (e.g. gifts, entertaining, invitations) as part of an annual review, and reports any anomalies directly to the CEO.

No cases of corruption or violations of internal compliance policies were reported or confirmed during the reporting period.

All members of the control body were made aware of DIC's anti-corruption policy and procedure. The Supervisory Board also established an Audit Committee, which supports the Supervisory Board in the performance of its duties and regularly reports to it. The Audit Committee is concerned with the tasks set out in section 107 (3) sentence 2 AktG, primarily monitoring the accounting, the financial reporting process, the effectiveness of the internal control system, the risk management system and internal audit system, Group-wide compliance, and the audit of the financial statements. The Audit Committee mainly meets as needed. The Audit Committee regularly consults with the audit firm, even without involving the Management Board. All DIC employees have sufficient awareness to be able to recognise fraudulent conduct. This awareness is based on the principles of ethical conduct and integrity introduced Group-wide and our regular training measures.

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.

Corporate Governance Code

The Management Board of DIC 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 concerning compliance.

DIC publishes all of the relevant in-house compliance policies on its website for any business partners or other stakeholder groups to view. Employees can use the DIC Office Hub (intranet), introduced in 2021, as a shared location for news and updates and to distribute in-house policies and other documents. We regularly inform all DIC employees of the applicable company policies, including those on anti-bribery and anti-corruption.

All new DIC employees are notified about all of our internal policies and sign to confirm receipt of these at the latest when they start their job. During the 2022 reporting year, we introduced a standardised process that ensures that existing employees also sign to confirm receipt of our internal policies. This process restarts each time our policies are updated.

During the year under review, we partnered with an e-learning specialist to offer several training sessions on anti-corruption, cybersecurity, data security and compliance. The seminar on anti-corruption and cybersecurity focused on recognising corruption attempts and anti-corruption measures. The cybersecurity training dealt with the phenomenon of phishing, encouraged employees to be aware of scamming attempts sent via email, and provided background information to improve information security. This training session was mandatory for all of the Group's employees. During the year under review, 307 (100%) of DIC Asset AG's employees (excluding VIB) and 31 other employees such as trainees and interns took part in this training session. All six members of the Supervisory Board also completed anti-corruption training.

From 2023 onwards, employees from newly-acquired company VIB will also receive regular training on the aforementioned topics. Corresponding DIC training programmes (including confirmations from employees) have already been prepared and will be implemented soon.

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 together 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 receives appropriate training each year. Members of the Management Board also receive training on the topics of data protection and compliance, usually at least once a year. In line with the recommendations of the Government Commission on the 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 dedicated whistleblower system. No reports of corruption or other misconduct were received in the 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 by state or supervisory authorities in connection with compliance issues.

Other topics – IT security

A substantial part of our business activities are now conducted online, which is why it is so important for us to reliably protect all of our IT systems. In addition to policies on IT and cybersecurity (Internet Policy, IT Disaster Recovery Plan, IT Security Policy), we have also established a suitable security management system. This enables us to minimise the risks to our IT security and their impacts. All DIC employees were also obligated to participate in an IT security training session in 2022. 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

Reducing our environmental footprint and addressing climate change and its impacts is one of the biggest challenges of our time. DIC has set an ambitious climate target that is backed by appropriate performance indicators - creating transparency and clarity. DIC is helping to decarbonise the building sector. At the same time, we are raising the proportion of Green Buildings in our portfolios and are increasingly turning to green financing. We are breaking new ground and focusing on innovation. Read on to learn more about how we are making this a success.

Climate action – our shared responsibility

GRI 3-3 | 302-5 | 305-5

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 burning 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]. Energy-efficient refurbishments and new builds caused the sector's carbon emissions to fall 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 carbon emissions are planned need to drop to 67 million tonnes of CO_2 by 2030.

New legislative initiatives for the building sector are also emerging at European level. In autumn 2022, the EU Council presented a proposal for the revision of the Energy Performance of Buildings Directive.[3] This proposal is based on the "Fit for 55"[4] package published by the European Commission at the end of 2021, which combines measures in areas including improving the energy performance of Europe's buildings. The proposed legislation would establish overall minimum energy efficiency standards for existing buildings based on the maximum amount of primary energy that buildings could use. This provision aims to trigger renovations and lead to the continuous improvement of building stock in EU member states. As regards new buildings, the European Council proposal envisages that all new buildings from 2030 onwards will be zero-emission buildings.

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

Reducing emissions plays a key part in all material categories. Our Smart Buildings ESG project shows how automating building technology helps to mitigate climate change. We plan to expand this project in the years ahead. In the section "Green Buildings and certified buildings", you can learn how we are making sustainable portfolio performance a top priority. The example "VIB goes green" details VIB's success in using land for photovoltaic arrays.

Carbon emissions and energy consumption

At 91.68% (2021: 91.63%) of total emissions, the supply of energy (heating and tenant electricity) and water of rented properties in the Commercial Portfolio represented the largest source of DIC Asset AG's carbon emissions. Other emissions totalling 8.32% (2021: 8.37%) 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, water and heating to DIC Asset AG's offices, supplying communal-area energy for the Commercial Portfolio and supplying energy – based on the percentage of our equity investments' 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, owners can only indirectly influence a building's energy consumption. The success of such measures therefore depends on successful collaboration with our tenants. ESG means teamwork – it is only by working together that we can achieve our sustainability targets.

[1] German Environment Agency; Greenhouse Gas Emissions in Germany; 15 March 2022
[2] German Environment Agency; 1990–2020 Greenhouse Gas Emissions Trends Table
[3] Source: www.consilium.europa.eu/en/press/press-releases/2022/10/25/fit-for-55-council-agrees-on-stricter-rules-for-energy-performance-of-buildings/
[4] Source: ec.europa.eu/commission/presscorner/detail/en/IP_21_3541

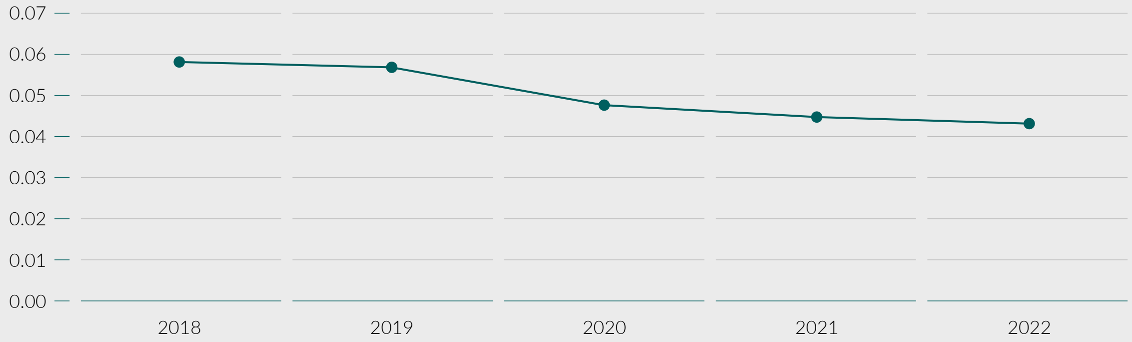
Our target

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 reliable business partner. DIC recognises that its leading role entails taking responsibility – including for climate action. In the previous year, 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 baseline year. The calculation of GHG for the Commercial Portfolio includes communal-area electricity, tenant electricity, water consumption and the energy required for heating. We used 2018 as the baseline year for our current calculations because we had access to an adjusted portfolio base starting from that year, which provided a clean benchmark for our calculations and enabled us to avoid larger-scale adjustments and/or conversions.

This means that 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 are committed to this target as a top priority for our organisation. As a dynamic organisation, we are accustomed to responding to new market demands or scientific discoveries by realigning our targets and measures. Should such findings make it necessary to adjust our

Assessability and comparability
To enable readers to assess and compare DIC's figures, we present KPIs over the last three years and from the **2018 baseline year**.

Greenhouse gas emissions
t CO_2e/sqm



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

t CO_2e	2018	2020	2021	2022	Δ 2021 – 2022	Δ 2018 – 2022
Total greenhouse gas emissions in the Commercial Portfolio	98,271	82,659	78,762	75,249	–4%	–23%
plus 20% safety margin	19,654	16,532	15,752	15,050	–4%	–23%
Total incl. 20% safety margin	**117,925**	**99,191**	**94,514**	**90,299**	**–4%**	**–23%**
Greenhouse gas emissions per sqm in the Commercial Portfolio	**0.0585**	**0.0478**	**0.0449**	**0.0432**	**–4%**	**–26%**

Our targets

Targets	KPI	Status	Year-on-year change
Establish a science-based climate pathway for our German business by 2023 or earlier	Climate pathway	Climate pathway at portfolio level being implemented	Specific ESG action plan created for all properties
Reduce greenhouse gas emissions per square metre in the Commercial Portfolio by 2030 by at least 40% compared to the 2018 baseline year	Δ t CO_2e/sqm Commercial Portfolio in %	–26%	–4%

climate targets in a later reporting period, we will disclose this in a transparent manner, including the rationale of the change. The acquisition of VIB in the reporting year resulted in the changes described in greater detail below, including the adjustment of the previous year's figures. However, our climate target is unaffected by these changes and remains the same.

Greenhouse gas emissions per square metre of our Commercial Portfolio have decreased from 0.0585 t CO_2e/m^2 to 0.0432 t CO_2e/m^2 compared with the 2018 baseline year. This represents a decrease of 25.8%. While emissions from communal-area electricity consumption in the Commercial Portfolio remained almost unchanged compared to the baseline year at 781 t CO_2e, emissions from tenant consumption of electricity and heating energy decreased from around 96,000 t CO_2e to just under 74,000 t CO_2e, representing a saving of approximately 23%.

Developing a climate pathway

We regularly record and analyse the electricity and heating energy consumption of our properties, and report on the relevant data in a transparent manner. Constant, transparent monitoring of our energy consumption enables us to monitor and analyse the resulting greenhouse gas emissions in the properties we manage. We perform carbon and energy due diligence for all properties. Taking the property's carbon emissions and energy consumption as the basis, we develop a customised climate pathway that includes measures to achieve the climate target. We can therefore identify low-performing properties, reveal the optimisation potential (LCA approach) and initiate the appropriate action. On top of this, we are gradually closing any data gaps in buildings' consumption figures.

The climate pathway is intended to form a framework for the upcoming measures and serve as guidance for the essential prioritising of the various activities to meet our 2030 climate target. It determines which measures will have the greatest possible impact on achieving the climate target, and when. It also includes the implementation of organisational, contractual and technical programmes of ESG measures.

Along with contractual and organisational measures, the climate pathway also specifies purposeful renovation measures for each property. It helps us to cluster upcoming measures into programmes and roll them out into our portfolio in a targeted manner. We are also trying to learn lessons with innovative modernisation concepts and deploy them on site.

During the reporting year, climate pathways were developed for all properties in the Commercial Portfolio. By the end of 2023, these property-specific pathways will be aggregated to create an overall pathway at portfolio level and the timing of upcoming measures will be coordinated. The VIB properties that we acquired will follow this process by the middle of 2024.

Climate pathways at property and portfolio level

Category	Measures
1. Contracts	Green leases Green facility management (FM)
2. Organisation	Energy management Optimise FM operations
3. Technical (design) matters	Programmes of ESG measures: • Photovoltaics • Heating, ventilation, cooling optimisation • LED lighting • Conversion to district heating • Insulation of envelope, roof
4. Strategy	Portfolio strategy Green Building

1. Contracts

Green leases: involving our tenants

Our tenants play a particularly crucial role, especially for saving heating and electricity. Often, small changes in behaviour can lead to large leaps forward in efficiency. To leverage this potential, we systematically surveyed tenants' consumption data in the year under review and engaged in a dialogue with selected tenants on sustainability issues. At the same time, we use green leases to involve our tenants more closely in our energy-saving measures. Our green leases also create incentives for our tenants to gradually switch to green energy contracts.

Green FM: Involving our facility management providers

We forged a strategic partnership on green FM with the four most important facility management service providers and defined a new standard in the reporting year. The standard service specification for facility managers was expanded to include regulations focusing on sustainable building operations and is already being applied in 62% of our portfolio.

2. Organisation

Managing energy use and optimising operations

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 **"Building services automation" business case**, we demonstrate the potential 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.

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 on the basis of the relevant framework agreements with energy providers. Since 2010, the share of green electricity in the communal-area electricity used in the multi-tenant buildings in our Commercial Portfolio has been at least 80% (2022: 90%). This enables us to gradually reduce the share of fossil energy sources and shrink our carbon footprint. We are also switching to green alternatives to heat our properties. We switched a significant proportion of our existing gas supply contracts over to green gas tariffs in 2022 by acquiring certificates for supply contracts that qualify as green gas.[1] In 2022, we also analysed additional potential for switching to district heating and will continuously expand our use of this option in the years ahead. As a result, 147 out of 195 properties in our Commercial Portfolio are supplied with district heating and green gas.

Professional energy management is also a firm part of the range of services provided by our facility management partners and part of our strategic partnership. These partners also drive forward technological and digital solutions to improve energy efficiency and know our buildings better than anyone else. To this end, we have worked with our strategic partners to develop standard measures to optimise building operation and are examining their application. Such measures include performing hydraulic calibration of the heating system, regulating and adjusting the running time of ventilation systems and reducing the temperatures at night.

3. Technical (design) matters

Programmes of ESG measures: Reducing energy consumption and switching to renewable energy

Energy consumption is DIC's biggest source of emissions. That's why we strive to constantly reduce energy consumption through refurbishment measures where they are still necessary after contractual and organisational measures have been implemented to achieve the climate target and improve energy efficiency in general. Technical design work might include **retrofitting cooling systems** or switching to LED lighting. The acquisition of VIB provides us with access to **considerable expertise in photovoltaics**. Another priority in the reporting period was to cluster individual measures into programmes. For example, we checked all properties in the Commercial Portfolio to find out whether district heating was available. In the process, we identified a whole series of suitable properties and integrated implementation of this step into the climate pathway.

4. Strategy

Green Building portfolio strategy

We strive to reduce our portfolio's energy requirements and our carbon emissions by investing in sustainable and energy-efficient real estate.

[1] According to the GHG protocol, green gas must not be included separately when accounting for greenhouse gas emissions. Accordingly, green gas is considered as natural gas in the GHG protocol.

360-degree strategy

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.

DIC has always focused its attention on the long-term impact of the measures it takes. This is why we always coordinate steps to optimise our carbon footprint based on our 360-degree management approach (Match – Transact – Operate – Develop).

By taking this comprehensive approach that integrates all players and phases of property management, we optimise the use of human, capital and knowledge resources while effectively matching properties, occupiers and investors on the 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.

DIC refined and advanced its comprehensive property approach in the past reporting year. 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.

