

A^a WAKE

SUSTAINABILITY REPORT 2022 by ALFONS & ALFREDA

ISSUE #01

**BOLD DISTINCT COMPANY
NEW GREEN BUILDINGS
LIVING TOGETHER
GOOD GOVERNANCE
GLOBAL REPORTING**



www.Alfons-alfreda.com





»Although sustainability is a cycle, everyone must find a start. We have done that. Have you?«

Janna Várady

Sustainability Manager and Head of ESG

„All my life I've cared about the greenery on this planet. My passion for it was formed during my childhood in the countryside and further unfolded amid my studies in plant biology. Although the topic of sustainability has accompanied me throughout my life, it has only come into focus through my career at sustainable start-ups. Vertical farming and sustainable product management started to define my future direction. At this point, it was evident that I wanted to contribute to a healthier environment.

Now, I have started to take on my next milestone: constructing green buildings. The Paris Climate Agreement and the EU Green Deal made it clear that **“it’s time for a change”**. We need to drastically reduce our greenhouse gas (GHG) emissions, promote biodiversity, and use our resources sparingly. All of this can be achieved through forward thinking and social cooperation. We, in the real estate industry in particular, have a great deal of influence on this. We are sitting on an extremely long lever and everyone in this industry should embrace this responsibility. ***Alfons & alfreda needs to be at the forefront of making our planet greener and healthier.***

We achieve this by creating sustainable buildings that are not only made of organic, recyclable building materials, but also incorporate social neighborhood development ideas into the designs, ensuring our buildings to have a long-term raison d’etre. To make this truly tangible and measurable, good governance with transparent reporting is equally important. It rounds off the total package that is summarized in the abbreviation ESG. Environment, Social and Governance. I look forward to walking this path with Aa and with you!

Be green and reflect about our future!“



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An aerial photograph of a dark, rippling body of water, likely a lake or river. Several people are swimming in the water, their forms creating small ripples. The water is a deep, dark green or black color. In the bottom left corner, there is a small patch of green foliage. The overall mood is serene and expansive.

PART 1

Our *bold* distinct company

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Acting sustainably is and has always been good business by Volker Busse and Friedrich Weil, founders of Alfons & alfreda

As a project development company, our DNA lies in identifying opportunities, seizing them by creating long-term, real value by building something durable, whether through new constructions or refurbishment of old assets.

Through the development work that we do, we have the greatest impact within the value chain of a property. We create completely new things or transform old assets and bring them into the future. In view of the risks that you take as a project developer, the goal is always to **generate the greatest possible added value**. The greatest added value occurs when our products remain relevant for as long as possible. In our multidimensional world, with complex dependencies and connections as well as multifaceted interests of a wide range of groups, this is not an easy task. Creating a long-term relevant product starts with thinking about sustainability. That has actually been the case in our industry for a long time. A few years back, the word sustainability was not understood in such an ecological way but was rather primarily interpreted as economic sustainability. Hence, the question of "reusability" of any development was omnipresent. But at the core it was the same idea back then already – how sustainable is the asset, **what's the long-term relevance of what's created?**

Today, when we are on the precipice of the climate crisis, sustainability in terms of the environment is becoming much more

important. Rightly so. New standards, new lowest common denominators are created. Those who cannot or will not fulfill this will not survive for long, will become irrelevant quickly.

It is therefore completely natural for us that we want to be at the forefront of this tour the force, to take a leadership position on the subject of sustainability. Not because it corresponds to today's Zeitgeist or because it's trendy or – still – a good distinguishing feature, but because it's part of our DNA as a project developer. It's part of the ambition to create something of long-term value and thus lies in the core of what we do.

We are therefore pleased about the course we have set and are excited to see what kind of results our efforts will bring. Join us over the next few years and see for yourself.

We look forward to working together to develop new standards in our industry.

Sincerely,

To the true, the beautiful, the good for better real estate



Our claim is ***To the true, the beautiful, the good... for better real estate.*** We have chosen the classic ideal of the true, the beautiful and the good as our claim as it describes the core principles of our actions perfectly. We are concerned with what really counts (true), what pleases and succeeds (beautiful) and what is useful (good) with every project that we do. Automatically, the question of sustainability plays a central role in all three aspects of this triad.

