



BUILDING RESPONSIBLY

SUSTAINABILITY REPORT 2021
SIGNA DEVELOPMENT SELECTION AG

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Dear Partners and Stakeholders,

The use of resources is one of the most significant drivers of climate change – and will have a major impact on social, political and economic developments in the coming decades. To rise to the challenge of using building materials responsibly, we need to question the status quo and act in a targeted manner.

As one of Europe's leading real estate developers, SIGNA Development plays an important role in working against global warming by implementing targeted measures. It is estimated that the construction and running of buildings is responsible for around one-third of global CO₂ emissions and energy consumption.¹ This is reflected in the motto of this year's Sustainability Report – "Building Responsibly".

The implementation of "**Our sustainable SIGNature 2025**" Sustainability Strategy has enabled us to successfully embed value-driven conduct into our company: SIGNA Development is committed to exceptionally high standards in the development of forward-looking, low-emission buildings and the efficient use of materials. Our projects are carried out with a maximum of possible

variability, in order to ensure the ability to adapt in the future with a minimum use of resources.

We set up the ESG Council in 2021 to make sure that we achieve our sustainability goals. This council holds quarterly meetings in which we evaluate ongoing results and define future long-term measures. In the course of delivering our ambitious sustainability program, we reached further important milestones last year, such as the introduction of green leases, the implementation of sustainability criteria in our due diligence processes, and the publication of the Green Finance Framework. We will continue consistently along this path.

We also positioned ourselves more strongly as an employer in the reporting period, and further expanded our commitment to diversity and equality at SIGNA. Our corporate culture promotes and calls for **equal opportunities without caveats**. Hence, we have joined recognized initiatives, such as the Diversity Charter, and endorsed the UN Women's Empowerment Principles.

Our business activities have an impact on urban centers and consequently on society. We create individual overall solutions that involve all stakeholders – from the immediate neighborhood to those involved in the construction process. For this reason, in the year under review we have once again systematically involved all stakeholders in the planning processes for our projects

in the reporting period through information sessions and forums. We also wanted to know how our stakeholders perceive our commitment to sustainability.

The results of the **stakeholder survey** conducted at the end of 2021 show that we are on the right track. The majority of respondents said they perceived our commitment to sustainability to be significantly stronger than that of other companies in the industry.

The raising of capital is also becoming more sustainable. Our **Green Finance Framework** governs the use of proceeds from green financing. On this basis, last year we issued our first public green bond with a volume of €300m and a **green profit participation** certificate of €20m. We will expand the proportion of green financing further going forward.

This year, we will step up our efforts to make our portfolio even more sustainable. We will continue to increase the energy efficiency of our real estate portfolio and exploit savings potential – among other things by using low-emission materials and innovative approaches in the planning, construction and operating phases. As well as expanding our gathering of environmental data, we have produced a sustainability guide for our project developments, which brings together our knowledge of sustainable construction that has been gained from many years of experience.

We want to play our part in achieving the goals of the Paris Agreement. The foundation of this is the development of a comprehensive carbon footprint and the basis for a decarbonization strategy for our portfolio by 2050. This project will be our main focus in the 2022 fiscal year. Our aim is to avoid CO₂ emissions from our construction activities as far as possible, and to reduce emissions that are unavoidable at present. In the case of emissions that we are unable to avoid or reduce despite rigorous efforts, we want to develop approaches that create sustainable added value.

You can find out more about our progress towards a sustainable future, the goals we have set, and ongoing measures in this "Building responsibly" Sustainability Report. We hope you find it an interesting read.

Sincerely,

The SIGNA Development Selection AG
Management Board

Timo Herzberg
Manuel Pirolt
Tobias Sauerbier

Claus Stadler
Michael Möstl

¹ IEA/UNEP 2021 Global Status Report for Buildings and Construction, page 6

01



ABOUT SIGNA DEVELOPMENT



OUR BUSINESS MODEL

SIGNA Development Selection AG is part of the SIGNA Group of Companies, which is a group of privately managed, independent entities operating in different sectors. The focus is on real estate and retail.

SIGNA Real Estate comprises four independent groups and individual companies. These include SIGNA Prime Selection AG, SIGNA Development Selection AG, SIGNA RFR US Selection AG, and SIGNA Luxury Hotels. Within each business area, we develop a comprehensive portfolio of extraordinary real estate projects and innovative concepts. The geographical focus is on Germany, Austria, Switzerland, and economically stable urban areas in Northern Italy.

SIGNA Development Selection AG buys, develops and renovates classic commercial and residential real estate in economically strong urban centers – in Germany, Austria and Northern Italy – pursuing a buy-develop-sell strategy. Our projects, designed to the highest sustainability standards, are sold at the end of the value creation phase. As an unlisted public limited company, we focus on creating revolving value. With projects

being sold after completion, we are constantly renewing the portfolio. This also includes the conversion or renovation and modernization of existing properties in accordance with Green Building criteria.

Our gross asset value in 2021 was €4.6b. The portfolio currently comprises 45 development projects with a Gross Development Value (GDV) of €8.3b, additionally, various rented properties with optimization potential.

In a dynamic market environment, we have been successfully maintaining our market position since the company was founded in 2014 and have been growing profitably year after year. This is how we have expanded SIGNA Development into one of the largest project development companies in Europe – also owing to our high standards of quality and sustainability. Together with our partners, we design future-oriented neighborhoods.

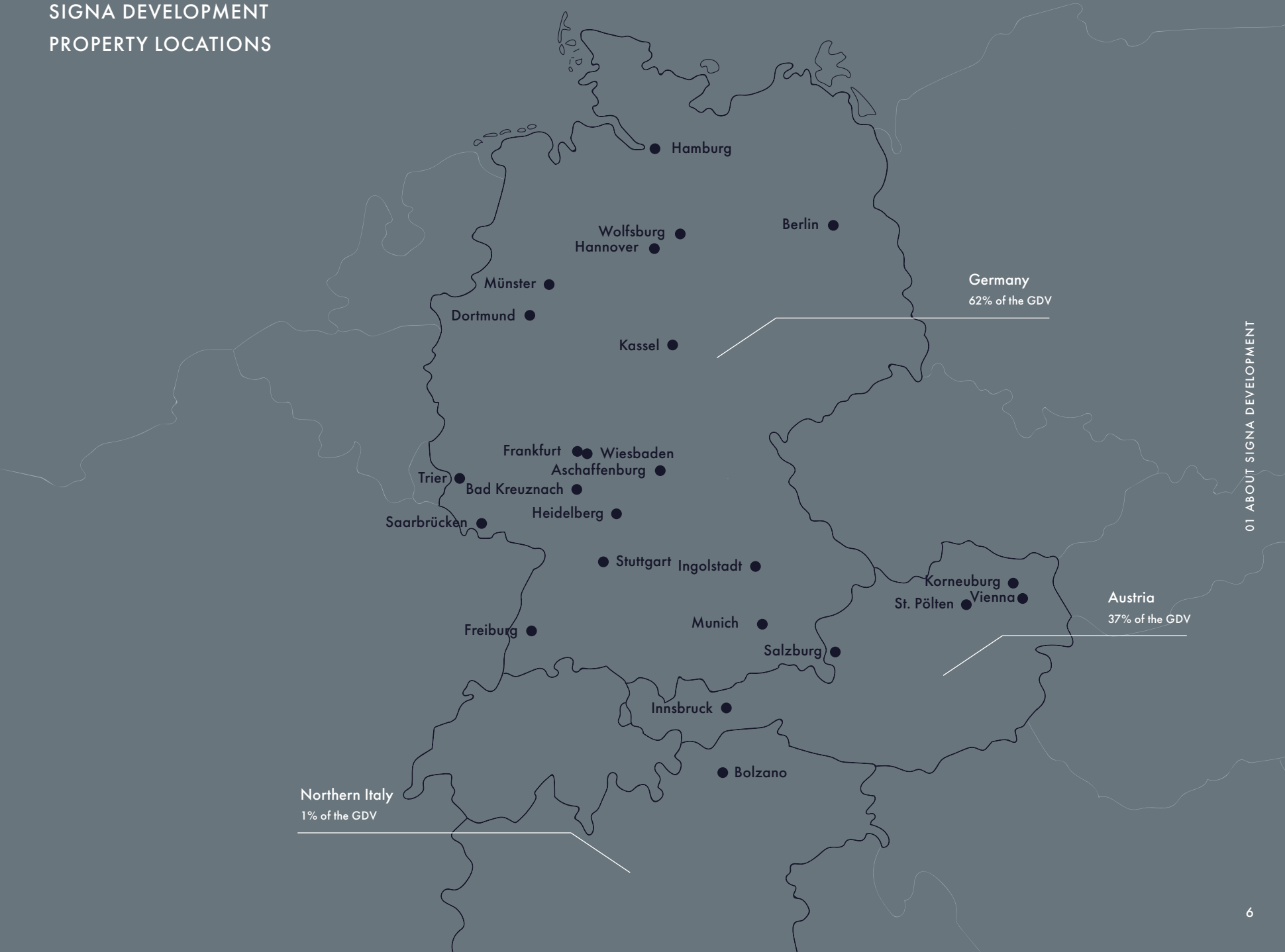
A key component in SIGNA Development's successful history is our close communication with stakeholders built on mutual trust. As a partner to cities, our focus is on making a social contribution to the development of

urban centers. In doing so, we concentrate not only on individual properties but rethink concepts such as urban development, sustainability, multi-use buildings, networking, and mobility. We work for livable cities – for us all.

Our development projects include office buildings and towers, larger residential projects, retail spaces or hotels in central locations with good transport links. We also develop entire neighborhoods in which we thoughtfully combine different types of use. As a result, on the one hand we are responding to the increasing pressure on space due to the growing city, and on the other hand the daily commuter traffic coming into the city center. We are also responding to demographic change, digitalization, new concepts of transportation, and changing work environments, and thus contributing to sustainable urban development.

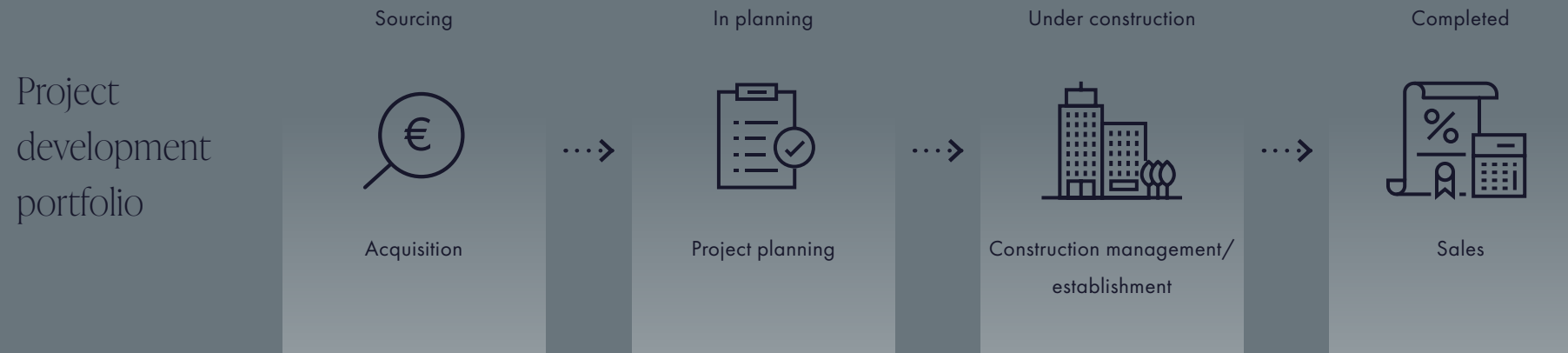
We have a varied and diversified supply chain for our development projects. It ranges from multinational construction companies and national service providers to small regional craftsmen and suppliers. Wherever possible and appropriate, we hire local contractors and use regional products. In this way, we aim to reduce transport emissions, secure jobs in the region and generate value for the communities in which we operate.

SIGNA DEVELOPMENT
PROPERTY LOCATIONS



OUR VALUE CHAIN

ACQUISITION OF LAND OR DEVELOPMENTS IN GOOD LOCATIONS



We are committed to a broadly diversified development portfolio. This means that our business model is supported by several cornerstones and we are able to act quickly and flexibly. The main elements are project developments on the one hand and property optimization on the other.



We stand for everything characteristic of a successful and future-oriented project developer: developments that meet the highest standards of economy, technology and sustainability. We have experience in all project phases from acquisition, planning, and construction management to completion and portfolio optimization.



427

employees at 12 locations

1,300,000

square meter project development pipeline

100

percent of our project developments are
certified according to sustainability criteria

45

project developments,
with 7 under construction

10.6

Low risk. SIGNA Development ranks among the top 2% of
real estate developers in Sustainalytics' ESG Rating

8.3

billion euros
Gross Development Value

PROJECT DEVELOPMENTS

The selection of the best locations, combined with a contemporary use concept, creates the basis for economic success. In the planning phase, where we have the greatest value-added leverage, we take sufficient time to coordinate with our stakeholders and work with leading international architects. Our track record of developing marketable spaces sets us apart from other project developers. We pay particular attention to low-emission development, reducing environmental impact, and managing new developments as efficiently as possible. For all projects, we strive for internationally recognized green building certificates – including LEED, WELL, or WiredScore, among others – partly supplemented by renowned national standards. We also coordinate with financing partners as early as possible in the process.

Once we have a coherent, approved project plan, we begin with implementing it – and often with leasing it. By concluding fixed price agreements and selectively choosing experienced partners in the individual awarding of project phases, we ensure the highest possible cost-effectiveness and planning reliability. We

continuously monitor project budgets and check costs, quality, and timing with strict controlling throughout the duration of the project. After reaching key project milestones, we market our properties to institutional investors at an early stage via forward sales and hand over the projects to the tenants first, then to the buyer upon completion.

The project development portfolio is divided into three areas: in planning, under construction, completed. In addition to seven projects currently under construction, other projects were in the design phase at the end of the year, which provide a long-term basis for further growth.

PROPERTY OPTIMIZATION

In addition to new construction projects, SIGNA Development also invested to a lesser extent in leased portfolio properties. Value appreciation in this area is achieved through attractive purchase prices, structural modernization, renegotiation of leasing contracts, and other contractual optimization. Our goal in this regard is also to sell these projects in the long term.



02



SUSTAINABILITY MANAGEMENT



July 29, 2021 was the day on which humanity consumed more resources than the Earth can provide.¹

As a real estate developer, we carry an enormous responsibility toward people and the environment. We aim to create sustainable buildings, and thus places to live, work, and experience that provide answers to sustainability issues. We will only achieve the climate transition together with our stakeholders. We accept the role we must play in this task and are fully committed to making changes wherever we can.

We have summarized our goals and actions in our Sustainability Strategy “Our sustainable SIGNature 2025”. We are committed to the United Nations Sustainable Development Goals, and, as a member of the UN Global Compact, we document our progress annually in this report.

¹ www.overshootday.org



ESG Risk Rating:

10.6 (low)

In our first sustainability rating, SIGNA Development ranked 2nd out of the 278 project development companies evaluated by Sustainalytics. This puts us in the top 2% worldwide¹.

 [Company ESG Risk Rating](#)



¹ Reference date: March 3, 2022

Member of the UN Global Compact and respACT

As a member of the UN Global Compact – the United Nations’ values initiative – we adhere to the guiding principle of sustainable development. We are committed to implementing the ten universal principles of the UN Global Compact in the areas of human rights, labor standards, environment, climate, and fighting corruption.

Since 2021, we have also been a member of the Austrian Business Council for Sustainable Development, respACT. These platforms comprise numerous companies that are committed to creating a responsible business community in Austria.



respACT

Our business is geared to creating lasting value. With our high-quality real estate, we are shaping modern, diverse neighborhoods, and urban districts and as a result, a vibrant urban landscape. Sustainably developed real estate not only protects the environment, but also generates above-average returns for our shareholders in the long term. It is therefore vital for

us to pursue a model of sustainable development. Environmental, social, and societal factors play as important a role as economic considerations in our business decisions and processes.

Sustainable development requires consideration of the entire economic cycle, including financing. This is the

reason we support the EU Green Deal and the orienting of capital towards a more sustainable economy. In line with this policy initiative, our financing is sustainably oriented, and we use green finance instruments. The resulting proceeds go exclusively to sustainable projects. Our performance is regularly reviewed through external ratings.





« THE DECARBONIZATION OF THE REAL ESTATE SECTOR IS ONE OF THE GREATEST CHALLENGES OF OUR TIME. WE ARE DOING OUR PART AS FAR AS WE CAN *to achieve a significant improvement in our CO₂ balance. Therefore, only high-quality and low-emission materials are used in our project developments.* »

TIMO HERZBERG Chief Executive Officer

OUR MATERIAL TOPICS

For several years now, SIGNA Development has been incorporating sustainability issues into our business model. That means that we take sustainable development principles into account in all of our projects.

With the help of a systematic materiality analysis, we determined our report content and the KPIs we needed to calculate in 2019. We used benchmarks, peer group reports, and employee surveys to analyze whether these issues were relevant to SIGNA Development's various stakeholders, such as investors, tenants, government agencies, and employees. The results were subjected to further internal and external evaluation in the reporting period. The existing material topics were confirmed as significant and identified as core topics for SIGNA Development for the 2021 reporting period. We will update the materiality analysis in 2022. This will form part of our preparations for the approaching national implementation of the Corporate Sustainability Reporting Directive (CSRD).

65%

OF OUR STAKEHOLDERS
BELIEVE THAT OUR
BUSINESS OPERATIONS HAVE
A STRONG OR MODERATE
IMPACT ON COMMUNITY
INVOLVEMENT.¹

¹ Stakeholder Survey 2021



NEW ACTION AREA
“STRONG COMMUNITIES”

As one of the largest project development companies in Europe, we are part of the community. Our properties have a significant impact on the urban landscape and have a lasting effect on many people as well as our environment. We are well aware of the responsibility this entails. The results of our Stakeholder Survey 2021 also show: Our stakeholders attach great importance to the topic of “Social commitment”.

In order to place the topic of communities on an equal footing with our previous three action areas, we created the new action area “Strong Communities” in the first quarter of 2022. Along with “Social commitment”, the material topics “Stakeholder dialogue” and “Health and safety of end users” have been assigned to the new action area → Strong Communities. As part of our expansion of the action areas, we have also changed the “Corporate Governance and Compliance” section to → Responsible Corporate Governance. We will recategorize the ESG strategy program actions accordingly in the course of 2022.

The key issues for SIGNA Development can be summarized in four strategic action areas:

Our action areas

NEW ACTION AREA			
<div><div>Sustainable Buildings</div></div> <div><div>/ Energy and emissions during planning, construction, and operation</div><div>/ Recyclability & durability of building materials</div><div>/ Sustainable mobility</div></div>	<div><div>7 AFFORDABLE AND CLEAN ENERGY</div></div> <div><div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div></div> <div><div>11 SUSTAINABLE CITIES AND COMMUNITIES</div></div> <div><div>13 CLIMATE ACTION</div></div>	<div><div>Strong Communities</div></div> <div><div>/ Social commitment</div><div>/ Health and safety of end users</div><div>/ Regional value creation</div></div>	<div><div>8 DECENT WORK AND ECONOMIC GROWTH</div></div> <div><div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div></div> <div><div>11 SUSTAINABLE CITIES AND COMMUNITIES</div></div> <div><div>17 PARTNERSHIPS FOR THE GOALS</div></div>
<div><div>Attractive Employer</div></div> <div><div>/ Training, continuing education, and knowledge management</div><div>/ Employee satisfaction</div><div>/ Diversity and equal opportunity</div></div>	<div><div>3 GOOD HEALTH AND WELL-BEING</div></div> <div><div>5 GENDER EQUALITY</div></div> <div><div>8 DECENT WORK AND ECONOMIC GROWTH</div></div> <div><div>10 REDUCED INEQUALITIES</div></div>	<div><div>Responsible Corporate Governance</div></div> <div><div>/ Business compliance including anti-corruption and money laundering prevention</div></div>	<div><div>8 DECENT WORK AND ECONOMIC GROWTH</div></div> <div><div>13 CLIMATE ACTION</div></div> <div><div>17 PARTNERSHIPS FOR THE GOALS</div></div>



STAKEHOLDER DIALOGUE

Ongoing, systematic communication with our internal and external stakeholders is an important element when it comes to determining the future focus of our corporate activities and our ESG strategy.

For SIGNA Development, dialogue based on partnership represents a key success factor for our operations. That's why we go above and beyond the usual standards when involving our stakeholders. and is how we reach a consensus on our projects and buildings that satisfies all stakeholders. We can only achieve this

consensus through a transparent and regular dialogue characterized by mutual trust.

Our stakeholder groups include cities and municipalities, business partners and customers, the financial community and investors, employees and applicants, and the media. We use various communication channels for dialogue, from (online) conferences through to social media platforms. In communication with our stakeholders, we take on board their interests and expectations of SIGNA Development.

Our stakeholders

We achieve these through the following channels:

CITIES AND MUNICIPALITIES

- / Events
- / Citizen involvement
- / Personal discussions
- / Construction side walk-throughs
- / Print and online publications
- / Social media
- / PR

BUSINESS PARTNERS/ CUSTOMERS

- / Personal discussions
- / Events and meetings
- / Print and online publications
- / Surveys and tenant satisfaction
- / PR
- / Social media

(POTENTIAL) EMPLOYEES

- / ESG presentation
- / In-house media
- / Surveys
- / Social media
- / Training courses
- / Events

FINANCIAL COMMUNITY/ INVESTORS

- / Investor events
- / Conference calls
- / Image brochures and booklets
- / ESG reporting
- / PR
- / Website
- / Social media
- / Events

MEDIA REPRESENTATIVES

- / Personal discussions
- / PR
- / Online publications
- / Events



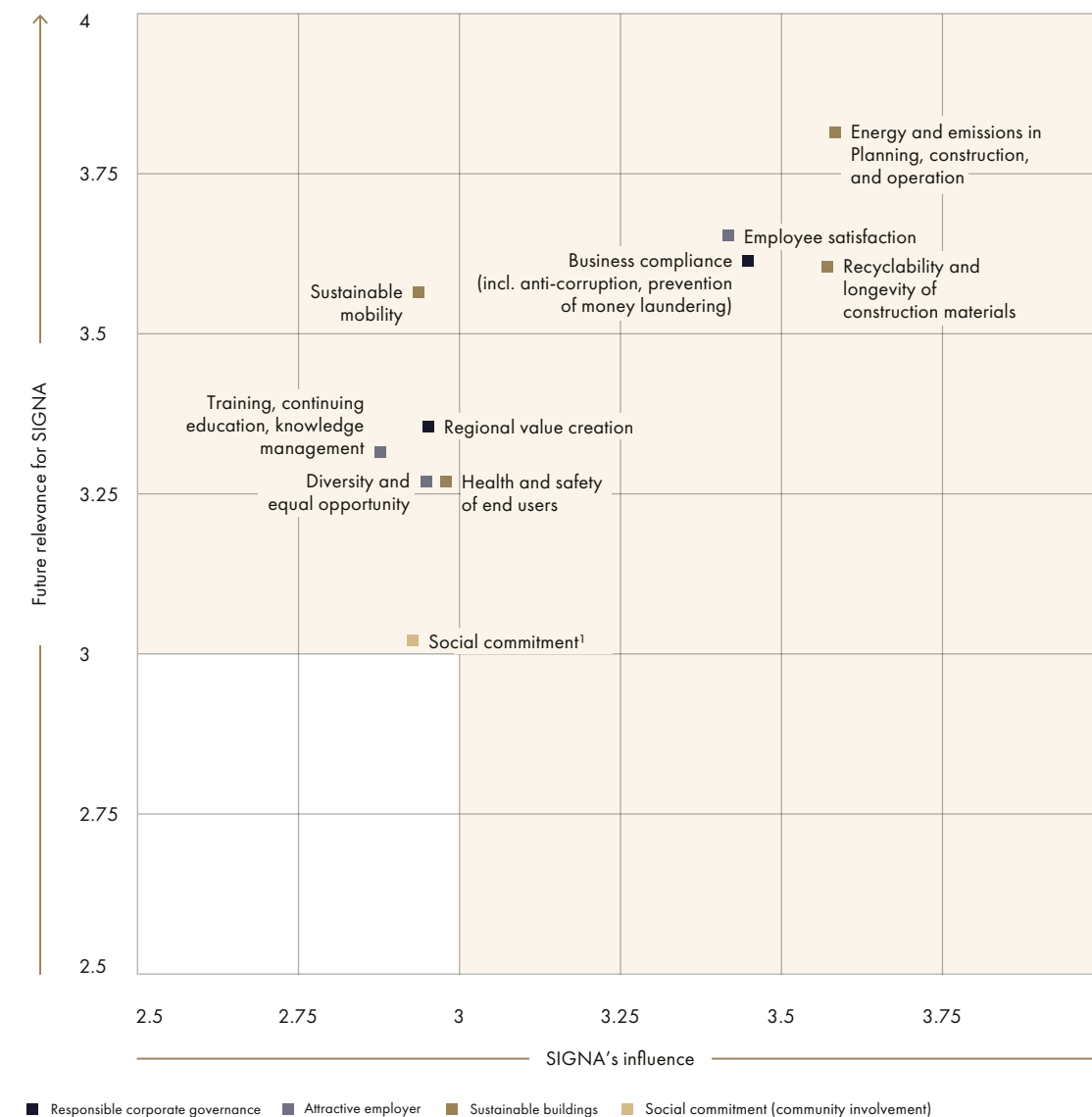
Stakeholder survey
conducted on
ESG topics

STAKEHOLDER SURVEY 2021

In the reporting period, we used an online survey and individual interviews to find out how our stakeholders view our sustainability activities. Stakeholders from all relevant stakeholder groups took part in the survey that had a high response rate of over 50%. Key future issues for our stakeholders are: *Climate strategy, CO₂ emissions, diversity, and corporate governance.*

Most of the stakeholders who were interviewed stated that they perceive our commitment to be significantly stronger than that of other companies in the industry. The majority of stakeholders consulted cited the impact of our business activities on future cityscapes and the character of downtown locations as particularly relevant. This goes hand in hand with the promotion of historical building structures, preservation of sites of historic interest, and building culture. For this reason, they see dialogue with policymakers, municipalities, associations, citizens, and other local communities as essential.

