

SUSTAINABILITY REPORT 2019



SUSTAINABLE CORPORATE GOVERNANCE



Our approach to sustainability

SIGNA Prime is committed to responsible corporate governance aimed at creating long-term value. As one of Europe's biggest real estate companies, we are following a model of sustainable development that will safeguard our future viability. Alongside economic interests, environmental and social aspects are systematically considered in business decisions and processes. The Management Board of SIGNA Prime has overall responsibility for ensuring that sustainability is firmly entrenched in the corporate strategy, in management, and in everyday work. Project and asset managers implement the sustainability specifications for all properties from the Long-term Portfolio and New Investments, taking architectural quality, financial soundness, and the characteristics of the specific projects into account.

Climate change and steadily increasing urbanization are major challenges of our time that SIGNA Prime is actively tackling. As a multinational enterprise we are committed to the United Nations Sustainable

Development Goals (SDGs) that entered into force at the beginning of 2016. The SDGs set out 17 specific targets for more sustainable development by 2030. Our biggest contributions will be to SDG 11 "Sustainable Cities and Communities" and SDG 13 "Climate Action." The sustainability strategy therefore centers on the promotion of buildings and architectures

The main focus is on the promotion of buildings and architectures that are sustainable in the long term.

that are sustainable in the long term with the aim of conserving natural resources, reducing carbon emissions, and minimizing the resulting negative environmental impact. Through our development projects and mixed-use concepts, we help to create an understanding of urban areas as a cohesive unit for living, shopping, and working for the benefit of humankind.

We are conscious of the responsibility that comes with our projects and firmly believe that the increasing integration

of sustainable strategies in our business processes is a key factor of influence in our commercial success and the satisfaction of our stakeholders. Only by maintaining cooperative stakeholder relationships with tenants, business partners, investors, and municipalities built on integrity, transparency, and trust can we effectively prioritize the tackling of new challenges and opportunities and be successful in this endeavor in the long term.

Reporting profile and materiality analysis

SIGNA Prime has been implementing sustainability topics in its business model for years and takes the principles of sustainable development into account in all of its projects. This annual report is the first to include a section devoted to our sustainability activities so as to create a suitable framework for the growing importance of this topic in the Company. In the current fiscal year, a structured process was launched to identify and prioritize sustainability aspects in the functional

organization. SIGNA Prime is keen to create a holistic view of the environmental and social effects and is gradually expanding its activities with respect to sustainable corporate governance. For the sake of improved comparability and standardized reporting, we are guided by the internationally recognized GRI Standards of the Global Reporting Initiative (GRI).

In the 2019 reporting period, SIGNA Prime began to build a valid dataset with the involvement of the portfolio managers. The available data already shows that most CO₂ and greenhouse gas emissions can be attributed to the properties' usage phase, meaning that they are beyond the control of our business model. This is because the necessary amount of energy is usually purchased by the tenant directly or charged on to the tenant when service charge expenses are billed. Depicting CO₂ emissions and the environmental footprint during the planning and construction phase is an extremely complex matter, as data is not universally available due to the different stages of completion of the real estate projects.

In the 2020 fiscal year, we shall continue to work on systematically developing reporting and data capture processes. The medium-term objective is for sustainability reporting to be fully compliant with the GRI Standards (Core option), and the Best Practices Recommendations issued by the European Public Real Estate Association (EPRA) will also be taken into account. An overview of the GRI disclosures to date can be found in the GRI index in the annex.

SIGNA Prime defined its report content and the performance indicators to be captured by way of a materiality analysis. Here, benchmarks, international peer group reports, and employee surveys were used to analyze whether those topics are of relevance for SIGNA Prime's different stakeholders, such as investors, tenants, public authorities, and employees, and show significant environmental, economic and social effects. The material topics identified in this way were then validated by the Management Board. Independently of this, we regularly discuss sustainability-related topics with our stakeholders and investors. The following material topics, specifically, have been identified:

Materiality analysis



SUSTAINABLE BUILDINGS

- Energy and emissions during planning, construction, and operation
- Health and safety of end users
- Recyclability and longevity of construction materials
- Sustainable mobility
- Regional value creation



ATTRACTIVE EMPLOYER

- Employee satisfaction
- Training, continuing education, and knowledge management
- Diversity and equal opportunity



CORPORATE GOVERNANCE AND COMPLIANCE

- Business compliance, including anti-corruption and money laundering prevention

BUSINESS MODEL, VALUE CREATION, AND SUPPLY CHAIN

SIGNA Prime invests and participates in real estate development projects in city center locations, focusing on the major conurbations in Austria, Germany, Northern Italy and, in future, Switzerland. The properties in the Long-term Portfolio are located in the cities of Berlin, Vienna, Hamburg, Munich, Frankfurt, Cologne, and Düsseldorf. The New Investments are being developed in Munich, Hamburg, Frankfurt, Düsseldorf, Stuttgart, Vienna, and Bolzano.

SIGNA Prime's value chain spans all stages of property development and holding, from acquisition, through conceptual design, planning, and construction — in some cases taking monument conservation issues into account — to marketing. Particularly in the case of the historic properties in our Long-Term Portfolio, the focus is on conversion, renovation, and modernization in compliance with the

requirements for heritage buildings. Where possible in the specific case, the criteria for green buildings are adhered to.

Buildings are only sustainable when they blend into the city or district. SIGNA Prime sees itself as a partner to the city and is interested in the sustainable development of city centers. We have a varied and broadly diversified supply chain, ranging from multinational construction companies, through service providers, to small workshops and suppliers. Wherever possible and feasible, we engage local contractors. Due to the central downtown location of the properties, collaboration during the conversion and renovation phase, in particular, requires the service providers and building contractors to have an excellent knowledge of the area.

We use regional products to reduce transport emissions, safeguard jobs, and generate value for the municipalities in which we operate. In our Bahnhofplatz redevelopment project in Munich, for example, we are currently engaged in active dialog with social organizations to develop options for interim uses and more advanced concepts that add social value, and to integrate these into our planning activities at an early stage.

SIGNA sees itself as a partner to the city and is interested in the sustainable development of city centers.

Bahnhofplatz Collaboration with social organizations and joint solutions for interim use

The Bahnhofplatz property, with its anchor tenant Karstadt, provides unique development potential right in the center of Munich, at the Hauptbahnhof train station. The six-story historical building was constructed in 1904/1905, renovated in 1972, and opened on the occasion of the Summer Olympics in Munich. From a retail perspective, the Bavarian state capital remains the preferred location among the large conurbations in Germany. In view of the stable, sound general conditions, Munich is expected to be able to maintain its position as Germany's top retail location going forward. Furthermore, the crowds of foreign tourists who visit the city every day to shop demonstrate that the metropolis on the Isar stacks up favorably in an international comparison.