MATCH

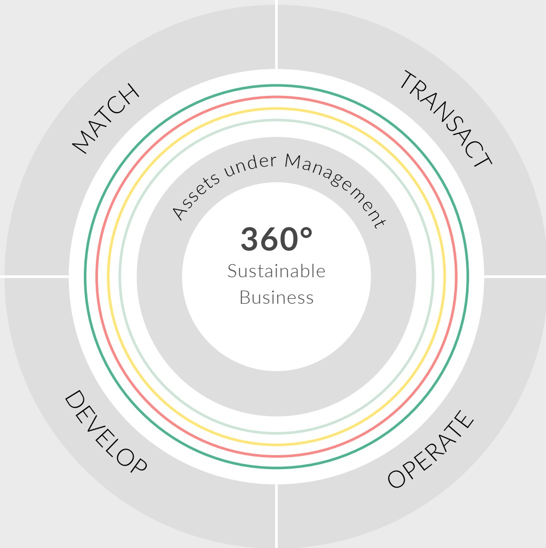
Matching properties, users, investors

Investment strategy determines the ESG criteria

TRANSACT

Initiating and structuring transactions to achieve growth and realise the added value created

ESG due diligence in the acquisition process incl. preparation of ESG action plans based on the investment strategy



DEVELOP

Developing, maintaining and optimising the property portfolio we manage

Initiating and implementing ESG measures in accordance with our investment strategy

OPERATE

Comprehensively operating properties based on an active and sustainable management approach

Managing, controlling and reporting ESG in line with our investment strategy

Portfolio properties (Operate & Develop)
We initiate and implement ESG measures to further develop, maintain and optimise portfolio properties (Develop). In our view, comprehensively operating properties with an active and sustainable management approach also includes managing, controlling and reporting ESG information for our properties (Operate).

DIC records and analyses energy consumption and the resulting greenhouse gas emissions to identify the general optimisation potential for the Commercial Portfolio and to implement certain measures. Appropriate measures ranging from carbon emission and energy due diligences to energy refurbishment measures. Based on this data, an individual climate pathway containing measures to achieve the climate target is created for each property. The section **Developing a climate pathway** describes progress made in implementing specific measures in our portfolio properties.

Considering the whole 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. Although DIC only engages in its own construction activity to a limited extent, it is one of the largest owners of buildings on the German commercial property market. Bearing this in mind, the group is concentrating on **energy retrofits** and improving energy efficiency as it operates portfolio properties. New construction projects planned by VIB consistently meet the highest environmental and energy standards for logistics properties. 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. When we acquire new properties, our due ESG diligence requires us to apply high standards to a building's lifecycle analysis.

Acquisition of portfolio buildings and new builds (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 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. carbon 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. We believe that making sustainable investments and expecting high returns is not a contradiction but in fact complements each other. Our real estate teams possess the necessary skills and experience to be able to create specific solutions for each building or office and use innovative approaches.

Method used to calculate the environment data

Organisational boundaries

Three organisational boundaries were set for the calculation of emissions, and energy and water consumption:

- The data and information presented in the Environment section (GRI 300) relate to the business activities of DIC Asset AG incl. VIB and hence solely to the Commercial Portfolio properties held directly by the Group (207 properties as at 31 December 2022). The presentation of consumption data covers 195 properties, as the remaining properties are project developments, parking lots and undeveloped land.
- The analysis presented does not include consumption disclosures for third-party properties (Institutional Business). 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 property manager and, in some cases, co-investor, only has a limited influence over such decisions. To calculate the environmental footprint of our own investment in the vehicles, we have been taking the carbon emissions in the Commercial Portfolio caused by us as a reference since 2020. This reference was then used for projections in the Institutional Business segment. These emissions are classified as Scope 3 according to the GHG Protocol used to calculate the carbon footprint.
- EPRA disclosures are reported in a separate document, taking 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 three calendar years from 2020 to 2022 and our 2018 baseline year with reference to the applicable requirements contained in the 2021 GRI Standards. The consumption data for 2018 to 2020 reflects our disclosures in the 2020 Sustainability Report, supplemented by the VIB data.[1] Due to our constantly changing portfolio, our data does not fully cover all consumption. This explains why the total energy consumption shown for 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 had to be available over a three-year period. Since 2021, energy consumption for the relevant calendar year has been extrapolated for each energy source using the key indicators identified on the basis of the consumption data available.

Inclusion of VIB

Figures from VIB, which was acquired in the year under review, are fully accounted for in all of the energy and emissions data published in this report. In line with the rules of the GHG Protocol[2], the reporting company must make retrospective adjustments to the figures reported in prior periods in the event of significant changes to the company's organisational structure – such as major acquisitions of other businesses – that have a substantial impact on the energy and emissions data to be reported. This approach aims to prevent major reversals in historical trends for energy and emissions figures that are not easy to follow on the part of the report addressees. For this reason, the energy and emissions data reported by DIC in previous years has been retrospectively adjusted up to the 2018 baseline year. As a result of the inclusion of VIB, the figures and findings presented in reports from previous years should no longer be used as a basis for comparison.

To retrospectively supplement the energy and emissions data from our Commercial Portfolio for the years 2018 to 2021 with consumption figures for VIB, a recalculation was made based on the actual consumption data from VIB for the year 2022, with other external factors also being accounted for. This involved applying consumption data for the VIB portfolio for previous years, consumption data for the former Commercial Portfolio ("pre-VIB"), annual portfolio figures and an intensity factor. This retrospective adjustment to the reported emissions data guarantees the transparency and continuity of our reporting in this area.

[1] See 2020 DIC Sustainability Report, page 84.
[2] Source: ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf

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
Electricity, heating and water consumption has been collected by an external service provider since the 2019 reporting year, 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 of consumption data for heating energy, communal-area electricity and water is taken by our facility management service provider. Our property management team or external service provider transmits this reading to our energy supplier who then provides us with consumption statements. This is done primarily on the basis of the supply company's consumption statement, with extrapolation of meter readings playing a secondary role. If necessary, projections are

Sustainable Excellence is transparent and **verifiable**

The 2022 Sustainability Report features the tagline "Sustainable Excellence". Could you explain the thinking behind this?
ESG is part of our DNA as our work is sustainable, based on clearly defined milestones and verifiably transparent. This includes upgrading our buildings with the climate in mind, making our internal processes more efficient, promoting an inclusive employee structure, generating a steady flow of income, ensuring continuity in our dividend policy and providing ESG-focused financial instruments. One key element of our understanding of sustainable corporate governance is maintaining a wide-ranging dialogue with our stakeholders. We set ourselves ambitious targets and work systematically to achieve them.

By 2030, DIC aims to have reduced its greenhouse gas emissions per square metre in the Commercial Portfolio by an average of 40% compared with 2018. What progress have you made towards this target?
The achievement of this target is dependent on our climate pathways, which we use to consolidate our measures across the entire Commercial Portfolio. In 2022, we were very active in the field of building efficiency. As one example, our Green FM standard for energy-efficient building services is now applied to more than 60% of our properties. We have also signed a number of new contracts for green electricity and gas. Our Green Lease model contract also involves our tenants in the energy transition. Smart metering is another point of focus. We use the datasets obtained here to develop a strategy for our smart buildings. A key challenge – and not only for DIC itself – is the application of these technologies to existing buildings. This is a solvable but demanding challenge.

The EU's 'Fit for 55' climate package envisages new buildings and existing buildings being zero-emission buildings by 2030 and 2050, respectively. How are you responding to this legislation?
Such regulations could lead to greater spending on renovations on the part of both tenants and landlords. We expect to see increased demand for energy-efficient properties. Conversely, demand may well decline for those with poor energy efficiency ratings. We also expect to see changes in public subsidy programmes. We use our ESG Committee to ensure that these shifting parameters are constantly reviewed, and any necessary adjustments are embedded within our strategy and our operating processes. In general, we welcome the establishment of binding frameworks by policymakers, not least because we at DIC see change as offering opportunities.

Lukas Brunert
Head of Sustainability

89.5%
Communal-area electricity and

18.4%
tenant electricity in the CoP from renewable energies

made at property level on the basis of our own portfolio benchmarks per asset class, energy performance certificates or previous year's figures. To determine the amount of tenant electricity, we also rely on the consumption figures transmitted by the tenants. Information on the share of green electricity in tenant electricity is usually based on information provided by tenants as well. For single-tenant properties, where direct supply contracts are in place 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 2022, we obtained communal-area electricity consumption data for 78 out of a total of 103 multi-tenant properties. For tenant electricity, this figure was 157 out of 195 properties. In addition, we obtained heating energy data for 151 properties and water consumption data for 147 properties.

In total, around 85% of the required data is collected at property level. We calculated the total consumption of the Commercial Portfolio based on the energy consumption determined. To calculate the specific energy and water consumption for our Commercial Portfolio, we added up 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 space (in sqm) of the properties. The data was normalised and the indicators were determined based on the rental space (sqm).

The baseline data obtained was tested for plausibility as part of our internal controls. This revealed that 89.5% of communal-area electricity and 18.4% of tenant electricity came from renewable sources, with 31.7% of the consumption in 2022 provided by district heating (natural gas: 59.6%; fuel oil: 1.1%; Liquefied gas: 2.0%; mixed supply: 5.6%).

Data for electricity, heating and water consumption as well as waste was gathered – as in the past – by DIC's local branch offices. Plausibility tests were carried out by our property management team, external service providers and our own ESG team. The tables "Targets, KPIs, Status" on pages 9, 11, 13 including our climate target was subjected to a limited assurance review by BDO AG Wirtschaftsprüfungsgesellschaft for the first time in 2022. The **auditor's report** has been attached to this document.

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 being supplied by energy suppliers outside of the organisation. 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 set out in the Kyoto Protocol.

To simplify and improve our 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 obtained (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 baseline year for reporting GHG emissions was 2018. To adjust for any inaccuracies in collecting and calculating the figures already reported, we added a safety margin of 20% to our total emissions up to 2018.

Our energy and water consumption trends and the development of GHG over time are explained in more detail below in the respective paragraphs.

Energy

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

Energy consumption

The reported energy consumption within the organisation[1] comprises the communal-area electricity supplied to properties in the Commercial Portfolio (87.14% of total energy consumption; 2021: 88.07%) and the company's offices owned by DIC (1.43%; 2021: 1.64%). It also includes the electricity generated by DIC from photovoltaic systems and its consumption (0.16%; 2021: 0.16%). Further energy consumption was attributable to the fuel consumption of the company's car fleet (8.45%; 2021: 7.04%), tenant electricity for the company's offices (both owned by DIC and rented) (1.97%; 2021: 2.00%) and the district heating supplied to the company's offices owned by DIC Asset AG (0.84%; 2021: 1.09%).

Compared with the 2018 baseline year, total energy consumption fell by around 30%. This positive trend can largely be attributed to a reduction in communal-area electricity consumption in the Commercial Portfolio as a result of ESG measures plus a shift in the portfolio towards more single-tenant properties. In the latter case, DIC does normally not agree contracts for communal-area electricity provision.

Year-on-year, total energy consumption within DIC as an organisation declined by 0.1%.

Energy consumption for communal-area electricity provision to properties in the Commercial Portfolio represents the largest single item in our energy reporting. Year-on-year, this figure decreased by 1% to just under 14.2 million kWh. This is a reduction of 34% compared with the 2018 baseline year.

Communal-area electricity for locations owned by DIC has been procured from renewable sources since 2021. Compared with the baseline year, this communal-area electricity consumption has fallen by 27% (−13% year-on-year). The total energy consumed in supplying these properties with district heating has also declined by 21% (−23% year-on-year). We attribute this significant improvement to the results of our Energy Challenge that we initiated in 2022. The aim of this company-internal challenge was to raise awareness about the handling of heating and electricity as energy-intensive utilities.

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

DIC Energy Challenge – Team spirit is **measurable**

Russia's throttling back of gas deliveries during the course of 2022 has resulted in a shortage of natural gas as a key source of energy in Western Europe. Using natural resources mindfully has long been an integral part of DIC's corporate culture. This is why the German Government's call to make further savings on electricity and energy for heating, was both a warning and a challenge for us.

With the aim of working on targeted internal measures, the DIC Energy Challenge was launched in September 2022 with the slogan "Saving energy and conserving resources together – setting a shared example". The Energy Challenge aimed to meet and exceed the savings target set by the German Federal Government on our own premises. From October 2022 onwards, we needed to reduce our consumption by at least 20%.

In September 2022 alone, we received more than 300 suggestions and ideas from staff about changes to procedure or advanced technical solutions our organisation could use to achieve much more than merely short-term effects. The ingenuity of our employees was almost limitless. The scope of suggestions ranged from systematically checking appliances in stand-by mode to prudent use of existing infrastructure, switching off hot water generation (boilers) to reducing indoor and supply temperatures. Many of the measures were implemented very quickly.

The implementation of the proposals received and the strong presence of our energy champions have led to an excellent result: figures from the fourth quarter of 2022 show that our energy consumption fell by more than 23% compared with the prior-year period.

Energy consumption within the organisation

kWh	2018	2020	2021	2022	Δ 2021 – 2022		Δ 2018 – 2022	
Communal-area electricity for proprietary offices	318,733	**325,505**	**267,469**	**233,078**	**–34,391**	**–13%**	**–85,655**	**–27%**
of which, from renewable energy	217,330	231,473	267,469	233,078				
of which, from conventional sources	101,403	94,032	0	0				
Electricity from own generation of proprietary offices	30,689	**29,101**	**25,454**	**26,838**	**1,384**	**5%**	**–3,851**	**–13%**
of which, from photovoltaic	30,689	29,101	25,454	26,838				
Communal-area electricity supply for properties in the Commercial Portfolio	21,350,551	**22,960,373**	**14,342,064**	**14,181,366**	**–160,698**	**–1%**	**–7,169,185**	**–34%**
of which, from renewable energy	19,829,551	20,996,596	11,461,222	12,697,040				
of which, from conventional sources	1,521,000	1,963,776	2,880,842	1,484,326				
Tenant electricity for the company's offices[1]	327,089	**291,106**	**324,963**	**321,238**	**–3,725**	**–1%**	**–5,850**	**–2%**
of which, from renewable energy	319,843	265,764	255,615	266,628				
of which, from conventional sources	7,245	25,342	69,348	54,611				
District heating for proprietary offices	172,832	**165,149**	**178,097**	**136,312**	**–41,785**	**–23%**	**–36,520**	**–21%**
Fuel for the company's car fleet[2]	982,154	**1,151,986**	**1,146,181**	**1,375,930**	**229,749**	**20%**	**393,776**	**40%**
Petrol	137,919	402,883	526,668	399,063				
Diesel	844,235	749,103	619,513	976,867				
Total	23,182,048	**24,923,220**	**16,284,228**	**16,274,762**	**–9,466**	**–0.1%**	**–6,907,286**	**–30%**

[1] Rented and proprietary offices

[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	2020	2021	2022	Δ 2021 – 2022	Δ 2018 – 2022
Communal-area electricity for proprietary offices	1.37	1.31	1.64	1.43	–0.21	0.06
Electricity from own generation of proprietary offices	0.13	0.12	0.16	0.16	0.01	0.03
Communal-area electricity supply for properties in the Commercial Portfolio	92.10	92.12	88.07	87.14	–0.94	–4.96
Tenant electricity for the company's offices[1]	1.41	1.17	2.00	1.97	–0.02	0.56
District heating for proprietary offices	0.75	0.66	1.09	0.84	–0.26	0.09
Fuel for the company's car fleet[2]	4.24	4.62	7.04	8.45	1.42	4.22
Total	100.00	**100.00**	**100.00**	**100.00**		

[1] Rented and proprietary offices

[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 outside of the organisation included the supply of heat (55.70% of total energy consumption; 2021: 66.43%) and tenant electricity for the Commercial Portfolio (39.62%; 2021: 28.66%) as well as – pro rata by market value of our equity investments – the supply of heat (2.57%; 2021: 3.20%) and electricity (1.83%; 2021: 1.40%) for the Institutional Business segment. Communal-area electricity supplied in the real estate rented by DIC Asset AG (0.13%; 2021: 0.12%) as well as supplying these areas with heating (0.15%; 2021: 0.19%) also fed into this.