Materiality matrix from stakeholders' perspective



¹ The future relevance of community involvement was classified on the basis of the qualitative survey.

The Stakeholder Survey 2021 confirmed our materiality analysis.
An update of the material topics is scheduled for 2022.



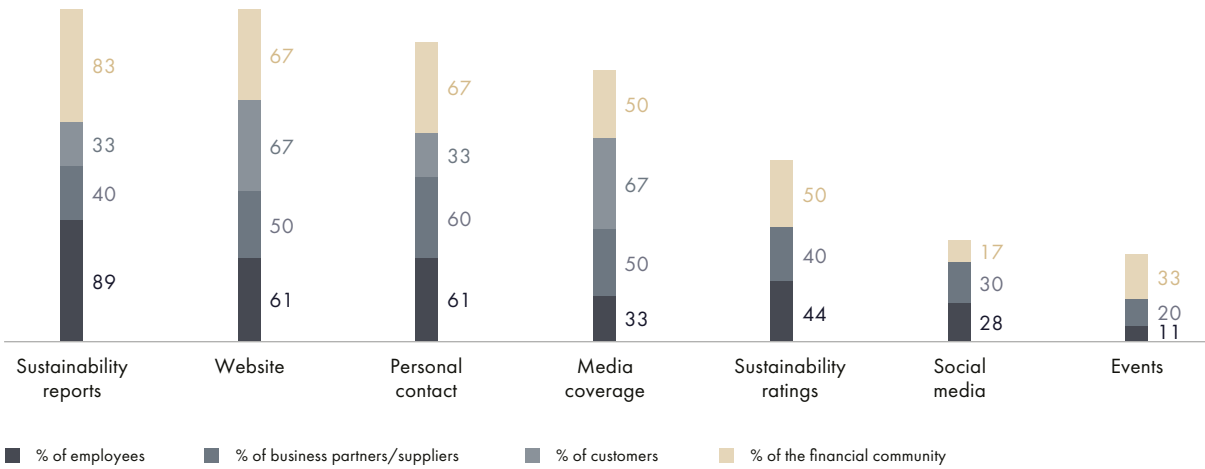
Handing over the keys to the ZALANDO tenant in STREAM

Our stakeholders value personal contact and around 65% of respondents find the ESG information we provide to be comprehensive. In addition to personal contact, they make use of our Sustainability Report and our website. However, around 70% of our stakeholders would like to receive even more frequent information about sustainability at SIGNA.

Extensive dialogue along the life cycle
 The *communities* in which we operate and their *neighbors* play a special role in this stakeholder dialogue. This is why we include them in the process starting with the planning phase. Each of our construction projects has independent stakeholder representatives who act as direct contacts for our stakeholders. For more information see the [→ Strong Communities](#) section.

Among our important stakeholders are our *business partners and customers*, such as construction companies.

Information channels used most by our stakeholders in relation to our sustainability activities (figures in %¹)



¹ Multiple answers were possible.

We raise their awareness and provide them with information in our Code of Conduct for Business Partners to ensure that they deal appropriately with social and environmental risks, environmentally hazardous materials, and waste. For additional information see [→ Sustainable Buildings](#).

Our (potential) *employees* are also a high priority for us. They usually live in the areas where our projects are located. Above all, however, our employees plan and coordinate our services and are responsible for ensuring

that everything runs to the satisfaction of our stakeholders. More information on our employees can be found in the [→ Attractive Employer](#) section.

With our real estate (projects), we carry a high level of social responsibility. High corporate standards and values as well as compliance guidelines are the cornerstones of our actions. How we ensure this is described in the [→ Responsible Corporate Governance](#) section.



ORGANIZATIONAL INTEGRATION

We have been incorporating sustainability principles into the development of our company for several years now – both in projects and as an employer.

SIGNA Development has a comprehensive sustainability management system with clearly defined roles, responsibilities, and auditing processes. We are confident that the integration of sustainability aspects into our business workflows is a major factor in our business success and stakeholder satisfaction. The latter is crucial: Without our partnerships with investors, tenants, business partners, and municipalities, we would be unable to effectively prioritize new challenges and opportunities, and successfully align our Company with sustainability principles.

We consider sustainability to be the responsibility of the entire Company. SIGNA Development's Management Board is generally responsible for this, decides strategy and goals, and integrates sustainability into the business strategy. Support is provided by the ESG Council, which determines and approves operational measures and responsibilities. The ESG Council is composed of the full

Management Board, representatives from the operational workstreams, and the Supervisory Board. For the first time, an ESG Council meeting was held every quarter.

The development and delivery of the ESG Sustainability Strategy is the responsibility of the ESG Strategy & Sustainable Finance department. It has defined the actions alongside the strategy and the KPIs for measuring the success of the Sustainability Strategy and formalized its integration into financing processes. In order to embed our ESG strategy deeply into our day-to-day business, we are once again deliberately focusing on the topic of sustainability in five operational ESG workstreams. This enables us to promote transformation in all areas of our Company's activities:

Sustainable Buildings (asset management, project development, transactions), Attractive Employer, Corporate Governance and Compliance, Public Relations, and Sustainable Finance: In these committees, we plan and implement measures and report on department- and segment-specific topics so that the necessary information is guaranteed to flow through all business areas.

MONITORING

SUPERVISORY BOARD

MANAGEMENT BOARD¹

Timo Herzberg

STRATEGY AND CONTROLLING

ESG COUNCIL

HEAD OF ESG STRATEGY &
SUSTAINABLE FINANCE

IMPLEMENTATION

OPERATIONAL ESG WORKSTREAMS

/ SUSTAINABLE BUILDINGS

Existing buildings

Project development

Transactions

/ ATTRACTIVE EMPLOYER

/ CORPORATE GOVERNANCE
AND COMPLIANCE

/ PUBLIC RELATIONS

/ SUSTAINABLE FINANCE

¹ In stepping down from the Management Board, Christoph Stadlhuber handed over responsibility for monitoring sustainability to Timo Herzberg, CEO SIGNA Development, in 2021. Christoph Stadlhuber acted as the interface to the Supervisory Board as part of his role.

17

EMPLOYEES ENSURE THAT
OUR SUSTAINABILITY STRATEGY
IS COMMUNICATED AND
IMPLEMENTED WITHIN THE
COMPANY.



SUSTAINABILITY STRATEGY

Our Sustainability Strategy “Our sustainable SIGNature” defines targets and actions until 2025 as well as KPIs and time horizons for our ESG commitment.

In the reporting year, we systematically pursued our Sustainability Strategy and implemented operational measures with the specialist departments in our three action areas → Sustainable Buildings, → Attractive Employer and → Responsible Corporate Governance. Out of a total of 68 actions in our program, we have already implemented 42.

The systematic implementation of our Sustainability Strategy will be monitored by the ESG Council, which was set up in the reporting period, with assistance from the Management Board.

The biggest impact that we at SIGNA Development have on the environment is in terms of our project developments. In this respect, we were able to achieve important milestones: from the implementation of an internal guideline for sustainable construction and the development and introduction of green lease clauses in commercial rental agreements, to the commissioning of smart meters for suitable properties.

As an employer, taking responsibility is at the heart of everything we do: We provide our employees with regular compliance training to ensure compliance measures are adhered to. We are also committed to diversity and equality at SIGNA. We signed the Diversity Charter and have appointed diversity officers who are firmly committed to this issue.

➔ Our sustainable SIGNature 2025

STATUS OF ESG GOALS UNTIL 2025





« WITH OUR ESG STRATEGY (OUR SUSTAINABLE SIGNATURE 2025), WE ARE MAKING OUR CONTRIBUTION TO ACHIEVING IMPROVEMENTS TO THE CLIMATE, ECONOMY AND SOCIETY IN THE LONG TERM. *Last year, we successfully implemented key initiatives and are working hard to continuously develop our value-driven goals.* »

NATALIE WIERZBICKI Head of ESG Strategy & Sustainable Finance

As part of our sustainability activities, we expanded our internal and external reporting and have fulfilled the requirements of the GRI's Core option since fiscal year 2020. You can find an overview of the reported GRI disclosures in the [GRI index](#) in the annex. We intend to keep supplementing our reporting to meet growing transparency requirements.

In the interests of better measurement of our sustainability performance, we expanded the calculation of emissions from our portfolio as well as our operational emissions. We used a software program for this purpose that allows us to systematically record and analyze the most important data on our properties.

The current status of our ESG strategy can be found in the following sections. A detailed overview of our [Sustainability Strategy](#) can be found in the "Sustainability" section of our website.

Our priorities for 2022



EU TAXONOMY

Conformity check of our real estate and projects



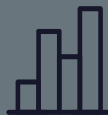
SIGNA CLIMATE STRATEGY: ROAD TO NET ZERO CARBON

Development of a science-based climate strategy with science-based targets



CLIMATE AND SUSTAINABILITY RISKS

Risk assessment and management of climate risks in the business model



EXPAND ENVIRONMENTAL DATA

Derive the data needed from regulatory requirements and consistent improvement of data quality

SUSTAINABLE FINANCE

We support the EU's Sustainable Growth Action Plan, which seeks to accelerate the EU economy's transition to a greener and more resilient circular economy.

In line with the EU Taxonomy Regulation, which came into force in July 2020, SIGNA Development promotes the reorientation of capital flows toward sustainable investments and makes a contribution itself.

To this end, we developed a [Green Finance Framework](#) that was published in May 2021. This framework is used to raise funds for sustainable investments. On this basis, SIGNA Development can issue various green financing instruments, including green bonds, green private placements, and green (syndicated) loans.

The Green Finance Framework was subjected to an external review and a second opinion from the rating agency Sustainalytics. The criteria for eligible green projects are based on current EU taxonomy guidelines (Technical Experts Group) and make a positive contribution to the targets "Affordable and Clean Energy" (7), "Sustainable Cities and Communities" (11) and "Climate Action" (13) of the Sustainable Development Goals.

Our medium-term goal is to use sustainable financing instruments for at least 50% of new financing. In 2021, SIGNA Development issued two green financing instrument – a green bond and a green profit participation certificate.

SIGNA Development will publish annual allocation and impact reports on green financing. Moreover, an external audit will ensure compliance with the investment criteria and the validity of the environmental data reported.



Issue of green financing instruments with a volume of €320m

As the first of several planned issues, SIGNA Development issued a green bond with a volume of €300m in July 2021. This has a term of five years and a yield of 5.5% per annum. In addition, a green profit participation certificate with a volume of €20m was issued in December 2021. SIGNA Development's new financing, including extensions, amounted to around €700m in 2021; around 29% of new financing was financed through green finance products.

29%

OF NEW FINANCIAL
INSTRUMENTS 2021 ARE GREEN
FINANCING INSTRUMENTS.

« WITH OUR FIRST LISTED GREEN BOND,
WE HAVE SUCCESSFULLY POSITIONED
OURSELVES ON THE CAPITAL MARKET AND
SIGNIFICANTLY EXPANDED OUR LONG-TERM
INVESTOR BASE. *The transaction expands our
product range for investors and confirms our
strategic direction.* »

MANUEL PIROLT Chief Financial Officer



03



SUSTAINABLE BUILDINGS

Building with environmentally-friendly materials reduces gray emissions¹ by 45%.²

Our project developments make a crucial contribution to reducing CO₂ and we aim to achieve climate neutrality for our real estate portfolio. In pursuit of this aim, we consider the entire life cycle beginning with project planning.

By employing an holistic strategic approach, we can have a positive impact in many different ways on the environmental efficiency of real estate. We take

care during the planning phase to ensure we use environmentally-friendly construction materials, such as recyclable concrete, FSC-certified wood, environmental paints and varnishes, creating as little waste as possible and sourcing them from the local area. We also prefer to develop built-up areas. This allows us to make use of the existing infrastructure in place and seal less greenfield areas than would normally be sealed for a new build.

¹ Gray emissions refer to the energy that is not purchased directly by the consumer, but is required for the production of goods as well as transportation, storage and disposal purposes.

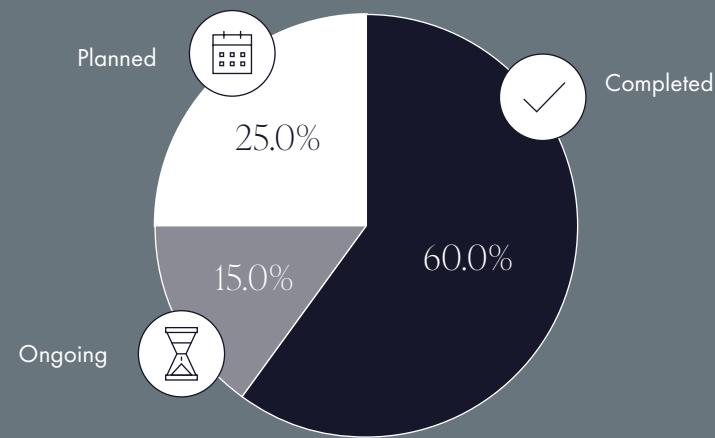
² <https://bauwende.de/factsheetgraeueenergie/>



ESG STRATEGY STATUS

In order to achieve our mission to be an environmentally-conscious company, SIGNA has set itself **nine goals in this action area with 20 related measures**. Sustainable construction methods, for instance, will become a strategic driver in terms of sustainability.

OUR GOALS UNTIL 2025



OVERVIEW OF 2021 MEASURES

Completed	Ongoing	Planned
<div><div>✓</div><div><div><div>/ Internal manual and guidelines introduced for ☞ sustainable project development and renovations</div><div>/ Green lease clauses introduced into new commercial lease agreements, including the requirement to share environmental data</div><div>/ ☞ Handbook of Recommended Practices for sustainable use of properties produced for tenants compiled</div><div>/ Review of all electricity contracts in the Long-term Portfolio completed and switch to green electricity at the earliest possible date</div></div></div></div>	<div><div>⌚</div><div><div><div>/ Evaluation of planting opportunities in the Long-term Portfolio</div><div>/ Completion of life cycle analyses for project developments</div><div>/ Commissioning of smart metering for suitable real estate</div></div></div></div>	<div><div>📅</div><div><div><div>/ Evaluation of partnerships with bike sharing providers and pursuit of such partnerships in the event of a positive assessment</div></div></div></div>

Further details can be found in our [☞ Sustainability Strategy](#).

SUSTAINABLE REAL ESTATE INDUSTRY

The Paris Agreement sets out the global plan of action to limit global warming to well below 2 degrees Celsius above preindustrial levels.

As a consequence, the European Union (EU) has set itself the goal with the European Green Deal of reducing EU greenhouse gas emissions by at least 55% (compared to 1990 levels) by 2030. The aim is to make Europe climate-neutral by 2050. The “Fit for 55” package is seen as groundbreaking for the European real estate industry. As a leading real estate company and partner of many cities and municipalities, we share the targets of the Paris Agreement and take active responsibility for protecting the climate and environment.

CO₂ reduction targets

AUSTRIA

Austria is one of the countries in Europe playing a pioneering role in the energy transition. Climate neutrality is set to be achieved by 2040. To achieve this ambitious goal, Austria is implementing a number of regulatory measures. One main focus area is decarbonization of the buildings sector. The aim is to cut around three million tons of CO₂e in the buildings sector (compared to 2016) in a socially and economically responsible manner by 2030.¹

GERMANY

Due to high energy consumption and heavy dependence on fossil fuels such as oil and gas estate is key to achieving a more sustainable energy supply. Germany plans to reduce emissions by 65% by 2030 and to be climate-neutral by 2045. In order to decarbonize buildings, greater efforts should be made to digitize buildings and the circular economy, including, among others, the introduction of a digital building material passport.²

SWITZERLAND

Switzerland's bottom line is to be in position where no more greenhouse gases are emitted by 2050. This net zero target was adopted by the Swiss Federal Council in 2019. On January 27, 2021, it adopted the corresponding “Switzerland's Long-term Climate Strategy”. The strategy sets out the guidelines for climate policy up to 2050 and defines strategic goals for the various sectors. It ties in with the measures and goals of the amended CO₂ Act. It will lead to a 50% reduction in greenhouse gases by 2030 and put Switzerland on track to achieving the 2050 climate goal.³

ITALY

Italy is following the European plan to reduce emissions by 45% from 1990 levels by 2030. This means it lags behind the European average. However, the Italian building sector is strongly influenced by the energy transition. A “solar requirement” applies to new buildings or basic building renovation projects. The aim is to increase the percentage of renewable energies in total consumption to at least 40% by 2030 – a doubling of current capacity.⁴

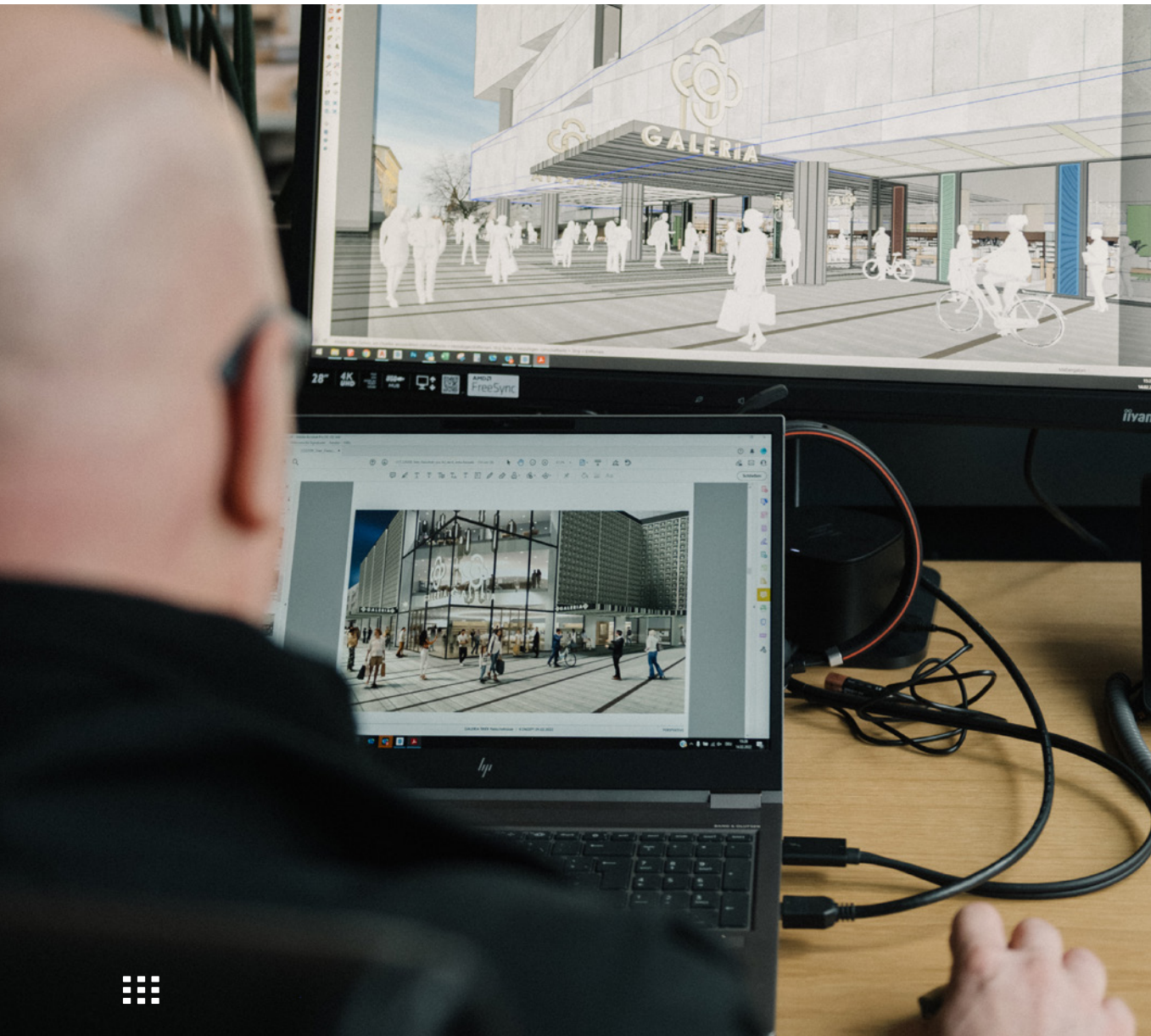
¹ Austrian Federal Ministry for Sustainability and Tourism: Long-term Strategy 2050 – Austria

² Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection, May 2021

³ Swiss Confederation: Switzerland's Long-Term Climate Strategy, January 2021

⁴ Ministry of Economic Development: Integrated National Energy and Climate Plan, December 2019

FORWARD-LOOKING PROJECT DEVELOPMENT



RESPONSIBLE PLANNING

Real estate developers play a key role in the use of natural resources, consumption of energy, and emissions of greenhouse gases like carbon dioxide (CO₂). With a total useful life of several decades, the construction and operation of a building will have a long-term and varied impact on the environmental, economic and, more specifically, the energy balance. The real estate industry therefore has both considerable potential for cutting emissions and consumption, and a responsibility to contribute to the sustainable development of society.

In order to be able to safeguard the future viability and intrinsic value of our projects in the long term, we need to target a high level of usage quality along with a climate and resource-friendly balance along the life cycle. Based on these two objectives, the planning process serves to determine the most cost-effective approach for the relevant project.



In implementing these construction measures, we believe it is important to use top-quality resources that can be recycled and are long-lasting. We also place a great deal of emphasis on designing buildings in such a way so that they can be revamped in future using as few resources as possible.

Properties included in 2021¹



121
properties

Qualitative
reporting

Quantitative
reporting

Owned and developed by SIGNA
Development, of which
49 project developments
72 optimization portfolio

100% recorded data
(+146% compared to 2020)

100% recorded data²
(+100% compared to 2020)

Data management software

In 2021, we introduced a software system for collecting quantitative and qualitative environmental data. By using the software, we were able for the first time to record and evaluate all SIGNA Development buildings.

Compared to the previous year, we were able to collect quantitative data for the first time and expand the key figures in accordance with EPRA and GRI.

The expansion of the software is an ongoing process whose constant improvement contributes to the expansion of the data basis. All data points available to us to date are recorded as part of the reporting process.

Expansion of data collection
process using ESG
software completed



¹ Details on data collection principles are provided in [About this Report](#).
² Optimization portfolio

ORGANIZATION AND PROCESSES

Three operational ESG project teams are responsible for implementing measures in the “Sustainable Buildings” action area, namely Asset Management, Product Development and Transactions. These are coordinated by the ESG Strategy & Sustainable Finance department. Our project teams are interdisciplinary in accordance with the topic of the measures so that all employees can contribute their specific knowledge. Dividing up our tasks gives us the best possible opportunity to implement our targets and measures to ensure our real estate projects

are sustainable. We report regularly on progress in our ESG Council meetings and therefore directly to the Management Board.

We are constantly raising awareness among our employees regarding the sustainability of our properties. We achieve this through the provision of training sessions and regular briefings at management events, or providing best practice examples on the Intranet. Our project reports include quarterly updates on the status of our sustainability goals.



WERNER SOBEK Architect and Engineer



Knowledge management

The well-respected architect and engineer, Werner Sobek, gave a talk on “Cutting emissions and the construction industry of tomorrow” as part of an in-house event.





We play a key role in integrated urban development with project developments in attractive locations in large urban areas. Their lasting success requires the participation and approval of all stakeholders involved, so we first identify the relevant stakeholder groups for each individual project. To this end, we first identify the relevant stakeholder groups for each individual project and then involve them in the process from the early stages (see → [Stakeholder Dialogue](#) in the “Sustainability Management” section).