SUSTAINABLE BUILDINGS

The Paris Agreement sets out the global plan of action to limit global warming to well below 2 degrees Celsius above preindustrial levels. Against this background, with our Long-term Portfolio and New Investments portfolio in downtown locations, we actively assume responsibility for climate and environmental protection as a partner to cities and municipalities.

Properties play a significant role in the use of natural resources, the consumption of energy, and the emission of greenhouse gases such as carbon dioxide (CO₂). It is estimated that buildings are responsible for around a third of global CO₂ emissions and energy consumption.¹ The real estate industry therefore has both considerable potential and a responsibility to contribute to the sustainable development of society. Constructing and renovating properties in

Italy are front and center for SIGNA Prime.

Although a significant proportion of the environmental effects results from the demand for electricity and heating during the properties' usage phase, it is in the design phase, in particular, that the greatest impact is had on the properties' environmental footprint during their life cycle. We are therefore interested in having as holistic a view as possible of the environmental and social effects throughout a building's life cycle, and are gradually expanding our sustainability activities. Equally, we understand sustainable buildings to also mean considering smart usage concepts which, on the one hand, create long-term tenant loyalty and satisfaction and, on the other hand, enable flexible changes in usage in the face of

Involvement of stakeholders

The greatest impact SIGNA Prime has on the environmental footprint and stakeholder satisfaction is when it is developing its real estate portfolio. In its own development projects, it attaches considerable importance to integrated urban development based on the participation and consent of all stakeholders. The relevant stakeholders are thus identified for each individual project and are consistently and transparently involved from the start of a project through to its completion. As the construction projects are in downtown locations and are often of major significance for urban development, they usually attract the interest of the public, or a section of the local community and monument protection offices. We also consider it particularly important to closely involve direct neighbors from the start of each development project.

Our Alte Akademie project in Munich clearly illustrates this. Our development activities here are taking place in a former Jesuit college. We are coordinating all our development activities such that the ongoing feeding of the homeless will continue uninterrupted. In addition, empty spaces will be made available to artists during the conversion period.

In taking into account stakeholder interests, SIGNA Prime goes far beyond the development planning process stipulations and other requirements imposed by city and municipal authorities in other points as well. For the project at Hermannplatz in Berlin, citizen participation was implemented in the form of a café. Set up on the square in front

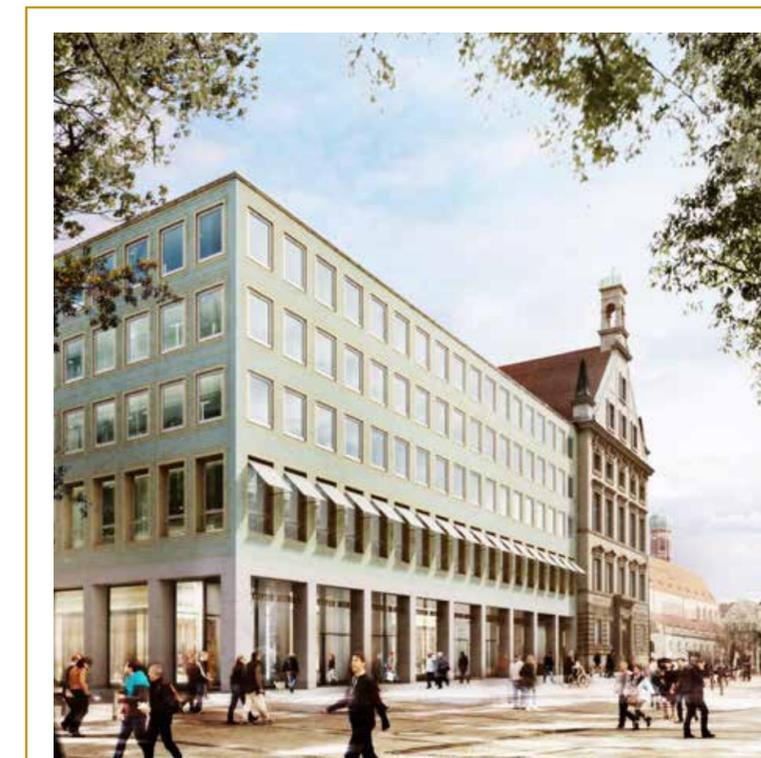
of the building, the café was continuously available to residents and other stakeholders for the purpose of acquiring information and holding discussions. This forum gave stakeholders the opportunity to provide feedback on the planning and enables the project managers, who visited every two weeks, to take the comments into account

in the project while considering the overall interests. In addition, the use of common areas, such as a bicycle lane for visitors to the department store, was tested and the findings were incorporated into the project. The transparent provision of information received very positive feedback.

SIGNA Prime can draw on extensive experience in implementing mixed-use concepts.

accordance with green building standards, reducing environmental impacts, and managing existing buildings and new developments as efficiently as possible in the regional capitals of Austria and the urban centers of Germany and Northern

changing city centers. SIGNA Prime can draw on extensive experience in implementing mixed-use concepts, for which we place emphasis on a balanced mix of retail, office, hotel, residential, and public space.



Alte Akademie Development activities in dialog with stakeholders in a spirit of partnership

The Alte Akademie, a former Jesuit college in central Munich, was originally planned and built in the 16th century. In consultation with the City of Munich, an international one-stage implementation competition was held, during which the planned mix of uses and the effects on the listed, functional, and historical context were examined in particular. The Alte Akademie will now be renovated in the coming years. A mix of residential units, retail units, offices, and restaurants will be established in a prime location in Munich city center.

Conservation of resources

Due to its strategic focus on keeping developed properties in its portfolio for the long term, SIGNA Prime is very keen to make the use of resources as efficient and economical as possible. As early as the planning phase, SIGNA Prime takes care to ensure that construction methods are as environmentally compatible as possible in terms of the selection of

materials or when deciding on the use of the most efficient building technology possible, to ensure that the green building certification that is generally sought is actually received. Environmental measures such as heat recovery and the use of geothermal energy are evaluated in the project phase, and care is taken to select the most environmentally friendly construction method during the project and usage phase in the case of invitations

to tender for architectural competitions. The Am Hof and Tuchlauben properties from the Long-term Portfolio are certified to BREEAM standard (Building Research Establishment Environmental Assessment Method), while Upper West is certified by the German Sustainable Building Council.

We are seeking to achieve green building certification to internationally recognized standards (mainly including

LEED Gold or Platinum certification) for all New Investments under development in the reporting period.

In order for us to be measured against the strictest sustainability standards, SIGNA Prime has placed strong emphasis on building certifications since its foundation. For example, we achieved BREEAM certification in 2012 for the Am Hof development project, which also houses the Park Hyatt

Vienna, and played a pioneering role in the real estate industry even at that time. Since this project involved the redevelopment of an historic old building, it was a particularly challenging undertaking. The successful urban redevelopment of the historic building enabled us to set new industry standards in terms of sustainable redevelopment.

