

Our sustainable SIGNATURE 2025

Sustainability strategy of
SIGNA Prime Selection AG



Content

I. About us	3
II. Foreword	4
III. Sustainability Strategy „Our sustainable SIGNature 2025“	5
– Action area Sustainable Buildings	7
– Action area Attractive Employer	10
– Action area Corporate Governance and Compliance	13
IV. Contact and Editorial Details	16

I. About us

SIGNA Prime Selection AG is an Austrian non-listed real estate company. Our portfolio consists of exclusive properties in prime downtown locations in large cities and metropolitan areas in Austria, Germany, Switzerland, and Northern Italy. We focus primarily on maintaining and preserving for future generations our portfolio of unique buildings with a gross asset value (GAV) of €15.1b (as of December 31, 2020). Our Long-term Portfolio currently comprises 32 properties including icons such as KaDeWe luxury department store in Berlin, the Goldenes Quartier in Vienna, Oberpollinger in Munich, the UPPER WEST state-of-the-art office high-rise on Kurfürstendamm, and other high-quality city center properties in Vienna, Innsbruck, Berlin, Hamburg, Munich, Cologne, Düsseldorf, and Frankfurt. Acquisitions are another way in which we expand our portfolio.

A key component in SIGNA Prime's successful history is our close partnerships with stakeholders built on trust. As a partner to cities, our top priorities are preserving unique buildings for the coming generations and contributing to urban development for the benefit of society. We concentrate not only on individual properties but rethink concepts such as urban development, sustainability, multi-use buildings, networking, and mobility.

We work for cities worth living in – for all of us.

II. Foreword

**Dear Partners, Stakeholders,
and Employees of SIGNA Prime,**

Sustainability is in our DNA – we are committed to responsible corporate governance. For us, pursuing profitability is inseparably linked to a responsibility to society according to our basic values – a sense of responsibility, fairness, compliance, transparency, and integrity.

We also consider the alignment of our business activities with sustainable value creation to be part of our social responsibility: We value the health and safety of our employees, we pay attention to compliance with inalienable human rights, and we treat the environment with care. Each one of us plays a role in ensuring that environmental, social, and societal aspects are systematically integrated into entrepreneurial action along with commercial interests.

The sustainability strategy presented here – *“Our sustainable SIGNature 2025”* – is intended to further this engagement. We have set ourselves specific targets and defined measurable KPIs in our key action areas: Sustainable Buildings, Attractive Employer, and Corporate Governance and Compliance.

We are committed to continually improving our sustainability performance. We provide transparent reporting on the progress we have made in implementing *“Our sustainable SIGNature 2025”* in our sustainability report and on our website.

Sincerely,

The SIGNA Prime Management Board

Christoph Stadlhuber Timo Herzberg Manuel Pirolt Tobias Sauerbier Claus Stadler

III. Sustainability strategy

„Our sustainable SIGNature 2025“

SIGNA Prime is committed to responsible corporate governance. As a major real estate investor in Europe, we follow a model of sustainable development and think in terms of generations. In addition to economic interests, we systematically factor environmental and social issues into our business decisions and value chains. Economic success, integrity, and social responsibility carry equal weight at our Company.

For several years now, we have been successfully incorporating sustainability issues into our business model. We achieve this by adhering to the principles of sustainable development in all our projects, and maintaining continual dialog with our stakeholders. In our annual sustainability report we also provide transparent reporting of our sustainability activities in accordance with the internationally recognized Global Reporting Initiative (GRI) standards. External ESG ratings are regularly conducted to evaluate our ESG performance, and we are proud of the very good rating for SIGNA Prime received from the prominent rating agency Sustainalytics.

We joined the UN Global Compact (UNGC) to further reinforce our commitment to sustainability. This United Nations alliance is the world's largest and most important initiative for responsible corporate governance. We conduct our day-to-day business according to the UNGC's Ten Principles, including human rights, labor standards, environmental protection, climate action, and corruption prevention.

As a multinational corporation, we have additionally committed to the UN's Sustainable Development Goals (SDGs), which entered into force in early 2016. The SDGs set out 17 specific targets for more sustainable development by 2030. We feel we can make a contribution to a fairer and more just world by pursuing the following SDGs:



We applied a profound and systematic materiality analysis in order to determine the key issues for SIGNA Prime and grouped them into three strategic action areas:



This is the basis upon which we developed our sustainability strategy for the coming five years. In “Our sustainable SIGNature 2025” we defined measures and targets and stipulated key performance indicators and time horizons. We consider sustainability to be the responsibility of the entire Company:

- Top level management at SIGNA Prime decides strategy and targets, and integrates sustainability into the business strategy.
- Support is provided by the ESG Council, which determines and approves operational measures and responsibilities.
- In 2020, Head of ESG Strategy & Sustainable Finance was tasked with developing and implementing the sustainability strategy, as well as specifying actions to be taken in support and defining the KPIs to measure the success of the sustainability strategy.
- We additionally made a point of emphasizing the topic of sustainability in five operational ESG workstreams in order to embed our ESG strategy deeply into our business operations. This enables us to promote transformation in all areas of our Company’s activities:
- Sustainable Buildings (asset management and development projects), 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.