In line with our mission of making a contribution to sustainable urban development, we view all our projects from a long-term perspective and pursue future-proof concepts for their future users. To ensure that our buildings fully meet the needs of our stakeholders now and many years in the future, we analyze changes in cities and develop smart usage concepts for real estate and urban areas. This enables us to lock in satisfied tenants for the long term and guarantees future owners the ability to make flexible changes in the way buildings are used as an answer to structural change in the needs of cities.

Our developments that are built in urban city centers involve a combination of sustainable building and modern architecture. We ensure residents and visitors can enjoy an excellent quality of life thanks to a useful and balanced mix of usage types and strong transport links.

We often plan a mixed-use property with retail on the lower floors, for example, and office, residential or hotel tenants on the upper floors. In our larger residential construction projects as well, we also combine different forms of usage while gathering suggestions from our stakeholders. During this process, we can draw on our extensive experience over many years in the implementation of mixed-use concepts. In all our projects, we always take great care to combine highly efficient use of space with quality of life.

HIGHEST STANDARDS

As a forward-thinking project developer, we are committed to meeting the very highest standards in terms of efficiency, technology and sustainability. Our extensive experience in all project phases ranging from acquisition through planning and construction management to completion and Long-term Portfolio optimization enables us to implement ambitious, sustainable concepts.

Our real estate projects in Austria, Germany, and Northern Italy therefore focus on forward-thinking planning and development:

- / Construction and optimization of buildings in accordance with green building standards, reducing environmental stress
- / Sustainable development of living spaces through development of entire urban areas



GLANCE

OLD INDUSTRIAL AREA BROUGHT BACK TO LIFE



PLANNED
GOLD



PLANNED
PLATINUM



PLANNED
PLATINUM



PLANNED
PLATINUM



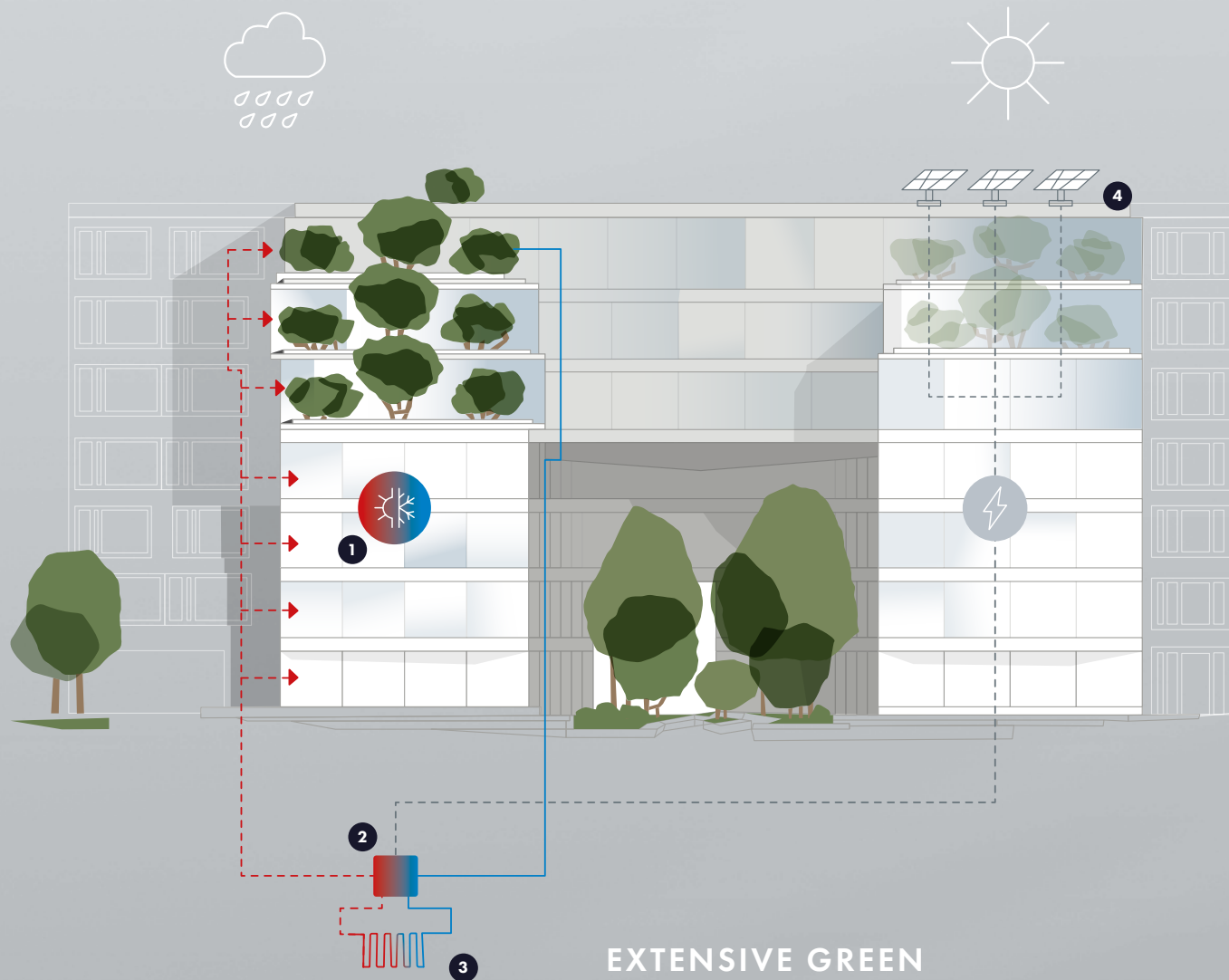
STUDIO ANIMAL-
AIDED DESIGN



Berlin: Located right on the River Spree, not far from City West, a new urban area with an excellent quality of life is evolving.

HOLISTIC CONCEPT FOR TRANSFORMING INTO A ENVIRONMENTALLY RESILIENT CITY

Forward-thinking planning and the efficient use of materials can have a major impact on the CO₂ footprint of real estate. The use of building materials is therefore reduced to the minimum required. Where possible, recyclable, renewable and low-emission materials should be used. Another special feature of the project is the fully carbon-neutral generation of heating and cooling by means of geothermal energy, air source heat pumps and photovoltaic systems. The development comprises 85 geothermal boreholes, each 99 meters deep. 100% sustainable electricity is also guaranteed thanks to green contracting. Furthermore, we have also developed a seepage concept with the aim of collecting, storing and using all precipitation.



EXTENSIVE GREEN BUILDING STANDARDS

Our aim with this holistic sustainability concept is to obtain GREENPASS "Gold" certification. GREENPASS is a scientifically developed testing method used to optimize and confirm the climate-related quality of stay and life, efficiency and impact of a construction

project. GREENPASS supports SIGNA in its efforts to transform places into environmentally resilient cities with its analytical tool. The following certification is also being prepared for the GLANCE urban area development: LEED Platin, WELL Building Gold, WiredScore Platinum, SmartScore Platinum as well as Animal-Aided Design.

NATURE AND URBAN LANDSCAPES BECOME ONE

One main focus area of the development concept is on promoting and developing biodiversity in an area. Working in partnership with the Berlin-based start-up Studio Animal-Aided Design, we have analyzed and cataloged the existing biodiversity in place. We then subsequently developed concepts working in close consultation with the stakeholders involved. These concepts include architectural measures and enable customized, extensive planting on roofs with alcoves and retreats for all kinds of different species. The substrate layer, measuring more than 70 cm deep, allows for trees and shrubs to be planted.

The aim is to provide targeted nesting and breeding areas. This tailor-made selection of plants creates habitats and feeding grounds. The planning and design of the banks also takes the fauna on the Spree River into account. On the banks of the Spree River, there is a shallow zone that is supposed to attract wildlife, such as the native beaver. There is also suitable planning for the facade to ensure that potential bird strikes are prevented.



« GLANCE POSITIVELY CONTRIBUTES WITH EFFECTIVELY APPLIED GREENING AND ANIMAL-AIDED DESIGN TO THE TRANSFORMATION OF A CLIMATE-RESILIENT CITY AS WELL AS *to the promotion of biodiversity and sustainability – officially confirmed with GREENPASS.* »

FLORIAN KRAUS CEO, GREENPASS

CONNECTED MOBILITY OF THE FUTURE

In order to best integrate the former industrial zone measuring 9,000 m² in size into Berlin City, we have created a connected mobility concept for the urban area. This concept includes, among others, new footpaths and cycle paths to be built along the banks, including links to existing transport networks, car parking spaces with e-charging stations, an AI-based parking space management system, a bicycle garage with charging points, showers and changing rooms, and a sharing point.

The construction site logistics also play a key role in the sustainability concept. As part of the construction work involved, around 40,000 m³ of excavated soil is due to be taken away via the water. By doing this, we avoid around 10,000 truck trips traveling through the city.



ENERGY AND EMISSIONS

LOOKING AT THE WHOLE LIFE CYCLE

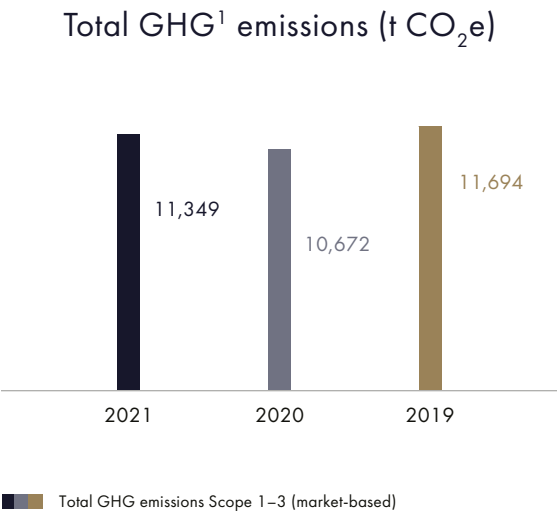
Greenhouse gases are emitted throughout the entire life cycle of a building – three-quarters of the total during the use phase. For this reason, our goal is to reduce the energy needs of our buildings and its users as much as possible, and to use optimized supply systems and renewable energy. The manufacture of construction materials also generates one-fifth of the emissions in a building’s life cycle. We are therefore striving to optimize or reduce material consumption and use as many less CO₂ intensive components and materials as possible.

As climate neutrality is not achievable during the construction phase of a building, we strive for fully carbon neutral operation. We achieve this by using renewable energies, such as geothermal energy, district heating and cooling, solar power systems, and certified green electricity.

In order to be able to safeguard the future viability and intrinsic value in the long term, we need to target a high level of usage quality along with a climate-neutral

development footprint. Based on these two objectives, the planning process serves to determine the most cost-effective approach for the relevant project.

The introduction of data collection software in the 2021 reporting year will allow us to systematically record consumption so that efficiency measures can be subsequently put in place in a targeted manner.

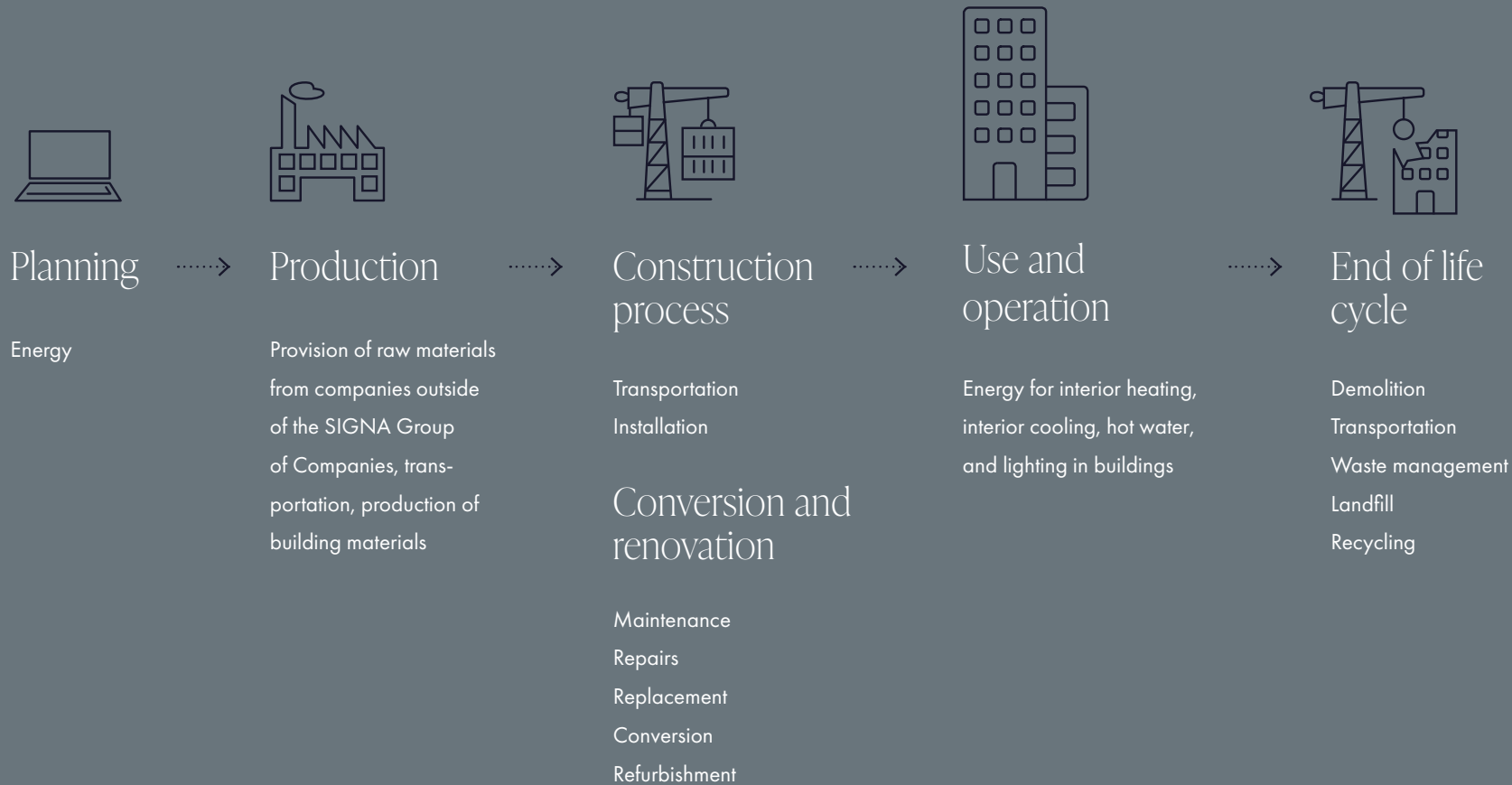


¹ Greenhouse gas (GHG)



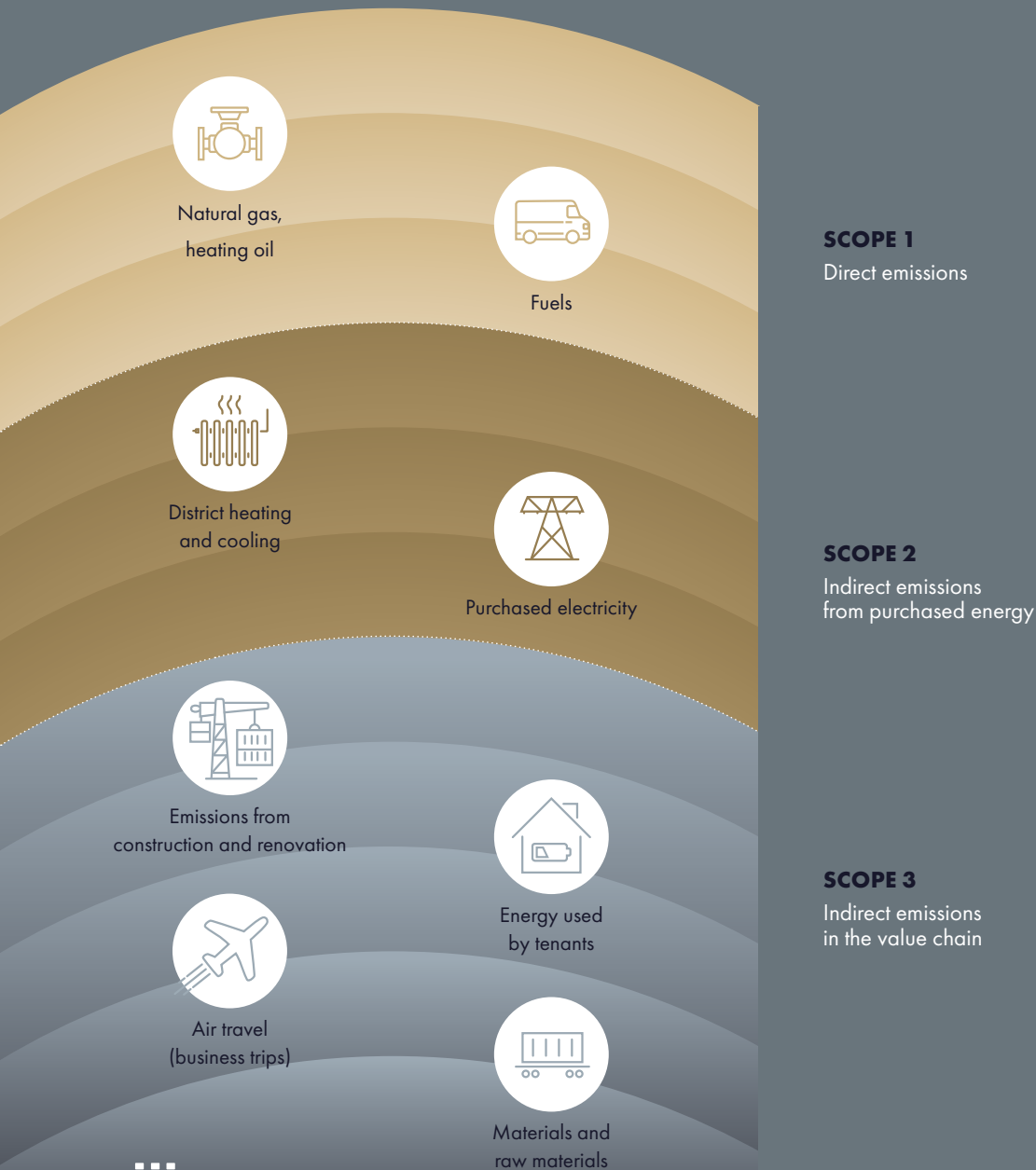
CO₂ footprint during a building's life cycle

(greenhouse gas emissions as a share of a building's total emissions)¹



¹ BBSR online publication No. 17/2020, Fig. 3, and DGNB publications

Scope emissions SIGNA value chain



CIRCULAR ECONOMY ALONG THE VALUE CHAIN

We have two action areas in the development and expansion of the circular economy: construction in existing buildings, and new buildings.

In terms of sustainability, we regard the Long-term Portfolio stock as a great opportunity. We examine the renovation opportunities in each project. We weigh all the functional, technical, environmental, economic, and design aspects.

Where we build from scratch, it is important for us to become better in our construction of new buildings. What this means is building in a way that involves low emissions and is therefore healthier. Employing more energy efficient construction methods allows us to significantly reduce emissions during ongoing operations.

These four approaches are important when it comes to constructing new buildings:

- / New, but circular
- / New, but fair
- / New, but very low-emission
- / New, but with more wood

The aim is to ensure low energy demands for the project along with an efficient, sustainable and economically viable supply strategy, which includes the concept of a climate-neutral building.

The process of sustainable project planning toward climate neutrality requires a series of measures on multiple levels. These include optimizing urban development to accommodate the use of daylight and solar energy as part of the planning. To maximize energy efficiency, energy supply concepts are considered in the early stages of integral planning. The aim is to keep operational energy requirements as low as possible, or to make them climate-neutral.

RESEARCH AND INNOVATION

Solar glass research project and Shared Vertical Farming Initiative

As part of the [New European Bauhaus Initiative: Green Tech Renovation for Cultural Heritage](#), SIGNA has applied for two research grants as an associate partner. One of these applications has been submitted together with a consortium led by the architecture firm Tillner & Willinger ZT GmbH. This is in relation to the “ENHANCE” project. The main focus area is on transparent solar glass systems combined with planting solutions for building façades (working in collaboration with GRÜNSTATTGRAU). The second “Project Cultural Green House” funding application relates to the targeted testing of innovative vertical farming solutions together with farmNOW. The Nordwestbahnstrasse area in Vienna is planned to be the implementation site. The chosen area has art and cultural links, with one of the properties used also being the home of the *brut* Wien theater ensemble and an Austrian theater director.

The construction of the mobile, carbon-neutral and 100% recyclable Shared Vertical Impact Farm, which integrates modern and participative fruit and vegetable cultivation into the building stock, making it accessible to people

living in the neighborhood, underscores the innovative nature of this initiative.

Flagship properties like these ones promote new technologies for sustainable building developments, helping to substantially improve the greenhouse gas balance of our developments.

Vertical Farms provide an opportunity for shared neighborhood activities, offering the benefit of carbon-neutral and regional food production.

Initiatives like these ones make a valuable contribution to SIGNA’s path towards decarbonization.



farmNOW
Deine Grätzlfarm

**GRÜNSTATT
GRAU**

FROM PLANNING TO CONSTRUCTION

Our overarching objectives

- / We would like to maximize the continued use of existing buildings.
- / We would like to maximize the recycling rate.
- / We would like our construction activities to be very low-emission.
- / We would like to use more wood in our construction activities.
- / We would like to plan and build according to the cradle-to-cradle approach.

OUR APPROACH TO LOW-EMISSION PROJECT DEVELOPMENTS

The global demand for energy and the associated emissions demonstrate very impressively the importance of our sector. Each of our projects is therefore planned and executed in a consistent and environmentally sustainable way.

Our developments and their site features will differ greatly in every example. Our sustainability goals are therefore also tailor-made for each project. The greatest impact on sustainability can be exerted during the design phase of the project development work. With careful planning, we can mitigate any negative environmental and social impacts over the entire life cycle and reinforce positive impacts in a targeted way.

A key factor here is the use of building materials. An important buzzword within the industry is the “resource transition”. This is about reducing the consumption of resources in order to avoid carbon emissions and protect natural/green spaces. With our construction projects, we want to see the resource transition through and contribute to the development and expansion of the circular economy. In addition to reducing our use of resources, we also pay attention to using “better” construction materials. In general terms, we are continuing to develop our guidelines and have also produced a guide to sustainable project development for our developments.

Contribution to SDGs in project development

9 INDUSTRY INNOVATION AND INFRASTRUCTURE



Build a resilient infrastructure, promote inclusive and sustainable industrialization, and support innovation

The general goal is to make cities inclusive, safe, resilient, and sustainable. Specifically, this includes:

11 SUSTAINABLE CITIES AND COMMUNITIES



- / Sustainable use of available space
- / Safe, affordable and sustainable mobility in urban and rural areas
- / Reducing the environmental impact of cities
- / Secure essential services, and digital connection of rural communities
- / Affordable housing for all

13 CLIMATE ACTION



Sustainable Development Goal 13 calls for immediate action to address climate change and its impacts.





Guide to sustainable project developments

Each one of our employees plays a role in ensuring that along with commercial interests, environmental and social aspects are also systematically integrated into our corporate activities. In 2021, we produced an in-house guide to sustainable project developments. This provides the framework for the guidelines pursued by SIGNA.

It is important to us in this process that our employees have freedom within project development in order to respond to local conditions and individual building framework conditions and bring their individual creativity to the table. We have laid down seven strategic areas of action in our guide, which our employees use as the basis for their work. In order to keep our employees abreast of the latest information, the guide will be reviewed and expanded annually.



RECYCLABILITY AND LONGEVITY OF CONSTRUCTION MATERIALS

We pay close attention to the construction materials we use in constructing and renovating properties according to green building standards.

This includes decreasing the quantity of materials used by optimizing designs, because a great deal of carbon emissions result above all from the production of steel and concrete. In our new developments, we do not build anything that cannot be recycled. When carrying out our property optimization projects, we first investigate how much of the existing structure we can reuse or integrate into the new structure. To the extent it is technically and practically feasible, this is the most effective way to recycle. An example of the re-use approach for materials is the former GDR goods warehouse, [👉 UPI Berlin](#). The entire facade was removed here, and the block was dismantled down to its reinforced concrete skeleton.

Unlike demolition work and new construction, preserving the building structure has saved a great deal of unnecessary CO₂ emissions. As a rule, we adhere to the German Circular Economy Act and the Austrian Waste Management Act in all of our projects.

Moreover, as early as the planning phase, we take care to use environmentally friendly and durable construction materials. We choose flooring, sealants, paints and coatings with the lowest levels of VOC (volatile organic compound) emissions possible. This guarantees particularly high-quality interior air quality later in the use phase. Subsequent recyclability plays an important role in the use of concrete and steel products, and when wood is used, we take care to source sustainable products that are Forest Stewardship Council (FSC) certified. Our sustainable building approach is also reflected in the certifications we strive for, such as LEED Gold or Platinum.