SIGNA Prime works continuously to reduce the energy consumed by its

properties and the related greenhouse gas emissions. The energy consumption of the portfolio totaled 87,096,699 kWh in the 2019 fiscal year (2018: 91,943,653 kWh). Energy consumption declined by 5% in the 2019 fiscal year, primarily due to the reduction of electricity and natural gas consumption. The 15% decrease in natural gas consumption is attributable to the warm winter and the increased use of groundwater.



Hermannplatz
Active civic participation during the planning phase

Currently let to Karstadt, this symbolic building shapes the identity of Berlin's flourishing Hermannplatz. The basement level is linked to the subway, which naturally generates footfall for the property.

The project involves fully renovating the building and extending the retail spaces. This will create a mix of uses — retail, offices, and residential — with Karstadt as the anchor tenant. Built in 1929, Karstadt on Hermannplatz was the largest department store of its time in Europe. A section of the towers is still visible today and is under a preservation order. The blueprint for the extension of the lettable area planned by celebrity architect David Chipperfield is the historic, New York-style towers, which were destroyed in 1945.

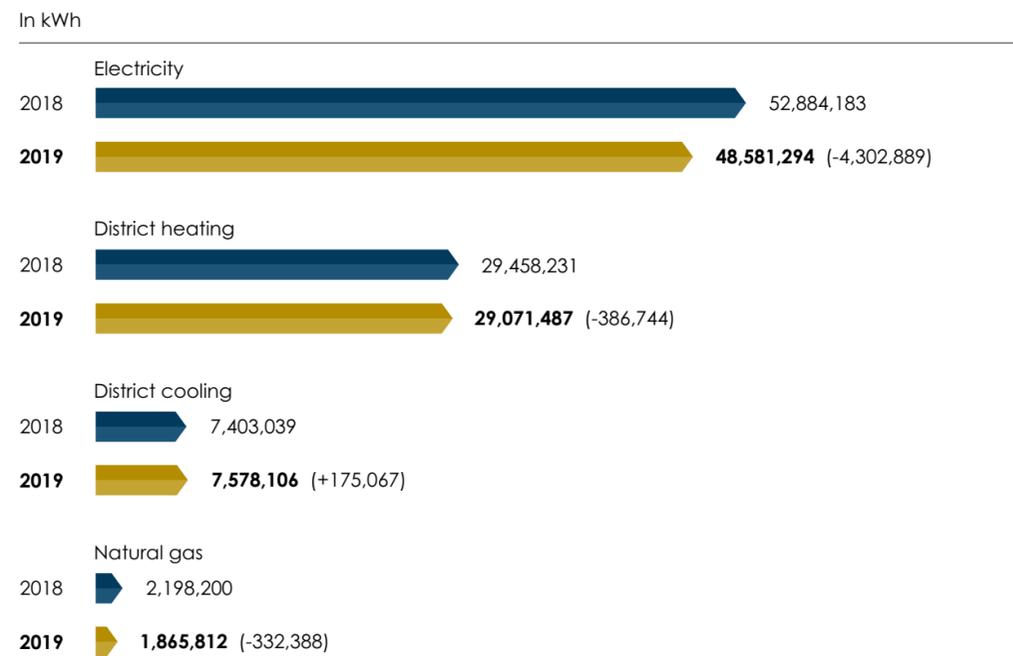


Am Hof
Certified to BREEAM and protected under historic preservation laws

Since the opening of the luxury five-star Park Hyatt Vienna, the former headquarters of Bank Austria has shone in new splendor. The painstakingly restored hotel has 143 rooms, as well as a large spa and fitness area. The old banking hall is now home to a restaurant and bar. The hotel holds various awards including the TripAdvisor Certificate of Excellence and the Connoisseur Circle Hospitality Award (best city hotel in Austria) and is in a class of its own when it comes to culinary and design aspects.

International luxury brands have opened stores on Bognergasse and Seitzergasse, where shoppers will find a Prada flagship store in the pedestrian zone alongside top labels such as Brunello Cucinelli and Saint Laurent Paris.

ENERGY CONSUMPTION¹



¹ Energy consumption, excluding energy purchased directly by tenants. Data basis: Energy bills of the respective energy suppliers for a 12-month period. Some of the billing periods differ from the reporting period due to various payment arrangements. Figures for district heating in 2019 include estimates based on the previous year's values, as no invoices were available for two properties as of the preparation date. Estimated figures comprise a 13% share based on the total 2019 district heating demand.

The largest share is consumed in the areas occupied by tenants; the remainder is the result of energy consumption in the common areas of the buildings. The property management companies in Germany and Austria are responsible for energy management, technical maintenance, and the implementation of environmental optimization measures at SIGNA Prime properties in the process of being sold. The asset management team of the subsidiary SIGNA REM plays a coordinating role here.

In Berlin, LowEx (low exergy) systems will be used in the Ku'damm project. These are systems that need less "valuable" energy, called exergy. They allow low exergy forms of energy, such as waste heat or environmental heat, to be used for heating or cooling and thus work efficiently with primary energy. Energy-efficient usage is enhanced by the use of heat pumps, geothermal energy, and electricity from photovoltaic systems. A large-scale green-ing concept, which will be used for cooling, is also being developed on the roof.

Climate change mitigation

In 2019, work began on building a reliable dataset with the involvement of the portfolio, asset, and project managers. The dataset will be expanded further in 2020 so that the greenhouse gas emissions that arise in planning and construction as well as during property operation can be depicted in particular. The existing dataset already shows that most of the greenhouse gas emissions that arise during the use phase arise outside of SIGNA Prime.

This is because the necessary amount of energy is usually purchased by the tenant directly or charged on to the tenant when utilities are billed.

Safety and health of users

The safety, physical health, and well-being of property users is a top priority for us. Every day, the buildings accommodate thousands of employees, visitors, tenants, suppliers, and service providers. To prevent potential health and safety risks, we conduct detailed due diligence ahead of every

major building acquisition. In the course of a development project, SIGNA Prime gives affected tenants and direct neighbors advance notice of its construction activities and schedules. In the event of a conflict of interests, such as unavoidable construction noise, SIGNA Prime seeks solutions in dialog with the parties concerned, in order to minimize the negative impact on them. SIGNA Prime adheres 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 safety and

health coordinators on the construction sites to ensure that the companies and service providers we engage comply with the applicable standards.

In the 2019 fiscal year, there were no known violations related to the effects of SIGNA Prime activities on users' health and safety that led to a fine or a warning or that constitute a breach of other voluntary safety codes of practice.