On the pages that follow we present the sustainability strategy for each of our three action areas: Sustainable Buildings, Attractive Employer, and Corporate Governance and Compliance.



Action area

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 in downtown locations, we actively assume responsibility for climate and environmental protection as a partner to cities and municipalities.

Buildings 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. Consequently, the real estate industry has both considerable potential for cutting emissions and consumption, and a responsibility to contribute to the sustainable development of society. Our focus lies in constructing and renovating properties in accordance with the highest international green building standards, such as LEED, reducing environmental impacts, and managing existing buildings and new developments as efficiently as possible.

We minimize the potential negative environmental effects which our business activities could generate, and strive for environmentally friendly procurement, and the careful use of natural resources. We also expect the same behavior from our customers, business partners, and suppliers.

The safety, physical health, and well-being of property users is also a top priority for us. Every day, our buildings accommodate many employees, visitors, tenants, suppliers, and service providers. To prevent potential health and safety risks, we seek ESG due diligence and WELL Building certifications.

As part of our holistic approach, sustainable buildings are also incorporated in sustainable mobility concepts. We therefore consider it very important that our real estate portfolio has good transport links and intermodal connections, as well as access to public transport.

As part of our sustainability strategy *"Our sustainable SIGNature 2025"*, we have set ourselves ambitious targets, derived specific actions, and defined measurable KPIs for the Sustainable Buildings action area.

These are presented below for the material topics:

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

TARGET	Action	KPI	Time horizon
ENERGY AND EMISSIONS DURING PLANNING, CONSTRUCTION AND OPERATION			
Obtain certification according to green building standards for 100% of New Investments	Adhere to green building requirements for New Investments and complete pre-certification	Number/share of certified assets in portfolio as a whole	ongoing
	Conduct life cycle analyses on New Investments		2023
Increase number of green building certifications in real estate portfolio	Evaluate post-certification of the real estate portfolio according to green building standards and implement if a positive determination is made	Number/share of certified assets	2021
Ensure climate neutrality of real estate portfolio	Increase energy efficiency of properties through the use of energy-saving technologies and refurbishment of energy systems	Energy consumption (in kWh) Reduction in metric tons of CO ₂	ongoing
	Evaluate use of alternative energy sources for real estate portfolio and implement if a positive determination is made		ongoing
	Evaluate use of green power contracts for real estate portfolio and implement if a positive determination is made	Percentage of electricity from renewable energy	2021
	Evaluate the greening of the real estate portfolio and implement if a positive determination is made	Square meters of newly planted green space per year	2022
	Evaluate state-of-the-art technologies for automated collection of energy consumption data and implement if a positive determination is made	Share of smart metering in the portfolio (in %)	2025
Sustainably use and manage real estate portfolio	Evaluate green lease components in New Investments and implement if a positive determination is made	Share/number of leases with green lease components	2021/22
	Include environmental guidelines/green clauses in leases, including an obligation to exchange environmental data		2021/22
Set up systematic environmental and data management	Accelerate expansion of the data collection process using ESG software		2021
	Participate in the Science Based Targets initiative		2024
HEALTH AND SAFETY OF END USERS			
Guarantee health and safety of end users	Aim for WELL building certification for New Investments	Share/number of WELL building certificates	ongoing
	Evaluate WELL building certification for the Long-term Portfolio and implement if a positive determination is made		2022
	Aim for WELL building certification for SIGNA offices		2022/23

TARGET	Action	KPI	Time horizon
RECYCLABILITY AND LONGEVITY OF CONSTRUCTION MATERIALS			
Build and renovate according to green building standards	Reduce material use by optimizing design		ongoing
	Evaluate sustainable and lower-carbon materials and implement if a positive determination is made		2022
Minimize soil sealing in construction	Give preference to developing already developed spaces		ongoing
SUSTAINABLE MOBILITY			
Link real estate portfolio to various modes of transportation	Consider good transportation connections for the real estate portfolio		ongoing
	Enter into partnerships with ride sharing providers	Average distance from local public transportation (in km)	ongoing
	Enter into partnerships with bike sharing providers		2021/22
Provide infrastructure for electric transportation in the real estate portfolio	Plan New Investments with parking spaces and charging stations for electric vehicles	Number of parking spaces for electric vehicles (specific)	2021/22
	Evaluate parking spaces for electric vehicles for the real estate portfolio and install charging stations if a positive determination is made	Number of charging stations (specific)	ongoing



Action area

Attractive Employer

Our employees are what make SIGNA Prime successful. Thanks to their skills and enthusiasm, we can complete extraordinary real estate projects and meet our ambitious growth targets. Our consistent and systematic HR activities enable us to reach and retain the right professionals and young talent.