USE EXISTING BUILDING
STRUCTURES



PRIORITIZE ENVIRONMENTALLY FRIENDLY
CONSTRUCTION MATERIALS



RECYCLE
CONCRETE AND STEEL



USE AS MUCH FSC-CERTIFIED
WOOD AS POSSIBLE

BEAM

MAKING OLD STONE VIBRANT AGAIN

> 24%

CO₂e SAVING



PLANNED
GOLD



PLANNED
GOLD



PLANNED
PLATINUM

Renovating historic buildings is a particularly complex and challenging task. SIGNA Development is currently developing the historic former Schicklerhaus, built in 1910 and located in Berlin's Klosterviertel. Modern working environments, designed to cater for the most stringent of requirements in terms of sustainability and digital connectivity, are built on this area covering 28,000 m². The entire life cycle of the property was taken into account at an early stage to ensure it is used in the most sustainable possible way and conserves resources. During the project planning stage, the team also ensured materials were used efficiently and sparingly. With regard to the new design, as much of the building structure was preserved as possible and less carbon-intensive construction materials were used. CO₂ savings of 24% CO₂e compared to a new build construction are forecast as a result of preserving the historical substance of the existing section of the building. A recycling rate of more than 75% is intended to help reduce the amount of waste produced from construction and demolition work. The planning and supplementary quality and documentation standards aim to achieve the LEED Gold, WELL Core Gold and WiredScore Platinum standards.



« WE WANT TO OBTAIN LEED GOLD CERTIFICATION. *This includes sustainable construction materials, linking the building to the public infrastructure in an environmentally friendly way and healthy conditions in the workplace.* »

SANDRO BROEL-PLATER Project Manager, Pott Architects



Once all of the areas have been gutted, the plan is to build three additional upper floors and a roof terrace on top of the fourth floor. Plans are also in place to glaze the facade of the entire property. The ground floor is expected to house restaurants and retail areas. “Space as Service” areas have also been developed, featuring a mix of offices, leisure facilities and restaurants.

EU TAXONOMY COMPLIANCE CONFIRMED

The  BEAM project plays a pioneering role in SIGNA’s Sustainability Strategy. This was SIGNA Development’s first project to have its *EU-taxonomy compliance confirmed by an independent engineering firm*. The crucial factor for the entire audit was the significant reduction in net primary energy demand by more than 30% compared to the building’s initial demand prior to its renovation.



IN OPERATION

REDUCING ENERGY CONSUMPTION

Our goal is to continually reduce the energy consumption of our project developments real estate and the associated CO₂ emissions. We regard it as our corporate and social responsibility to develop buildings that can be managed in a resource-saving manner that benefits both the user and the environment, even though we are not responsible for this phase as the owner.

In addition to reducing emissions arising from construction work we also take into account the long-term energy demand in operation along the life cycle. Our extensive planning phase includes the early development of project-based energy concepts for the technical systems in our buildings. As an example, the energy concept in the Havelwerke project development makes provision for energy to be generated via photovoltaic systems. This means energy is generated on site, i.e., on the actual property itself.

When carrying out our existing property optimization projects, we focus on efficient management and increasing energy efficiency. We want to introduce a large number of defined individual measures over the next few years in order to improve the decarbonization



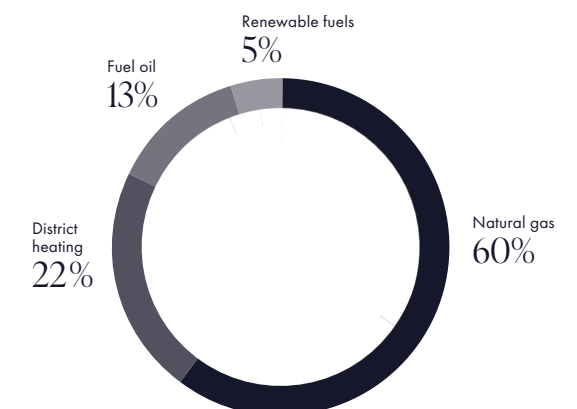
Review all electricity contracts in the Long-term Portfolio and switch to green electricity at the earliest possible date

pathway of individual properties. To further reduce carbon emissions, the number of buildings in the Long-term Portfolio with green electricity contracts was increased in 2021. 9% of existing buildings are supplied with green electricity (2020: 6%). As an example, our kika property in Kärntner Straße 287 in Graz was subjected to full thermal renovation work in the building. In doing so, we remove 273 tons of CO₂ from the atmosphere each year. During the reporting period, 100% of the electricity in all property optimization project properties in the LEIKI portfolio was generated from renewable energy sources. Most of this electricity was generated from European large-scale hydropower.

We will integrate a variety of measures to increase the energy efficiency of our project developments in our future operations. Examples of this include the opportunity to generate energy from wastewater via a heat exchanger or obtaining district heating and cooling. We also use energy-saving technologies (such as heat recovery, heat pumps, efficiency pumps and LED bulbs) and renew energy systems in property optimization buildings. We are always evaluating the option of using alternative energy sources and implement them when the assessment is positive.



Sources of heat generation





Green Lease Handbook of Recommended Practices

In 2021, we produced a Green Lease Handbook of Recommended Practices which we began using in early 2022. We use this Handbook to inform our tenants the areas in which we at SIGNA have identified opportunities to establish sustainable management. In order to achieve the common goal of climate neutrality, we want to provide them with specific recommendations for informed use of their properties. This means energy/emissions, waste, cleaning, mobility and renovation work/fixtures and fittings can be used to make an important contribution to achieving the goals of the European Green Deal.

Green lease clauses for new commercial leases evaluated and introduced



Green leases – leases geared to sustainability

Our goal is to make the operation of our properties fit for the future. This responsibility often lies in the hands of our tenants. As a result, we evaluated Green lease components for new commercial leases for our project developments in 2021. They have since become an integral part of all new commercial leases.

Working together with our tenants, we have reached agreements to use these properties in a sustainable and environmentally friendly way that saves resources, doing so with a common level of commitment. Ongoing dialog with tenants will be required for this, as tenant needs, the particular characteristics of the property, and certification requirements are carefully balanced for each property, and reporting will have to be established.

GREEN BUILDING CERTIFICATIONS

ENVIRONMENTAL SUSTAINABILITY OF BUILDINGS

Our focus on project developments enables us to design real estate properties and urban areas that are holistically sustainable. Our goal is for our projects to meet the highest possible sustainability standards and be certified as green buildings. This includes a good mix of usage types, smart mobility concepts, and reducing environmental stress in construction and future operation through state-of-the-art technologies and materials. Accordingly, our team analyzes the opportunities and limitations in the development of the real estate and determines the relevant possibilities along with our stakeholders.

For certification purposes, we have our buildings assessed according to an extensive point system in all phases of their life cycle. This is primarily done according to the international certification system LEED or, in some cases, with additional well-known national standards such as DGNB and ÖGNI.

Wherever possible to do so, we also arrange for our buildings to be pre-certified at the planning phase. Our goal is to earn green building certificates for all new developments.



Expansion of the new
certifications with
WELL Building and
WiredScore

100%

THE AIM IS FOR OUR
PROJECT DEVELOPMENTS
TO BE CERTIFIED AS
GREEN BUILDINGS.



Green building certifications



Leadership in Energy and Environmental Design (LEED) is a green building classification system used worldwide. This voluntary certification program assesses buildings according to an extensive point system throughout all phases of their life cycles in the following categories: sustainable construction sites, water efficiency, energy, atmosphere of the inside spaces, materials and resources, air quality in buildings, innovation, and the design process.

LEED certification can be obtained at four levels: Certified, Silver, Gold, or Platinum.



The Deutsche Gesellschaft für Nachhaltiges Bauen – DGNB e. V. – (German Sustainable Building Council, “GSBC”) aims to develop and promote sustainable planning, construction, and use of real estate. Its quality label is available at the Bronze (only for existing buildings), Silver, Gold, and Platinum levels. The GSBC method assesses the environmental, economic, sociocultural, technical, and process quality of properties over their entire life cycle along with the quality of their location, a parameter not included in the overall assessment, however. Certification is awarded regardless of the property’s status, i.e., existing/renovated building, new construction, building in use, or urban area.

The certificate can be adapted to country-specific conditions (e.g., ÖGNI).



The Österreichische Gesellschaft für Nachhaltige Immobilienwirtschaft, “ÖGNI” (Austrian Sustainable Building Council) promotes sustainability in the construction and real estate industries in Austria. An ÖGNI certified building – known as a Blue Building – adheres to sustainability criteria throughout the entire life cycle of the property, including environmental, economic, and sociocultural factors, process quality, technical quality, and location. This quality label is available in Silver, Gold and Platinum.

SIGNA is one of 125 founding members of ÖGNI.



WiredScore is a global standard for digital connectivity in buildings. As an evaluation system for commercial properties, WiredScore helps owners understand, improve, and communicate the digital infrastructure of their buildings. The certification criteria cover five key aspects of a building’s digital connectivity: they are Resilience, Future Readiness, Mobile Reach, Choice of Providers and User Experience.

The evaluation is based on a point system (credits) and is set against “best-in-class” references.



BEL & MAIN VIENNA

BUILDING WITH LONG-TERM ASPIRATIONS



EXISTING
GOLD



EXISTING
KRISTALL

At SIGNA, the basic principle of thinking and acting at all times with the long-term in mind is applied to all projects. It does not matter whether the real estate to be realized is part of the existing portfolio or is to be sold to an investor, in line with SIGNA Development's strategic position, either after it has been developed or prior to being built. Based on this, BEL & MAIN Vienna was also implemented: an ensemble of two residential towers with a total of 458 high-quality rental apartments, a hotel and an office building – part of a completely new quarter that has been created on a former railroad station site in a central location in Vienna.

ENVIRONMENTALLY FRIENDLY QUALITY LIVING FOR DIFFERENT GENERATIONS

A responsible usage concept was created in advance of the plans for the building complex, covering a gross floor area of approximately 64,000 m². As an example, four wells were built to make use of rainwater and enable seepage on the site itself. Extensive planting will take place on approximately 5,700 m² of non-accessible flat roofs, and the Plaza and usable flat roof above the ground floor will be landscaped with trees and shrubs or grass lawns. The energy for the entire project is supplied via district heating and cooling. This ensures neither noise nor pollutants are emitted. Digitization provided by way of smart building solutions enables, among other things, control of individual living areas and bedrooms via single room controllers. The room control unit in the apartments is programmed to prevent simultaneous heating and cooling of one room. 100% of the electricity is generated from hydropower. The architectural planning was agreed in such a way so that solar radiation in the summer would be kept to a minimum. Smart building technology combined with energy-saving ceiling cooling systems ensure the most efficient use of energy possible during usage.

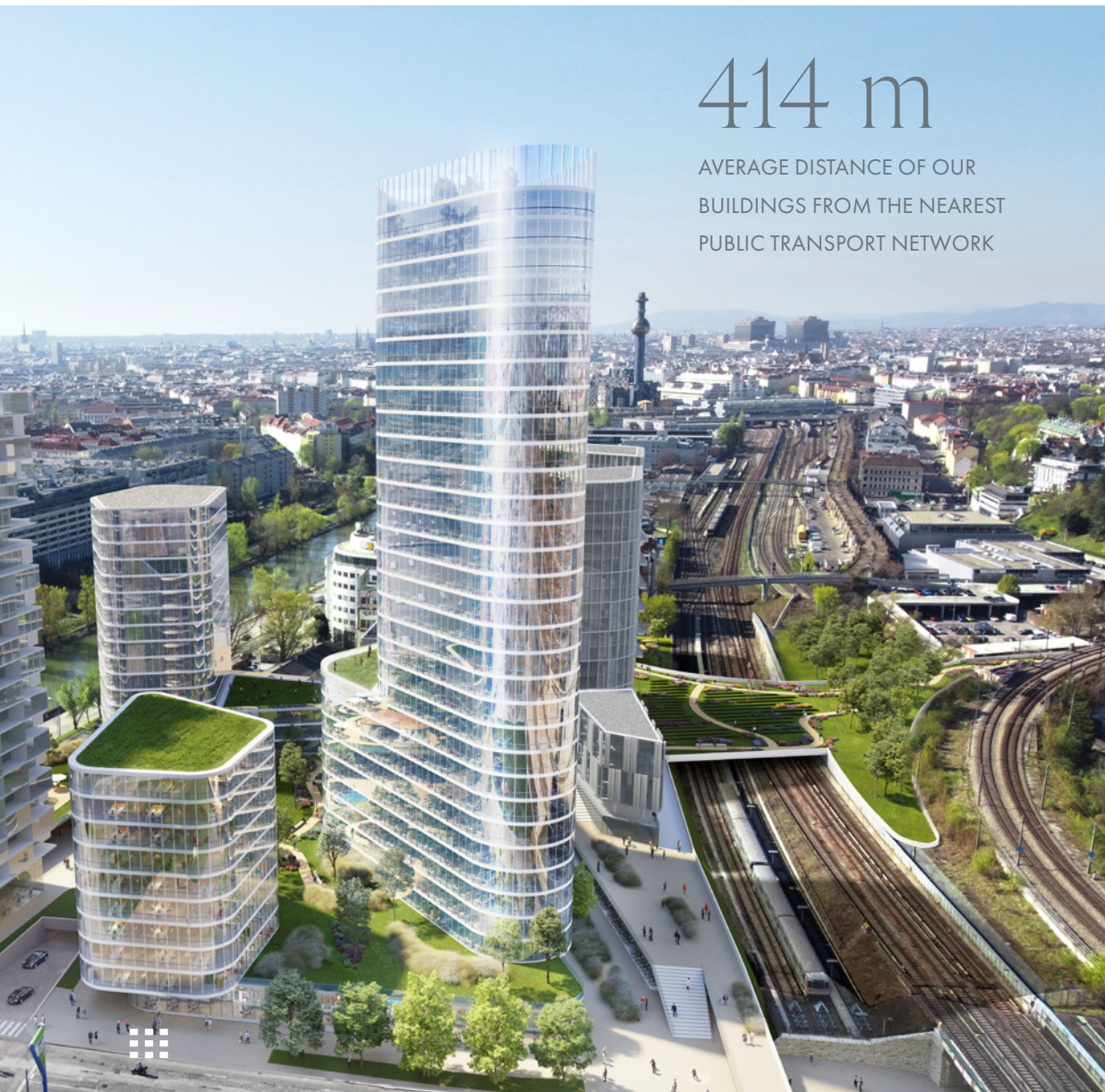
GOLD STATUS IN VIENNA

These features, along with other features of sustainable construction projects, were already recognized with awards in the development stage. Both residential towers received DGNB Gold certification, and the hotel and office building received LEED Gold certification. As part of the assessment, all kinds of topics, such as ecology, economy and technology, were examined carefully over the entire life cycle of the property.

Nevertheless, the final authority for assessing a project will always be the market or the verdict of users. In this particular instance, it is very clear; just a few months after they went on the market, most of the 209 BEL & MAIN Residences apartments as well as the 249 BelView apartments had been rented out.



SUSTAINABLE MOBILITY CONCEPTS



Sustainable buildings are based on an holistic view of the usage concept. This also includes sustainable mobility concepts.

When developing projects and acquiring property optimization real estate, we greatly value the close proximity of our properties to various forms of transportation. When conducting such an end-to-end evaluation of the usage concept, we pay attention to the accessibility of existing or planned transport systems. This includes in particular links to local public transport and considerations such as the availability of all-weather bicycle parking facilities, parking spaces for electric vehicles in underground garages, or appropriate charging infrastructure.

To support the transition to e-mobility, we collaborate with electric car manufacturers and car sharing providers. In 2021, we planned to arrange partnerships with electric bike sharing providers for some of our properties. Our management is embedded in all of these discussions by way of the ESG Council.

A sustainable mobility concept often requires fewer parking spaces than the respective municipal statutory requirements demand.

This creates a challenge in the acquisition of properties because municipalities must be convinced that cargo bikes, car sharing, bike sharing, and good connections to the local public transport network often make owning a car unnecessary – and significantly reduce the number of parking spaces needed. Our many years of experience and our references in implementation of sustainable concepts are helpful here.

The mobility concept for the PARKAPARTMENTS AM BELVEDERE in Vienna is the perfect example. The residents have car sharing vehicles reserved specifically for them. There are charging stations for electric cars in the parking garage and free city bikes. Other good examples include the car-free project VIENNA TWENTYTWO and the planned Donaumarina Tower in Vienna with available e-bikes and cargo bikes.

180 Supercharger stations from Tesla at kika/Leiner sites

Our kika and Leiner real estate properties from the Long-term Portfolio have concluded a framework agreement with Tesla on the leasing of parking spaces. Tesla will build up to 180 Supercharger rapid charging stations at 15 kika and Leiner-Möbelhäuser furniture store sites. This successful partnership, which began back in 2016, will be extended further. Back in 2016, Tesla built one of the first charging stations in Austria at the kika site in Liezen. Since then, Tesla has added 24 Supercharger stations with around 262 charging points. In implementing this framework agreement that has recently been concluded, a significant portion of the Austrian rapid charging network will be located on SIGNA's property. The charging stations to be built on SIGNA's land should also be technologically suitable for other e-vehicles too.

The Supercharger stations developed and built by Tesla will charge Model 3, Model S and Model X vehicles in a matter of minutes, not hours. As an example, Model 3 and Model Y versions featuring the larger battery can be charged at a peak rate of 250 kW under optimum conditions, enabling a range charge of up to 275 km in just 15 minutes for Model 3 vehicles, and around 240 km in just 15 minutes for Model Y vehicles. Supercharger stations are placed strategically along the most important traffic routes, enabling electric car owners to complete long-distance journeys in a relaxed manner with the minimum number of charging stops required.

Successful retail locations will be enhanced in a sustainable way and also fulfill additional ESG criteria.



PROTECTION OF BIODIVERSITY

An important action area in sustainable real estate business is the protection of biodiversity. Developing areas of land inevitably leads to interference with fauna and flora.

The direct consequences of construction activities include the restriction of animal habitats and space for animals to move around, higher air temperatures in urban areas, and less new groundwater formation. Consequently, we aim to reduce the sealing of areas of land and to protect biodiversity in our projects. Our most important contribution to the protection of biodiversity lies in the fact that SIGNA Development is not involved in the development of greenfield commercial properties.

Support for biodiversity in the cities

Each of our development projects and existing buildings are subjected to an analysis to see how we can make a positive contribution to biodiversity and offer animals and plants space to flourish. To increase biodiversity, we work with planning concepts that are designed to support animals. This approach to planning means that the needs of selected species are considered throughout the life cycle. The animals require provisions specific to their species, such as areas to drink or bathe, suitable nutritional sources and nesting and breeding areas in order to be able to settle permanently. Our buildings therefore include vegetation and habitat structures, dead wood, nesting boxes, as well as biodiverse herb layers, and other bases for feeding different species. We intend to further expand our commitment to supporting diversity in city-center locations.



« BEES BENEFIT FROM THE CITY AS A SPACE IN WHICH TO LIVE BECAUSE UNLIKE IN RURAL AREAS THERE ARE NO SINGLE CROP CULTIVATIONS *and no large-scale use of pesticides. The diverse choice of flowers boosts the bees' immune system.* »

PAUL HARTMANN Head of Business to Business, Stadtbienen

Bees on the city's roofs

Working in collaboration with the Tyrolean Beekeepers' Association (Tiroler Imkerverband), there are currently four bee colonies located on the roof of our MEDICENT real estate property in Innsbruck. Around 40 kg of honey was harvested from here in 2021, and we plan to double this to 80 kg of honey in 2022. The MEDICENT real estate property in Salzburg was also enhanced by a beehive from a neighboring hobby beekeeper, right next to the Glan River.

Further projects in which we support not only bees, but also local biodiversity, are set to be expanded to other locations in the future.



Wood from own forest

We think in terms of generations to come, also when it comes to our corporate social responsibility with regard to climate change.

As part of our long-term investment strategy and our commitment to sustainability, we acquired a 1,280 hectare forest in Styria in southern Austria in 2020. An in-house team of foresters and experts looks after the professional care and management of the forest

and woodland areas because an actively managed forest binds more CO₂ than one that is unmanaged. Active forest management therefore also means active climate protection.

The forest allows us to pursue the goal of securing long-term access to wood as an ecological building material and incorporate it into raw materials procurement for the SIGNA Group’s construction activities in the long term. Plans to purchase additional properties aim on the one hand to reduce the Company’s overall risk in terms of its dependence on macroeconomic commodity developments, while also ensuring the ability to make long-term financial planning on the other hand. In addition, we are contributing here to the development of climate resilient forests, sustainable forest management, protection of carbon sinks, and biodiversity.

We are working on increasing the amount of green space in our portfolio. We are currently planning green roof areas on 14 buildings with an area of 74,500 m².

Green spaces in the portfolio¹



¹ Green spaces cover a total area of 252,000 m², equivalent to almost 35 soccer fields.



04



NEW ACTION AREA

STRONG COMMUNITIES



Today already, 57% of the world's population lives in cities. According to a UN forecast, around 70% of people will be living in cities by 2050.¹

Even though the COVID-19 pandemic may have temporarily slowed down the influx into cities, most studies forecast a roughly similar scenario: In 2050, most people will live in urban areas. This presents corresponding challenges for urban planners. The challenge is finding intelligent solutions for the optimal use of existing areas without sealing new soil. The ideal is to provide as many people as possible with as much open, heterogeneously usable space as possible on a small footprint and this with a constantly increasing demands for quality of life by the residents.

In our work, we see ourselves as city partners. We use our holistic concepts to generate shared impetus, develop livable neighborhoods in urban centers, and contribute to a sustainable increase in regional value creation. We see our task as being to create long-term added value for all stakeholders involved in the places where we build new properties: Finding the right mix of living and working spaces, cultural offerings, restaurants, retail, and services at each location is paramount for us. In this context, the aspirations and ideas of our stakeholders represent valuable input and we incorporate these into our projects.

¹ <https://www.zukunftsinstitut.de/artikel/urbanisierung-die-stadt-von-morgen/>



As one of Europe's largest real estate companies, SIGNA Real Estate plays a key role in defining cityscapes in numerous major metropolitan areas and urban centers across Germany, Austria, and Switzerland. Our work has a far-reaching impact in every place we operate. Our building projects create added value beyond the walls of our buildings for the entire surrounding area, and revitalize the local economy. Jobs are created throughout the course of our projects and new ones are created within projects once they have been completed. We also cooperate with other partners from the construction industry, such as suppliers or manufacturers, who work with us on projects and benefit from this partnership.

In this role, we bear great responsibility toward our fellow human beings – be they our employees, our partners, our investors or even people who use our properties – and our environment. Our intention is always the same: To deliver high-quality, well-considered, long-lasting projects in order to preserve and increase the attractiveness of cities. We spend a great deal of time in pursuit of this aim carrying out in-depth analyses, while at the same time entering into close dialogue with all the parties involved, and adopting a consistent approach to our project work.





The thinking we do and the action we take in the course of all our projects generally go beyond the walls of our property and also include redesigns and landscaping of adjacent meeting areas or solutions for sustainable mobility, from which neighboring stakeholders also benefit indirectly.

Contribution to sustainable urban development

Our developments that are built in urban city centers involve a combination of sustainable building and modern architecture. We ensure people are able to enjoy an excellent quality of life thanks to a sensible and balanced mix of usage types and strong transport links in our projects. In this way, we are responding on the one hand to the increasing pressure on space in growing cities, caused by the ongoing influx, and on the other hand to the daily commuter traffic in the city centers. In the specific planning and implementation of each construction project, we attach great importance, among other things, to planning the buildings in such a way that the future possibilities for use remain as diverse as possible.

In each of our projects we are embedded in a network of stakeholders who bring different expectations, perspectives, and aspirations to the table. We obtain this input, which is invaluable to us, from a wide variety of dialogue formats and merge it with our own ideas on urban planning and building culture to create the best possible practicable designs.

By taking this approach, buildings are created for generations to come that recognize, cross over and strengthen social structures. It is important for us here to work with and for cities and communities to create places that are vibrant, respect the fundamentals of coexistence, and promote an inclusive society.

Our activities create leisure and cultural opportunities in our neighborhood developments that are available to all. We also take into account demographic change, digitization, new mobility concepts and changing working environments, thereby making our contribution to sustainable urban development.

VIENNA TWENTYTWO

A NEW URBAN QUARTER IS BEING DEVELOPED ON A PARKING LOT



PLANNED
GOLD



PLANNED
GOLD

Today, Vienna is one of the largest metropolis in Europe and is considered one of the most livable cities in the world. Modern development also plays a major role in this, with equal focus on all parts of the city. VIENNA TWENTYTWO is one of the largest and most prominent urban development projects in the city. The building complex is being constructed in Vienna's second most populous district – Donaustadt.