Ku'damm

Showcase planning with state-of-the-art LowEx systems for reducing energy consumption

Known to Berlin residents as "Wertheim", the building is directly opposite the Gedächtniskirche church on Kurfürstendamm, an area which is enjoying a renaissance thanks to new property and retail projects and is now firmly established as the German capital's most popular shopping street. SIGNA is planning the development of a city-center complex for an attractive mix of occupants, with high-quality amenities at ground level to attract passers-by. This will include a mall, and the inner courtyard, which is currently used for deliveries, will be built over. As the authorities have actively expressed their interest in maximizing the space available and since demand for space in the city is so high, there are efforts currently afoot to secure permission for additional office space beyond the legally effective outline planning permission already granted for the complex, and the urban planning is being developed in close cooperation with the City of Berlin.

Sustainable mobility

Sustainable buildings require a holistic evaluation of the usage concept, which includes sustainable mobility concepts.

Contemporary, sustainable mobility concepts for SIGNA properties and development projects.

SIGNA Prime considers it very important that its buildings and development projects have good transport links and intermodal

connections. When conducting such a holistic evaluation of the usage concept, we pay attention to the accessibility of existing or planned transport systems. This also includes 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,

SIGNA Prime is also evaluating collaborations with electric car manufacturers and car sharing providers.

We place emphasis on state-of-the-art mobility concepts in all our properties. In the WaltherPark project in Bolzano, for example, the tenants and users of the property have the opportunity to recharge their batteries at around 50 EV charging stations in the garage. Furthermore, a mobility hub has been planned for Bolzano in which around 2,000 bicycle parking spaces will be created.



WaltherPark
Implementation of state-of-the-art mobility concepts with around 50 EV charging stations for our tenants

Bolzano is the capital of South Tyrol, a province in the north of Italy which — like the province of Trento — enjoys a significant level of autonomy. Around half of the population speaks German and the purchasing power of inhabitants is around the same level as in major cities in Germany and Austria. SIGNA’s WaltherPark project in the heart of Bolzano’s old town aims to exploit the region’s favorable economic conditions. Following SIGNA’s recent acquisition of the public properties and completion of the detailed project planning by David Chipperfield, construction of the downtown department store commenced in 2018, above which a hotel, apartments, and offices will be built. Planning permission has already been granted and the development financing secured. Through the introduction of a new smart transport concept, the city aims to reduce the traffic volume in the historic city center.

ATTRACTIVE EMPLOYER

Employees are the key to SIGNA Prime’s sustained success. Their expertise and enthusiasm enable SIGNA Prime to implement exceptional projects in its core real estate business and achieve its ambitious growth targets. Through systematic and continuous human resources (HR) activities, SIGNA Prime reaches out to the best people and talent in the market and

also increases the extent to which existing employees identify with SIGNA Prime as an attractive employer. Our corporate culture puts people front and center; they are challenged and nurtured unreservedly, with each being afforded equal opportunity. An entrepreneurial mindset and approach, personal responsibility, and creative drive are expressly valued and

supported. This also includes allowing employees to make bold decisions. In the 2019 fiscal year, the values of the SIGNA real estate groups were formalized and officially presented under the banner “Leave your SIGNature” with the three pillars “GameChanger,” “TeamPlayer,” and “MatchWinner.”

“Leave your SIGNature” Driving Values — Our shared SIGNA DNA



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

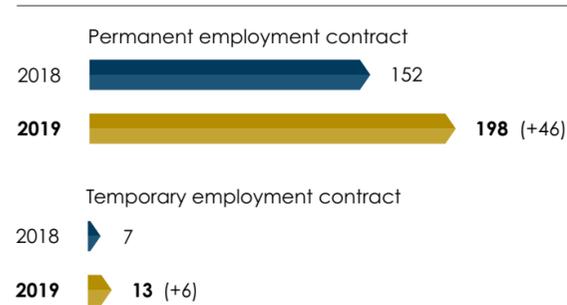
The Human Resources department is responsible for all HR activities of the SIGNA real estate groups and therefore also covers all employee-related matters for SIGNA Prime. HR policy and concepts for HR strategy are initiated and modern HR activities developed and implemented in the various department units. Implementation and management take place in the HR Operations and HR

Controlling departments, which report directly to the Management Board of SIGNA Prime. In the 2019 fiscal year, we increased our focus on digitalizing our HR processes, in order to reduce time-consuming and inefficient administrative work and develop uniform processes and automated standards.

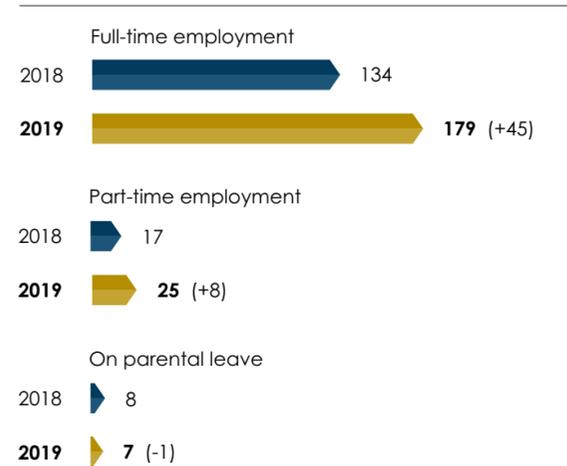
At the end of 2019, a total of 211 people were employed at SIGNA Prime and the companies belonging to it. The headcount increased by 33% in line with the growth of the real estate portfolio. 94% of employees have a permanent employment contract and 85% are employed on a full-time basis.

Employees by employment contract and employment type¹

EMPLOYEES BY EMPLOYMENT CONTRACT

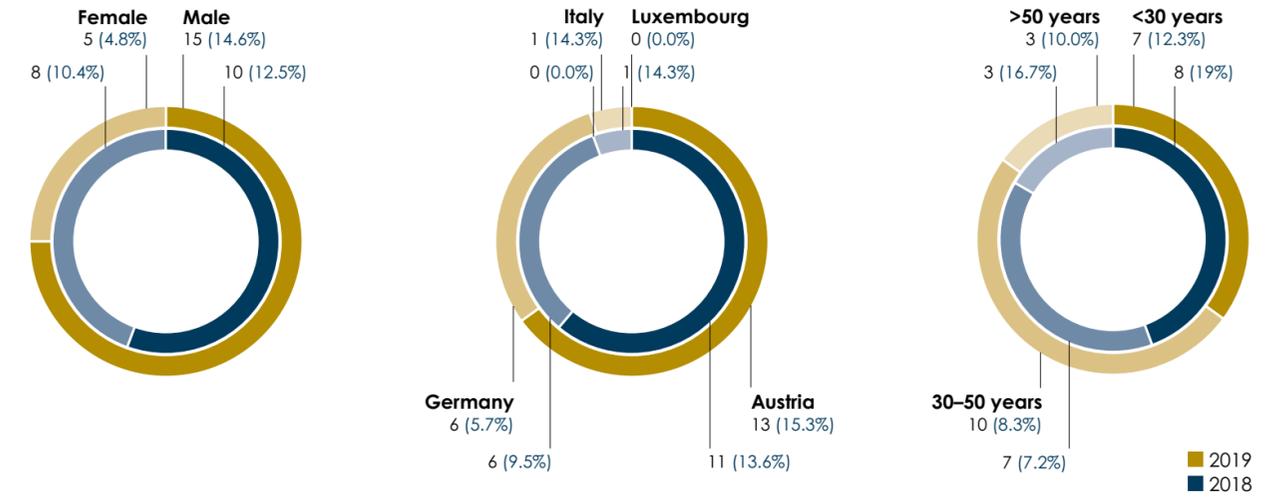


EMPLOYEES BY EMPLOYMENT TYPE



¹ All data includes all employees, including the Management Board, managers, and interns as of 31 December. Temporary workers make up less than 2% of the workforce and therefore are not reported separately.