Further energy consumption results from business trips made by employees as well as their daily commutes. 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 was unable to systematically record them at that point.

Compared with the previous year, energy consumption outside the organisation declined by around 7.6 million kWh (3%). Compared with the 2018 baseline year, energy consumption outside the organisation has fallen by almost 52.6 million kWh (17%). Year-on-year, energy consumption for heating decreased significantly (19%). We attribute this reduction to general energy-saving measures resulting from the energy crisis. Tenant electricity consumption saw a sharp rise year-on-year, however (34%). We assume that this change is related to an increased use of leased spaces after the end of coronavirus regulations, as well as improvements in data quality.

Energy consumption outside of the organisation

kWh	2018	2020	2021	2022	Δ 2021 – 2022		Δ 2018 – 2022	
Communal-area electricity in properties rented by DIC Asset AG	232,069	**262,639**	**310,783**	**320,723**	**9,940**	**3%**	**88,654**	**38%**
Heating supply in properties rented by DIC Asset AG	245,494	**451,789**	**484,684**	**377,816**	**–106,868**	**–22%**	**132,322**	**54%**
Commercial Portfolio tenant electricity	107,962,574	**93,522,777**	**72,749,429**	**97,560,927**	**24,811,498**	**34%**	**–10,401,647**	**–10%**
Commercial Portfolio heating supply	176,730,206	**144,077,656**	**168,633,653**	**137,130,071**	**–31,503,582**	**–19%**	**–39,600,135**	**–22%**
District heating	47,602,349	50,022,419	49,857,805	43,431,392				
Natural gas	117,097,707	88,157,661	104,661,430	81,689,922				
Liquefied Petroleum Gas	2,976,374	2,718,407	3,084,734	2,708,784				
Fuel oil	557,050	989,257	2,223,617	1,567,141				
Mix	8,496,727	2,189,913	8,806,067	7,732,832				
Institutional Business tenant electricity	4,991,028	**3,194,998**	**3,556,023**	**4,499,847**	**943,823**	**27%**	**–491,181**	**–10%**
Institutional Business heating supply	7,958,031	**5,134,722**	**8,117,064**	**6,324,912**	**–1,792,152**	**–22%**	**–1,633,119**	**–21%**
District heating	2,883,751	2,319,336	3,296,815	2,003,206				
Natural gas	5,056,389	2,792,676	4,746,992	3,767,821				
Liquefied Petroleum Gas				124,938				
Fuel oil	17,891	22,709	73,256	72,282				
Mix				356,665				
Total	298,119,403	**246,644,581**	**253,851,636**	**246,214,296**	**–7,637,340**	**–3%**	**–51,905,107**	**–17%**

Energy consumption percentages outside of the organisation

%	2018	2020	2021	2022	Δ 2021 – 2022	Δ 2018 – 2022
Communal-area electricity in properties rented by DIC Asset AG	0.08	0.11	0.12	0.13	0.01	0.05
Heating supply in properties rented by DIC Asset AG	0.08	0.18	0.19	0.15	–0.04	0.07
Commercial Portfolio tenant electricity	36.21	37.92	28.66	39.62	10.97	3.41
Commercial Portfolio heating supply	59.28	58.42	66.43	55.70	–10.73	–3.59
Institutional Business tenant electricity	1.67	1.30	1.40	1.83	0.43	0.15
Institutional Business heating supply	2.67	2.08	3.20	2.57	–0.63	–0.10
Total	100.00	**100.00**	**100.00**	**100.00**		

Energy intensity

The energy intensity (kWh per sqm) within the organisation includes the consumption of communal-area electricity at the company's offices owned by DIC, tenant electricity[1] for the company's offices, the self-generation of electricity from photovoltaics and its consumption, district heating of the proprietary offices, the car fleet and the communal-area electricity supply for leased properties in the Commercial Portfolio. DIC Asset AG records its energy intensity based on a property's space (per sqm) and reports this separately for the company's offices (including the car fleet) and for the Commercial Portfolio. An analysis of the year under review reveals that energy consumption per square metre for the company's offices saw a year-on-year increase of 15.24 kWh/sqm (8.30%). Compared to the 2018 baseline year, energy consumption per square metre for the company's offices decreased by 17.27 kWh/sqm (8%), however.

Energy consumption per square metre in the Commercial Portfolio in 2022 (here, communal-area electricity) fell slightly by 0.03 kWh/sqm (0.5%) year-on-year. Even compared to the 2018 baseline year, consumption of communal-area electricity per square metre in the Commercial Portfolio improved by 3.81 kWh/sqm (36%).

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, energy consumption for communal-area electricity and heating supply per sqm of rented company office decreased by 25.98 kWh/sqm (19.41%). Compared to the 2018 baseline line, the energy intensity per sqm of rented company office fell by 4 kWh/sqm (4%).

Energy intensity for the Commercial Portfolio (tenant electricity and heating supply) declined by 2.45 kWh/sqm (2%) compared to the previous year and by 29 kWh/sqm (20%) compared to the 2018 baseline year.

[1] Includes rented and owned office premises

Energy intensity within the organisation per sqm in the company's offices

kWh	2018	2020	2021	2022	Δ 2021 – 2022		Δ 2018 – 2022	
Total energy consumption in the company's offices	1,831,497	1,962,847	1,942,164	2,093,396	151,232	8%	261,899	14%
Energy consumption per sqm in the company's offices	216.13	186.46	183.62	198.86	15.24	8%	–17.27	–8%

Energy intensity within the organisation per sqm in the Commercial Portfolio

kWh	2018	2020	2021	2022	Δ 2021 – 2022		Δ 2018 – 2022	
Total energy consumption in the Commercial Portfolio	21,350,551	22,960,373	14,342,064	14,181,366	–160,698	–1%	–7,169,185	–34%
Energy consumption per sqm in the Commercial Portfolio	10.59	11.07	6.81	6.78	–0.03	–0.5%	–3.81	–36%

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

kWh	2018	2020	2021	2022	Δ 2021 – 2022		Δ 2018 – 2022	
Total energy consumption in the company's offices	477,564	714,428	795,467	698,539	–96,928	–12%	220,975	46%
Energy consumption per sqm in the company's offices	112.00	121.20	133.82	107.84	–25.98	–19%	–4.16	–4%

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

kWh	2018	2020	2021	2022	Δ 2021 – 2022		Δ 2018 – 2022	
Total energy consumption in the Commercial Portfolio	284,692,780	237,600,434	241,383,081	234,690,998	–6,692,083	–3%	–50,001,782	–18%
Energy consumption per sqm in the Commercial Portfolio	141.16	114.54	114.68	112.23	–2.45	–2%	–28.94	–20%

Unbelievable performance: building services automation

As one of Germany's leading listed property companies, with over 200 individual properties in our Commercial Portfolio and a further 153 properties in our Institutional Business segment, the topic of efficiency in building operations, and the responsible handling of energy, water and heat, has a key role to play in the sustainable transformation of our business model and underpins our "Sustainable Excellence" strategy.

Tenants in our office and logistics properties also have a strong interest in keeping building operations as efficient as possible – and not only since the significant price hikes for electricity and gas seen in the reporting year.

As a dynamic market player, DIC does not passively wait for legal minimum requirements to enter into force. Instead, we seek to anticipate key developments early on and prepare appropriate solutions – as with the decarbonisation needed for the building sector, for example.

In the past reporting year, we focused on exploiting potential for efficiency by introducing smart building technology in the form of sensor and transmission systems designed to offer the intelligent control of the various components in networked building services. Data analysis and the fine-tuning of building component energy requirements is also part of our "Smart Building" strategy, and includes the installation of easy-to-retrofit sensor systems for the automated collection of consumption data, which can then be stored using encrypted wireless technology and analysed as a consolidated dataset. Up to 200 IoT devices can be connected and controlled using a single gateway. This approach is used to optimise our building operations and resource consumption – from light and power requirements to temperature and humidity, room occupancy and the required level of heating, and more efficient water consumption.

We firmly believe that its targeted and appropriate use in suitable properties offers significant potential for achieving savings. In the past reporting year, a suitable business partner was selected with the aim of starting pilot projects in the portfolio. Interim results have been very promising:

- Automation of 92% of existing meters
- continuous data collection (every 15 min on average)
- Multiple sensors in a building ensure a greater level of granularity for data
- Data consistency, comparability and uniform reporting
- simplified analysis of service hours and loads
- Lighting controlled via modern sensor systems
- Up to 30% reduction in energy demand from existing cooling systems
- Up to 50% reduction in energy demand from existing ventilation systems

We are applying the insights gained in the pilot and test phases directly to properties in our Commercial Portfolio. In the medium term, smart building technology will be rolled out across our entire DIC platform wherever the technical and business requirements can be met.

The smart property of the future will be equipped with a network of building sensors allowing the situational control of energy-consuming devices, and will be highly efficient, climate-friendly and adaptable to the needs of its users. These modern building automation systems also benefit our tenants, not only reducing annual service charges but also allowing office space to be redesigned in line with contemporary "New Work" models. One example of this is a dedicated app for booking office and meeting spaces. By introducing these measures, DIC is adopting a forward-looking stance and pursuing its strategy of using digitalisation to both simplify and accelerate sustainable change ("ESG+D").

Emissions

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

Greenhouse gas emissions

DIC Asset AG's total emissions decreased to 96,728 t CO_2e (including a 20% safety margin), down 3.7% year-on-year and 22.3% compared to the 2018 baseline year.[1] Tenant consumption of electricity and heating energy in the Commercial Portfolio segment remained the largest source of emissions in 2022 at 73,898 t CO_2e.

In 2022, 10% (1,484,326 kWh) of the communal-area electricity supplied to our Commercial Portfolio was not yet sourced from renewable energy. Year-on-year, we were able to increase the proportion of renewable energy sources by 10%. Since parts of the portfolios acquired from VIB are yet to be supplied with renewable electricity, its proportion of the communal-area electricity supplied to the Commercial Portfolio was again less than 100% in the reporting year. We will adopt further measures to reach the target figure of 100% as quickly as possible.

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 71 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%). Compared to the previous year, greenhouse gas emissions per square metre for the Commercial Portfolio dropped by 4% in the year

[1] The results of the back-calculation required by the VIB takeover only serve to gain knowledge about retrospective consumption and emission trends of the current DIC portfolio. It does not result in a greater reduction of the 2018 to 2022 figures than would be observed if the old portfolio were considered alone.

Carbon footprint under the GHG Protocol

t CO_2e	2018	2020	2021	2022	Δ 2021 – 2022	Δ 2018 – 2022
Scope 1						
Car fleet	256	288	284	347		
Scope 1 subtotal	**256**	**288**	**284**	**347**	**21.9%**	**35.2%**
Scope 2						
DIC Asset AG, tenant electricity consumption[1]	4	13	36	29		
DIC Asset AG, district heating consumption	32	29	30	23		
DIC Asset AG, communal-area electricity consumption[2]	52	49	0	0		
Commercial Portfolio communal-area electricity	786	1,025	1,510	781		
Scope 2 subtotal	**875**	**1,116**	**1,576**	**833**	**–47.1%**	**–4.7%**
Scope 3						
Materials/services purchased	153	263	348	397		
Upstream emissions from purchasing fuel and energy	930	975	617	684		
Waste	2	2	2	8		
Business travel	58	13	6	49		
Employee commuting[3]	279	210	232	337		
Communal-area electricity in properties rented by DIC Asset AG	120	137	163	169		
Heating supply in properties rented by DIC Asset AG	53	90	98	76		
Water supply in properties rented by DIC Asset AG	3	2	1	1		

Table continued on page 71

under review and by 26% compared to the 2018 baseline year. This resulted in a greenhouse gas intensity of 0.0432 t CO_2e/sqm in the Commercial Portfolio for 2022.

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 baseline year. This ambitious target demonstrates our commitment to climate action. We will achieve this target by implementing our sustainability strategy and the concrete actions derived from it. We already succeeded in reducing our GHG emissions per square metre for the Commercial Portfolio by around 26% since 2018.

Carbon footprint under the GHG Protocol

t CO_2e	2018	2020	2021	2022	Δ 2021 – 2022	Δ 2018 – 2022
Tenant consumption of electricity, water and heating energy, Commercial Portfolio segment (based on a portfolio extrapolation)	96,640	80,754	76,738	73,898		
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)	4,412	2,794	3,682	3,807		
Scope 3 subtotal	**102,650**	**85,240**	**81,887**	**79,427**	**–3.0%**	**–22.6%**
Total	**103,782**	**86,644**	**83,747**	**80,607**	**–3.7%**	**–22.3%**
plus 20% safety margin	20,756	17,329	16,749	16,121		
Total incl. 20% safety margin	**124,538**	**103,973**	**100,497**	**96,728**	**–3.7%**	**–22.3%**

[1] Rented and proprietary offices
[2] DIC Asset AG, communal-area electricity supply (to the company's proprietary offices only) was 100% sourced from green electricity)
[3] Employees' commuting was calculated using modelling based on German Federal Transport Authority statt Government (Bundesverkehrsamt) figures.