The VIENNA TWENTYTWO will include approximately 645 apartments (including 298 apartments for sale and 347 apartments for rent), 24,500m² of flexible office space and 420 hotel rooms and serviced residences. It will be a diverse quarter at a central transportation hub in the north of Vienna. In addition to Vienna's largest shopping center – the Donauzentrum – restaurants, cafés and stores are now opening on the lower floors. And for those who feel like a stroll through the city center: Vienna's city center can be reached within ten minutes by public transport.



The quarter also serves as a center for many services provided by modern administration: Specifically, there will be a modern contact and service point to deal with many official applications and inquiries. In addition to the district administration and magistrate's district offices, Building Four will also house a registry office.

GREEN RECREATION AREAS

Green rest areas are within easy reach. These include local recreation areas such as Alte Donau, Donauinsel or Donaupark.

Covered promenades, lushly planted areas combined with water elements and a green center at the core of the complex are all designed to attract visitors. This

creates a continuous and lively dialogue between the inside and the outside. After all, the true art of urban development lies in embedding new neighborhoods in their surroundings as if they had always been part of the respective district.

COMFORT THROUGH OPTIMAL CONNECTIONS

The use of existing infrastructure with optimal connections to both the public transport network and private transport is trend-setting. The location is perfect. The property, which for a long time was used as a parking lot, is located in the immediate vicinity of the U1 subway line, which takes you direct to the center of Vienna, Stephansplatz, in just over ten minutes. Various streetcar and bus lines together with well-developed cycle paths complete the package.

The area itself is car-free. All passenger cars are accommodated in the underground parking garage, which is amply equipped with e-charging points. This in turn enables the creation of a uniform, cohesive open space with superior design focal points.



« VIENNA TWENTYTWO WILL SERVE IN FUTURE AS THE NEW CITY QUARTER FOR THE DISTRICT ADMINISTRATION OF DONAUSTADT. *Here, citizens can take advantage of efficient services in a modern, aesthetically pleasing environment.* »

ERNST NEVRIVY Chairman of the District Council, 22nd District of Vienna, Donaustadt



Dialogue from the outset

We develop large-scale projects that affect the lives of many people in a variety of ways. In each of our developments we are embedded in a network of stakeholders who bring different expectations, perspectives, and aspirations to the table. We obtain this input, which is invaluable to us, from a wide variety of dialogue formats and merge it with our own ideas on urban planning to create the best possible practicable designs.

A large part of our success is due to the fact that, regardless of whether we are undertaking a cautious transformation, a major rebuild or a complete redesign, we involve our stakeholders right from the planning phase and begin an intensive dialogue with them. We see ourselves as mediator and facilitator in the communication process with our stakeholders, and as a reliable contact from before the start of the project right through to after the construction work has been completed.

Our preferred partnerships with regional and local companies mean our projects help create value in the local area. By taking this approach, buildings are created for generations to come that recognize, cross over and strengthen social structures. It is important for us here to work with cities and communities to create places that are vibrant, consider the fundamentals of coexistence, and promote an inclusive society. In this way, we

develop stable concepts for the future and make our contribution to society.

In addition, we rely on state-of-the-art mobility concepts and excellent links to public transport. In our projects the focus is on people and environmentally sound construction and utilization options (see section → [Sustainable Buildings](#)).

Social interaction in the interplay between “Social commitment”, “Health and safety of end users” and “Regional value creation” prompted us to focus our efforts in this area during the reporting year and establish the new action area “Strong Communities”.

FOR 100% OF OUR PROJECTS

WE INVOLVE AND INFORM THE NEIGHBORS
AND LOCAL RESIDENTS AFFECTED BEFORE,
DURING, AND AFTER REALIZATION.



SUSTAINABLE ORIENTATION OF AN URBAN DEVELOPMENT



PLANNED
GOLD

Due to its dimensions, the Neue Werft fundamentally changes the appearance of Korneuburg. For centuries, its inhabitants have lived at a respectful distance from the Danube. Now, for the first time in the city's nearly 1,000 year history, there is a chance to bring the center of life for many people safely right down to the largest river in Central Europe.

Well over 20 hectares of land and water areas will be transformed from an industrial wasteland into a vital part of the city of Korneuburg. By developing the former shipyard area, the current population of 13,500 will increase by up to 15%. This change requires broad community acceptance, because such growth can appear threatening, especially for long-time residents.



Project presentation with Korneuburg residents and stakeholders

COMPREHENSIVE EXCHANGE OF INFORMATION

Public involvement in the Werft Korneuburg project has been going on intensively for many years. Experience with this process has been largely positive. The two project partners SIGNA and the city of Korneuburg have engaged in an intensive and comprehensive



exchange of information in this regard – even during the pandemic. For example, in 2021, after specifying the framework plan for developing the quarter, numerous events were planned and implemented. The kick-off was a press conference at which around 20 representatives of local media were on site. The main topics were the status of negotiations on the cooperation agreement between the City of Korneuburg and SIGNA and the presentation of the first photorealistic visualization of a completely new urban district.

Running parallel to the ensuing positive coverage, several event dates were announced online, via advertisements and posters. The aim was to enable

all interested Korneuburg residents to have live conversations and personal contacts with high-ranking representatives of the project promoters. Invitations were also sent to the users of the shipyard area. These included representatives of the allotment gardens, motorboat owners, rowers and fishermen. They all have legitimate interests that are to be protected in the best possible way.

A total of four events took place. These were divided up according to target groups. The first group was formed by the “Werftgruppe” – a long-established community of interest that has contributed its ideas for the design of the area since the project began around ten years ago.

INDIVIDUALIZED COMMUNICATION

This is particularly evident at what is known as the “Werftbecken” – i.e. the water area in the center of the project development. Fishermen, for example, prefer absolute peace and quiet, while motorboat owners or rowers are, of course, only able to accommodate those wishes to a limited extent. These different interests require special sensitivity and empathy as well as persuasion that the respective other group also has the right to use the infrastructure. For opinion leaders – around 40 people from public life – who would ideally support this process, a separate event format was therefore also created in the listed brick hall.

The “Werftbecken” was then also the venue for the preliminary finale of the event series, which lasted around four hours. A total of 300 people accepted the invitation. In the course of a constructive discussion, viewpoints were exchanged, opinions articulated, and wishes and demands expressed. SIGNA and the representatives of the City of Korneuburg gained valuable insights and once again received confirmation that open dialogue with all stakeholders is a basic prerequisite and in the interest of all involved in order to successfully implement plans.



SOCIAL COMMITMENT



In addition to basic human needs such as protection and safety, buildings also fulfill social and societal needs. Our responsibility as project developers therefore goes way beyond renovating properties or creating new ones from scratch.

As a company, we see it as our duty to the people who use our buildings now or in the future, as well as to neighborhoods in the immediate vicinity, to reflect and integrate community values and attitudes as fully as possible. Our major goal here is to make a sustainable contribution to livable cities and strong communities.

As part of its social responsibility, SIGNA Development provides donations and sponsorships to charitable institutions which, according to internal guidelines, it deems worthy of support. We have established a process for this purpose. No donations may be made or sponsorship agreements entered into outside of this process. Donations to political parties, in particular, are expressly forbidden. In the 2021 fiscal year, SIGNA Development allocated around €25,500 for donations and sponsorship.





Together against the coronavirus

The COVID-19 pandemic represents one of the greatest challenges of recent years – both in Europe and worldwide. It quickly became clear that the pandemic could only be overcome with consistent collaborative effort by politicians, society and industry. One example of cohesive and rapid action is the vaccination center on Königstraße in Stuttgart. In cooperation with Klinikum Stuttgart and the authorities, SIGNA Development was able within a very short time to provide a 1,000m² space on the first floor of our property at Königstraße 23–25 in downtown Stuttgart. Within just five days, plans for the operation were drawn up, a contract of use was concluded and the rooms were set up by exhibition-stand builders. At the height of the pandemic, up to 4,000 people a day were being vaccinated there.

Research and Innovation

Many challenges in today's society, culture, politics, and economy can be linked to the issue of what life will look like in cities in the future. The majority of the population lives in cities and/or urban areas. Such increasing urbanization processes place complex demands on urban structures and future new planning. We take part in discussions about the city of the future and support relevant initiatives.

A good example of an extensive stakeholder dialogue is the Shaping Our Urban Future (S.O.U.P.) project at the Hauptwache in Frankfurt. This project involves the design, discussion and development of urban life in the future: S.O.U.P. creates an interdisciplinary field combining science, research, politics, architecture, design, culture, art, and Zeitgeist, and tackles current and existential concerns of cities and their inhabitants.

HEALTH AND SAFETY OF END USERS

The safety, physical health, and well-being of property users is a top priority for us.

To prevent potential health and safety risks, we conduct detailed due diligence ahead of every major acquisition. Given the fact that a person spends most of their life inside a building, the quality of the materials used to construct that building is extremely important. We are therefore guided by the principle of using the highest possible quality, recyclable and long-lasting resources in the construction and refurbishment of our buildings. We also strive to achieve WELL Building certification for many of our project developments.

PLANNINGO CONSTRUCTIONO USE



- / What potential health and safety risks could arise?
- / Coordinating early on with facility managers and/or project managers
- / Avoiding dangers and trouble spots
- / Informing tenants and neighbors about construction activity and schedules



- / Actively avoiding conflicts and unfavorable situations for affected parties caused by construction sites
- / Ensuring compliance with applicable standards on construction sites by employing health and safety coordinators



- / Working out optimized processes in advance
- / Avoiding changes during operation

In our development projects, we regularly provide neighbors and local residents with relevant information throughout the entire implementation phase. In addition, we organize all activities on and around the construction site within our sphere of influence in such a way that residents are affected as little as possible by traffic and noise. We maintain this dialogue during the entire course of the project.

We are also in regular contact with our tenants regarding our long-term optimization portfolio. We want to know how satisfied they are and to work out the areas where we need to improve. With this in mind, we began working with an external service provider in the reporting year to design a digital tenant survey, which was carried out in the first quarter of 2022. This survey will continue to be conducted on a regular basis.

WELL Building certificate

Buildings with a design that has a positive impact on the comfort, health and well-being of their users are certified with a  WELL Building certificate from the International WELL Building Institute (IWBI). Different aspects are considered as part of the certification process:

- / Indoor air
- / Water quality
- / Nourishment
- / Visual comfort
- / Movement
- / Thermal comfort
- / Space and building acoustics
- / Low-emission and resource saving construction material
- / Satisfaction, balance
- / Community
- / Innovative approaches





BEL & MAIN VIENNA

FIRST RESIDENTIAL BUILDING IN AUSTRIA WITH THE «ÖGNI CRYSTAL» PRIZE FOR SOCIAL SUSTAINABILITY



PLANNED
GOLD



EXISTING
CRYSTAL



EXISTING
GOLD

Social sustainability is an essential element when it comes to designing long-lasting buildings for many generations to feel comfortable in. An example of the transfer of this idea into practice is the residential property BEL & MAIN.

The name of the overall project BEL & MAIN VIENNA, of which the residential tower BEL & MAIN Residences is a part, derives from its attractive location between Belvedere Palace and Vienna's central station. Over the past few years, a multi-use complex with rental apartments, flexibly usable office space and an apartment hotel with 134 rooms has been built here. All buildings are connected via a landscaped plaza.



With this property we succeeded in realizing ecological and economic sustainability in a residential building in such a way that the project was awarded the DGNB Gold certificate. Of particular note was the attention paid in the design to social and societal aspects.

In addition to the extraordinary location which combines culture and modern life, the BEL & MAIN Residences have generous open spaces, a fitness studio as well as co-working and community space. On account of the planners and builders being able to realize this wide range of services, the development was the first

residential project in Austria to be awarded the ÖGNI Crystal for Social Sustainability.

Nevertheless, the final authority for assessing a project will always be the market and/or the verdict of its users. In this case, the outcome is clear: Just a few months after they went on the market, most of the 209 BEL & MAIN Residences apartments as well as the 249 BelView apartments, which also belong to the complex, had been rented out. The satisfaction of the residents validates our chosen approach.

Guest article on the importance of certifications



From left: Peter Engert (Managing Director ÖGNI) with Jürgen Marschner (Project Manager BEL & MAIN VIENNA)

Sustainability is relevant to risk. This has now been confirmed in the definition of the European Green Deal. The EU Commission encourages the European financial industry to direct financial flows to sustainable projects, as they are more successful and less risky.

The Austrian Society for Sustainable Real Estate (ÖGNI) has known this for a long time, of course, due to its many years of involvement with sustainable real estate. What's more, however, it is also clear to us that climate protection alone is not enough to achieve sustainability.

Our common task is to combat the effects of climate change, curb resource consumption and operate more efficiently. It is also our task, however, to make sustainability economically successful, for example to reduce the operating costs of real estate over the course of its life cycle. Since we construct buildings for people to work and live in, the realization of social sustainability is an important element for a long-lasting design in which many generations will feel comfortable.

SIGNA has been a member of ÖGNI for some time and is also actively involved in the further development of sustainability. SIGNA regularly sends employees



to ÖGNI working groups, where they discuss new findings from industry and science together with industry colleagues and incorporate them into the further development of the European quality certificate DGNB.

Even though a great deal has already been done, there is no end to the further development of sustainability. With the help of committed members like SIGNA, we can continue to ensure that sustainability is not only discussed in theory, but also implemented in projects in a tangible and perceptible way. With BEL & MAIN Residences we have succeeded in reaching another milestone, for which we would like to express our sincere thanks and congratulations.

PETER ENGERT

Managing Director, Austrian Society for Sustainable Real Estate (ÖGNI)



Identify danger points at an early stage

In the course of a development project, we give affected tenants and direct neighbors advance notice of its construction activities and schedules. Facility managers and project managers are also involved at an early stage. This enables processes to run smoothly at the properties and avoids possible dangers or public spaces in which people may feel threatened or very uncomfortable. In the event of a conflict of interests, such as unavoidable construction noise, we seek solutions in dialogue with neighbors, in order to minimize the negative impact.

Legal safety checks

We adhere strictly to the stringent safety regulations in Austria, Germany and Italy, for example with regard to fire prevention or the disposal of harmful substances. We deploy health and safety coordinators on our construction sites to ensure that the companies and service providers we engage comply with the applicable standards.

Property security over and above legal obligations

In order to guarantee the safety of properties, we comply with our legal obligations and fulfill numerous duties relating to inspection, control and monitoring. In addition, it is our priority to ensure hazard-free use of our buildings.

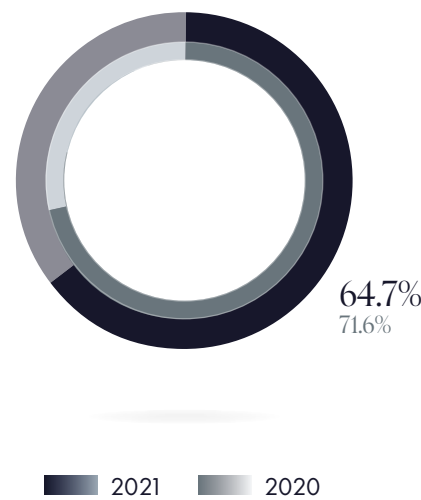
We also carry out annual audits in Austria in accordance with the voluntary Austrian standards for residential buildings (ÖNORM B 1300) and for non-residential buildings (ÖNORM B 1301). These standards are recommendations for various property safety checks. In 2021 we audited all buildings in Austria in accordance with ÖNORM B 1301.

In the reporting year, there were no violations related to the effects of our activities on health or safety during construction that led to a fine or a warning or that constituted a breach of other voluntary safety codes of practice.

REGIONAL VALUE CREATION

For SIGNA Development, sustainability also means ensuring that the regions in which we do business also benefit from our activities. We create and retain jobs, we are a client to local companies, and help shape urban centers.

Expenditures for local suppliers



In the urban planning context, we see ourselves as developers of exceptional and architecturally sophisticated real estate. We ensure that our buildings have a positive impact on metropolitan areas and last for the long term.

Our work has a far-reaching impact in every place we operate. Our building projects create added value beyond the walls of our buildings for the entire surrounding area, and revitalize the local economy. Jobs are created throughout the course of our projects and new ones are created within projects once they have been completed. We also cooperate with other partners from the construction industry, such as suppliers or manufacturers, who work with us on projects and benefit from this partnership.

Local partner with local market knowledge

Real estate developments have the potential to become places residents can identify with. Wherever possible, we involve local companies in the design and construction. After all, regional value creation is important to us, and also reduces transport emissions and secures jobs.

Local suppliers and service providers generally know the market best and have experience; they know the local requirements, potential hurdles, and possible solutions. This is necessary specifically due to our real estate projects' size and central location in downtown areas. We therefore maintain a varied and broadly diversified supply chain for our development projects, ranging from multinational construction companies, through service providers, to small workshops and suppliers. For these projects, we also rely on our many years of experience. We tender all construction services individually and not through a general contractor.

Over the next few years, we will raise our suppliers' awareness of responsible treatment of people and the environment, for example through audits and the use of a supplier evaluation system. We set out regulations in this respect in our Supplier Code of Conduct. Read more about this in the section [➔ Responsible Corporate Governance](#).



05



ATTRACTIVE EMPLOYER



For 89% of respondents, recognizing the meaning of their work is the most important feature in their job.¹

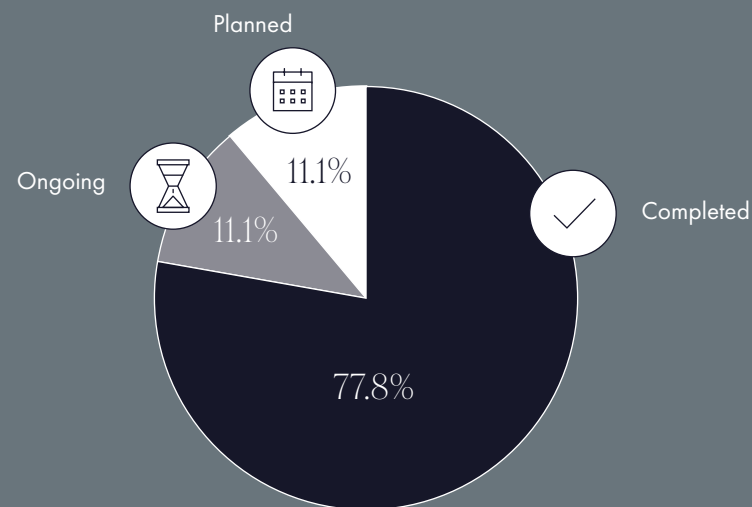
We want to be an attractive employer our employees are happy to identify with and work with in the long term on our shared success. Our employees are what make our sustainable business success possible. Thanks to their skills and enthusiasm, we can complete extraordinary real estate projects and meet our ambitious growth targets. This is why we take our role as an employer very seriously.

Our corporate culture puts people front and center. We value and expressly encourage entrepreneurship in thought and action, personal responsibility and initiative, and creative drive among our employees. Employee satisfaction, training, continuing professional development, knowledge management, diversity, and equal opportunity are right at the top of our agenda. This is because we believe that diversity and team spirit are essential for successful growth. Our consistent and systematic HR activities enable us to reach and retain the right professionals and young talent.

¹ Survey by StepStone in 2020



OUR GOALS UNTIL 2025



Completed	Ongoing	Planned
<ul style="list-style-type: none">/ Appoint diversity officers for all main locations/ Sign on to “Diversity Charter” initiative/ Join the Women’s Empowerment Principles initiative and UN Global Compact (UNGC) Target Gender Equality program/ Approve gender quota of 35% for women in managerial positions/ Draft and implement assessment of onboarding process	<ul style="list-style-type: none">/ Expand range of training offered on health-related issues such as nutrition, exercise, and stress management/ Conduct employee surveys and develop an employee satisfaction index/ Introduce a SIGNA mentoring program for young managers/ Develop a diversity policy	<ul style="list-style-type: none">/ Provide 360 degree feedback on an ongoing basis/ Introduce specific programs for mentoring and promoting female talent

Further details can be found in our [Sustainability Strategy](#).

HR ACTIVITIES



87%

OF MANAGERS RECRUITED
LOCALLY

The Human Resources department is tasked with all HR activities at SIGNA Development. The department is divided into HR Operations and HR Controlling and reports directly to SIGNA Development's Management Board.

It is dedicated to all activities that are important to our employees. HR policy and concepts for HR strategy are initiated and progressive HR activities developed, managed, and implemented in the HR department. Due to our rapid growth, we work on minimizing centralized responsibilities and distributing programs locally.

After we presented our employer brand [🔗 Leave your SIGNAture](#) to all employees of the SIGNA Group of Companies at the end of 2019, we put the initial steps into action in 2020, including public job advertisements, employee videos and a new career site. Since 2021, we have also offered our employees in Germany a company pension plan through a direct insurance company.



We would like to identify talented applicants as early as possible. We use targeted employer branding to attract more suitable candidates and to improve the efficiency of our recruiting process. To this end, we attended the careers fair organized by the International Real Estate Business School (IREBS) in Germany in 2021. This allowed us to communicate directly and meet interested candidates for the first time. We also introduced a digital recruiting tool in the reporting year, enabling a more professional approach to the application process.

Our recruiting experience shows how important a clear commitment to sustainability is for applicants. An ESG strategy that takes into account an employer's specific goal is sometimes a key criterion when deciding whether or not to apply for a vacancy.

For us, embedding ESG goals into the activities undertaken by managers and employees is important in order to make sustainability both visible in the overall organization and to make employees part of it in the long term.

Leave your SIGNature – Our driving values



- GameChanger**
- / Visionary thinking
 - / Broad creative scope
 - / Considerable freedom to make decisions
 - / High level of responsibility
 - / Personal efficacy



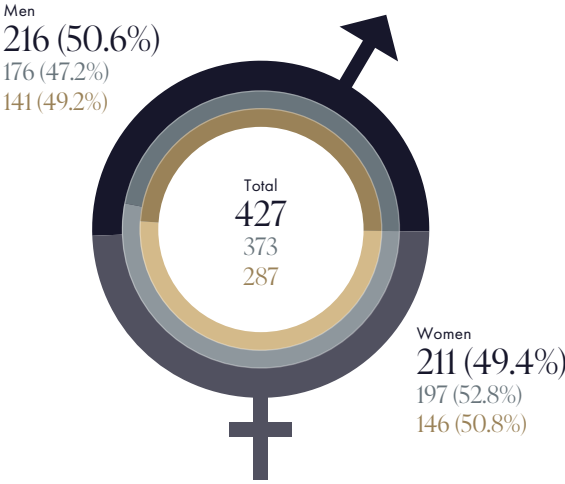
- TeamPlayer**
- / Motivated people
 - / Strong cohesion
 - / Worthwhile commitment
 - / Ongoing support
 - / Culture of informality



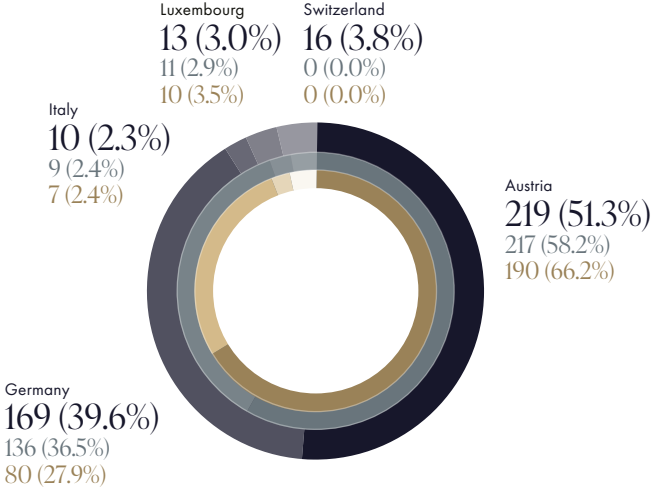
- MatchWinner**
- / Unique success story
 - / Outstanding work
 - / High level of assertiveness
 - / Strong resources
 - / Personal touch

Employee figures

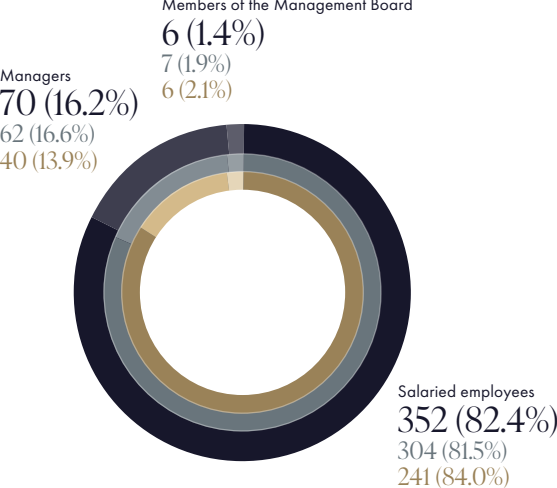
By gender



By region



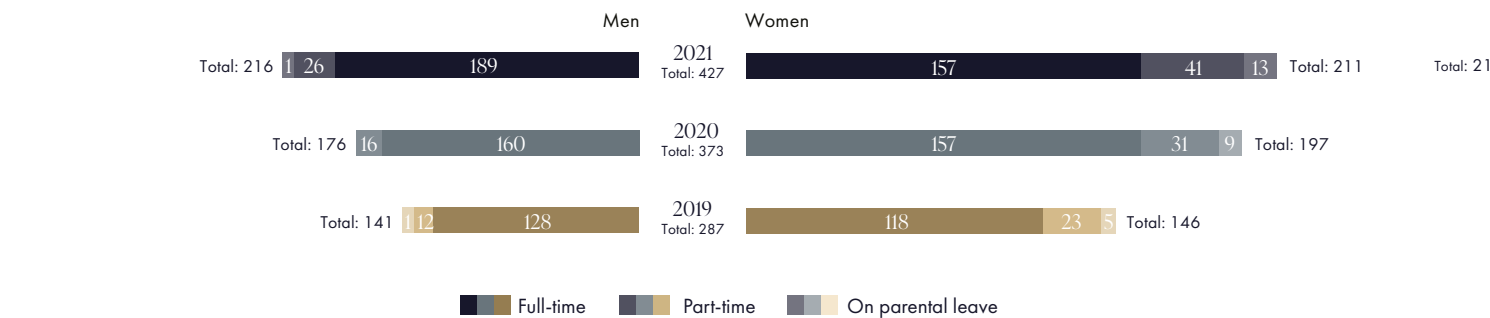
By employee category



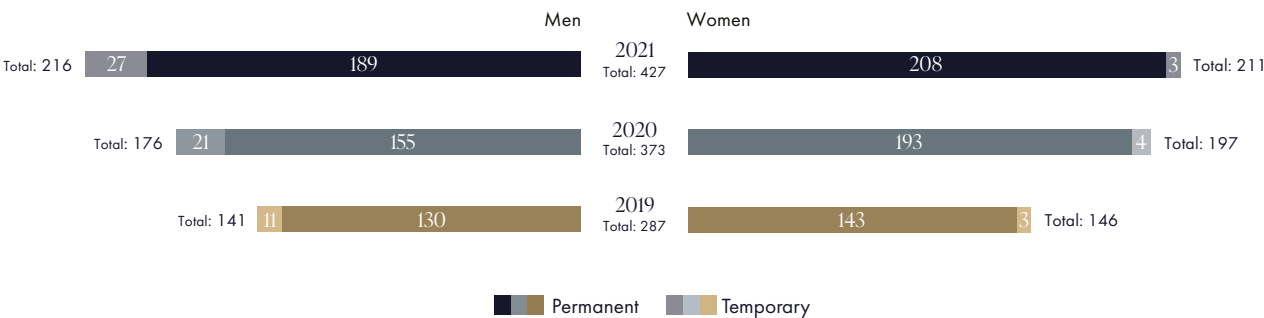
2021 2020 2019

Employees according to ...