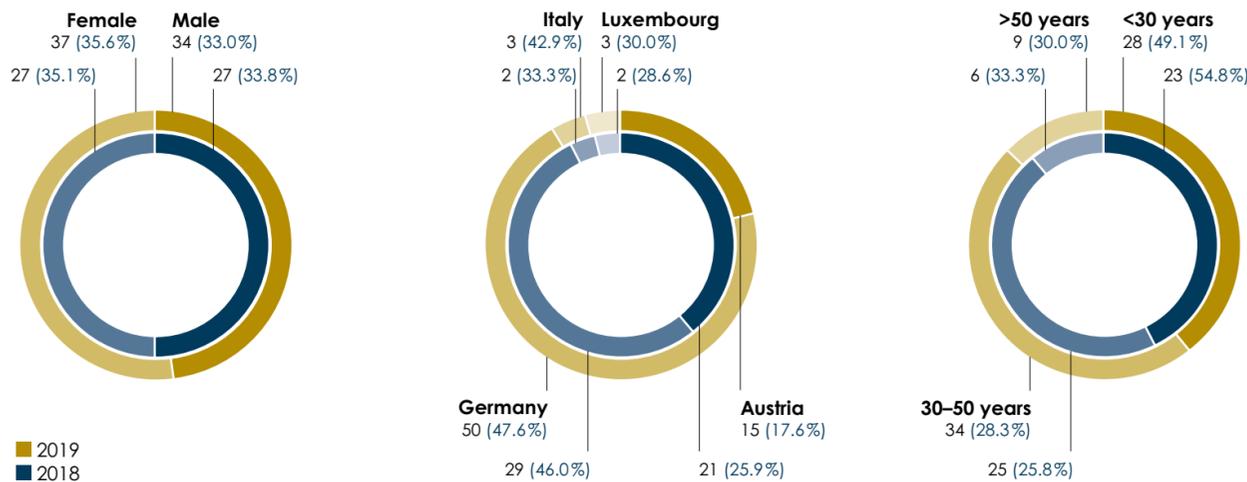
Employees who have left the Company, by gender, country, and age¹



¹ Data based on headcount; including the Management Board, managers, other salaried employees, excluding interns and employees who left the Company during the probationary period; percentages reflect the employee turnover rate, i.e., employees who left the Company relative to the number of employees in the relevant employee category, as of 31 December.

New hires by gender, country, and age²

Recruitment rate, total: 2019: 34.3% (2018: 34.4%)



² Data based on headcount; including the Management Board, managers, other salaried employees, excluding interns; percentages reflect the recruitment rate, i.e., new hires relative to the number of employees in the relevant employee category, as of 31 December.

Training and continuing education/knowledge management

Focused staff development plays an increasingly important role in SIGNA Prime's long-term success. Having the right employees in the right place and in the right role ensures that it remains competitive. We attach considerable importance to a structured and inclusive onboarding process for new employees, as the Company is growing rapidly. From the welcome pack to an individual induction phase for every employee, there are a number of measures to make onboarding easier and provide an extensive overview of SIGNA Prime and the rest of the SIGNA real estate groups. During the first few weeks, direct contacts in the functional departments and HR conduct regular reviews with new employees.

Through systematic training and continuing education, SIGNA Prime ensures that talent is discovered, nurtured,

and challenged. Employees are supported in their personal development goals by making requirements-driven and individual investments in the development of expertise, competencies, and qualifications. Employee turnover of salaried employees was 9.7% in 2019 (previous year: 11.5%). Employee retention increased in 2019 and shows that SIGNA Prime succeeds in finding and retaining employees who share the Group's

presentation techniques. In addition, requirements-specific training sessions take place in the functional departments — on employment and construction law, for example. Alongside on-site events, SIGNA Prime is gradually expanding its e-learning offering — also as part of its objective to further digitalize and streamline HR processes. In doing so, it uses internal and external speakers as well as institutes of further education.

Having the right employees in the right place and in the right role ensures that SIGNA Prime remains competitive.

values. A broad range of internal training measures, from basic to additional, advanced training courses, ensures that employees are able to perform current and future activities. The cross-location offerings include training in areas such as project management, managing meetings and effective speaking, and

Identifying and nurturing future leaders and skilled employees is another focus of staff development at SIGNA Prime. 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 management and specialist positions to be filled primarily with equally qualified employees from within the Company's own ranks. Half-yearly feedback discussions are scheduled between the appraisals. In the reporting period, all employees had their performance and career path assessed.

SIGNA Prime not only maintains collaborative dialog with its external stakeholders, but also engages in regular, trust-based discussions with its employees. In 2019, an initiative was launched to promote cross-departmental knowledge transfer within the SIGNA real estate groups. As part of the "Kennt ihr schon?" (Do you already know?) initiative, a selected current project such as the Mariahilfer Straße 10–18 project in Vienna is presented at regular intervals to colleagues from other teams. State-of-the-art video conferencing infrastructure at the sites allows dialog regardless of location. The interaction ensures that combined knowledge is passed on between employees, competencies and skills are reciprocally enhanced, and workflows are improved.

Diversity and equal opportunity

Appreciating differences and leveraging them for mutual gain — that is what SIGNA Prime stands for. At SIGNA Prime, diversity is reflected in the different personalities who come together as equals — regardless of gender, age, nationality or religion. SIGNA Prime fosters an open corporate culture of diversity, respect, and fairness. Diverse backgrounds, perspectives, and competencies are important to us, as we put together the best teams for our mandate — affording equal opportunity. Every employee is unique, enriches SIGNA Prime with their individual strengths and skills, and works hand in hand in an inclusive team. 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.

SIGNA Prime fosters an open corporate culture of diversity, respect, and fairness.