Only projects that focus on what's important – sustainability & social interaction among their users and neighborhoods – can be relevant, only the ones that offer these benefits in the world can be true. Only projects that are a pleasure for people because they manage to implement the above-mentioned criteria well, can be beautiful. And, naturally, only projects that are useful can be good.



Picture from the YESTA project by Alfons & alfreda

**As a dynamic company,
impact investing is
one of our core objectives**

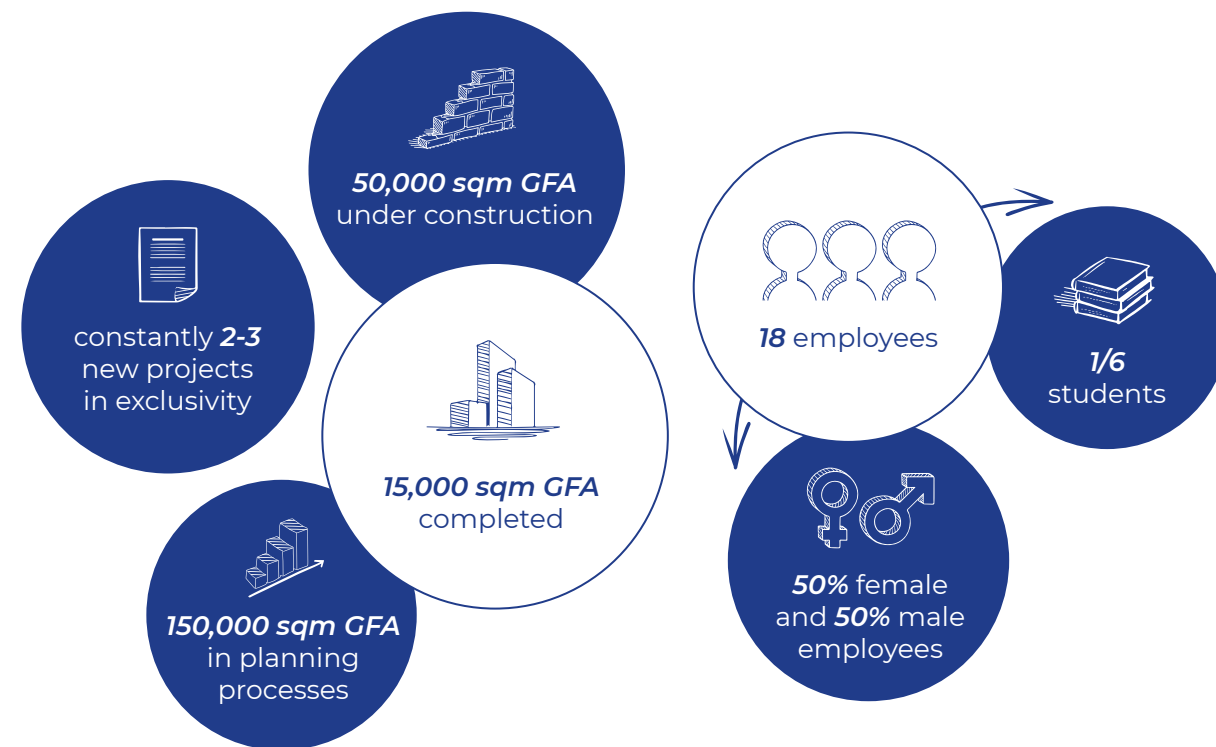
- 1 We want to create *real, long-term value* through our projects.
- 2 We want to create an ecology for *innovation and impact* with our real estate. This is achieved by promoting *cultural & economic* diversity and socio-economic mixing as well as *maximizing environmental and social quality of life* with good access to local infrastructure.



- 3 We want to combat acute social problems in a sustainable way with our projects. We want to plan, implement, measure & track concrete social actions in our assets.
- We focus on developments with a neighborhood character, ideally with the most heterogeneous mix of uses as possible.* Urban, diverse structures lead to the most sustainable tenant mix and ensure the greatest possible value creation for users, neighbors and cities.