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

t CO_2e	2018	2020	2021	2022	Δ 2021 – 2022	Δ 2018 – 2022
Total greenhouse gas emissions in the Commercial Portfolio	98,271	82,659	78,762	75,249	–4%	–23%
plus 20% safety margin	19,654	16,532	15,752	15,050	–4%	–23%
Total incl. 20% safety margin	**117,925**	**99,191**	**94,514**	**90,299**	**–4%**	**–23%**
Greenhouse gas emissions per sqm in the Commercial Portfolio	**0.0585**	**0.0478**	**0.0449**	**0.0432**	**–4%**	**–26%**

Green Buildings and certified buildings

CRE 8

Sustainable portfolio performance

Buildings with sustainability certificates now make up a significant proportion of our property portfolio. In our sustainability reports, we regularly report on the performance of our Green Building sub-portfolio, for both our Commercial Portfolio and the Institutional Business (since 2022 including VIB). In accordance with our Green Bond Framework (GBF), we define Green Buildings as buildings that meet high energy efficiency standards (e.g. ENEV 2009) or have a defined minimum sustainability certification level such as "LEED Gold", "BREAAM Very Good" or "DGNB Gold". We report regularly on the progress made in expanding our stock of green buildings in the Green Bond Impact Reporting section of our annual reports. Strong synergy effects are found between the focal points of green buildings and innovative building services. For us, Sustainable Excellence entails renovating properties according to recent sustainability and energy efficiency best practice, and then using certification to attest to the progress we have made.

As expected, our Uptown Tower and Campus C properties acquired the previous year were awarded the BREEAM "Very Good" certification level in 2022. The consolidation of VIB added another 25 Green Buildings in 2022. In the 2022 reporting year, Green Buildings as a proportion of the Commercial Portfolio market value rose from 11.6% to 31.0%.

Our GBF envisages increasing the proportion of green buildings in our Commercial Portfolio to at least 20% by the end of 2023. As a result of our goal-driven and sustainable growth strategy, we in fact exceeded this target a year earlier in 2022, with a green building proportion of 31.0%.

Our target

Target	KPI	Status	Year-on-year change
Increase the share of Green Buildings to at least 20% by the end of 2023 (Commercial Portfolio)	Share of Green Buildings in GFA, based on the market value of the Commercial Portfolio	31.0%	+19.4 pp

Green Buildings

	31.12.2021					31.12.2022[1]				
	DGNB Gold	LEED Gold	BREEAM Very Good	ENEV 2009	**Total**	DGNB Gold	LEED Gold	BREEAM Very Good	ENEV 2009	**Total**
Number	3	1	1	0	**5**	6	1	3	22	**32**
In % of rental space	4.1%	1.2%	1.4%	0%	**6.7%**	3.0%	0.4%	3.6%	19.9%	**27.0%**
– of which new construction and major renovations	4.1%	1.2%	0%	0%	**5.3%**	3.0%	0.4%	0.0%	0%	**3.5%**
– of which existing building	0%	0%	1.4%	0%	**1.4%**	0%	0%	3.6%	19.9%	**23.5%**
In % of market value	6.2%	3.3%	2.0%	0%	**11.6%**	5.8%	1.7%	5.0%	18.4%	**31.0%**
– of which new construction and major renovations	6.2%	3.3%	0%	0%	**9.5%**	5.8%	1.7%	0%	0%	**7.6%**
– of which existing building	0%	0%	2.0%	0%	**2.0%**	0%	0%	5.0%	18.4%	**23.4%**

[1] All figures were calculated excluding project developments and repositioning properties/precertificates.

As a result of differences in reporting categories, small deviations may be found between the presentation of the sustainability-certified buildings in our sustainability reports on the one hand and the Green Buildings as per the definition given in our Green Bond Framework on the other (including the regular Green Bond Impact Reporting section in our annual reports). These deviations can be explained by the fact that our Green Bond Framework sets high standards for the classification of a building as a "Green Building".

In contrast, the GRI takes a different approach, whereby reporting on certification received in the reporting period should be as complete as possible, regardless of the applicable definition in our Green Bond Framework. To fulfil our GRI reporting duties, the following table includes ratings for the three most widely used labels – DGNB, LEED and BREEAM – as of 31 December 2022, with properties from the Institutional Business also being included here.

Year-on-year, the number of buildings with sustainability certification in our Commercial Portfolio and Institutional Business has risen from 6 to 33 and 20 to 26, respectively. Across the DIC platform as a whole, this corresponds to a year-on-year increase from 26 to 59 certified properties. This equates to 24.8% of rental space or 28.0% of the market value of our entire platform.

Sustainably certified buildings[1]

	Commercial Portfolio				Institutional Business				Total			
in %	**2019**	**2020**	**2021**	**2022**	**2019**	**2020**	**2021**	**2022**	**2019**	**2020**	**2021**	**2022**
DGNB Gold (properties)	**2**	**2**	**3**	**6**	**1**	**2**	**12**	**13**	**3**	**4**	**15**	**19**
Rental space in %	3.1	3.4	4.1	3.0	1.3	2.5	10.0	9.6	2.0	2.8	8.5	6.8
Market values in %	6.0	5.9	6.4	5.8	0.8	2.9	4.7	4.9	2.1	3.5	5.0	5.2
DGNB Silver (properties)	**0**	**0**	**0**	**0**	**0**	**0**	**3**	**3**	**0**	**0**	**3**	**3**
Rental space in %	0	0	0	0	0	0	2.4	2.1	0	0	1.8	1.2
Market values in %	0	0	0	0	0	0	0.8	0.7	0	0	0.6	0.5
LEED Gold (properties)	**0**	**1**	**1**	**1**	**5**	**5**	**5**	**5**	**5**	**6**	**6**	**6**
Rental space in %	0	1.2	1.2	0.4	11.5	9.5	5.8	5.5	6.7	6.6	4.6	3.3
Market values in %	0	3.7	3.4	1.7	18.7	14.4	11.8	10.7	13.9	12.2	11.8	8.0
BREEAM Very Good (properties)	**1**	**1**	**1**	**3**	**0**	**0**	**0**	**2**	**1**	**1**	**1**	**5**
Rental space in %	1.3	1.5	1.4	3.6	0	0	0	2.6	0.5	0.5	0.4	3.0
Market values in %	2.4	2.3	2.1	5.0	0	0	0	7.3	0.6	0.5	0.4	6.6
BREEAM Good (properties)	**0**	**0**	**1**	**1**	**0**	**0**	**0**	**2**	**0**	**0**	**1**	**3**
Rental space in %	0	0	3.0	1.1	0	0	0	1.5	0	0	0.8	1.3
Market values in %	0	0	3.3	1.7	0	0	0	1.9	0	0	0.6	1.8
BREEAM Pass (properties)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**	**0**	**0**	**0**	**1**
Rental space in %	0	0	0	0	0	0	0	0.9	0	0	0	0.5
Market values in %	0	0	0	0	0	0	0	0.6	0	0	0	0.4
ENEV 2009 (properties)	**0**	**0**	**0**	**22**	**0**	**0**	**0**	**0[2]**	**0**	**0**	**0**	**22**
Rental space in %	0	0	0	19.9	0	0	0	0	0	0	0	8.7
Market values in %	0	0	0	18.4	0	0	0	0	0	0	0	5.4
Total (properties)	**3**	**4**	**6**	**33**	**6**	**7**	**20**	**26**	**9**	**11**	**26**	**59**
Rental space in %	4.4	6.1	9.7	28.1	12.7	12.0	18.2	22.2	9.2	9.9	16.0	24.8
Market values in %	8.4	11.9	15.1	32.7	19.5	17.3	17.2	26.1	16.6	16.2	18.4	28.0

[1] All figures were calculated excluding project developments and repositioning properties/precertificates.
[2] ENEV 2009 status not yet systematically recorded in Institutional Business.

VIB goes green? **Doable!**

Over the course of the last two decades, renewable energy has risen steadily as a proportion of total German electricity consumption – from just 6.3% in the year 2000 to more than 46% in 2022.[1] The German Federal Government has set itself the target of increasing the proportion of renewable energy in gross electricity consumption to 80% by 2030.[2] The new Renewable Energy Sources (EEG) Act was also adopted in the reporting year, entering into force at the start of 2023.[3] With this legislation, German lawmakers have prioritised renewable energy, removed the EEG levy from consumer electricity prices, defined clear expansion pathways for wind and solar power, and increased subsidies for solar panel systems.[2]

Prior to this legislative initiative, VIB was already involved in the systematic expansion of photovoltaic systems. We did not install the facilities ourselves but instead cooperated with a service provider specialising in the setup and operation of PV systems. For its part, VIB works to identify suitable sites within our portfolio and to make them available for potential PV installations. By 2020, the total annual photovoltaic capacity from systems installed at VIB sites stood at 4,000 kWp. Since then, this green electricity capacity generated by in-house PV systems has virtually doubled every year, reaching some 15,700 kWp in 2022 – tangible proof of VIB's performance in sustainability. This growth trend is set to continue, with plans to expand PV capacity at VIB to 30,000 kWp by the end of 2025.

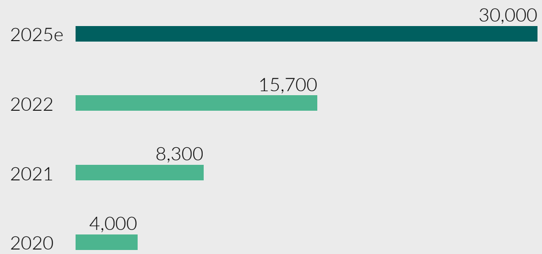
New-build projects in the logistics asset class are especially suitable for expanding PV capacities, since key factors such as roof load capacity can be taken into account as early as the planning stage and large rooftop areas are typically available. However, photovoltaics will play a role not only in new construction projects. As a result of the advances made in module technology, especially in terms of weight reduction, solar modules can now also be installed on roofs with lower load capacities. VIB therefore also looks at portfolio properties to see where solar retrofits are a technically feasible and economically sound option. The overall PV capacity created in 2022 is equivalent to saving 5,300 t CO_2e or around 2 million litres of heating oil. In this way, VIB is contributing to the decarbonisation of the building sector and supporting the German Government's climate targets.

VIB's head office, constructed by the company itself, also meets very high standards for ecological sustainability. A rooftop photovoltaic system is installed on the building. With a nominal annual output of 30 kWp, this has achieved theoretical savings of around 69 t CO_2e since it is under operation. Constructed according to the latest standards for cooling and A/C systems, the building is heated solely by a heat pump. Fuel combustion is not used in any part of the building. The building also features a ventilation system with waste heat recovery, LED lighting and charging stations for electric vehicles, as well as a planted carport roof.

The acquisition of VIB ushers in yet another chapter in the DIC success story. Alongside expertise in the development and management of logistics properties, DIC also gains a wealth of experience in the installation of PV systems. DIC will be assisting its subsidiary in the further rollout of its PV initiative. There are also plans to continue this successful model at Group level, with in-house PV installations in the Office asset class to be implemented as a next step, as pilot projects.

Photovoltaic capacities in the VIB Group

in kWp



[1] Source: www.bundesregierung.de/breg-de/themen/klimaschutz/faq-energiewende-2067498
[2] Source: www.bundesregierung.de/breg-de/themen/klimaschutz/amendment-of-the-renewables-act-2060448
[3] Source: www.gesetze-im-internet.de/eeg_2014/

Other topics

GRI 303-1 | 306-2 | CRE2

Water and waste

Total water consumption (company premises plus Commercial Portfolio) amounted to 473,297 m³ in 2022, rising year-on-year by 63.3%. We attribute this significant increase to a far more widespread use of office space following the end of coronavirus regulations. Compared with the 2018 baseline year, this corresponds to a rise of 10.5%.

Total waste produced rose by 61.9% compared with the previous year. Compared with the 2018 baseline year, this corresponds to a rise of 81.4%. In particular, the proportion of paper (PPC) and recyclable waste rose by more than 100% when compared with 2018. These significant rates of increase have prompted us to subject our waste figures to a more detailed analysis with the aim of deriving suitable measures for waste avoidance.

Disclosures on the type and quantity of waste materials have been estimated using the underlying data provided by waste disposal companies at our offices. Waste disposal is communal at all DIC offices for all property tenants. The estimated volume of waste attributable to DIC 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.

Water consumption of DIC Asset AG

m³	2018	2020	2021	2022	Δ 2021 – 2022	Δ 2018 – 2022
Water consumption in the company's offices	2,963	3,161	1,901	2,246	18.1%	–24.2%
Commercial Portfolio water consumption	425,389	286,615	288,011	471,051	63.6%	10.7%
Total	**428,352**	**289,775**	**289,912**	**473,297**	**63.3%**	**10.5%**

Water consumption per sqm in the company's offices	0.35	0.30	0.18	0.21	18.7%	–39.0%
Water consumption per sqm in the Commercial Portfolio	**0.21**	**0.14**	**0.14**	**0.23**	**64.6%**	**6.8%**

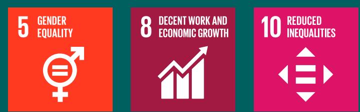
Volume of waste for DIC Asset AG

Litres	2018	2020	2021	2022	Δ 2021 – 2022	Δ 2018 – 2022
Non-recyclable waste	103,888	153,281	148,567	148,255	–0.2%	42.7%
Paper (paper/cardboard)	259,355	289,682	279,798	535,190	91.3%	106.4%
Recyclable waste (per the Waste Water Assoc., AzV)	47,371	53,024	51,659	97,934	89.6%	106.7%
Recyclable (reusable) material	120,284	112,957	114,894	181,834	58.3%	51.2%
Total	**530,897**	**608,944**	**594,918**	**963,213**	**61.9%**	**81.4%**

Litres/sqm	2018	2020	2021	2022	Δ 2021 – 2022	Δ 2018 – 2022
Volume of waste per sqm in the company's offices	62.65	57.85	56.25	91.50	63%	46%

Social

DIC takes its responsibility as an employer seriously. We foster a working culture characterised by tolerance, diversity and mutual respect. We encourage our employees to fulfil their development potential and demand their full commitment. We incorporate entrepreneurial thinking and action into our day-to-day activities. Our staff enjoy a significant degree of personal responsibility as they are both capable and adaptable. As an active part of the community, we are dedicated to fostering in-person social interaction at the local level. Learn more about our commitment in the following chapter.



We shape our business with and for the people

GRI 3–3

70%

of employees participated in the **share programme**

Genuine teamwork – impressive results

In 2022, DIC Asset AG ("DIC") recorded its best FFO result in the company's history. This success is primarily attributable to those who actively work to deliver it: our dedicated employees. That is why we continuously strive to create an environment in which they can reach their full potential, one in which their background, skin colour, age group, sexual orientation and other extraneous factors should not and must not play a part. This is part of our mission statement. DIC identified two material social topics in its materiality analysis: its profile as an attractive employer, and all aspects of diversity and equal opportunity.