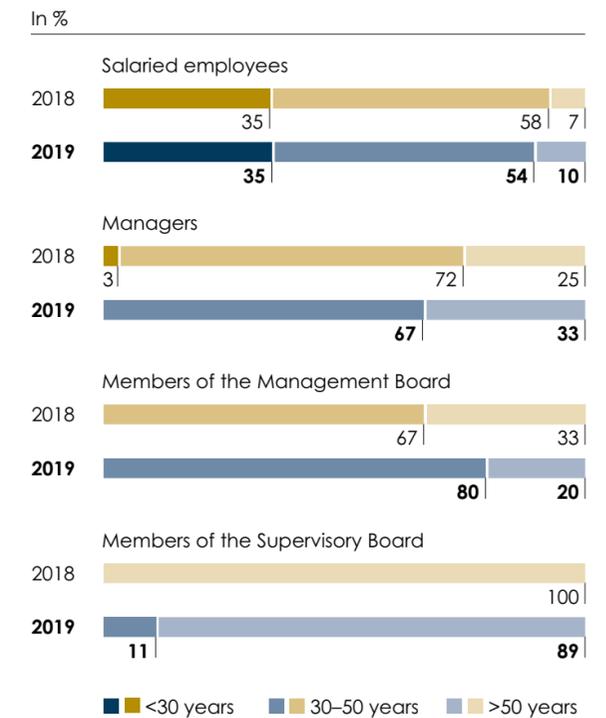
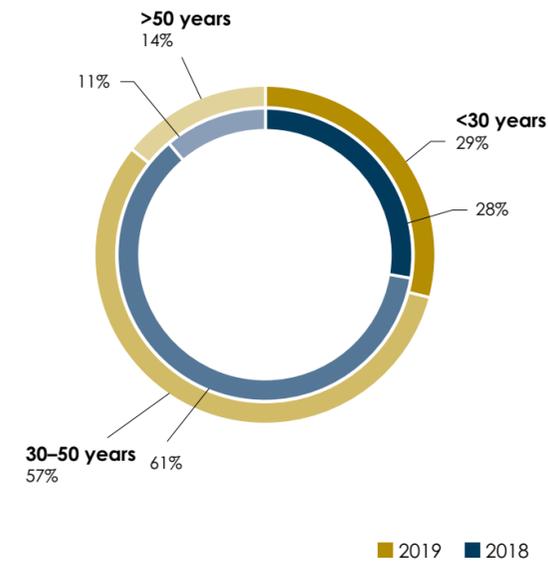
SIGNA Prime is open to people from a wide range of national, ethnic, religious, and personal backgrounds and different ages, as well as people with and without disabilities, and people of different sexual orientations. In this context, SIGNA Prime also aims to

achieve a balanced gender ratio at different employment levels. Women already account for around 50% of SIGNA Prime's workforce, but we have some catching-up to do in terms of management positions. We are aware of this and are working on it, for example with flexible part-time models for balancing work and family life.

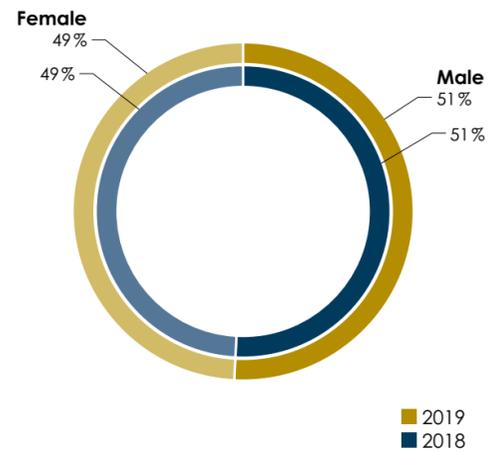
Equal opportunity for all employees is a given at SIGNA Prime. Our diversity must reflect that of our stakeholders so that we can be close to them and understand them. We foster collaboration between the generations and provide attractive networks in which SIGNA Prime employees can connect and interact, and support one another.

Employee breakdown by age, gender, and country¹

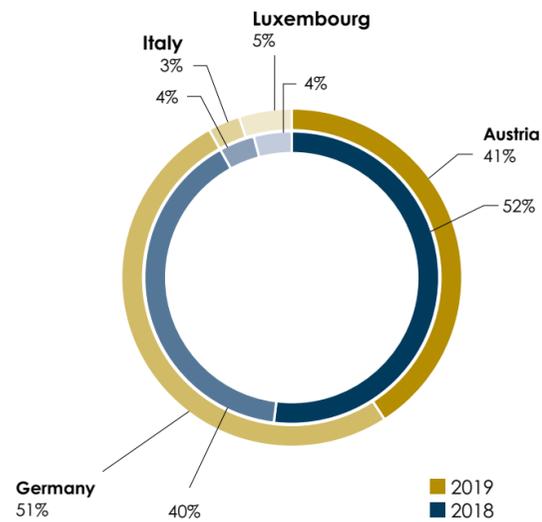
EMPLOYEE BREAKDOWN BY AGE



EMPLOYEE BREAKDOWN BY GENDER



EMPLOYEE BREAKDOWN BY COUNTRY



Employee satisfaction

The world of work is in flux — work is now more networked, faster, and more complex. Topics such as digital transformation, work-life blending, and Work 4.0 are part of the transformation process at SIGNA Prime. Despite the rapid advance of digitalization, flexible working time models, and working from home, the office remains a key part of professional life. SIGNA Prime therefore offers its employees an attractive, state-of-the-art

working environment. At the Vienna site, for example, there are different work, meeting, and lounge areas, ergonomic and height-adjustable seated and standing workstations, numerous acoustic and lighting measures, free seasonal baskets containing organic fruit and organic vegetables from local suppliers, beverages, and regular staff events and information sessions.

SIGNA Prime's new work concept also includes raising awareness of workplace

environmental protection in office buildings. The “reduce plastic, waste & CO₂” and “save energy & resources” measures focus on conserving resources, for example by using certified paper and print-on-demand functions, and on saving energy and preventing the related CO₂ emissions by using motion sensors and LED lighting.



CORPORATE GOVERNANCE & COMPLIANCE

Corporate governance principles

SIGNA Prime’s success story is largely due to our reputation, which is based on basic ethical and performance values. We are committed to transparent, ethical, and responsible corporate governance as the basis for the long-term success of our business activities. Good corporate governance enables us to create considerable added value for our clients, generate an attractive return for our investors, and

be a preferred employer to our employees. This requires the highest standards of integrity, transparency, confidentiality, and professionalism. In the real estate industry, especially, this requires particular sensitivity, among other things in connection with public tenders and when collaborating with all stakeholders on construction projects, including city authorities and monument protection offices, through the companies carrying out the construction work, to users or neighbors.