We want to be an attractive employer so that our employees are happy to identify and work with us over the long term to secure our shared success. Our corporate culture puts people front and center; they are challenged and nurtured unreservedly, with each being afforded equal opportunity. We value and expressly encourage entrepreneurship in thought and action, personal responsibility and initiative, and creative drive among our employees. We have encapsulated the basic values which direct our daily work and dealings with one another under the motto *"Leave your SIGNature"*.

Offering systematic training and continuing education enables us to support our employees in performing their duties as well as possible, both currently and in the future. For this reason, we regularly provide training at both internal and external events on the knowledge they need and the required skill sets, including social and leadership competence.

The health and safety of our employees and business partners are of the utmost importance to us. They are a prerequisite for a high level of satisfaction and productivity. We therefore provide modern working conditions, and support one another in maintaining the highest health and safety standards in our day-to-day work.

At SIGNA Prime, diversity is reflected in the different personalities who come together as equals – regardless of gender, age, sexual orientation, nationality, or religion. We foster an open corporate culture of diversity, respect, and fairness. 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.

As part of our sustainability strategy *"Our sustainable SIGNature 2025"*, we have set ourselves ambitious targets, derived specific actions, and defined measurable KPIs for the Attractive Employer action area.

These are presented below for the material topics:

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

TARGET	Action	KPI	Time horizon
EMPLOYEE SATISFACTION			
Maintain and promote employee health	Instruct new employees on occupational health and safety	100% employee training rate	ongoing
	Expand range of training offered on health-related issues such as nutrition, exercise, and handling stress		2021
Maintain employee satisfaction at a high level	Complete regular personnel development/feedback discussions with employees	Share of employees for whom personnel development/feedback discussions were held in the fiscal year	ongoing
		Share of employees working under flexible working time/part-time models	
	Regularly inform employees via in-house communication channels and hold site-related events	Employee satisfaction index from survey	ongoing
	Guarantee modern office amenities in prime downtown locations		ongoing
	Consider connections to various modes of transportation and easy accessibility of sites with public transportation		ongoing
	Conduct regular employee surveys and develop an employee satisfaction index	Employee turnover rate	2021
	Introduce 360-degree evaluations for managers		2021/22
TRAINING, CONTINUING EDUCATION, AND KNOWLEDGE MANAGEMENT			
Ensure good training for employees	Offer training to employees during work or studies	Number of apprentices and trainees/cooperative education students	ongoing
	Offer in-house and outside employee training as needed	Number of training hours, total and per employee	ongoing
	Run regular training courses	Share of managers participating in training	ongoing
	Introduce a SIGNA mentoring program for young future managers		2021

TARGET	Action	KPI	Time horizon
DIVERSITY AND EQUAL OPPORTUNITY			
Guarantee a work environment free of discrimination	Publish "Values Management" Code of Conduct and Code of Conduct for Business Partners	Number of incidents of discrimination	completed
	Set up anonymous contact for reporting incidents of discrimination		completed
	Sign on to Diversity Charter initiative (Charta der Vielfalt)		2021
Fill at least 35% of managerial positions with women	Determine gender quota for managerial positions	Share of women in managerial positions in %	2021
	Introduce specific programs for mentoring and promoting the talent of women		2022
Maintain rate of employees returning to work after parental leave over 90%	Actively promote parental leave and clearly define the return to work	Rate of employees returning to work after parental leave in %	ongoing



Action area

Corporate Governance and Compliance

Our actions at SIGNA Prime are guided by a sense of responsibility, fairness, compliance, transparency, and integrity. They are at the core of our lasting success story and an indispensable compass in interactions with each other. We regard these basic values as an essential component of positive and responsible corporate governance. 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 in which our properties are located. This requires the highest standards of integrity, transparency, confidentiality, and professionalism.

Our “Values Management” Code of Conduct obliges us to act ethically and with integrity, to comply with internationally recognized social standards, and to take environmental and social aspects into account in our day-to-day operations. We are committed to upholding the core ILO working standards, and work in an environment free of discrimination; we respect the right to collective bargaining and freedom of association; and we absolutely reject any type of modern slavery – child labor, compulsory labor, and forced labor. Our Code of Conduct for Business Partners includes our expectations and requirements for business partners to follow basic ethical principles and do business sustainably.

In the real estate industry, ethical integrity and legally compliant conduct is a prerequisite for cooperation with all stakeholders – from city authorities, through the companies carrying out the construction work, to users and residents. Consequently, 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 work environment, and through efficient management with clearly defined roles and responsibilities.