Above all, being an attractive employer means responding to the needs of our people. Stable working conditions are particularly important in this regard. They not only provide employees with financial security in their private lives but also show how much we value them. This is why all of our employees are on permanent employment contracts. This enabled DIC to create stability and reliability even amid the uncertainty of 2022 and establish a sound foundation of trust among all of our staff. At the same time, we continue to address our employees' needs by introducing flexible working arrangements, modernising workspaces, providing opportunities for continuing professional development and rolling out our internal team building projects. These values also apply to employees who joined the company following the majority takeover of VIB Vermögen AG ("VIB"). Unless explicitly stated otherwise, the key figures reported in this chapter already include consolidated figures that take VIB into account. Further information about the VIB takeover and the resulting effects can be found in the chapter entitled "General disclosures".

An attractive employer ensures that its top performers receive appropriate remuneration. Salaries at DIC are based on a dynamic remuneration system that consists of basic income, supplementary benefits and performance-related components. We base our salaries on customary industry standards. The performance-related part of the salary depends on achieving individual goals and meeting strategic and operating targets, all of which are set annually with supervisors. To ensure that its salary payments are appropriate, DIC participated in the Real Estate Compensation Club benchmark for the first time during the year under review. The results of this benchmark study are taken into account when calculating appropriate salary and bonus rules. In January 2022, the Management Board also launched a Group-wide employee participation programme that offers staff an additional share-based salary component. More than 70% of our employees have taken up this offer in the first year since the programme was launched. As the programme is designed to incentivise staff to add long-term value for the business, it prioritises sustained successful teamwork over short-term success. The company buys own shares on the market for this purpose each December and holds them in a securities account. Payment under the scheme is made after beneficiaries have completed four years of service with the company and corresponds to the share price performance during this period.

As an employer, we are actively committed to diversity and equal opportunity. We firmly believe that diverse, interdisciplinary teams produce better results. We promote an inclusive working environment and corporate culture. Our aim is to create an open and people-focused atmosphere at work in which every employee can unlock their full potential. Our core values of integrity, respect and appreciation are firmly embedded in our everyday interactions. We have enshrined these core values and other rules of conduct in our policies, including the Code of Conduct, Compliance Policy and Business Partner Code of Conduct. DIC does not tolerate discrimination in any form. Our Head of People and Culture is responsible for running regular training sessions and workshops to communicate our core values and Code of Conduct. Our Compliance Officer is the first point of contact for reporting any unusual behaviour or breaches of our Code of Conduct. The Compliance Officer has a wide range of competencies for protecting diversity and equal opportunity and reports directly to the CEO. Any such breaches are dealt with via our own compliance management system, which includes corresponding process guidelines. DIC also has a whistleblower system that allows employees to submit anonymous complaints regarding particularly sensitive issues.

We regularly communicate with relevant stakeholders using methods such as employee surveys to ensure that our initiatives relating to the two material topics of “attractive employer” and “diversity and equal opportunity” are effective and up to date. This communication allows us to ensure that our initiatives address the needs and requirements our employees as well as our clients and partners and reflect the latest developments in the labour market. We place a strong emphasis on transparency and openness in this process. The following section describes in detail the measures and initiatives carried out during the year under review.

Our brand culture is **tangible**

The topic of diversity has become increasingly significant in recent years. How can DIC provide an inclusive working environment irrespective of background, gender or sexual orientation?

We need all kinds of openness and respect: a diverse array of opinions and perspectives, different knowledge and disciplines, a range of attitudes and judgements. It does all of us good to continue striving to keep an open mind. Using various policies, guidelines and events we try to create this atmosphere within our organisation. We do this in an effort to get people behind us and create an understanding of what matters to us. We are committed to achieving a good gender balance at all levels. However, we focus on skills, professional experience and expertise instead of gender or other diversity characteristics.

How do you achieve your social goals in your day-to-day operations?

It is mostly about adopting an open approach and creating appropriate awareness within our organisation. But we must also offer our employees the right opportunities. Our partner pme Familienservice, which helps young families to meet all their commitments, has proven to be an efficient tool in keeping with our guiding principle “We shape our business with and for the people”. We aim to take a holistic view of the DIC team and enhance it by adding skills where they are needed. This strategy is bearing fruit. We have appointed Dr. Angela Geerling to our Supervisory Board, and have either maintained or increased the proportion of women on the Management Board and at executive level 1. By doing this, we were able to achieve our targets ahead of the specified deadline.

How does DIC take action on social issues to make a positive impact on society?

Our social engagement involves activities both in and outside the company. In connection with our Social Impact Days in 2022, for example, we made two vacant apartments from our portfolio available at short notice to house refugees from Ukraine. Our employees were deeply committed to this endeavour, taking it upon themselves to furnish the apartments. Our involvement at the Praunheim Workshops also required us to put in some real elbow grease. There we helped renovate a section of the building plus a number of rooms. We plan to sustain this level of social commitment in the coming years to ensure that it has a lasting effect.

Anna Katharina Leers
Head of People and Culture

Attractive employer

GRI 401-1 | 401-3

Despite the challenges posed by geopolitical tensions and rapidly rising inflation during the year under review, DIC did not need to make any significant redundancies or crisis-related layoffs in 2022.

The staff turnover rate at DIC Asset AG has remained stable at between 16% and 20% over the past four reporting periods. This rate increased slightly year-on-year from 18% to 20%[1] during the year under review, primarily due to the effects of the coronavirus pandemic. For many employees, the pandemic served as a kind of watershed moment that prompted them to take a closer look at their personal and professional lives. This triggered an increased willingness to change jobs, and not just at DIC. In 2021, average staff turnover in the German real estate sector reached 30%[2] (the 2022 figure had not yet been released as of the publication date). At the same time, our new joiners rate rose from 31% in the previous year to 33% in the year under review, mainly as a result of our intensified recruiting measures.

All DIC employees are on permanent employment contracts. This helps significantly to create a secure working environment and allows staff to plan ahead in their own lives. In 2022, the proportion of active, permanent employment contracts stood at 100%.

At DIC, we believe that a good collaboration can only be completely successful if there is a healthy work-life balance. This includes family-friendly work models. Of our 341 employees, 180 women and 161 men had a statutory entitlement to parental leave in 2022, and 27 women and nine men made use of this entitlement during the reporting period. In addition, seven female and eight male employees returned to the workplace after their parental leave ended. Overall, eight women and no men were still employed at the Group 12 months after returning from parental leave. During the year under review, the return rate after the end of parental leave was 100% among female staff and 89% among male employees.

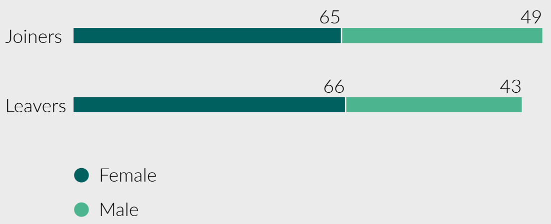
[1] Not including staff leaving during probationary periods.
[2] Source: Federal Statistical Office, April 2022

100%

permanent employment contracts

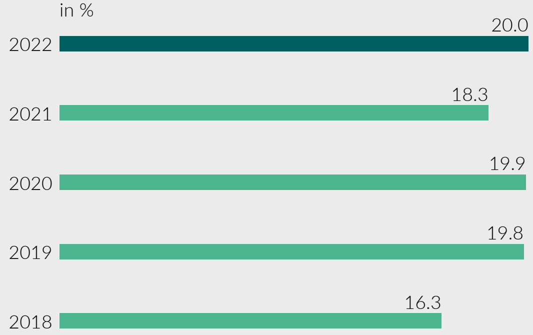
Leavers and joiners by age group

Leavers and joiners by gender group



Staff turnover rate

in %



Diversity and equal opportunity

GRI 405-1 | 405-2

Employee categories and proportion of women in the workforce

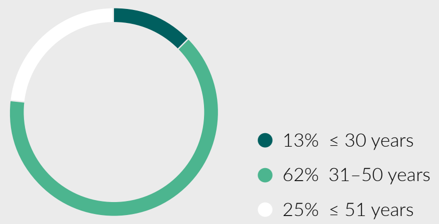
The overall proportion of female employees below Management Board level at DIC Asset AG in the 2022 reporting period was 53%. During the 2022 financial year, the age structure among all Group employees (including VIB) was as follows: 13% of staff were 30 or younger, employees aged 31 to 50 made up the largest share at 62%, while 25% of colleagues were 51 or older. Our aim is to maintain the good gender balance in employee categories below the Management Board at its current high level, while at the same time preserving the current age structure.

The following employee figures relate exclusively to DIC staff (excluding VIB) in 2022. The Group's key figures and targets will be consolidated with those of VIB over the next few reporting periods. As a listed company not subject to co-determination, DIC Asset AG is required by law to stipulated targets for the share of women on the Supervisory Board, on the Management Board and at the two executive levels below the Management Board, to the extent that these exist.

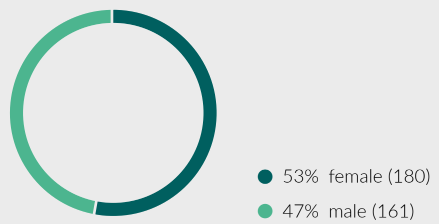
DIC Asset AG has set itself the target of achieving or maintaining a balanced proportion of men and women in all employee categories. At executive level 1 (excluding branch managers), we reached the target set in 2017 on schedule with a share of women of 15.38% (2/13) at the end of June 2022. The definition of executive level 1 was then adjusted slightly (extended executive level including regional managers) and a new target of 28.125% (9/32) was set, to be achieved by the end of June 2027. This target was also reached ahead of schedule as of 31 December 2022 with a reported figure of 31%.

The Supervisory Board of DIC Asset AG is the company's control body. Dr. Angela Geerling was elected as a new Supervisory Board member at the General Shareholders' Meeting that took place on 24 March 2022. This means that DIC Asset AG has met the target it set itself of increasing the propor-

Age structure



Employees by gender



Targets for employee categories and the proportion of women in the workforce

Targets (DIC incl. VIB)	KPI	Status	Change
Maintain current level of male/female quotas at executive level below Management Board	Number of employees by gender category (m/f/d) below Management Board level [1]	53% women 47% men	+1 pp women –1 pp men
Maintain current age structure	Number of employees by age category	13% ≤ 30 years 62% 31–50 years 25% ≥51 years	–2 pp ≤ 30 years –3 pp 31–50 years +5 pp ≥ 51 years

[1] At present, DIC Asset AG does not collect any information on the "diverse" gender category.

tion of women on the Supervisory Board to 16.66% (1/6) by 30 June 2022. As of 31 December 2022, it consisted of six members (one woman, five men). This equates to a proportion of women on the control body of 16.66%.

As of the 31 December 2022 reporting date, the Management Board of DIC Asset AG comprised one woman and three men. This equates to a proportion of women on the Management Board of 25%. The target of a women's share of 1/4 set in 2017 was again met this year. The two Management Board members Christian Bock (CIBO) and Patrick Weiden (CCMO) left the Management Board of DIC at the end of 2022. Torsten Doyen (CIBO) and Christian Fritzsche (COO) joined our Management Board team at the start of 2023. These changes in composition did not have any impact on the share of women on the Management Board, which remained unchanged at 25%.

With effect from 1 July 2022, the Supervisory Board maintained its target of 25% for the share of women on the Management Board and 1/6 for the share of women on the Supervisory Board. A deadline of 30 June 2027 has been set for achieving each of these targets.

Due to the setting of new targets by the Supervisory Board of DIC, employee diversity figures for DIC and VIB must be reported separately for the 2022 financial year.

Proportion of employees, by employee category

Employee category	Gender	Total	in %
Governance bodies (Management Board and Supervisory Board)	Female DIC	2	20
	Male DIC	8	80
Extended executive level	Female DIC/VIB	9/2	31/33
	Male DIC/VIB	20/4	69/67
Employees (workforce)	Female DIC/VIB	148/21	53/75
	Male DIC/VIB	130/7	47/25

Diversity and equal opportunity targets

Targets (DIC excl. VIB)	KPI	Status	Year-on-year change
Increase the proportion of women at executive level 1 (extended executive level including regional managers) by 30 June 2027 to 28.125% (9/32)	Overall proportion of women at executive level 1 (extended executive level including regional managers)	31% Target achieved ahead of schedule	+5 pp
Maintain or increase the current share of women at executive level	Overall proportion of women at executive level (including branch managers)	31%	+5 pp
Maintain or increase the current share of women within the workforce	Overall proportion of women in the workforce	53%	+1 pp
Increase the proportion of women on the Management Board by 30 June 2027 to 25% (1/4)	Overall proportion of women on the Management Board	25% Target achieved ahead of schedule	±0 pp
Increase the proportion of women on the Supervisory Board by 30 June 2027 to 16.66% (1/6)	Overall proportion of women on the Supervisory Board	16.66% Target achieved ahead of schedule	+16.66 pp

Salaries

DIC has set itself the target of bringing the basic salary and remuneration of women and men into balance overall in every employee category. We firmly believe that equal work should be rewarded equally, regardless of gender, background or other social factors. 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. As well as making these operational adjustments, we participated in the Real Estate Compensation Club benchmark run by Heuer, Kienbaum and the ZIA for the first time in 2022 to gain an overview of market remuneration and assess our own competitiveness. This study analyses the remuneration level and structure of approximately 90 specialist and management roles within the real estate sector. The results of this benchmark study help our HR department to make appropriate decisions when deciding salaries and awarding bonuses.

We succeeded in significantly narrowing the gender pay gap in the “executive level” and “non-executive” employee categories. As a result, men in the “non-executive” category at DIC now only earn an average of 25.2% more than their female colleagues (previous year: 28.3% excluding VIB). This corresponds to an average annual salary of EUR 84,995 for men, compared to EUR 63,597 for women. The gender pay gap in the “executive level” category is now just 11.0%, an improvement of 8 percentage points compared to the previous year (previous year: 19.0% excluding VIB). This was achieved by significantly increasing the average salary paid to female executives. The consolidation of VIB had no significant impact on the gender pay gap. In the “employees with similar duties” category, women earned approximately 1.6% less than their male colleagues in 2022 (previous year: –2.2% excluding VIB).

The narrowing of the gender pay gap, particularly at executive level, clearly demonstrates that DIC is working hard to implement its social goals.

Gender pay gap by employment category

Employee category[1]	Gender	Salary in EUR	Pay gap	Year-on-year change
Executive level	Male	148,366		
	Female	132,117	–11.0%	+8 pp
Non-executive role	Male	84,995		
	Female	63,597	–25.2%	+3.1 pp
Employees with similar duties	Male	48,000		
	Female	47,256	–1.6%	–3.8 pp

[1] DIC uses the following categories of staff for disclosing the gender pay gap:
Executive level: employees with supervisory responsibilities
Non-executive role: employees without supervisory responsibilities
Employees with similar duties: specialists and assistants

New Work at DIC – the world of work is **changeable**

The use of the office workplace has been undergoing fundamental change – and not just since the coronavirus pandemic. Digitalisation of the world of work and the movement of persons have created different requirements for a modern working environment than 20 years ago. DIC has recognised the sign of the times – New Work has long been a part of our success story.