Creating structures and measures for compliance with all legal requirements relating to our business and fulfilling our stakeholders’ expectations with regard to responsible corporate governance is essential for this. The values set down in the SIGNA Code of Ethics set the benchmark for conduct. These provide an indispensable guideline for corporate decision-making at SIGNA Prime and state mandatory minimum standards for responsible conduct toward employees, business partners, and the public. Our

clear objective here is primarily to define realistic and workable requirements that best help employees to conduct themselves responsibly, without placing an undue administrative burden on them. With the code, SIGNA Prime undertakes to conduct itself ethically and with integrity, to comply with internationally recognized social standards, and to take environmental and social aspects into account in its day-to-day operations.

In implementing responsible corporate governance, SIGNA Prime also voluntarily commits to uphold the extensive set of rules set down in the Austrian Code of Corporate Governance (Österreichischer Corporate Governance Kodex, ÖCGK — ACCG). The ACCG is a set of rules for good and responsible governance and controls on the Austrian capital market in line with international standards.

Compliance

Compliance is a key element of our corporate culture that is firmly embedded in our day-to-day activities. SIGNA Prime’s sustained success is founded on legally compliant conduct, transparency, ethical integrity, confidentiality, and professionalism. Any compliance violations are not only inconsistent with our corporate values; they can also lead to considerable financial loss and tarnish

our excellent reputation. Non-compliant conduct always reduces the Company’s commercial success over the long term, limits its ability to invest and grow, and can ultimately put jobs at risk.

SIGNA Prime’s sustained success is founded on legally compliant conduct, transparency, ethical integrity, confidentiality, and professionalism.

The core elements of SIGNA Prime’s understanding of compliance are protecting trust in the Company, preventing reputational risks, and specifying mandatory guidelines for employees. Compliance is achieved through an open and trusting working environment and through an efficient compliance management system (CMS) that is tailored to SIGNA Prime’s requirements.

SIGNA Prime’s compliance organization comprises a Chief Compliance Officer (CCO) who is in charge of the CMS, defines important topics to strengthen compliance, and promotes and monitors compliance activities within SIGNA Prime. In his role, the CCO is not bound by instructions from the Management Board. He is directly supported by a compliance officer with responsibility for operational implementa-

tion of the CMS and also cooperates with an independent external ombudsman.

The compliance organization deals with all matters relating to the topic of

business compliance, especially questions on bribery and corruption (e.g., to identify inadmissible acceptance and granting of advantages), money laundering, and conflicts of interest. The focus here is particularly on appropriate dealings with public officials in our projects as well as the identification and avoidance of potential conflicts of interest. Other areas of responsibility include the topics of discrimination or equal treatment and data protection; these are usually addressed in cooperation with other internal organizational units (e.g., the Human Resources, Marketing and Communications departments).

The CCO reports to the Management Board and the Supervisory Board at least once a year on the progress of compliance activities and important compliance matters at SIGNA Prime.

Basic values of SIGNA Prime (extract from the SIGNA Code of Ethics)

Integrity

Our conduct toward our stakeholders (clients, employees, partners, subcontractors, government and supervisory authorities, competitors, media) and society as a whole is impeccable.

Sense of responsibility

We fulfill our obligations and take personal responsibility for our actions. We only make promises that we can keep. We do not deceive our stakeholders.

Fairness

We treat our stakeholders courteously and in line with their interests. We foster equal opportunity and an environment

marked by fair conduct and free of harassment of any kind. We are unreservedly committed to fair competition.

Compliance

We recognize the importance of, and comply with, all relevant laws and all internal and external requirements, guidelines, and standards. We require that line managers conduct themselves in an exemplary manner, and we undertake to ensure a first-class control and compliance environment.

Transparency

With our stakeholders, we maintain constructive, transparent, and open dialog based on respect and professionalism.

When it comes to putting compliance into practice in day-to-day operations, SIGNA Prime considers it particularly important that the compliance organization, i.e., the CCO or compliance officer, assumes a supporting, advisory role in all compliance-related issues. This promotes a high degree of personal responsibility among employees and is part of our perception of ourselves. Responsibility for decisions on compliance-related issues therefore ultimately rests with the relevant manager; the compliance organization assists in reaching a decision and assumes responsibility for documentation.

The ongoing development of the CMS as well as the monitoring and documentation of the application of the SIGNA Code

of Ethics also falls within the remit of the compliance organization.

SIGNA Prime adapts its CMS on an ongoing basis according to current requirements and circumstances. In the 2019 reporting period, a structured status survey was carried out in this connection with external assistance; a systematic compliance risk analysis was conducted with the involvement of the divisions and relevant interfaces in order to detect and assess compliance risks and appoint appropriate risk officers. In parallel, we are preparing for an independent audit of the CMS based on the standard ISO 19600, and will implement further measures in this context in 2020.

We define binding procedures for day-to-day operations through internal guidelines and procedural instructions. The Code of Ethics we developed specifies the requirements for all SIGNA Prime employees. Furthermore, there are specific rules and regulations for support in dealing with potential conflicts of interest as well as separate guidelines on the acceptance of benefits. The requirements must be observed by all employees and are brought to their attention when signing their contract of employment. In addition, they are confirmed by the Management Board members by way of a declaration of compliance and the updated version is permanently available on the intranet.

The SIGNA Code of Ethics succinctly specifies the conduct expected of each individual employee, including:

> SIGNA opposes any anti-competitive agreements that may harm clients, partners, or suppliers. The principle of appropriateness applies when offering or receiving gifts and gratuities. Gifts and gratuities are only accepted if they cannot be seen as influencing or obligating.

> SIGNA is prohibited from donating to political parties. Personal political activities on the part of individual employees may not take place within the Company or have any kind of negative impact on SIGNA.

> SIGNA employees are required to observe and comply with the applicable laws to prevent money laundering and terrorist financing, and to report any suspected incident of money laundering or terrorist financing to the line manager and the Chief Compliance Officer immediately.

Preventing corruption, bribery, and money laundering

We strictly oppose any form of corruption, bribery, and corruptibility, and maintain fair and respectful relationships of trust with our business partners. In accordance with our guidelines on the acceptance of benefits and conflicts of interest, SIGNA Prime does not allow itself to be influenced in its business decisions by accepting illicit benefits from suppliers and clients. Nor do we request or grant illicit benefits and in the event of potential conflicts of interest, we follow a defined process aimed at managing them correctly.

Implementation of the overall framework for preventing corruption, bribery, and corruptibility is evaluated on an annual basis.

Training

We consider it very important to communicate to our employees, through training courses, the importance of practicing compliance, ethics, and integrity, to ensure the long-term success of a corporate culture. It is vital that these standards are upheld daily as a matter of course. To support this, a mandatory e-learning course for all employees was implemented in the past fiscal year. This was developed in-house so as to optimally cover the

aspects specific to our business model. New employees are required to complete this training course within six weeks of starting work. For existing employees, a refresher course is scheduled at least once every two years. Upon completion, employees are required to take a test to check what they have learned. In addition, ad hoc subject-specific training courses are conducted on site for particular groups of employees. In 2019, for example, managers and reception staff were made more aware of how to act correctly in the event of investigations by the authorities.