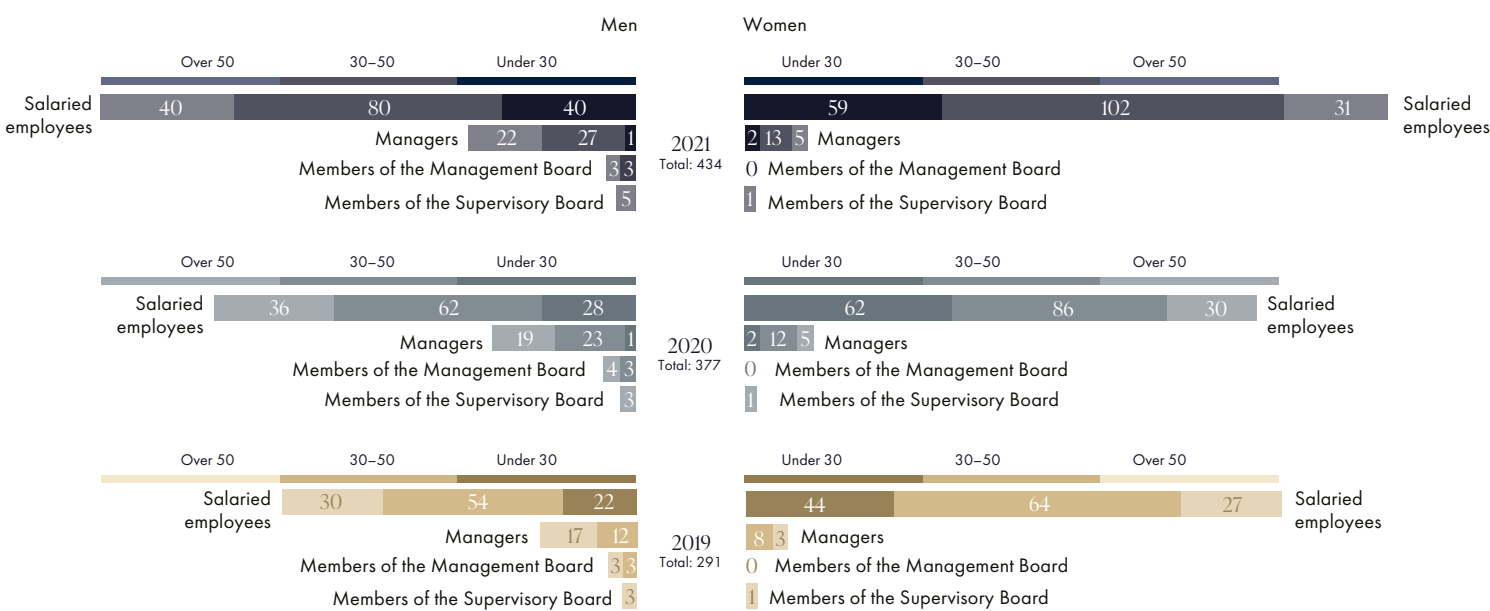
Employment type



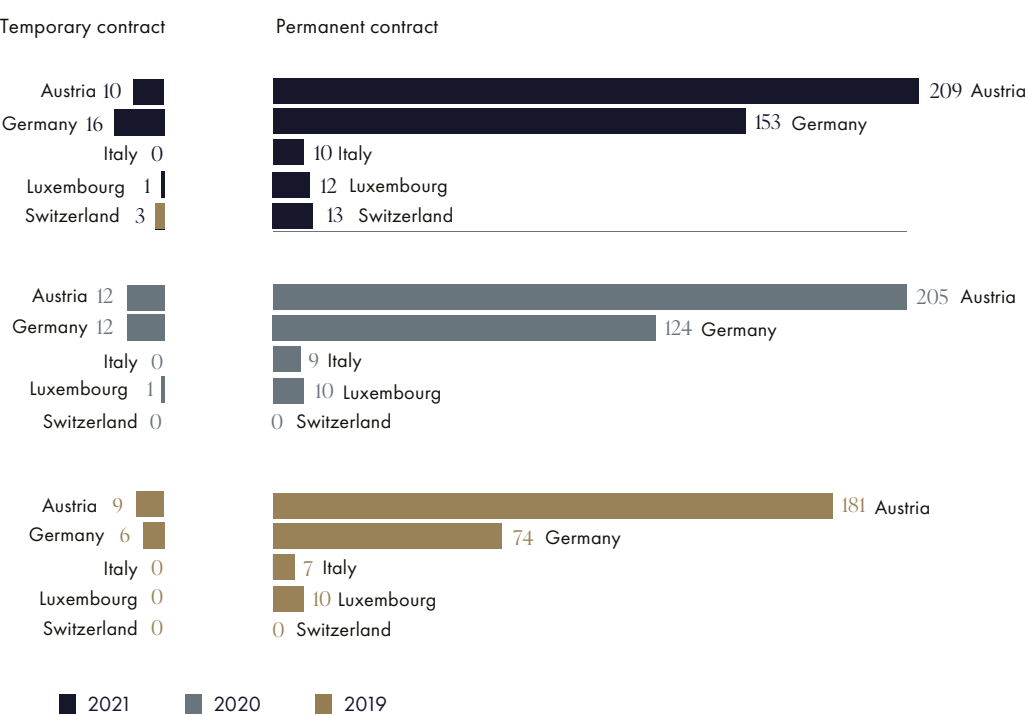
Employment contract



Age¹



Employment relationship per region



¹ Previous years' figures differ from the data in the 2020 Sustainability Report as the Supervisory Board members are also included for the first time.



KNOWLEDGE MANAGEMENT

The focused advancement of our entire team is the prerequisite for our success. When we deploy the right employees at the right location and assign them the right responsibilities, we secure our Company's competitiveness in the long run.

One way we do this is to offer specific training and continuing professional development. But it is also an integral part of our day-to-day work, because we also understand learning to be learning by doing, combined with feedback and reviews.

Structured onboarding of new hires

From the very beginning, we ensure that our employees quickly find their bearings, get to know their colleagues, and can quickly apply their skills. Because we are growing rapidly, an integrated onboarding process is especially important. All employees receive a welcome packet including a company brochure, location-specific FAQs, organizational charts, and contact information and complete a personalized training period. In the

initial weeks, new hires also have regular meetings with their direct contacts in the departments and HR representatives. Since 2021, we have provided our new hires at some locations with a buddy to act as their mentor. The aim is to onboard and integrate new employees as quickly as possible and help them build a network. The two-month program includes regular coordination and networking meetings. We incorporate training into the onboarding process on an ongoing basis. This includes sessions on relevant IT systems and the SIGNA corporate culture.

In order to continually optimize the onboarding process, we ask our new hires about their experiences of starting work at SIGNA. Since September 2021, this survey has been carried out using a digital questionnaire, which is sent out to all new employees about a month after they join the company. Initial survey results show that integration at SIGNA is already perceived as being very structured. The survey also helped us to identify other areas that can be optimized and to improve initial issues such as collaboration with other departments.



We have evaluated our onboarding process.



05 ATTRACTIVE EMPLOY



We are going to introduce a mentoring program for young managers.



Focus on developing and applying talents

Our personnel development team actively identifies and encourages our young managers and young talent.

Formal appraisals take place between employees and line managers at least once a year to define individual development goals and training measures, and to prepare and train high-potential employees for more senior duties. In the long term, this enables us to fill manage-

ment and specialist positions primarily with equally qualified employees from within the Company's own ranks.

SIGNA's steady growth and the constantly expanding range of tasks lead to a high number of new positions. As far as possible, these are filled internally with experienced employees who are established in the company. Nevertheless, the company is constantly looking for qualified and suitable applicants to fill the additional positions.

In addition, half-yearly feedback discussions take place between the appraisals. In the reporting period, all employees had their performance and career path assessed. In 2021, we decided to introduce 360 feedback meetings for our managers. These will be rolled out for the first time in 2022.

Systematic training and continuing professional development

Offering systematic training and continuing professional development enables us to support our employees in performing their duties as well as possible currently and in the future. For this reason, we provide training on the knowledge they need and the required skill sets, including social and leadership competence, at regular intervals at internal and external events. In 2021, training courses were held both online and in-person, where hygiene measures were observed.

Even after the pandemic is over, we plan to increase the number of online training sessions as part of our digital transformation initiative for HR processes. In the long term, we also intend to evaluate learning outcomes and skill development online. The pandemic has confirmed the significance of our digital transformation initiative, which has undoubtedly been accelerated by general necessity.

VACANT POSITIONS FILLED BY INTERNAL CANDIDATES¹

	2021
Vacant positions during the year	99
Filled by internal candidates	1
Of which salaried employees	0
Of which managers	0
Of which Management Board members	1
Of which Supervisory Board members	0
Percentage	1.01%

¹ Data was collected for the first time in 2021, therefore no comparison with previous years can be presented.

It is our managers' duty to determine the required competencies that must be acquired based on the strategic corporate goals and the needs of their business areas. They support the individual talents and development goals of employees. HR provides a wide range of training options and tools to expand their skills, competencies, and qualifications as well. In 2021, we began training our managers in Germany through a special training program designed to equip them to perform their tasks well. Plans are in place to roll out this management training to other locations. In line with our Sustainability Strategy, we are also planning to introduce an internal mentoring program with various target groups and formats where participants can benefit from the experiences of successful mentees.

Where it makes sense to do so, we contribute to continuing education costs for part-time studies alongside work, or we arrange for employees to take time off for education in accordance with legal requirements. This allows us, for instance, to use training content obtained from a partnership with the IREBS University of Regensburg. We can also help our employees attend long-term training courses, such as the real estate programs at the Technical University of Vienna and Danube University Krems. In Austria, we also transmit knowledge – in the form of mentorships and lectures at universities.



Our training and continuing professional development activities in 2021

In 2021, we offered the following online training courses by video and in-person in compliance with current safety measures in place due to the COVID-19 pandemic:

- | | |
|-----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| / Time management & resilience | / Training sessions on the topic of health, such as nutrition, ergonomics, first aid, etc. |
| / Presentation techniques | / Training sessions on digital HR modules in SAP |
| / Rhetoric & communication skills (two sessions) | / IT training sessions (Excel, InDesign, PowerPoint, Word, various job-specific tools, etc.) |
| / Rhetoric & conflict management (focus on assistants) | / IT security training, Compliance training |
| / Basic negotiation skills | / Training sessions on how to work efficiently from a home office, including information on our IT infrastructure, such as how to use WebEx or access systems, as well as topics like managing employees remotely |
| / Language courses (English, Italian) | |
| / Health and safety at work training for all employees (annual rotation) | / Moreover, certain employees also receive customized training on subjects such as project development, tax issues, and finance |
| / Various training sessions on project development, such as building project management | |



EMPLOYEE SATISFACTION

Only satisfied employees can help us continue to successfully grow on a lasting and sustainable basis. Satisfaction stems primarily from team spirit. By organizing special team-building events and experiences, we lay the foundation for a long-term, emotional connection between the employee and the Company. In the exceptional years marked by the COVID-19 pandemic, this was accomplished in a number of ways.

Regular personnel development and feedback meetings promote satisfaction at work and with SIGNA Development as an employer, as does providing employees with routine information through in-house communication channels. Our managers and the HR department are always available to answer employees' questions.

The turnover of our salaried employees was 13.6% in 2021 (previous year: 8.8%). This shows that SIGNA Development succeeds in finding and retaining employees who share the Group's values.

It is important to us to retain employees for the long term and enable them to develop their talents. For this reason, we have set ourselves the goal of conducting regular employee surveys in 2022. These surveys did not happen in the reporting year due to the pandemic.

Hybrid working

The safety of our employees is of paramount importance to us. To protect our employees against COVID-19, we provided them with the appropriate equipment at the beginning of the pandemic in 2020. This meant they could work from home, particularly during lockdowns. We had already installed and introduced video tools such as screens and video conferencing software in all branch offices as part of our digitalization initiative. This allowed us to create hybrid working formats for our employees. We worked closely with our IT experts and the HR department to achieve this.



« DESPITE THIS CHALLENGING SITUATION, WE ARE CONTINUING TO GROW *and deliver our own success stories, all because our team is made up of the right mix.* »

DANIELA BLUTMAGER Director Human Resources AUT, ITA, LUX

It became apparent in the reporting year that working from home during the lockdowns functioned very well. Our comprehensive hygiene protocol and all safety measures also allowed us to maintain office operations during the reporting year. Consequently, we were able to provide a quiet environment for employees who were unable to work from home due to their personal circumstances. We still consider face-to-face interactions, including informal ones, to be essential in the long term; our centrally located, spacious offices featuring ergonomic equipment are created as places for people to meet.

Variable working time models

For many of our employees, flexible working hours contribute to their quality of life and are essential in enabling them to give their full commitment to their jobs. Employees can choose when to start and end

their workday by individual arrangement with their line manager and team.

By allowing individual arrangements, we wanted the parents among our staff to be able to find a good work-life balance, although schools and daycare centers were closed temporarily due to COVID-19. We are confident that performance and motivation will increase if there is a good balance between work life and leisure time. This is why we offer parents flexible working hours and part-time models. We also provide parental leave. This option was taken up by both mothers and fathers during the reporting year.

Growing together

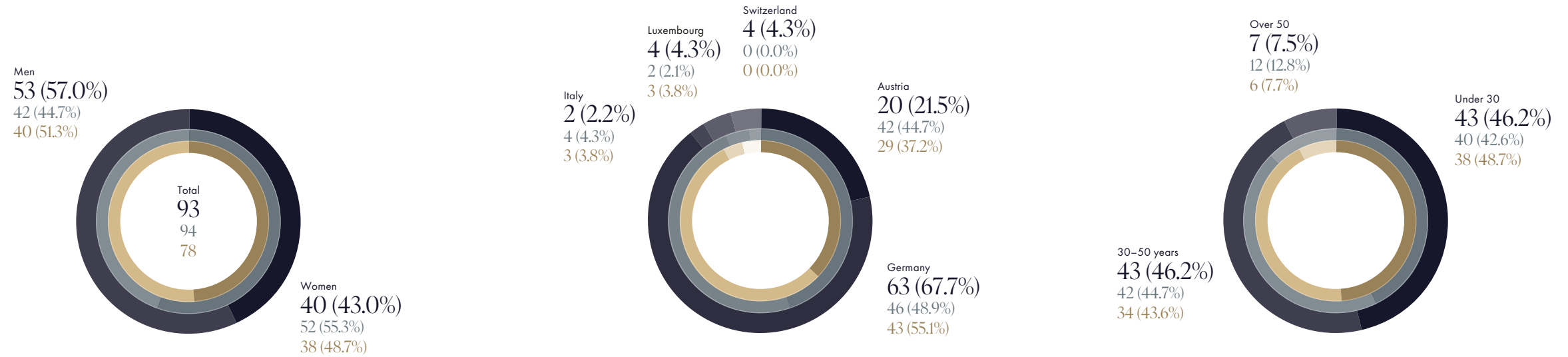
We offer our workforce the option of acquiring employee shares to enable them to participate in the success of our Company and to make them co-owners.



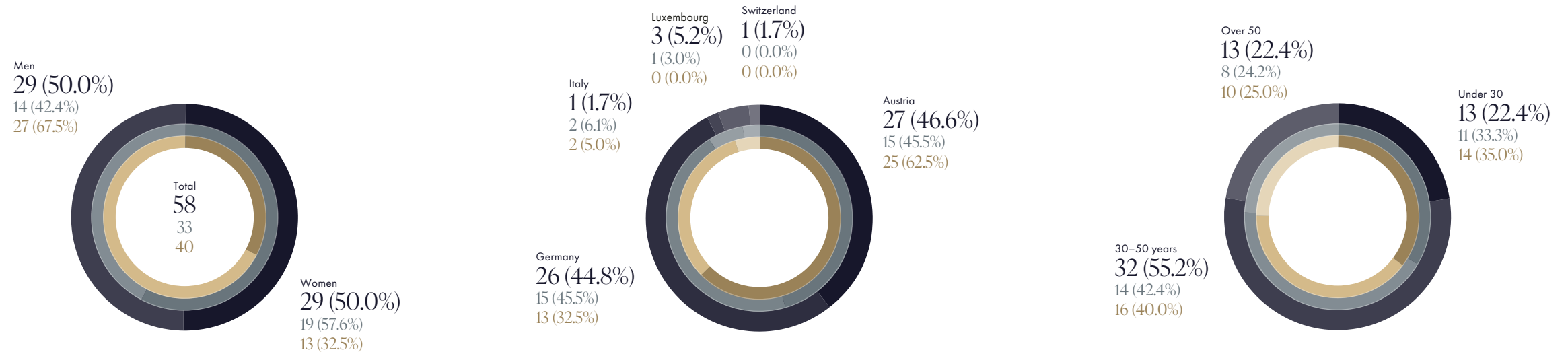
We will conduct an employee satisfaction survey at SIGNA.



New hires by gender, country, and age



Departures by gender, country, and age



2021 2020 2019





Future-oriented mobility

Climate protection in companies has many facets – one of which is our daily commute. We aim to provide our employees with alternative mobility solutions aside from cars, and to promote sustainable mobility behavior. In doing so, we aim to act in a future-oriented and needs-based manner.

Where this is necessary and viable, we offer our employees subsidized tickets for the train or other forms of public transportation. For employees who have a company car, we decided in the reporting year to expand our fleet exclusively with hybrid or electric vehicles from 2021.

In 2021, we also purchased four e-bikes as pool bikes for each of our locations in Berlin, Düsseldorf, Frankfurt, Hamburg, Munich, and Stuttgart. All employees can use these to attend building sites or business appointments, for example. In Berlin and Vienna, we are currently also assessing partnerships with providers of modern mobility concepts, such as the loan of e-bikes or e-scooters. Furthermore, since 2021, we have been offering our employees in Germany the option to lease e-bikes, also for personal use, in partnership with an online bicycle dealer. They are offered exclusive terms and conditions via their gross salary and a subsidy from SIGNA of €25 per month.



ENVIRONMENTALLY FRIENDLY ON THE MOVE

«SIGNA MOBILITY 360»



At our Vienna site, we launched an innovative project in the field of employee mobility in cooperation with Austria's largest mobility provider – ÖBB: As part of the "ÖBB 360" program, the joint pilot project "SIGNA Mobility 360" was launched. wegfinder, an app developed by ÖBB, allows employees to book and pay for transport such as e-scooters and e-bikes, as well as train and public transport tickets for business trips. The app can also be used to make personal bookings. Moreover, it also provides an overview of all possible routes and calculates the fastest route in each case. Digitized billing occurs automatically via the app between SIGNA and ÖBB, relieving users of all the red tape involved in billing.

The reduction in CO₂ emissions will be calculated over the six-month trial period, compared against car emissions, and summarized in a report. In order to gain essential insights for future project planning, there will be ongoing evaluation with feedback on the mobility behavior of the participants during the pilot project.

A similar project will be launched in Germany in 2022. In partnership with the mobility app RYDES, employees are given the option to book all business trips over a period of two months via the app. The app makes booking easier, as all mobility options such as travel by rail, bike, taxi, air, and car sharing are available via a central channel. Billing is monthly and requires no further action by the employee. Each route traveled is analyzed individually in terms of its carbon footprint. The CO₂ emitted as a result of the distance traveled is offset through sustainable projects. If the trial is successful, we will introduce the app at all our locations in Germany.



« WITH OUR 'SIGNA MOBILITY 360' PROJECT, WE ARE SUPPORTING THE TRANSFORMATION OF TRANSPORT *and making our contribution to protecting the environment in terms of our Sustainability Strategy.* »

RAPHAEL ZUMTOBEL Management Assistant

HEALTH AND SAFETY OF OUR EMPLOYEES

The health and safety of our employees at work are our top priority, because they are at the root of satisfaction and productivity. We focus here on promoting awareness of a healthy lifestyle and preventive health measures.

The HR department is responsible for this, and in turn reports directly to the Management Board. We always instruct new employees on occupational health and

safety. In the 2021 fiscal year, we offered training courses on health-related topics such as nutrition, exercise, managing stress, and resilience. These courses included information provided in conjunction with the occupational health service on COVID-19, and first aid courses, as well as examinations such as eye and hearing tests, and coordination training. At some main locations, we are planning health weeks in 2022, with specific themes and presentations, for example, on health issues in everyday office life.

OCCUPATIONAL HEALTH AND SAFETY

	2021	2020	2019
Work-related injuries	1	0	0
Injuries with serious consequences	0	0	0
Fatal injuries	0	0	0
Work-related illnesses	0	0	0
Fatal illnesses	0	0	0



We are expanding the range of training offered on health-related issues such as nutrition, exercise, and stress management.



ACCIDENT RATE AT
ALMOST THE SAME
LEVEL THREE YEARS
IN A ROW

0%



Our measures for managing COVID-19

- / COVID-19 testing of all employees at all locations to ensure maximum safety; distribution of masks, sanitizers, etc.
- / Free antigen and PCR tests
- / Coordination and organization of vaccination appointments for employees
- / Comprehensive hygiene protocols at all locations
- / Opening of own COVID-19 testing site in conjunction with Park Hyatt Vienna hotel

Safety measures during the COVID-19 pandemic

The health of our employees and their families is very important. This was especially the case during the COVID-19 pandemic. During this time, we pursued active COVID-19 management strategies in the reporting year and introduced operational hygiene protocols at our main locations. As an employer, we were the point of contact for registering COVID-19 infections and provided internal contact tracing under data protection regulations when illness occurred. In addition, we kept our employees constantly informed about current legal regulations via MS Teams, central emails, location-specific mailings, and the intranet.

We also made free antigen test kits and PCR tests available to our employees across the board, including through our occupational health service, directly at our office locations. In Vienna, for example, we opened our own testing site in conjunction with the Park Hyatt Vienna hotel. Our HR departments provided support with coordinating and organizing COVID vaccination appointments to ensure the best possible care for our employees. This offer was taken up by many in our workforce.