Transformation of the office

New Work needs new worlds of work. The solutions for this are as varied as the companies that focus on this topic. Departments of one and the same company even create different solutions. No longer just places of work, modern offices are meeting places for innovative solutions and commercial success.

This has prompted us to transform our traditional office space. The uniform unimaginativeness of the open-plan or cell layout has had its day. Innovative models tailored to the needs of office users are gaining traction. This entails giving more space to individual workstations and making the available rooms suitable for multiple functions. Larger offices are frequently divided into areas for carrying out different activities. Every employee will find the right environment for their purposes, be it silent work at a desk, group meetings or interactive teleconferences. Activity working instead of monotonous 9-to-5 office work.

New expectations

As the world of work changes, so too do the expectations and requirements of office users in relation to their working environment. These start with the office location. Younger staff in particular frequently don't own a car and tend to prefer urban locations that are easy to access by public transport. Another aspect of importance is the amenity value created by smart temperature, lighting and noise management. Ergonomic aspects and health benefits also feature on employees' wish lists. Musty basement offices are definitely a thing of the past.

Seamless integration of digital technology is now a fundamental prerequisite for a modern office environment. The same goes for spaces that encourage social interaction. Not only is this explicitly requested, but it is now considered an important driver of a healthy corporate culture. Where remote working falls short is in creative development, team-building and collaboration across all departments and levels of the company.

Fit for future – leading the way rather than copying

DIC has long recognised the potential of state-of-the-art office models. For example, we redesigned our over 859 sqm location in Munich in 2022 with open, flexible room layouts. The insights that we incorporate into our own facilities are put to direct use in the advice we give to our customers and tenants. Our success has proven us right: when developing plans for new buildings, redesigning existing spaces of prominent anchor tenants or refurbishing landmark properties, such as the Global Tower in Frankfurt, we design office work environments in accordance with the latest New Work and ESG insights. For us this means being “fit for future”. We look forward to the offices of tomorrow.

Our commitment to good and fair collaboration

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

Employee retention and satisfaction

The shortage of skilled workers in Germany and the consequences of this trend are becoming increasingly apparent. According to an ifo Institute survey in July 2022, almost 50% of the companies surveyed were adversely affected by this trend.[1] Data from the German Confederation of Skilled Crafts suggests that between 15,000 and 20,000 apprenticeships remain vacant each year.[2] The construction and real estate industry is not immune to this trend, either. To counteract this, we have identified employee satisfaction as a valuable asset and have firmly embedded it within our strategic agenda. In 2021, we created the role of Head of People and Culture, who is responsible for developing a consistent corporate culture and strategically addressing key personnel issues. These issues primarily include reconciling work and family life, particularly for employees with small children or relatives needing care.

Focusing on people

We support our colleagues as human beings as part of a holistic approach. Since 2022, DIC has been helping its employees to strike a better balance between their professional and personal lives with pme Familienservice, a private service available to the families of DIC staff on very favourable terms. We receive professional support in the areas of child and family time (e.g. childcare, home help, advice) as well as homecare and caring for the elderly (e.g. provision for old age, pension scheme, caring for older family members).

pme Familienservice also offers coaching programmes (e.g. occupational health, running training, back exercises) and workshops on a wide range of social and health-related topics (e.g. yoga, work-life academy, dealing with periods of stress). Where necessary, employees can also access free, anonymous advice in personal crisis situations, either via telephone or in person. We received plenty of positive feedback about the 80 events booked in the first year after this service was launched.

Greater flexibility allows staff to balance work and family life

Another element of our employee support is developing working time models tailored to the individual needs of our colleagues. This is particularly helpful for staff returning from parental leave, as it gives them significant flexibility and a large degree of independence in planning their working hours. Flexible working time models promote a healthy work-life balance. This benefits all of our employees, allowing them to stay healthy, productive, focused – and be more successful. As women often bear much of the burden of childcare, housework and caring for elderly family members, they are much more reliant on flexible working time than their male colleagues. We firmly believe that developing a workplace culture that promotes flexible working for both men and women makes a major contribution to increasing employee satisfaction.

Working from home and New Work

We reconfigured our working time arrangements virtually overnight during the coronavirus pandemic. We partly did this out of necessity to maintain business continuity. Some of our employees managed the switch to working from home well and quickly created a productive working environment within their homes. Others found the transition much more challenging, reporting a lack of human interaction, the difficulties of communicating entirely via online media, and an erosion of the team spirit that was always integral to our culture of success. While we now know that working from home will be a permanent fixture in tomorrow's world of work, it will only ever be part of that world. We have now made our working time arrangements much more flexible, with each employee spending an average of one day a week working from home.

[1] Source: www.ifo.de/en/press-release/2022-08-02/shortage-skilled-workers-germany-reaches-all-time-high
[2] Source: www.zeit.de/arbeit/2022-07/fachkraeftemangel-handwerk-bau-branche-ausbildungen

The continuing digitalisation of various areas of work and life and the growing significance of ESG criteria are driving lasting change in the world of work. For DIC, there are four factors that will be key for our future success:

- closer links between employees
- cooperation across multiple locations
- interdepartmental teamwork
- social interaction, both virtually and in person

At DIC, we generally agree that the office of the future will be not just a workplace but also a meeting place for entrepreneurial thinking and innovative collaboration. This has prompted us to transform our traditional office space. We are moving away from homogeneous, one-size-fits-all models and instead creating more space per workstation and introducing flexible zones that can be used creatively for different purposes.

Implementing these **"New Work"** models into our own office space allows us to gain valuable experience that we use to provide our tenants and clients with targeted advice. One example of this is the reorganisation of our location in Munich, where innovative office models have been applied to 859 sqm of space.

As part of this redesign, areas have been transformed into specific zones geared towards the requirements of the modern world of work, from spaces that facilitate social team interactions and focused desk work to quiet retreat areas.

Regular feedback

Performance pays off. We place great value on fostering individual performance 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 (2022: 100%). To improve our onboarding process, we conduct anonymous employee surveys two months after new staff join us. By evaluating these surveys, we learned that some of our new employees have difficulties with our sometimes extensive IT landscape. With this in mind, we decided during the year under review to incorporate IT directly into our onboarding process so that we can work with new employees to configure their equipment and answer any initial questions. At the same time, we revised certain documents on the intranet ("DIC Hub") for our new colleagues and added helpful guides containing practical advice, tips and tricks for their day-to-day routine to make it easier for them to settle in.

Joining forces to be more **approachable**

Praunheim Workshops: social commitment with a long tradition

Our mission statement – "we shape our business with and for the people" – informs DIC's social commitment. We consider ourselves part of the community and actively promote social cohesion in Germany as part of our Social Impact Days.

In November 2022, 20 DIC employees from various departments and locations provided support for two of Praunheim Workshops' residential buildings in Frankfurt am Main. The Workshops have a proud history stretching back over 90 years. During our work, it became apparent that the interiors of the "Am Wendelsgarten" and "An der Praunheimer Mühle" properties urgently needed painting.

By joining forces, we managed to renovate every room as part of our Social Impact Day. There was even enough time left to get to know each other, with DIC employees getting a chance to chat with residents of the two buildings. The verdict? Let's do this again some time!

True team spirit builds strong cohesion

During the 2022 financial year, DIC once again showed that its social commitment extends well beyond its office doors. True to our mission statement of "we shape our business with and for the people", DIC hosted two Social Impact Days in 2022. These gave the entire team the opportunity to help vulnerable people outside of their professional activities. In March 2022, we demonstrated our commitment to **refugees from Ukraine** by furnishing two vacant apartments in Mönchengladbach from our Düsseldorf branch's residential portfolio and making them available to refugee families. "Lending a hand for a good cause" was the theme of our visit to Praunheim Workshops in Frankfurt in November 2022, where we helped to **renovate various communal areas and living spaces**. Praunheim Workshops work tirelessly to tackle discrimination towards people with disabilities by giving them a place to live, a job tailored to their skills and abilities, and a community where they can feel at ease with their limitations and lead independent lives.

Since January 2022, we have regularly organised "DIC Insights" to increase touch points and improve communication between our specialist departments and their employees. This format offers an excellent opportunity to network across departmental lines and share knowledge within our organisation. The HR and Marketing teams also launched the #oneteam employee magazine to report on important events and team news. The magazine is published internally every eight weeks and then remains available in the news archive. The magazine collects information about the company's most exciting projects, reveals the brains behind various initiatives and shares stories from the professional and personal lives of our employees.

Follow your ambitions – fostering talent at DIC

As a forward-looking company, we are constantly on the lookout for the brightest minds to supplement our team. To keep up with increasing competition for the best talent, we rely on an internal recruiter that supports the entire Group and provides comprehensive information on the latest vacancies, modern recruiting channels and university marketing.

As part of our strategy for assuring the availability of well-qualified junior staff for our company, we hired five new trainees in 2022. Four trainees are completing a three-year programme in real estate while one trainee has started our programme for IT specialists with a focus on system integration. During the last financial year, DIC also launched a trainee programme for two candidates looking to pursue careers in software development and fund/product management as well as sales.

We made the acquaintance of both trainees through HR marketing at the IZ Careers Forum held by Goethe University Frankfurt. This year, DIC again set out its booth at the EXPO REAL Career Day, which is held as part of the annual EXPO REAL property trade fair in Munich. During the event, DIC welcomed 20 students from the Students Meet Real Estate club, who were able to gain impressions of day-to-day life at DIC provided by various members of our departmental teams.

The three scholarships also bore fruit last year, with two of the beneficiaries ultimately joining DIC as a work placement student or intern. The Group will continue to award scholarships in cooperation with the Frankfurt School of Applied Sciences during 2023.

External communications were stepped up during 2022 by way of the employer branding campaign using the slogan "dynamic performance". Videos starring our own employees were shot, which feature short interviews with staff explaining what "dynamic performance" means to them. These videos were posted with specific job descriptions on our social media channels and our own careers web page, which was also modernised as part of the campaign and made more appealing with the rollout of a new visual language.

+146%
Training hours

We also introduced the CEO Lunch to showcase our employees' talent. These events give small groups of talented professionals from different DIC divisions the opportunity to interact directly with our CEO. During each CEO Lunch, the group identifies interdisciplinary issues that offer development or growth potential for DIC. These issues are then fleshed out in online meetings and transferred into different action strands. In 2022, all of these events were based around the guiding theme of "Getting a better feel of DIC's properties and business model". As part of the rollout of this focus topic, a group of talented young DIC professionals travelled to Mönchengladbach on 8 March 2022 to visit the TO HUUS project in person. One of the project leaders – a participant in the CEO Lunch himself – took his colleagues for a tour around the property and explained the conversion work being done. He then told the story of this portfolio property's eventful journey to becoming a lively and popular shopping centre. This series of events proved to be a great success and will continue during the next reporting year. It allows us to ensure that our hierarchies remain flat and that there is fertile ground for the ideas and innovative potential of our employees.

We also offer our employees numerous opportunities to undertake training and skill building to steadily expand their know-how. In 2022, our employees (excluding VIB) undertook a total of 1,996 hours (previous year: 810 hours) of training (including continuing professional development). That equates to 6.50 hours of training per employee based on the average number of employees in 2022 (previous year: 2.65). We invested EUR 108,998.18 in continuing professional development programmes during the year under review (previous year: EUR 55,114.42), which equates to training and professional development costs of EUR 355.04 per full-time position (previous year: EUR 187.72). Increasing these costs significantly compared to the previous year is another way for us to express our appreciation for our employees.

Diversity and equal opportunity

DIC Asset AG strives to achieve a balanced age structure and mix of genders. Our experience shows that achieving the right mix of employees from a range of different 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 employees with the methodological knowledge of younger staff. We have observed that collaboration across generations and genders helps people to find common ground. Our work environment benefits just as much as the social skills of all employees and executives. This social cohesion is one of our Company's most important resources and is crucial in dealing with stress peaks and their consequences more effectively.

The diversity of nations also enriches our everyday working lives. We currently employ people from 15 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.

Healthcare and prevention

We continuously strive to improve health protection for our employees based on the Occupational Safety Policy set out in 2021. In addition to 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 for the second time to organise our virtual health days on mindfulness and dealing with stressful situations. As part of online seminars, employees can undergo a "resource check", learn more about restorative sleep habits and learn relaxation techniques. pme Familienservice also offers a comprehensive range of coaching programmes.

Absences and accidents

We strive to keep sickness absence days to a minimum. We sit down with employees returning to work after lengthy illness-related absences to discuss how their working environment can be optimally adapted to suit their needs. Despite our best efforts, the absence rate rose from 7.2 to 11.46 days compared to the previous year. Nevertheless, DIC remained well below the nationwide average of 20 absence days during the year under review.[1] The rise in absence days during the reporting year is primarily attributable to the effects of the coronavirus pandemic. Despite strict hygiene regulations and company vaccination campaigns, DIC could not entirely counteract the effects of global infection waves.

Beyond our healthcare and employee benefits we create a safe working environment in which accidents can be prevented. During the reporting year, DIC recorded zero occupational accidents (fatal or non-fatal) at all within the Group, equating to an injury rate of 0.0% (previous year: 0.0%), lost day rate of 0.0% (previous year: 0.0%) and lost time injury frequency rate of also 0.0% (previous year: 0.0%). In the 2022 reporting year, there was a total of 31,264 hours of absence due to illness (28,192 excluding VIB; previous year: 26,704). As a percentage of target working hours, this gives an absentee rate of 4.53% (4.55% excl. VIB; previous year: 2.82%).

[1] Source: www.dak.de/dak/bundesthemen/negativrekordwert-2022-hoechster-krankenstand-seit-einem-viertel-jahrhundert-2597674.html

Sickness absence

	2019	2020	2021	2022
Total days of sickness absence	2,105	2,846	2,204	3,908
Days of sickness absence per employee	8.5	10.5	7.2	11.46

The team spirit is **palpable**

Accommodating refugees from Ukraine

As soon as Russia launched its attack on Ukraine, there was immense willingness within DIC to respond to the conflict, with many employees making it clear that they wanted to help.

By March, around 260,000 refugees from Ukraine had already arrived in Germany. Accommodating such a large number of refugees in such a short time pushed the authorities to their limits. Although DIC only has a few residential properties in its portfolio, we quickly asked ourselves whether we could provide additional living space to help ease the housing shortage. We ultimately identified two apartments in the Düsseldorf branch's residential portfolio that could be used to accommodate refugees in the short term, but first the apartments needed to be furnished. In just a few days, 15 staff from the Düsseldorf, Frankfurt, Mannheim and Hamburg offices volunteered to help prepare the two apartments for occupation. Without further ado, transport was organised and the necessary home furnishings were purchased. Anyone not involved in purchasing furniture helped to clean the apartments or build kitchens. The first refugee families moved in as soon as the project was completed. DIC would like to thank our dedicated colleagues for their determination and enthusiastic support.