We are particularly keen to ensure that the measures put in place add value for each employee and provide them with the best possible support in dealing with everyday compliance issues. Therefore, in 2019, an internal employee survey was conducted in order to obtain feedback on corporate governance and compliance training. SIGNA Prime takes the provided feedback very seriously and will use it to continuously improve its practical learning and training formats.

Reporting and complaints procedure

SIGNA Prime has a zero-tolerance policy toward compliance violations of any kind. Employees are obliged to immediately report any violations of applicable law, the SIGNA Code of Ethics, internal guidelines, or a potential conflict of interests to their line manager, the compliance officer, or the Chief Compliance Officer. SIGNA Prime also has an independent external ombudsman whom employees can contact anonymously. Indications of any misconduct are investigated without exception and impartially; no employee need fear sanctions, attempts at intimidation, or reprisals. Rather, they are encouraged to stand up for their convictions and address any irregularities openly.

SIGNA Prime is not aware of any confirmed incidents of corruption in the 2019 fiscal year and there are no pending public actions against SIGNA Prime or its employees in connection with corruption. By the same token, there were no pending lawsuits in the reporting period as a result of anti-competitive behavior or violations of antitrust and monopoly law, and no incidents of discrimination came to light.

GRI CONTENT INDEX

The present sustainability report contains a selection of disclosures from the GRI Standards, the reporting standard of the Global Reporting Initiative.

This index indicates the standards that have been applied and the disclosures made.

GRI Standard	Disclosure	Page no. and/or URL(s)	Comments and omissions
GRI 101: Foundation 2016			
GRI 102: General Disclosures 2016			
ORGANIZATIONAL PROFILE			
102-1	Name of the organization	Editorial details	
102-2	Activities, brands, products, and services	pp. 17–21 of the SPS Annual Report 2019	
102-3	Location of headquarters	Editorial details	
102-4	Location of operations	pp. 5, 19 of the SPS Annual Report 2019	
102-5	Ownership and legal form		Stock corporation
102-6	Markets served	p. 5	
102-7	Scale of the organization	pp. 2–4 of the SPS Annual Report 2019	
102-8	Information on employees and other workers	p. 14	Temporary workers make up less than 2% of the workforce and therefore are not reported separately. The reported figures are not additionally presented by region and gender because they are already stated as a percentage under 405-1.
102-9	Supply chain	p. 5	
102-10	Significant changes to the organization and its supply chain	pp. 9–11 of the SPS Annual Report 2019	
102-11	Precautionary Principle or approach	pp. 2, 20	
102-12	External initiatives		Austrian Code of Corporate Governance. Further principles and initiatives will be evaluated in 2020.
STRATEGY			
102-14	Statement from senior decision-maker	pp. 13–15 of the SPS Annual Report 2019	
ETHICS AND INTEGRITY			
102-16	Values, principles, standards, and norms of behavior	p. 20	
GOVERNANCE			
102-18	Governance structure	pp. 23–27 of the SPS Annual Report 2019	
STAKEHOLDER ENGAGEMENT			
102-40	List of stakeholder groups	p. 3	Depending on the nature and scope of the projects

GRI Standard	Disclosure	Page no. and/or URL(s)	Comments and omissions
102-41	Collective bargaining agreements		All employees are subject to individually arranged agreements.
102-42	Identifying and selecting stakeholders	p. 6	Depending on the nature and scope of the projects
102-43	Approach to stakeholder engagement	pp. 3, 6	For the preparation of the first report, the emphasis was on active engagement of internal stakeholders from different projects and functional departments. Suitable formats for the engagement of external stakeholders will be evaluated in connection with the next update of the materiality analysis.
102-44	Key topics and concerns raised	p. 3	
REPORTING PRACTICE			
102-45	Entities included in the consolidated financial statements	p. 145 of the SPS Annual Report 2019	
102-46	Defining report content and topic Boundaries	p. 3	
102-47	List of material topics	p. 4	
102-48	Restatements of information		First report
102-49	Changes in reporting		First report
102-50	Reporting period		1 January 2019 to 31 December 2019
102-51	Date of most recent report		First report
102-52	Reporting cycle		Annually
102-53	Contact point for questions regarding the report		Natalie Wierzbicki, MSc
102-54	Claims of reporting in accordance with GRI Standards		Selective application of the GRI Standards; no correlation with GRI "Core" or "Comprehensive"
102-55	GRI content index	pp. 234–237 of the SPS Annual Report 2019	
102-56	External assurance		No external assurance (first report)
MATERIAL TOPICS			
Material topic: Sustainable buildings (includes the topics of energy and emissions during planning, construction, and operation, safety and health of users, recyclability and longevity of construction materials, sustainable mobility, and regional value creation)			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	pp. 6–12	
	103-2 The management approach and its components	pp. 6–12	
	103-3 Evaluation of the management approach	pp. 6–12	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	pp. 9–10	Energy consumption excluding energy purchased directly by tenants. Data basis: Energy bills of the respective energy suppliers.

GRI Standard	Disclosure	Page no. and/or URL(s)	Comments and omissions
G4 Sector Disclosures: Construction and Real Estate	CRE8 Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation and redevelopment	pp. 8–9	The projected share of certifications (100%) in the overall portfolio is reported for development projects.
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	pp. 6–7	Almost 100%. Different measures for local community engagement are being implemented at all sites depending on the scope of the projects.
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	p. 11	
Own indicator	Percentage of buildings with charging infrastructure for electric vehicles	p. 12	The reporting is under development and will be expanded in the next report.
Material topic: Attractive employer (includes the topics of employee satisfaction, training and continuing education/knowledge management, and diversity and equal opportunity)			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	pp. 13–19	
	103-2 The management approach and its components	pp. 13–19	
	103-3 Evaluation of the management approach	pp. 13–19	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	pp. 14–15	
GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews		100% of employees
GRI 405: Diversity and Opportunity 2016	405-1 Diversity of governance bodies and employees	p. 17	
Material topic: Corporate governance & compliance (includes business compliance topics incl. anti-corruption and money laundering prevention)			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	pp. 20–22	
	103-2 The management approach and its components	pp. 21–23	
	103-3 Evaluation of the management approach	p. 23	
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	p. 23	The Company is not aware of any confirmed incidents of corruption in the reporting period and there are no pending public actions against the Company or its employees in connection with corruption.
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	p. 23	For the reporting period, there were no pending legal proceedings against the Company as a result of anti-competitive behavior or violations of antitrust and monopoly law.

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▣ SIGNA PRIME SELECTION

SUSTAINABILITY REPORT
31 December 2019