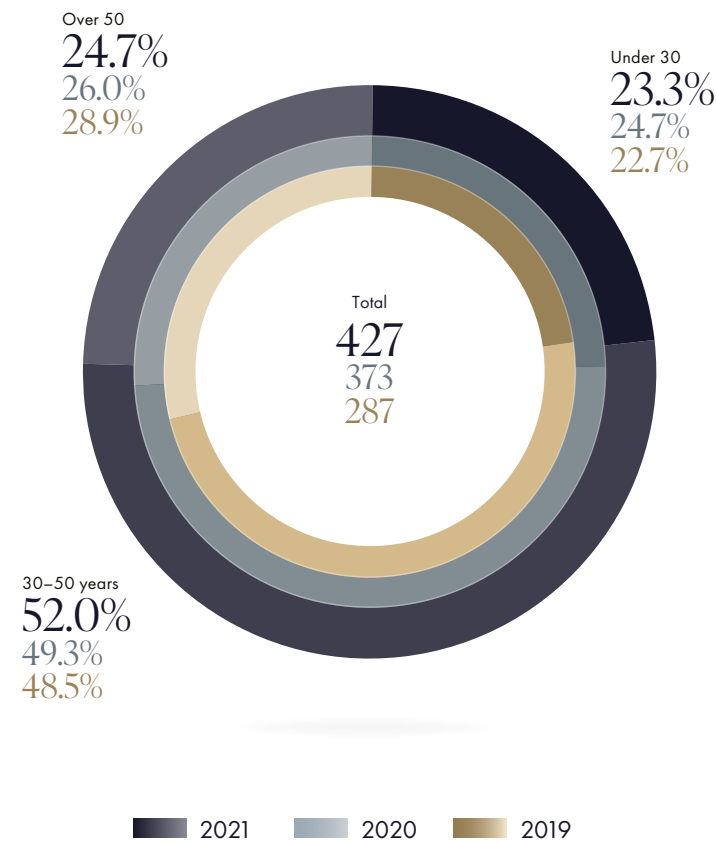
Preventing accidents at work

We strictly comply with occupational safety laws. This means that we regularly evaluate workplace hazards to prevent accidents of any kind at work. To this end, we appoint safety officers, fire protection officers, and first aid workers. The individuals appointed to these positions receive regular training. Due to the nature of our Company's business activities, there are only a few work-related hazards, and therefore few accidents.

Data concerning accidents that nonetheless occur is collected and analyzed. During the 2021 fiscal year, no work-related accidents occurred that had serious consequences. We provide occupational health services at our main locations. This includes the option of accessing mental health services. Over time, we will expand the services offered and make them available at all locations.

DIVERSITY AND EQUAL OPPORTUNITY

Employees by age¹



Heterogeneity, diversity, and equal opportunity contribute to the success of our Company and reflect the stakeholder groups we interact with daily. For this reason, they are essential components of our HR strategy, both in the recruiting process and in employee reviews and personnel development. Since 2021, this topic has been the responsibility of two diversity officers.

Our [Code of Conduct](#) sets out clear anti-discrimination regulations, guidelines for conduct, values, and standards. Employees can report any violations directly to the Chief Compliance Officer or anonymously.

At SIGNA Development, diversity is reflected in the different personalities who come together as equals – regardless of gender, age, nationality or religion. We foster an open corporate culture of diversity, respect, and fairness. Diverse backgrounds, perspectives, and competencies are important to us, as we put together the

We have signed the «Diversity Charter».

best teams for our mandate – affording equal opportunity. Every employee is unique, enriches SIGNA Development with their individual strengths and skills, and works hand in hand in an inclusive team. This is also exemplified at management level. In the reporting year, all managers received training on anti-discrimination and diversity as well as other compliance-related topics.

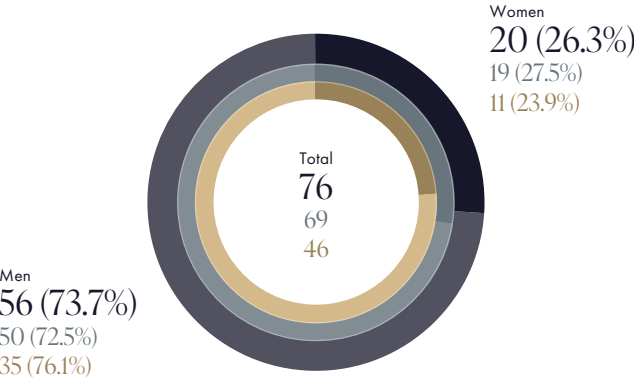
In an environment free of discrimination, all are given the same opportunities and equal appreciation – that goes for long-standing employees, newcomers to the workplace, and applicants.

¹ Previous years' figures differ from the data in the 2020 Sustainability Report as the Supervisory Board members are also included for the first time.



SIGNA Development is open to people from a wide range of national, ethnic, religious, and personal backgrounds. We also welcome people of different ages, sexual orientations and people with disabilities. We are committed to equal opportunity in the workplace and promote employees across all hierarchical levels. In this context, we also strive to achieve a balanced gender ratio. The percentage of women at the Company amounts to approximately 50%, and women hold every fourth managerial position. The number of managers increased by eight during the reporting year. One of these positions was filled by a female manager. We consider it our responsibility to put in place all necessary conditions for a gender-neutral and performance-oriented

Managers by gender
(including Management Board)¹



¹ Data has been adjusted and deviates accordingly from the data in the 2020 Sustainability Report.

✓

Women's quota for management positions set at 35% by 2025





« OUR WIDE-RANGING INVOLVEMENT IN GLOBAL INITIATIVES, SUCH AS THE ›WOMEN'S EMPOWERMENT PRINCIPLES‹ AND THE GERMAN ›DIVERSITY INITIATIVE‹, WE EMPHASIZE OUR ATTITUDE TOWARD DIVERSITY AND INCLUSION, *helping to achieve the United Nations' SDG on gender equality.* »

TARA WORTMANN HR Manager DE, CH



We have signed the
«Women's Empowerment
Principles».

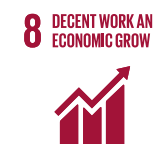
work environment. In our ESG strategy, we have set the goal of achieving a gender quota of 35% for women in managerial positions.

We support our employees in taking on leadership roles through a mentoring program and focus on promoting talent. It goes without saying that we provide equal opportunities for all employees. We intend for the Company's diversity to reflect that of our stakeholders.


We have been a member of the global  UN Women's Empowerment Principles (WEPs) initiative since August 2021. By joining this initiative, we have committed to integrating the seven principles on equality for women into our Company's working practices. In the reporting year, we also joined the UNGC's accelerator program titled Target Gender Equality. By joining the German initiative  Diversity Charter we are signaling our stance on promoting diversity and inclusions.

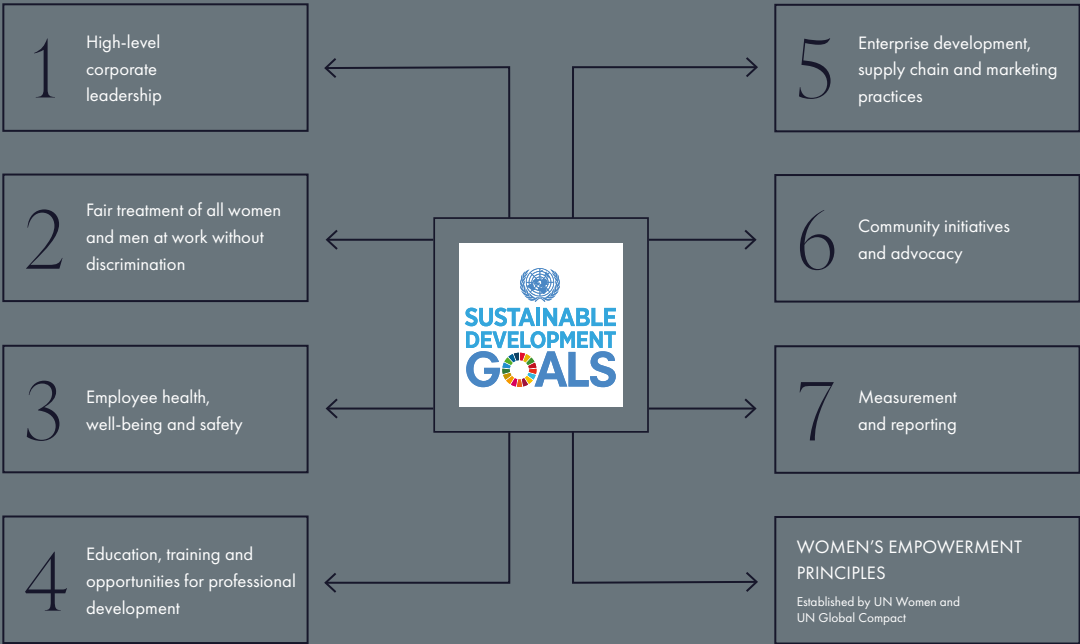


The Sustainable Development Goals (SDGs) and their corresponding targets can be linked to each of the seven principles. These include several gender-specific targets under SDG 1 (No Poverty), SDG 5 (Gender Equality), and SDG 8 (Decent Work and Economic Growth).



UN Women’s Empowerment Principles

The  [Women’s Empowerment Principles \(WEPs\)](#)¹ include seven principles for empowering women in business. The Women’s Empowerment Principles (WEPs), a joint initiative of UN Women and UN Global Compact, were developed in 2010 based on international labor and human rights standards. These principles are an important tool for implementing the gender equality aspects of Agenda 2030 and the United Nations Sustainable Development Goals. By joining the WEP community, we signal our commitment to this agenda to foster business practices that empower women.



¹ Equality Means Business: Gender Specific Sustainable Development Goals and Targets, United Nations Entity for Gender Equality and the Empowerment of Women, 2021



05 ATTRACTIVE EMPLOYER

06



RESPONSIBLE CORPORATE GOVERNANCE

In 2021, the market
for sustainable bonds
more than doubled
to €875b.¹

Sustainability has become a central issue in the real estate industry. Experts believe there will continue to be a noticeable rise in demand for green buildings. And sustainable buildings usually also have an advantage when it comes to financing – “greeniums” reduce interest charges and will have a long-term impact on real estate market values.

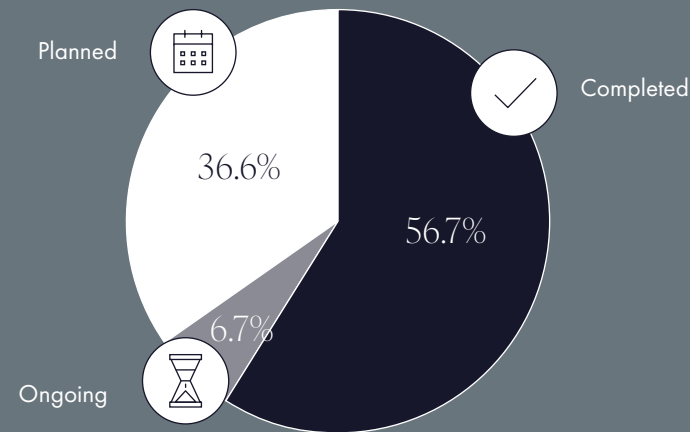
¹ ING Economic and Financial Analysis, 15 December 2021



ESG STRATEGY STATUS

In order to fulfill its role as a responsible company, SIGNA has set itself **9 goals in this action area with 32 related measures**. Responsible corporate governance will therefore become a strategic driver in terms of sustainability.

OUR GOALS UNTIL 2025



OVERVIEW OF 2021 MEASURES

✓

Completed

- / Training delivered on compliance and business ethics via new e-learning system
- / Performed ISO-37301 certification of the Compliance Management System
- / Internal ESG training sessions developed and delivered
- / Group-wide ESG due diligence processes implemented for Project Developments
- / Introduced ESG software to collect data
- / Green Finance Framework established (including second party opinion from ESG rating agency Sustainalytics) → Sustainable Finance

⌚

Ongoing

- / Carry out tenant satisfaction survey and use it to derive additional measures for increasing tenant satisfaction → Strong communities
- / Expand annual ESG reporting according to GRI standards

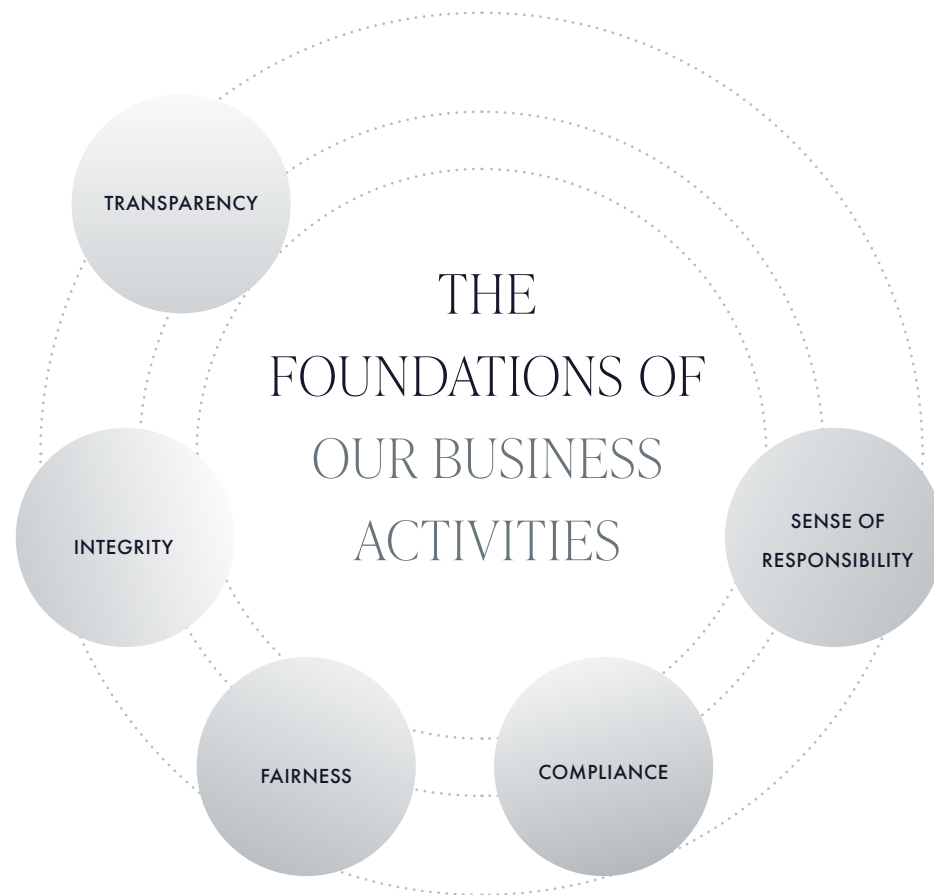
📅

Planned

- / ESG screening and ESG risk assessment of business partners prior to collaboration
- / Evaluate use of a supplier evaluation system to determine potential ESG risks
- / Incorporate ESG criteria into guidelines for business trips and mobility
- / Set up employee volunteering program

Further details can be found in our → [Sustainability Strategy](#).

OUR CORPORATE VALUES



As a project developer, we are responsible for implementing sustainable buildings. But our actions and the decisions made by everyone who works for us leave

lasting impressions on our counterparts. Our basic values and rules of conduct outline the impression that SIGNA Development wishes to leave.

Managing values to maintain trust

We have defined values management for our Company. This serves to maintain and further deepen the trust placed in us. Its values and basic principles form the foundation of our guidelines and operating procedures. All employees, managers, and board members are required to adhere to these rules. They are the pillars of our lasting success story and an indispensable compass in interactions with each other. With our [🔗 Code of Conduct](#), we undertake to conduct ourselves ethically and with integrity, to comply with internationally recognized social standards, and to take environmental and social aspects into account in day-to-day operations.

Our [🔗 Code of Conduct for Business Partners](#) includes our expectations and requirements for business partners to follow basic ethical principles and do business sustainably.



Highest standards and values

As one of the leading real estate developers in Europe, we carry responsibility. Our compliance guidelines and governance structures are line with the best practices of listed companies. Our ethical and performance-driven values and our dialog founded on trust – in addition to our premium portfolio – have contributed substantially to our success story.

It is our ambition to create significant added value for our clients, generate an attractive return for our investors, be a preferred employer to our employees, and act as a constructive partner to the cities where our properties are located. This requires the highest standards of compliance, fairness, integrity, and transparency, and it is how we define responsible corporate governance.

BUSINESS COMPLIANCE

Compliance is a key element of SIGNA Development's corporate culture that is firmly embedded in our day-to-day activities.

In the real estate industry, ethical integrity and lawful conduct are a basic condition for participation in public tender processes for construction projects. This standard of conduct is the only way to ensure cooperation with all stakeholder groups on a basis of trust, from city government to construction companies and users or neighbors.

The core elements of our understanding of compliance are protecting trust in the Company, preventing reputational risks, and specifying mandatory guidelines for employees. We achieve compliance with rules and standards by creating an open and trusting work environment and therefore efficient management with clearly defined roles and responsibilities.

The compliance management system (CMS) implemented in the SIGNA Group of Companies also covers SIGNA Development. The CMS provides a systematic way to deal with compliance risks and

stipulates clear process steps for monitoring and further development measures. A data protection officer is tasked with monitoring and verifying compliance with data protection regulations and developing strategies for the protection of personal data.

Compliance with legal requirements and internal guidelines is reviewed regularly by the Chief Compliance Officer (CCO) of the companies operating under the SIGNA name with the assistance of SIGNA Development's Compliance Officer. The results are reported annually in detail to the Supervisory Board.

In his role, the CCO is not bound by instructions from the Management Board. He is directly supported by a SIGNA Development Compliance Officer, who is responsible for implementing the CMS as a point of contact for employee questions or for documenting compliance-relevant reports, and also cooperates with an independent external ombudsman. On the Management Board, the CEO is responsible for compliance with the CMS. Any potential conflicts of interest and their neutralization are taken into account in the CMS.



The auditor reviews the CMS at least every two years. In addition, the CMS of SIGNA Holding was certified in accordance with the international compliance standard ISO 37301 in the current year.

Performed ISO-37301
certification of the Compliance
Management System at
SIGNA Holding



Guidelines published on sustainability, environment and energy, as well as health and safety

CLEAR GUIDELINES

We do not tolerate corruption, unreported employment, bribery, or money laundering, and have taken steps to prevent these.

SIGNA Development also follows a zero-tolerance policy regarding compliance violations of all kinds. Employees are obliged to immediately report any violations of applicable law, the Code of Conduct, internal guidelines, or a potential conflict of interests to their line manager, or the CCO. We also have an independent external ombudsman whom employees can contact anonymously ([✉ signa_ombudsstelle@vivacis.de](mailto:signa_ombudsstelle@vivacis.de)). Reports of any misconduct are investigated without exception and impartially; no employee needs to fear sanctions, attempts at intimidation, or reprisals. Rather, we want to encourage our employees to stand up for their convictions and address any irregularities openly.

Policies in force at SIGNA Development

In order to ensure successful compliance in day-to-day business, the compliance organization guarantees ethical, lawful conduct at all levels of the Company. This includes numerous policies in addition to our Code of Conduct.

- / [✉ Code of Conduct](#)
- / [✉ Code of Conduct for Business Partners](#)
- / Anti-corruption Policy
- / Anti-trust and Competition Law Policy
- / Policy on Managing Conflicts of Interest
- / Donation and Sponsorship Policy
- / Public Relations and Social Media Policy
- / Policy on Handling Inside and Other Confidential Information
- / Know Your Customer (KYC) Verification and Money Laundering Prevention Policy
- / Anti-discrimination Policy
- / Whistleblowing Policy
- / [✉ Sustainability](#)
- / [✉ Environment and Energy](#)
- / [✉ Health and Safety](#)
- / Overview of compliance contacts



100%

OF OUR EMPLOYEES
RECEIVED TRAINING
ON COMPLIANCE AND
PASSED THE ASSOCIATED
KNOWLEDGE TEST.

Particular care is taken when dealing with officeholders and when accepting and giving gifts or receiving and extending invitations. We intentionally prohibit sponsorships and donations to political parties to avoid corruption risks and donate only to organizations involved in social issues.

All employees must confirm in writing that they have received the welcome pack upon starting work at SIGNA, and agree to comply with the rules it contains. The rules are also available on the intranet at all times.

No incidents of corruption were uncovered in 2021. No legal proceedings were pending due to anti-competitive conduct or to violations of anti-trust and monopoly laws.

Provision was made for the further development of the relevant ISO standards for compliance management systems and quality management systems through the CMS certifications according to ISO 37301 and the Bozen GmbH real estate projects according to ISO 9001.

Mandatory compliance training

We systematically train employees so that they are familiar with our Code. All employees at SIGNA Development without exception are required to complete our online compliance training.

In addition, we have developed an e-learning course dealing with specific details of our business model. New SIGNA Development employees must complete this compliance training, which also includes the topics of business ethics and human rights, within the first six weeks after they begin work at the Company. All new employees sign the Code of Conduct as part of this. All existing employees have signed the Code of Conduct. An annual compliance refresher course is provided for them.

The compliance training is expanded and updated regularly. In 2021, for example, we added the topics of anti-corruption, antitrust and competition law, donations and sponsorship, anti-discrimination, and sustainability. Data security training was also provided for all employees in the reporting year.

Our e-learning courses have been expanded to include in-person or video training sessions. Additional events for compliance officers and managers were held at the end of 2021 – an annual refresher course will be offered going forward. The 2021 program was also expanded to include in-depth focus training on Know Your Customer (KYC) Verification and Anti-Money Laundering (AML) Prevention.



Internal training delivered
on compliance, business
ethics, and ESG via new
e-learning-system



INTENSIVE SUPPLY CHAIN MANAGEMENT

We are aware that a significant part of our environmental and social responsibility arises from processes that are upstream or downstream of our construction activities – and are therefore beyond our control. Our performance is therefore dependent to a considerable extent on our suppliers and business partners. Our goal is to ensure that their actions meet our high standards for sustainability. To this end, we have raised awareness among our suppliers and business partners by including sustainability issues in our Code of Conduct for Business Partners. We have also set up a whistleblower system for them to report compliance violations (📧 signa_ombudsstelle@vivacis.de).

80%
OF OUR BUSINESS PARTNERS
CONSIDER SUSTAINABILITY TO
BE VERY IMPORTANT IN THE
REAL ESTATE INDUSTRY.¹

¹ Stakeholder Survey 2021

We have set a goal for the next few years of raising awareness further among our suppliers, for instance through audits, and by implementing a supplier evaluation system.

Of particular importance is the implementation in SIGNA Development of the Construction Work Coordination Act. The objective here is to reduce accident risk and high stress on construction workers by systematically coordinating safety measures with the measures stipulated by the Act. Compliance with the Act requires us to take steps such as developing an occupational health and safety plan for all construction sites that covers all of the workers of the various subcontractors on site. We appoint coordinators for all of our construction sites who are in turn monitored by an external construction site regulator.



GOVERNANCE AND RISK MANAGEMENT

Good and transparent corporate governance ensures responsible management and control of the Company with a focus on value creation. The corporate governance architecture at SIGNA Development exceeds mere compliance with all applicable regulatory requirements, laws, and internal standards. We adhere to the highest international standards for listed companies.

Membership of
UN Global Compact and
the Austrian Business
Council for Sustainable
Development, respACT

Adherence to national and international standards

We voluntarily undertake to comply with the requirements of the Corporate Governance Code for the German real estate industry and INREV (European Association for Investors in Non-Listed Real Estate Vehicles). We also voluntarily commit to upholding the extensive set of rules set down in the Austrian Code of Corporate Governance, "ACCG" (Österreichischer Corporate Governance Kodex, "ÖCGK"). Moreover, we support the UN Global Compact, the world's largest and most important responsible corporate governance initiative. We became a signatory to the United Nations alliance and have committed to making sustainable development our mission. Since 2021, we have also been a member of the Austrian Business Council for Sustainable Development, respACT. These platforms comprise numerous companies that are committed to creating a responsible business community in Austria.

Business success, climate action, integrity, and social responsibility are values that SIGNA Development has put into practice for many years. We are committed to implementing the ten universal principles of the UN Global Compact in the areas of human rights, labor standards, environment, climate, and fighting corruption.

SIGNA Development Selection AG and its subsidiaries comply with the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the Universal Declaration on Human Rights in connection with the acquisition, development or possession of property.



respACT INREV

Österreichischer Arbeitskreis für Corporate Governance





TWO-TIER MANAGEMENT STRUCTURE

As an Austrian stock corporation, SIGNA Development Selection AG has a two-tier management system with a Management Board and a Supervisory Board. These boards are characterized by a strict separation of personnel between the Management Board as the management body and the Supervisory Board as the monitoring body, and each board is vested with independent powers. The Management Board and the Supervisory Board work closely together in a spirit of trust in managing and overseeing the Company in its best interests.