Appendix

This sustainability report is based on the requirements of the 2021 GRI Standards. To ensure transparency and comply with best practices adopted by European listed real estate companies, we also apply the reporting principles established by the European Public Real Estate Association (EPRA).

GRI Index

DIC Asset AG has reported on the information listed in this GRI Index for the period from 1 January 2022 up to and including 31 December 2022 by making reference to the GRI Standards.

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ESG Profile

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	2-23 Policy commitments	24–27	
	2-24 Embedding policy commitments	23, 26–27, 51–52	
	2-25 Processes to remediate negative impacts	28–30	
	2-27 Compliance with laws and regulations		No such incidents in the 2022 financial year (monetary value: EUR 0).
	2-28 Membership associations	25	
	2-29 Approach to stakeholder engagement	32–34	
	2-30 Collective bargaining agreements	22	
GRI 3: Material Topics 2021	3-1 Process to determine material topics	39–40	
	3-2 List of material topics	39–40	

Governance

		Page	Comments
GRI 201: Economic Performance 2016	3-3 Management of material topics	12–13, 43–46	
	201-1 Direct economic value generated and distributed	47–48	
	201-2 Financial implications and other risks and opportunities due to climate change	49–50	
	201-3 Defined benefit plan obligations and other retirement plans		DIC Asset AG does not provide any benefit plans to employees.
	201-4 Financial assistance received from government		DIC Asset AG did not receive any financial assistance from the government in the reporting year.
GRI 205: Anti-corruption 2016	3-3 Management of material topics	12–13, 43–46	
	205-1 Operations assessed for risks related to corruption	51	
	205-2 Communication and training about anti-corruption policies and procedures	51–52	
	205-3 Confirmed incidents of corruption and actions taken	51	

Other topics

		Page	Comments
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		No such incidents in the 2022 financial year.
	205-1 IT-security	52	

Environment

		Page	Comments
GRI 302: Energy 2016	3-3 Management of material topics	8–9, 54–59, 69	
	302-1 Energy consumption within the organisation	60–65	
	302-2 Energy consumption outside of the organisation	60–62, 65–67	
	302-3 Energy intensity	60–62, 67–68	
	302-4 Reduction of energy consumption	59, 61, 63, 69, 75	
	302-5 Reductions in energy requirements of products and services		DIC Asset AG did not systematically collect any data on GRI 302-5. Please refer to GRI 302-1 to GRI 302-4 for details about energy consumption during service delivery.
	CRE1 Building energy intensity	67–68	
GRI 305: Emissions 2016	3-3 Management approach	8–9, 54–59	
	305-1 Direct (Scope 1) GHG emissions	60–62, 70–71	
	305-2 Energy indirect (Scope 2) GHG emissions	60–62, 70–71	
	305-3 Other indirect (Scope 3) GHG emissions	60–62, 70–71	
	305-4 GHG emissions intensity	60–62, 71	
	305-5 Reduction of GHG emissions	54–59, 61, 63, 75	
	305-6 Emissionen of ozone-depleting substances (ODS)		DIC Asset AG did not systematically collect any data on GRI 305-6.
	305-7 Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions		DIC Asset AG did not systematically collect any data on GRI 305-7.
	CRE3 Intensity of GHG emissions from buildings	71	

Environment

		Page	Comments
CRE8: Sustainable portfolio performance	3-3 Management of material topics	54, 57, 59	
	CRE8 Number and type of Green Building certifications	72–74	

Other topics

		Page	Comments
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	76	
	CRE2 Building water intensity	76	
GRI 306: Waste 2020	306-3 Waste generated	76	

Social

		Page	Comments
GRI 401: Employment 2016	3-3 Management of material topics	10–11, 78–79, 85–89	
	401-1 New employee hires and employee turnover	80	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	85–86, 88	
	401-3 Parental leave	80	
GRI 405: Diversity and Equal Opportunity 2016	3-3 Management of material topics	10–11, 78–79, 85–89	
	405-1 Diversity of governance bodies and employees	81–82	
	405-2 Ratio of basic salary and remuneration of women to men	83	

Other topics

		Page	Comments
GRI 402: Labour/Management Relations 2016	402-1 Minimum notice periods regarding operational changes		We proactively inform our employees about organisational changes early on; such information is usually provided by members of the Management Board or other senior executives in person. Any coporate news publicly announced is also separately circulated within the DIC group.
GRI 403: Occupational Health and Safety 2018	403-2 Hazard identification, risk assessment, and incident investigation		
	CRE6 Labour practices and human dignity		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 saftey committees regularly review current practices. DIC Asset AG´s Occupational Safety Policy and our Policy Statement on Respect for Human Rights set out our general principles and practices (see www.dic-asset.de/download/policy/DIC_Occupational_Safety_Policy_2021.pdf, www.dic-asset.de/download/policy/DIC_Policy_Statement_Human_Rights.pdf).
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	88	
	404-2 Programs for upgrading employee skills and transition assistance programmes	86–88	
	404-3 Percentage of employees receiving regular performance and career development reviews	86	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken		No such incidents were identified.
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour		No child labour risk was identified for any operation or supplier. DIC Asset AG´s Code of Conduct for Business Partners and our Policy Statement on Respect for Human Rights set out our general principles and practices (see www.dic-asset.de/download/policy/DIC_Code_of_Conduct_Business_Partner.pdf, www.dic-asset.de/download/policy/DIC_Policy_Statement_Human_Rights.pdf).

Other topics

		Page	Comments
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour		No risk of forced or compulsory labour was identified for any operation or supplier. DIC Asset AG´s Code of Conduct for Business Partners and our Policy Statement on Respect for Human Rights set out our general principles and practices (see www.dic-asset.de/download/policy/DIC_Code_of_Conduct_Business_Partner.pdf, www.dic-asset.de/download/policy/DIC_Policy_Statement_Human_Rights.pdf).
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria		DIC Assets AG´s business acitvities in 2022 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 of the DIC Group and must impose them on their own business partners, such as their suppliers, sub-contractors or similar (see www.dic-asset.de/download/policy/DIC_Code_of_Conduct_Business_Partner.pdf).
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	27	In the reporting year, 100% of our products and service portfolio was examined for potential improvements to reduce negative impacts on the health and safety of business partners and others.
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	27	There were no violations of statutory regulations or internal policies in the reporting year.
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		No such incidents in the 2022 financial year.

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 the Sustainability Best Practice Recommendations (sBPR) Guidelines (third version, 2017) of the European Public Real Estate Association (EPRA) for the 2021 and 2022 financial years of DIC Asset AG. The separate EPRA disclosures include the overarching recommendations and performance indicators for the relevant sustainability topics.

Commercial Portfolio data and Portfolio performance measures – Environmental

						Total			Office			Other uses
Area	**EPRA code**	**Indicator**	**Unit**	**2021**	**2022**	**Δ**	**2021**	**2022**	**Δ**	**2021**	**2022**	**Δ**
Portfolio		Total number of properties	Number	93	195	110%	56	59	5%	37	136	268%
		Floorspace	sqm	829,894	2,091,251	152%	456,060	458,172	0%	373,834	1,633,079	337%
		Market value	EUR million	2,222	4,335	95%	1,491	1,215	–19%	731	3,120	327%
Energy	Elec-Abs	Total landlord-obtained electricity consumption	kWh/year	9,749,641	11,960,455	23%	5,066,110	5,124,220	1%	4,683,531	6,836,234	46%
		of which, renewable energy	%	87	92	6%	76	100	31%	100	87	–13%
		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**	**9,749,641**	**11,960,455**	**23%**	**5,066,110**	**5,124,220**	**1%**	**4,683,531**	**6,836,234**	**46%**
		Number of properties analysed	Number	53	73	38%	31	36	16%	22	37	68%
		by floorspace	sqm	435,007	762,733	75%	223,883	277,097	24%	211,124	485,636	130%
		Coverage as a % of total floorspace	%	52	36	–30%	49	60	23%	56	30	–47%

Commercial Portfolio data and Portfolio performance measures – Environmental

				Total			Office			Other uses		
Area	**EPRA code**	**Indicator**	**Unit**	**2021**	**2022**	**Δ**	**2021**	**2022**	**Δ**	**2021**	**2022**	**Δ**
Energy	Elec-Lfl	Like-for-like total landlord-obtained electricity consumption	kWh/year	9,382,224	7,824,263	–17%	4,698,693	4,719,772	0%	4,683,531	3,104,491	–34%
		of which, renewable energy	%	86	100	16%	72	100	38%	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**	**9,382,224**	**7,824,263**	**–17%**	**4,698,693**	**4,719,772**	**0%**	**4,683,531**	**3,104,491**	**–34%**
		Number of properties analysed	Number		49			28			21	
		by floorspace	sqm		389,002			208,241			180,761	
		Coverage as a % of total floorspace (2022)	%		19			45			11	
	DH&C-Abs	**Total landlord-obtained district heating & cooling consumption (consumed in tenant areas)**	**kWh/year**	**15,784,759**	**18,392,076**	**17%**	**8,144,165**	**9,850,745**	**21%**	**7,640,594**	**8,541,332**	**12%**
		of which, renewable energy	%	0	0	0%	0	0	0%	0	0	0%
		Number of properties analysed	Number	27	34	26%	16	19	19%	11	15	36%
		by floorspace	sqm	210,369	260,207	24%	113,428	136,482	20%	96,941	123,724	28%
		Coverage as a % of total floorspace	%	25	12	–51%	25	30	20%	26	8	–71%
	DH&C-Lfl	**Like-for-like landlord-obtained district heating & cooling consumption (consumed in tenant areas)**	**kWh/year**	**15,178,588**	**13,972,451**	**–8%**	**7,537,994**	**6,864,539**	**–9%**	**7,640,594**	**7,107,911**	**–7%**
		of which, renewable energy	%	0	0	0%	0	0	0%	0	0	0%
		Number of properties analysed	Number		25			14			11	
		by floorspace	sqm		188,583			91,642			96,941	
		Coverage as a % of total floorspace (2022)	%		9			20			6	

Commercial Portfolio data and Portfolio performance measures – Environmental

				Total			Office			Other uses		
Area	**EPRA code**	**Indicator**	**Unit**	**2021**	**2022**	**Δ**	**2021**	**2022**	**Δ**	**2021**	**2022**	**Δ**
Energy	Fuels-Abs	**Total landlord-obtained fuel consumption (consumed in tenant areas)**	**kWh/year**	**26,977,798**	**33,937,968**	**26%**	**17,403,308**	**12,343,634**	**–29%**	**9,574,490**	**21,594,334**	**126%**
		of which, renewable energy	%	0	0	0%	0	0	0%	0	0	0%
		Number of properties analysed	Number	28	39	39%	17	17	0%	11	22	100%
		by floorspace	sqm	245,829	502,526	104%	132,020	140,614	7%	113,809	361,911	218%
		Coverage as a % of total floorspace	%	30	24	–19%	29	31	6%	30	22	–27%
	Fuels-Lfl	**Like-for-like landlord-obtained fuel consumption (consumed in tenant areas)**	**kWh/year**	**21,988,894**	**15,672,446**	**–29%**	**15,917,466**	**11,253,386**	**–29%**	**6,071,428**	**4,419,060**	**–27%**
		of which, renewable energy		0	0	0%	0	0	0%	0	0	0%
		Number of properties analysed	Number		24			14			10	
		by floorspace	sqm		200,419			116,599			83,820	
		Coverage as a % of total floorspace (2022)	%		10			25			5	
	Energy-Int	**Buildings energy intensity (landlord-obtained consumption)**	**kWh/year**	**120.7**	**84.3**	**–30%**	**136.7**	**98.6**	**–28%**	**103.7**	**76.1**	**–27%**
Emissions	GHG-Dir-Abs	Direct scope 1 (total) GHG emissions (location based)	t CO_2e/year	0	0	0%	0	0	0%	0	0	0%
	GHG-Indir-Abs	Indirect scope 2 (total) GHG emissions (location based)	t CO_2e/year	5,109	6,297	23%	2,655	2,698	2%	2,454	3,599	47%
		Indirect scope 2 (total) GHG emissions (market based)	t CO_2e/year	648	482	–26%	639	9	–99%	9	473	5,289%
		Other indirect scope 3 (total) GHG emissions (location based)	t CO_2e/year	9,606	11,786	23%	5,784	4,929	–15%	3,821	6,857	79%
		Other indirect scope 3 (total) GHG emissions (market based)	t CO_2e/year	9,606	11,786	23%	5,784	4,929	–15%	3,821	6,857	79%

A detailed overview of the certificates can be found in the Environment chapter.