Teamwork divides tasks and multiplies the success



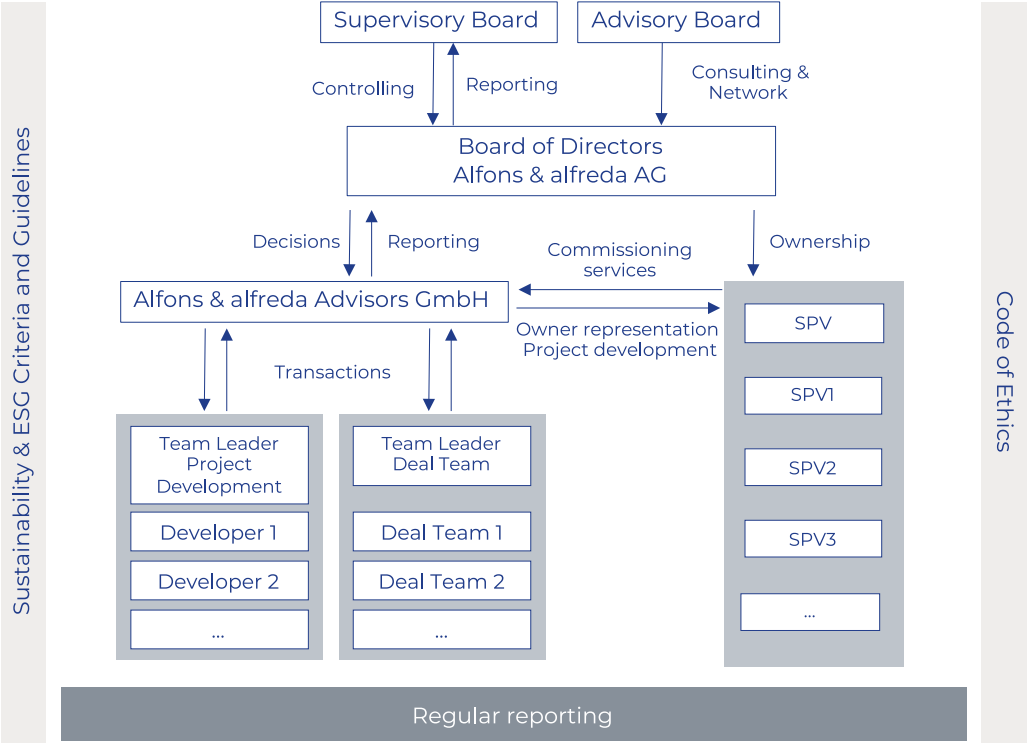
With a fresh entrepreneurial spirit, creative ideas and excellent execution, we want to generate long-term impact in the world. It begins with the selection of our competent employees, who all have the desire to **take on responsibility**, to challenge past ideas and to discuss new approaches. We provide a pleasant, healthy and refreshing workplace where **diversity, flexibility** and further training are commonplace. By uniting all these components, we empower each and everyone at Alfons & alfreda to permanently work freely and efficiently. This leads to our **outstanding team spirit** and the best results for all parties involved in our projects.