We follow a zero-tolerance policy regarding compliance violations of all kinds. Employees are obliged to immediately report any violations of applicable law, the Values Management, internal guidelines, or a potential conflict of interests to their line manager, the compliance officer, or the Chief Compliance Officer. There is also an independent external ombudsman whom employees can contact anonymously.

As part of our sustainability strategy “*Our sustainable SIGNature 2025*”, we have set ourselves ambitious targets, derived specific actions, and defined measurable KPIs for the Corporate Governance and Compliance action area.

These are presented below for the material topics:

- Business compliance, including anti-corruption and money laundering prevention
- Regional value creation

TARGET	Action	KPI	Time horizon
BUSINESS COMPLIANCE, INCLUDING ANTI-CORRUPTION AND MONEY LAUNDERING PREVENTION			
Guarantee business compliance	Certify compliance management system according to ISO 19600		completed
	Sign UN Global Compact and publish annual progress report		ongoing
	Conduct training on compliance and business ethics via new e-learning system		2021
	Develop ESG training and run annually		2021
	Integrate ESG criteria into guidelines for business trips and mobility		2023
	Integrate ESG KPIs into variable compensation of management		2025
	Chief Compliance Officer to report regularly to the Group's Management Board and the Supervisory Board on the progress of compliance activities and important compliance matters		ongoing
	Regularly review compliance management system in-house	Number and scope of conformity audits	ongoing
		Number of compliance-related violations	ongoing
Monetary fines in cases of corruption		ongoing	
Effectively manage ESG risks	Identify and assess ESG risks in SIGNA portfolio	Number of violations of ESG requirements and ESG-related laws	2022
	Integrate ESG further into risk management activities		2024
Sustainably develop real estate portfolio	Implement Groupwide ESG due diligence processes for New Investments	Number/share of properties in conformity with ESG guidelines	2021
	Develop ESG guideline for renovations of properties in the real estate portfolio		2021
	Draw up ESG guideline for New Investments	Number/share of New Investments in conformity with ESG guidelines (target of 100%)	2021
Maintain high tenant satisfaction	Conduct a tenant satisfaction survey every two years and use results to determine additional measures to increase tenant satisfaction		2021
Structure supply chain management responsibly	Integrate ESG facts into Code of Conduct for Business Partners	Number of business partners who have signed Code of Conduct for Business Partners	completed
	Introduce whistleblower system for business partners		completed
	Apply human rights due diligence to supply chain		ongoing
	Step up ESG screening and ESG risk assessment of business partners prior to collaboration		2021
	Evaluate use of a supplier assessment system to determine potential ESG risks	Number of ESG audits at suppliers	2022
	Conduct regular internal and external supplier audits		2023

TARGET	Action	KPI	Time horizon
BUSINESS COMPLIANCE, INCLUDING ANTI-CORRUPTION AND MONEY LAUNDERING PREVENTION			
Dialog with stakeholders	Conduct regular real estate-related dialogs and consultations with stakeholders, and stakeholder participation processes	Number of stakeholder dialogs	ongoing
	Standardize existing dialog platforms with political decision-makers and multipliers at the federal, state, and municipal level		2023/24
Expand ESG reporting	Evaluate and roll out software for ESG data collection		2021
	Expand annual ESG reporting according to GRI Standards and EPRA sBPR		2022
	Commission external audit of annual ESG reports		2023
Commission external evaluations of ESG performance	Conduct regular external ESG ratings		ongoing
Institute sustainable financing instruments (for >50% of new financing arrangements)	Establish Green Finance Framework	Volume of sustainable financing (in €)	2021
REGIONAL VALUE CREATION			
Strengthen regional value creation	Preferred use of local companies and regional products	Share (in %) of total volume accounted for by local procurement	ongoing
	Preferred renovation and preservation of historical buildings	Number of renovated buildings in portfolio under preservation orders	ongoing
Promote local communities	Engage in ESG-relevant pro-bono activities in cities and municipalities	Donations (in €)	ongoing
	Donate to ESG-related projects, programs, and initiatives		2022
	Set up employee volunteering program		2022

IV. Contact and Editorial Details

Please contact us for further information.

SIGNA Prime Selection AG
Natalie Wierzbicki, MSc
Head of ESG Strategy & Sustainable Finance
Freyung 3, Palais Harrach
1010 Vienna, Austria
Phone: +43 1 53 29 848-0
Fax: +43 1 53 29 848-2023
nachhaltigkeit@signa.at

Corporate Communications
Phone: +43 1 53 29 848-0
presse@signa.at

Publisher

SIGNA Prime Selection AG
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1010 Vienna, Austria
www.signa.at

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