Commercial Portfolio data and Portfolio performance measures – Environmental

				Total			Office			Other uses		
Area	**EPRA code**	**Indicator**	**Unit**	**2021**	**2022**	**Δ**	**2021**	**2022**	**Δ**	**2021**	**2022**	**Δ**
Emissions	GHG-Int	**Buildings greenhouse gas (GHG) emissions intensity (location based)**	**kg CO_2e/sqm**	**33.8**	**23.7**	**–30%**	**37.7**	**27.5**	**–27%**	**29.7**	**21.5**	**–28%**
Water	Water-Abs	**Total water consumption**	**m³**	**144,716**	**362,486**	**150%**	**78,673**	**103,788**	**32%**	**66,043**	**258,698**	**292%**
		Number of properties analysed	Number	75	146	95%	45	57	27%	30	89	197%
		by floorspace	sqm	660,965	1,668,389	152%	371,319	455,152	23%	289,646	1,213,236	319%
		Coverage as a % of total floorspace	%	80	80	0%	81	99	22%	77	74	–4%
	Water-LfL	**Like-for-like water consumption**	**m³**	**143,581**	**199,854**	**39%**	**77,538**	**80,798**	**4%**	**66,043**	**119,057**	**80%**
		Number of properties analysed	Number		74			44			30	
		by floorspace	sqm		652,325			362,533			289,793	
		Coverage as a % of total floorspace (2022)	%		31			79			18	
	Water-Int	**Buildings water intensity**	**m³/sqm**	**0.22**	**0.22**	**–1%**	**0.21**	**0.23**	**8%**	**0.23**	**0.21**	**–6%**
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	6	33	450%	5	7	40%	1	26	2,500%
		Number of sustainably certified assets as a % of floorspace	%	10	28	190%	7	4	–45%	3	24	718%
		Number of sustainably certified assets as a % of market value	%	15	33	116%	12	10	–17%	3	23	602%

Gender
w = women
m = men

DIC Asset AG performance measures – Social and Governance

Area	EPRA code	Indicator	Unit	2021	2022
Employees	Diversity-Emp	**Employee gender diversity**			
		Supervisory Board	%	0w/100m	17w/83m
		Management Board	%	25w/75m	25w/75m
		executive level	%	26w/74m	31w/69m
		employees	%	54w/46m	55w/45m
		employees below Management Board level	%	52w/48m	53w/47m
	Diversity-Pay	**Gender-specific pay gap**			
		executive level	%	–19.0	–11.0
		employees not in executive roles	%	–28.3	–25.2
		employees with similar duties	%	2.2	–1.6
	Emp-Training	Employee training and development	Hours/ employee	2.65	6.50
	Emp-Dev	Employee performance appraisals	%	100	100
	Emp-Turnover	**Employee turnover and retention**			
		number of joiners	Number	95	114
		joiners	%	31	33.4
		number of leavers	Number	67	109
		leavers	%	18.3	20

DIC Asset AG performance measures – Social and Governance

Area	EPRA code	Indicator	Unit	2021	2022
Employees	H&S-Emp	**Health and safety employees**			
		injury rate	%	0	0
		lost day rate	%	0	0
		absentee rate	%	2.8	4.5
		number of work-related fatalities	Number	0	0
Properties	H&S-Asset	Number of properties with H&S assessments	%	100	100
	H&S-Comp	Number of H&S non-compliance incidents	Number	3	0
	Comty-Eng	Local community engagement programmes or the number of buildings located near public transport hubs	%	90.4	79.9
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	8.8	6.7
		Average term of office of executive board (Management Board) members	Years	4.5	5.5
		Board members (non-executive and executive boards) with expertise and experience of environmental and social topics.	Number	10	6
	Gov-Select	Process used for selecting and appointing the highest governing body	Process description	s. 2021 AR, p. 144–148	s. 2022 AR, p. 122–124
	Gov-Col	Process for resolving conflicts of interest	Process description	s. 2021 AR, p. 36 a. 148	s. 2022 AR, p. 27 a. 126

Additional publications

AR = Annual Report

DIC regional offices performance measures – Environmental

Area	EPRA code	Indicator	Unit	2021	2022	Δ
Energy		Number of regional offices	Number	8	9	13%
		Floorspace	sqm	8,211	11,110	35%
	Elec-Abs	**Total electricity consumption**	**kWh/year**	**671,781**	**875,039**	**30%**
		of which, renewable energy	%	43.5	93.6	115%
		Number of regional offices analysed	Number	8	9	13%
	Elec-LfL	**Like-for-like electricity consumption**	**kWh/year**	**635,849**	**642,086**	**1%**
		of which, renewable energy	%	45.7	91.2	99%
		Number of regional offices analysed	Number	7		
	DH&C-Abs	**Total district heating & cooling consumption**	**kWh/year**	**662,781**	**514,128**	**–22%**
		of which, renewable energy	%	0	0	0%
		Number of regional offices analysed	Number	8	9	13%
	DH&C-LfL	**Like-for-like total district heating and cooling consumption**	**kWh/year**	**621,570**	**486,547**	**–22%**
		of which, renewable energy	%	0	0	0%
		Number of regional offices analysed	Number	7		
	Energy-Int	**Buildings energy intensity**	**kWh/sqm**	**163**	**125**	**–23%**
Emissions	GHG-Dir-Abs	Direct scope 1 (total) GHG emissions (location based)	t CO_2e/year	0	0	0%
	GHG-Indir-Abs	Indirect scope 2 (total) GHG emissions (location based)	t CO_2e/year	220	315	44%
		Indirect scope 2 (total) GHG emissions (market based)	t CO_2e/year	67	52	–22%
	GHG-Indir-Abs	Other indirect scope 3 (total) GHG emissions (location based)	t CO_2e/year	261	245	–6%
		Other indirect scope 3 (total) GHG emissions (market based)	t CO_2e/year	261	245	–6%
	GHG-Int	**Buildings greenhouse gas (GHG) emissions intensity (location based)**	**kg CO_2e/sqm**	**58.5**	**50.5**	**–14%**

DIC regional offices performance measures – Environmental

Area	EPRA code	Indicator	Unit	2021	2022	Δ
Water	Water-Abs	**Total water consumption**	**m³**	**1,901**	**2,246**	**18%**
		Number of regional offices analysed	Number	8	9	13%
	Water-LfL	**Like-for-like water consumption**	**m³**	**1,729**	**1,904**	**10%**
		Number of regional offices analysed	Number	7		
	Water-Int	**Buildings water intensity**	**m³/sqm**	**0.23**	**0.20**	**–13%**
Waste	Waste-Abs	**Total weight of waste by disposal route**	**tonnes/year**	**94.75**	**166.21**	**75%**
		of which, recycling	%	80	85	7%
		of which, composting	%	0	0	0%
		of which, for waste incineration	%	5	6	8%
		of which, for landfill	%	15	9	–40%
	Waste-LfL	**Like-for-like weight of waste by disposal route**	**tonnes/year**	**84.96**	**161.11**	**90%**
		of which, recycling	%	72	85	19%
		of which, composting	%	0	0	0%
		of which, for waste incineration	%	11	6	–47%
		of which, for landfill	%	16	8	–46%
Certified assets	Cert-Tot	**Number of regional offices with sustainably certified assets**	**Number**	**1**	**2**	**100%**

Auditor’s Report

Independent Auditor’s Report on a Limited Assurance Engagement on Sustainability Information[1]

To DIC Asset AG, Frankfurt

We have audited the table “Targets, KPIs, status“ on page 9, 11, 13 in the Sustainability Report of DIC Asset AG, Frankfurt, (hereinafter referred to as "DIC Asset AG" or "the Company"), for the period from January 1st, 2022 to December 31st, 2022 subject to a limited assurance engagement.

The table includes information on the climate path, greenhouse gas emissions, energy supply, green building share in the portfolio, employee structure, Funds from Operations, green financial instruments, ESG ratings, and compliance incidents and compliance training.

Responsibility of the Executive Directors

The executive directors of the Company are responsible for the preparation of the Sustainability Report in accordance with the principles and standard disclosures set out in the Sustainability Reporting Standards of the Global Reporting Initiative in combination with internal criteria as described in chapter "Methodology for calculating environmental data" of the Sustainability Report (hereinafter: "reporting criteria") and for the selection of the disclosures to be assessed.

This responsibility of the executive directors includes the selection and application of appropriate sustainability reporting methods and making assumptions and estimates about individual non-financial disclosures that are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal controls as executive directors determine to enable the preparation of a sustainability report that is free from material misstatement, whether due to fraud or error.

Independence and Quality Management of the Assurance Practitioner’s Firm

We have complied with the German professional regulations on independence as well as other professional conduct requirements.

Our auditing firm applies the national legal regulations and professional pronouncements - in particular the professional statutes for auditors and certified public accountants (BS WP/vBP) as well as the IDW Quality Management Standards issued by the Institute of Public Auditors in Germany (IDW), and accordingly maintains a comprehensive quality management system that includes documented regulations and measures relating to compliance with professional conduct requirements, professional standards, and authoritative statutory and other legal requirements.

Practitioner’s Responsibility

Our responsibility is to express a conclusion with limited assurance on the table “Targets, KPIs, status“ in the Sustainability Report based on the assurance engagement.

We conducted our audit in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the IAASB. This Standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the table “Targets, KPIs, status“ in the Sustainability Report of the Company for the period from January 1st, 2022 to December 31st, 2022 with the exception of the external sources of documentation or expert opinions in the Sustainability Report have not been prepared, in all material respects, in accordance with the relevant GRI criteria. This does not imply that a separate audit opinion is expressed on each of the disclosures. In a limited assurance engagement, the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly, a significantly lower level of assurance is obtained. The procedures selected depend on the practitioner’s professional judgment.

[1] We have performed a limited assurance engagement on the German version of the Sustainability Report and issued an Independent Auditor’s Report in German language, which is authoritative. The following text is a translation of the original German Auditor’s Report.

In the course of our assurance engagement we have, among other things, performed the following assurance procedures and other activities, particularly:

- Obtainment of an understanding of the structure of the sustainability organization and stakeholder engagement
- Inquiries of management and employees involved in the preparation of the Sustainability Report about the preparation process, the internal control system related to this process, and regarding the table “Targets, KPIs, status“ in the Sustainability Report
- Identification of probable risks of material misstatements in the Sustainability Report based on the reporting criteria
- Analytical assessments of selected quantitative disclosures in the Sustainability Report
- Inspection of selected internal and external documents
- Reconciliation of selected disclosures with the corresponding data in the consolidated financial statements and the Group management report
- Assessment of the presentation of the table “Targets, KPIs, status“

Assurance Opinion

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the table “Targets, KPIs, status“ in the Sustainability Report of the Company for the period from January 1st, 2022 to December 31st, 2022 have not been prepared, in all material respects, in accordance with the relevant reporting criteria.

Restriction of Use

We draw attention to the fact that the assurance engagement was conducted for the Company’s purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Consequently, it may not be suitable for any other purpose than the aforementioned. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the parent company alone. We do not accept any responsibility to third parties. Our assurance opinion is not modified in this respect.

General Engagement Terms

This engagement is based on the "Special Engagement Terms and Conditions of BDO AG Wirtschaftsprüfungsgesellschaft" of March 1st, 2021, agreed with the Company as well as the "General Engagement Terms and Conditions for Auditors and Auditing Firms" of January 1st, 2017, issued by the IDW (www.bdo.de/auftragsbedingungen).

Munich, 22 May 2023

BDO AG Wirtschaftsprüfungsgesellschaft

Carmen Auer Tobias Haerle

TCFD Index

The Financial Stability Board (FSB) created by the G20 community of states has established the Task Force on Climate-related Financial Disclosures (TCFD) as an internationally recognised body which develops guidelines for the disclosure of financial information that is related to climate change. The core of the guidelines is a set of recommended disclosures in the areas of governance, strategy, risk management, and metrics and targets. The aim of the guidelines is to ensure that the opportunities and risks of climate change are adequately reflected in financial reports, thereby enhancing the stability of the financial markets. DIC has begun to integrate TCFD requirements into its internal risk management. It also plans to include all TCFD recommendations in the Group's financial and sustainability reporting.

TCFD Index

	Recommended disclosure	Reference
Governance Disclose the organization's governance around climate-related risks and opportunities	A: Describe the board's oversight of climate-related risks and opportunities	2022 Annual Report, pages 22, 27, 37, 88
	B: Describe management's role in assessing and managing climate-related risks and opportunities	2022 Annual Report, pages 37, 87–88, 100–101
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material	A: Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	2022 Annual Report, pages 91, 100–101
	B: Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	2022 Annual Report, pages 91, 100–101
	C: Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2° C or lower scenario	2022 Annual Report, page 100 Scenario analyses were only carried out in 2022 for new acquisitions of properties (ESG-DD).
Risk management Disclose how the organization identifies, assesses, and manages climate-related risks	A: Describe the organization's processes for identifying and assessing climate-related risks	2022 Annual Report, pages 85–91, 100–101
	B: Describe the organization's processes for managing climate-related risks	2022 Annual Report, pages 37, 85–91, 100–101
	C: Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	2022 Annual Report, pages 37, 85–91, 100–101
Metrics and targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	A: Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	2022 Annual Report, pages 91, 100–101
	B: Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	2022 Sustainability Report, page 70
	C: Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	2022 Annual Report, pages 100–101 2022 Sustainability Report, pages 9, 55–57

To the 2022 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.

Portfolio analysis
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 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 to enable quantification of all greenhouse gas emissions using one single measure.

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
Rules for sound, responsible business management aimed at running a company in line with values and standards in the interest of its investors 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 Conservation Ordinance (EnEV) and Buildings Energy Act (GEG Act)
The German Energy Conservation Ordinance (EnEV) sets out energy requirements for heated or air-conditioned buildings (both new-builds and existing buildings). The Ordinance, together with the German Energy Conservation Act (EnEG) and the German Renewable Energies Heat Act (EEWärmeG), became the new German Buildings 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 stands for Environmental, Social and Governance, i.e. environmental and social issues in a company's area of responsibility as well as sustainability-related 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 carbon 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 security where the use of funds is exclusively earmarked for activities that contribute to the reduction or avoidance of climate risks.

Green Bond Framework
DIC Asset AG's Green Bond Framework complies with the globally established Green Bond Principles and enables bond issues with funds used for green purposes that are also in line with the United Nations Sustainable Development Goals 9 and 11. To assess the framework, a second-party opinion was obtained, which is publicly available.

Green Bond Principles
The Green Bond Principles (GBP) established by the International Capital Market Association (ICMA) are a globally established standard for assessing green bond issues. They provide recommendations for the use of the funds raised.

Units of measurement

kWh/year
kilowatt-hour per year

kWh/sqm
kilowatt-hour per sqm

m^3
cubic metre

m^3/sqm
cubic metre per sqm

kg CO_2e
carbon dioxide emission in kilogram

kg CO_2e/sqm
carbon dioxide emission in kilogram per sqm

Green Buildings
Green Buildings are defined in DIC Asset AG's Green Bond Framework as buildings that meet very high energy efficiency standards. DIC follows established market definitions and refers to 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 income from real estate management services and all income from associates (particularly 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 to which the assessment criteria have been met, the building receives one of four LEED certification levels (Platinum, Gold, Silver, Certified).

Sustainability
Sustainability means giving equal consideration to ecological, economic and social issues and, above and beyond that, creating and preserving value and future potential in the interests of all present and future stakeholders and generations.

NAV (net asset value)
The net asset value (NAV) represents the intrinsic value of a company. It is determined by calculating the fair value of the assets less 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 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. Linking the financing terms to ESG criteria (ESG-linked) creates an additional incentive for issuers to drive forward green projects.

SDGs
The United Nations 2030 Agenda with its 17 Sustainable Development Goals (SDGs) and its 169 targets is a comprehensive programmatic framework for achieving a global sustainable society.

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 a better management of resources.

Stakeholder
Stakeholder is the term generally used for people or groups having different requirements or interests in a corporate process or result, business sector or project. A distinction can also be made between internal stakeholders (employees, owners) and external stakeholders (business partners, tenants, service providers, the general public).

UNGC
The UN Global Compact (UNGC) is the world's largest and most important initiative for sustainable and responsible corporate governance. Its approximately 1,000 participants from the business world, civil society and the political domain in Germany supported companies in strategically anchoring sustainability on the basis of 10 universal principles and contributing to the implementation of the SDGs.

VIB
VIB Vermögen AG (VIB) develops properties for its own portfolio and acquires existing properties in order to generate rental income. VIB's real estate portfolio includes logistics and industrial properties, shopping centres and retail warehouse parks, and commercial and service centres. In 2022, DIC acquired a majority interest in VIB.

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.

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Forward-looking statements
This Sustainability Report contains statements that refer to future developments. Such statements constitute assessments that have been taken 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).