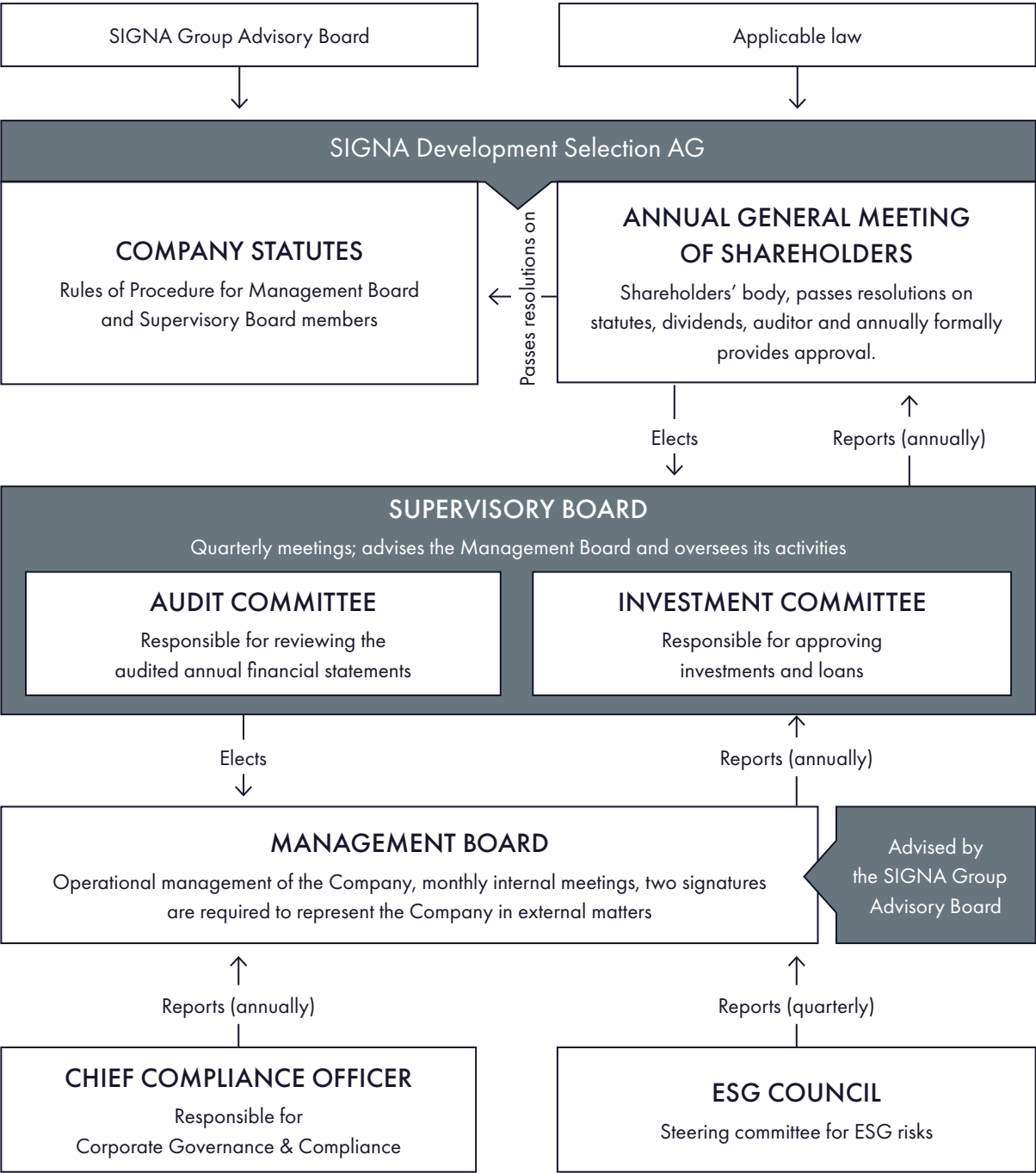
The powers of the Management Board and the Supervisory Board and their cooperation are derived from law, the Company’s statutes, and rules of procedure. Transactions requiring approval as well as the Management Board’s information and reporting obligations, which are defined in the above, include all subsidiary companies.

The principle of “equal opportunities for equal qualifications” applies to appointments to the Management and Supervisory Boards regardless of gender, age, nationality, religion, or other diversity criteria. At SIGNA Development, diversity at all levels of management is regarded as an ideal prerequisite for innovation, functioning control systems and thus economic success. When increasing positions or filling vacant ones, care is taken to ensure that existing expertise and competencies are complemented in a meaningful way.

The *Management Board* carries overall responsibility for achieving the Company’s goals. Based on the approved allocation of duties, operational agendas are discussed and agreed at regular Management Board meetings. The Management Board reports regularly, but no more than quarterly, to the Supervisory Board, on the course of business and the Company’s situation. The Management Board of SIGNA Development comprised five members as at December 31, 2021.¹

The task of the *Supervisory Board* is to oversee the Management Board thereby representing the interests of the shareholders. The Supervisory Board held four meetings in the fiscal year 2021 at which it discussed and reached decisions on matters of fundamental importance to the Company. The Supervisory Board of SIGNA Development has six members since March 2022.

¹ Departure of Thomas Jakoubek as of September 25, 2021





Supervisory Board committees

The Supervisory Board also discharges its duties through two expert committees:

/ The Investment Committee (three members)¹ mainly deals with matters relating to pending property acquisitions, property disposals, and related financing issues.

/ The Audit Committee (three members) is concerned particularly with oversight of the accounting process and the effectiveness of the internal control system, auditing and overseeing the audit of the annual financial statements and consolidated financial statements, reviewing the proposal for the appropriation of profit, and preparing the Supervisory Board's proposal for the selection of auditor.

REPORTING AND AUDIT

SIGNA Development prepares consolidated and individual financial statements in accordance with International Financial Reporting Standards (IFRS). These statements are currently audited by the auditing firm KPMG. The properties are valued annually by external international appraisers.

¹ Since March 2022 four members

PROCUREMENT PRACTICES

	2021	2020
Total		
Percentage from local suppliers	68.5%	75.5%
Percentage of spending with local suppliers	64.7%	71.6%
Austria		
Percentage from local suppliers	83.2%	83.2%
Percentage of spending with local suppliers	76.5%	83.0%
Luxembourg		
Percentage from local suppliers	5.7%	17.6%
Percentage of spending with local suppliers	3.2%	8.4%
Germany¹		
Percentage from local suppliers	92.8%	90.7%
Percentage of spending with local suppliers	85.4%	97.3%
Italy		
Percentage from local suppliers	84.9%	86.3%
Percentage of spending with local suppliers	93.9%	99.1%

¹ SAP- database system; most companies only managed in SAP since July 2020 or since 2021

CUSTOMER HEALTH AND SAFETY

	2021	2020	2019
Percentage of significant assets where impact on health and safety has been assessed as having room for improvement	0	0	0
Total number of violations of regulations and/or voluntary rules of conduct in connection with the impact of products and services on health and safety during the reporting period:	0	0	0
Violations of regulations that resulted in a fine or sanction	0	0	0
Violations of regulations that resulted in a formal warning	0	0	0
Violations of voluntary rules of conduct	0	0	0

BOARDS AND GOVERNING BODIES¹

	2021	2020	2019
Composition of the highest governing body and its boards	10	11	10
Number of Management Board members	6	7	6
Number of independent Supervisory Board members	6	4	4
Average tenure in years on governing body (Management Board)	4.87	3.96	3.66
Average tenure in years on governing body (Supervisory Board)	4.84	4.81	4.56

¹ The definition of boards and governing bodies follows GRI Universal Standard 2: General Disclosures 2021



OUR PERCEPTION OF TAX LAW

SIGNA Development Selection AG and its subsidiaries (together "SIGNA Development") operate in Austria, Germany, Italy, and Luxembourg.

SIGNA Development is also aware of its social responsibility in terms of its financial contribution to the community and is a strong advocate of this. At the same time, SIGNA Development also has a responsibility to its shareholders and other stakeholders to limit the burden of taxes and duties to the level required by law.

In order to achieve all of these goals, we take a conservative fiscal approach, which is reflected in the following facts:

- / Best training and qualifications as well as many years of experience on the part of the competent people (both internally, and at our consulting companies)
- / Ensuring uniform, high standards of quality in all processes by training the competent people, and standardized workflows (checklists, policies, work instructions)
- / Commissioning of leading tax consulting firms in all relevant countries
- / Tax returns carefully prepared by reputable external consultants as well as a final review by the SIGNA tax department
- / Carrying out of integrated process controls (for example, second set of eyes principle, occasional and random checking of facts and circumstances)
- / Avoidance of tax arrears to the tax authorities through careful accounting and provision of sufficient liquidity for Group companies
- / Reconciliation of tax issues with the tax authorities in cases where an authority might have a different opinion on a matter
- / Disclosure of facts and circumstances to the tax authorities where an authority's assessment is unclear, or we have a justified difference of opinion
- / Preparation for and adherence to tax deadlines
- / Preparation and introduction of an internal tax control system

The following aspects, which are particularly relevant to tax structuring issues for real estate companies, make it clear that SIGNA Development pursues a very conservative approach to tax.

- / In view of total equity and liabilities and the size of the Group, tax audits by the Austrian tax authorities are completed largely without (material) findings.
- / No company in SIGNA Development is domiciled in a low-tax country.
- / The depreciation period corresponds to the life cycle of the respective property and is therefore significantly longer in some cases than the depreciation period possible under Austrian tax law.
- / Prudent approach to immediate depreciation and capitalization of building maintenance costs.

It is extremely important for the Management Board of SIGNA Development that the tax strategy (which also covers tax compliance) is in line with the clear goal of minimizing tax risks for the Group.

As a multinational group, we have subsidiaries in various countries. All these vehicles are necessary for our operating activities in these countries. SIGNA Development does not use vehicles in low tax countries ("tax havens"). Tax evasion and tax fraud are unacceptable and will not be tolerated.

We are committed to a transparent policy of compliance and disclosure with regard to the financial authorities and strive to maintain professional relationships with these authorities and to act as a trusted partner.

MANAGEMENT OF THE TAX DEPARTMENT, CONTROL AND RISK MANAGEMENT

The Management Board of SIGNA Development Selection AG is responsible for the Group's business strategy and thus also for our tax strategy as an essential element of the overall strategy.

The Chief Financial Officer (CFO) of SIGNA Development Selection AG is regularly informed by the Head of Tax about all important tax matters and their current and future impact on the Group's financial figures. SIGNA Development Selection AG's CFO regularly informs the Supervisory Board of SIGNA Development Selection AG about the most important tax issues and the assessment of tax risks.

SIGNA Development is currently introducing an internal tax control system that will be used to centrally manage and monitor tax risks. The Head of Tax regularly informs the CFO (also on an ad hoc basis, if required) about the status of risk assessments and the implementation of measures or controls designed to limit risks. Well-known tax consulting firms are responsible for day-to-day tax matters, and these are overseen and monitored by the



Group Tax Department. This department also acts as the tax department for Austria, Germany, Luxembourg and Italy and coordinates any existing foreign tax departments of the Group.

SIGNA Development's tax expense in 2021 was €160.8m. €146.7m of this figure related to deferred taxes and €14.1m to current taxes.

Cooperation with tax authorities

SIGNA Development attaches great importance to transparent communication with the tax authorities that is founded on trust and follows clear processes in this respect. We strive to file all tax returns and other required documents correctly, in full and on time. We regularly obtain assurance regarding our tax position and call on internal or external experts to review and check the validity of this position.

RISK MANAGEMENT

SIGNA Development maintains a suitable internal control system (ICS) applicable Group-wide that is tailored to the relevant requirements. The ICS defines material processes and risks and provides the associated decision-making matrices. Process risks are assessed accordingly, and the control activities and information and communication duties in place are exercised by the responsible teams and/or individuals. All process documentation, including risk management and compliance processes, is updated regularly. The Management Board is responsible for risk management; sustainability issues are the responsibility of the CEO.

We apply the principle of materiality to identify important issues, risks and opportunities within our business model.

ESG risks

Internal experts and external stakeholders have assessed the Company’s various sustainability topics. We will update our materiality analysis in 2022 as part of a comprehensive ESG risk assessment. This will also take place in light of the impact of the COVID-19 pandemic and the emergence of new legislation that includes specific environmental goals, such as the EU Taxonomy Regulation.

We have set up an ESG Council to identify, monitor and assess these risks. This process includes a careful analysis of the market and the opportunities associated with the properties and projects held in the portfolio. The ESG Council decides on appropriate steps to mitigate risks as part of the ESG strategy. The responsible senior managers on the ESG Council are tasked with analyzing and taking these steps.

The Head of ESG Strategy & Sustainable Finance is responsible for the ongoing monitoring of climate-related issues and delivers the Company’s sustainability program. She reports directly to the CEO and regularly informs the Management Board and the ESG Council about the delivery of our ESG strategy.

In the 2022 fiscal year, we will evaluate sustainability risks for SIGNA Development and systematically monitor these risks going forward. As things stand, there are no material issues that require reporting. Transitory and physical climate risks are related to legal risks, such as the ability to apportion the CO₂ levy and the modernization and maintenance of properties, as a result of dry cracks in buildings due to climate change, for example.



Potential sustainability risks

- | | |
|-------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| / Adverse structuring of the CO ₂ tax | / Non-compliance with working conditions regulated by law, such as minimum wage and safety standards as well as human rights in the supply chain |
| / Non-compliance with emission reduction targets | |
| / Impact of critical situations or disasters, such as floods, earthquakes, and extreme weather events | / Non-compliance with legal regulations on occupational health and safety and occupational health and safety management |
| / Non-compliance with changing building regulations | / Violations of the SIGNA Code of Conduct and compliance policies |



Climate risks

As a real estate company, we are fundamentally exposed to climate risks. Climate change has a potential impact on urban centers as well as our buildings and projects.

Physical risks for the real estate and project portfolio exist primarily due to the increase in extreme weather events, such as storms, hail, and flooding caused by climate change. These risks are countered by measures including appropriate insurance cover and the targeted modernization, renovation and maintenance of properties and projects in the portfolio that are particularly exposed.

Transitory risks are related to legal risks, such as the legal obligation to increase the energy efficiency of buildings, or the ability to apportion CO₂ pricing. We counteract these risks through measures such as building in accordance with international green building standards or continuously monitoring energy consumption.

We are taking on the challenge of reducing our carbon footprint across the entire value chain, from the areas under our control through to those controlled by our tenants, as well as in upstream processes. We are confident that we can turn the effective management of climate risks into a competitive advantage
→ Sustainable Buildings.

Market-related risks are primarily due to the changing behavior of tenants as a result of climate change. More and more tenants are demanding flexible office, retail and residential space that is also energy-efficient and certified to green building standards. If SIGNA Development fails to meet this growing demand, it may result in a lack of attractiveness of its rental space and to a reduction in sales potential. Preventive measures are

taken to counter these risks by building in accordance with international green building standards, offering assistance for energy-efficient operation of space, and systematically modernizing buildings.

There is a potential risk with SIGNA Development's business operations that activities will be triggered or there will be consequences resulting in a violation of human rights. This could be the case, for example, in the manufacture of products and services, or through substandard working conditions on construction sites. These risks are countered by strict adherence to national laws, an efficient compliance organization, a commitment to the UN Global Compact, and compliance with high ethical standards.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Recognizing and assessing sustainability risks is becoming increasingly important for investors and analysts. This trend is reflected in the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), which are used to map the direct and indirect financial impact on the Company as a result of climate change.

In the 2022 fiscal year, we plan to establish systematic management of climate risks and to implement a climate strategy. This will also be used to progressively meet the requirements of the TCFD. As a basis for this, ESG data software was set up in 2021 in order to generate robust data for strategy development → [Sustainability Management](#) and → [Sustainable Buildings](#).

This year's reporting already includes some information in the TCFD recommended core areas of corporate governance, strategy, and risk management, as well as KPIs and goals. The table in the → [About This Report](#) section refers to the relevant content.



ESG due diligence at SIGNA Development



✓

Group-wide
ESG due diligence
processes implemented
for New Investments

ESG criteria in the due diligence process

Properties, projects or pieces of land undergo a detailed due diligence process prior to their acquisition. This includes a stringent review according to ESG criteria, as only properties that are strong in terms of sustainability will secure attractive returns for us and our investors over the long term. In the 2021 reporting year, we drew up a list of criteria, created a corresponding checklist and incorporated this into our acquisition process. From the 2022 fiscal year, our acquisitions will be assessed against specific sustainability criteria that cover all areas of our ESG strategy.



PROTECTION OF THE ENVIRONMENT IN OPERATIONS

We pay attention to protection of the environment not only in our project developments, but in our offices as well. Whilst the impact here is small compared to our projects, we do not want to disregard it completely.

As a non-manufacturing company, our greatest lever for environmental and climate protection in our operations is our energy consumption. The crucial elements here are energy procurement itself and the associated switch to electricity from renewable energy sources.

SIGNA Real Estate has a total of twelve office locations in Germany, Austria, Luxembourg, Italy, and Switzerland, which we as SIGNA Development use together with our sister company, SIGNA Prime. Energy, water and paper are consumed at these locations, and the consumption of energy and materials is controlled partly by the behavior of each individual employee. Protection of the environment in operations is organized decentrally at the respective locations.



First-time recording of emissions in operations

For 2021, we conducted a comprehensive survey of our operational consumption for the first time.

ENERGY AND EMISSIONS

Two factors are particularly relevant for reducing energy and emissions at our locations: the purchase of renewable electricity, and employee mobility (→ [Attractive Employer](#)). We already supply 99.8% of our offices with green electricity and intend to expand this in the medium term. In terms of company vehicles, we promote the use of e-vehicles, and where possible our employees avoid air travel. We updated our company vehicle policy in 2021, and since then only hybrid and e-vehicles have been added to our fleet.

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PAPER CONSUMPTION

The more intensive use of digital communication has enabled us to reduce the amount of paper required at our locations over the past few years. We also promote the "Think before you print" initiative. Where we use paper, this is mainly recycled paper.

WATER

At our sites, we draw water from the municipal and city water supply. Wastewater is roughly equivalent to water consumption, flows into the municipal drainage network and is treated in conventional ways. Our offices are located in modern buildings using innovative and water-saving technologies.




ABOUT THIS REPORT



FRAMEWORKS

The present report is SIGNA Development's third sustainability report. It was prepared in alignment with the Global Reporting Initiative Standards, an internationally recognized reporting framework. This applies to our materiality analysis, the description of our management approaches, and the underlying breakdown into general and specific disclosures.



COMMUNICATION
ON PROGRESS

This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

We also adhered to generally accepted reporting principles: preciseness, balance, clarity, comparability, reliability, and timeliness. This report was prepared in accordance with the GRI Standards: Core option. The GRI Content Index is presented on the pages that follow. The report additionally serves as a progress report in the context of our membership in the UN Global Compact. The Ten Principles are assigned to various standards and disclosures in the GRI Content Index.

The reporting period is the fiscal year from January 1, 2021, to December 31, 2021. We will report on our progress annually. The editorial deadline for this report was June 30, 2022. As a rule, the disclosures relate to all of SIGNA Development's business areas.

For reasons of better readability and reading flow, gender-specific designations have not been taken into account.

The forward-looking statements made here are based on internal assessments of future developments that are subject to uncertainty and not under the control of SIGNA Development. The report was prepared in German and English, but in cases of discrepancy, the German version is binding.












In this Sustainability Report, we report for the first time on the risks of climate change for our business model, thereby complying with the requirements of the Task Force on Climate-Related Financial Disclosures (TCFD).







In addition, our reporting follows the European Public Real Estate Association Sustainability Best Practice Recommendations (EPRA sBPR) for the first time.

The indices (GRI, EPRA, sBPR, TCFD) are published in the separate [Annex](#).

MATERIAL TOPICS AND THEIR DEFINITION

The material topics for SIGNA Development were determined using a materiality analysis (see → [Sustainability Management](#)), which followed the principles of GRI reporting. The following table defines the material topics in accordance with GRI 103-1 and the associated GRI Standards.

Effects within/outside of the organization			
MATERIAL TOPIC	RELEVANCE INTERNAL	RELEVANCE EXTERNAL	RELEVANT GRI STANDARD
SUSTAINABLE BUILDINGS			
Energy and emissions during planning, construction, and operation			GRI 302 — Energy 2016 GRI 305 — Emissions 2016
Recyclability and longevity of construction materials			GRI 301 — Materials 2016 GRI 306 — Waste 2020
Sustainable mobility			→ Page 50
STRONG COMMUNITIES			
Health and safety of end users			GRI 416 — Customer health and safety 2016
Social commitment			→ Page 54
Regional value creation			GRI 202 — Market presence 2016 GRI 204 — Procurement practices 2016

MATERIAL TOPIC	RELEVANCE INTERNAL	RELEVANCE EXTERNAL	RELEVANT GRI STANDARD
ATTRACTIVE EMPLOYER			
Employee satisfaction			GRI 401 — Employment 2016 GRI 402 — Labor/management relations 2016 GRI 403 — Occupational health and safety 2018 GRI 407 — Freedom of association and collective bargaining 2016
Training, continuing education, and knowledge management			GRI 404 — Training and education 2016
Diversity and equal opportunity			GRI 405 — Diversity and equal opportunity 2016 GRI 406 — Non-discrimination 2016
CORPORATE GOVERNANCE AND COMPLIANCE			
Business compliance, including anti-corruption and money laundering prevention			GRI 205 — Anti-corruption 2016 GRI 206 — Anti-competitive behavior 2016 GRI 207 — Tax 2019 GRI 307 — Environmental compliance 2016 GRI 308 — Supplier environmental assessment 2016 GRI 408 — Child labor 2016 GRI 409 — Forced or compulsory labor 2016 GRI 412 — Human rights assessment 2016 GRI 414 — Supplier social assessment 2016 GRI 415 — Public policy 2016 GRI 419 — Socioeconomic compliance 2016

DATA COLLECTION

We are continuing to set up quantitative sustainability reporting at SIGNA Development. We have developed an in-house software package which will enable us to systematically collect data and consumption information both in our Long-term Portfolio and in development projects. We continue to work on obtaining comprehensive data in order to increase comparability and transparency in our reporting in the long term.



The data published in this sustainability report was collected and processed with the greatest care. However, discrepancies cannot be ruled out entirely.

The time horizon for the published data is the period from January 1, 2021, to December 31, 2021. Where necessary, data was extrapolated. Rounding of amounts and percentages can result in deviations from the actual totals.

SUSTAINABLE BUILDINGS

The introduction of our ESG software will allow all portfolio and operational consumption data to be collected and processed. However, in practice, the collection of environment-related KPIs still presents a challenge, and is an ongoing process.

For reasons of transparency, we endeavor to report all available KPIs, even if these are not exhaustive. We do not make any estimates in order to fill gaps in the data. We are unable to check or verify the consumption data reported by our tenants.

All KPIs, with the exception of consumption data, refer to project developments and portfolio optimizations.

There are currently no consumption data available for our project developments, which is why we are working on expanding the data and have started conducting life cycle assessments, for example.

The quantitative disclosures on consumption relate to data from the *portfolio optimization* segment and include properties that were part of the portfolio in 2021. Purchases or sales made during the year are included in the evaluation of data on a pro rata basis.

As part of this year's sustainability reporting, we have greatly expanded the coverage of the portfolio, and also collected data on *operational consumption* for the first time. For this reason, the data deviates from the 2020 Sustainability Report.

We are reporting on water consumption and selected Scope 3 emissions for the first time this year:

- / Category 3.6: Business travel
- / Category 3.7: Employee commuting
- / Category 3.13: Downstream leased assets

To further increase transparency, we are currently working on a comprehensive calculation of SIGNA's carbon footprint.

Scope 2 emissions are calculated using the market-based approach. When available, we use emissions factors from our electricity contracts for this purpose. In addition, we also disclose our emissions using the location-based approach, taking into account the energy mix of the respective site.

ATTRACTIVE EMPLOYER

The data on our workforce is collected Group-wide. In addition to permanent employees, we include trainees and interns. SIGNA Development's headcount includes the fully consolidated investees, as well as the employees of SIGNA Real Estate Management (REM), who are responsible for the development and administrative activities of the individual development projects.

In cases where activities by employees cannot be clearly assigned to a company, the generalist functions are reported in the headcount disclosures and can result in double-counting in other groups belonging to the SIGNA Group of Companies.

We applied this methodology for the first time in 2020 and retroactively adjusted the 2019 data for purposes of comparability. This results in deviations from the published employee data in the 2019 Sustainability Report. The disclosures relate to the reporting date of December 31, 2021.

RESPONSIBLE CORPORATE GOVERNANCE

The personal data in this area is collected Group-wide. We have been collecting data outside the company, such as in the supply chain, since the 2020 reporting period, and are constantly expanding.



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Disclaimer

This report was prepared and the data checked with the greatest possible care. Rounding, transmission, typesetting, or printing errors can nevertheless not be ruled out.

The report contains assumptions and forecasts made on the basis of all of the information available at the time of preparation. If the estimates on which the forecasts are based prove to be incorrect, the actual results may deviate from those currently expected. Automated calculation software may cause apparent errors in calculation due to rounding for commercial purposes.

For reasons of better readability and reading flow, gender-specific designations have not been taken into account.

The report is published in German and English, but in cases of doubt, the German version is binding.

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