LOOK INSIDE

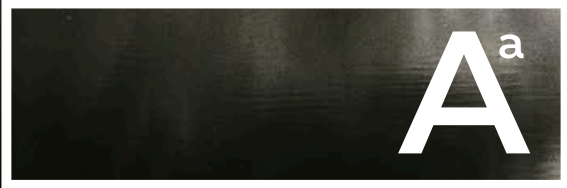


Today we commit to Net Zero

—
*by 20XX, our projects will
emit zero carbon emissions.*

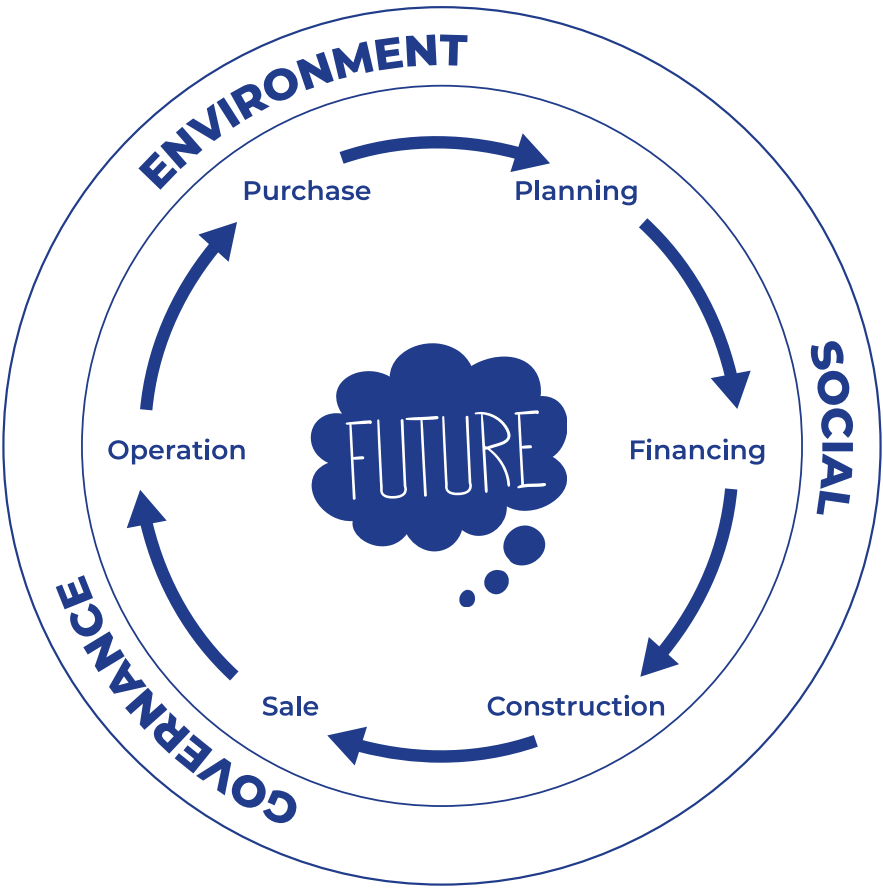


Two factors have absolute priority in our company and permeate our entire corporate culture. Firstly, **responsible action** of each employee, regardless of position held, is defined by our code of ethics. Secondly, how **sustainable we are as a company and how sustainable our projects are**. This is closely monitored and the requirements are constantly renewed through our Sustainability & ESG guidelines. We regularly discuss ESG issues across all levels and teams. The different backgrounds of each of us makes it possible to **challenge ourselves** every time and reflect at our work differently.



Sustainable real estate project development

Alfons & alfreda is a dynamic real estate project developer, founded in 2018 with a *passion for creating outstanding and long-lasting properties of the highest individual quality*. Based in Düsseldorf, the company realizes new construction projects and revitalizes existing properties with development potential in and around Germany's top 7 cities. As an independent company, Aa covers the entire value chain of real estate development - from the initial conceptual idea to the completion of the respective property. The focus of the development is always its *long-term impact* on society and the environment, which is positively influenced by the highest quality and sustainability standards through multi-layered development approaches.



CIRCULAR MOTION



STATEMENT

Katrin Respondek

Co-Head of Development

„Real estate project development is a very vast process with many participants. Thus, with our daily doing, we have a **great impact** on the sustainability of the real estate industry and great opportunities to **make a difference**.

Our projects of today are soon to be the energy providers of tomorrow. Therefore, we focus on sustainable structures from each initial idea of each development. Here, planning with green and recyclable materials is usually the first obvious step. We want to create **real added value** for our stakeholders in all facets, with a high quality of stay in our developments - not only for tenants.

By reaching out to diverse groups of people, we aim to promote tolerance and openness to be able to learn from each other. The awareness of this goal is growing among the involved parties of our projects: the planners, construction companies, and even the authorities. Thus, in the future, we hope to take further steps in the right direction of creating a diverse culture as well as a healthy working and living environment by learning together, promoting tolerance and reducing CO₂ emissions - even if it is still a great challenge. Only joint impact investing can be part of the solution.“



It affects us all Environment, Social, Governance for our future strategy

ESG comprises the areas of “Environment”, “Social” and “Governance”. Each of these areas is of high importance to us and has its own significance. We believe they are often-times not only connected to each other but even interdependent. Hence, we take effort to consider each of these areas equally in our sustainability strategy.

The Interaction between the 3 ESG pillars could be as follows: involvement in **social areas** increases the chance of a more educated and contented life. These two characteristics ensure the increase of **awareness of climate protection**, and heightened comfort combined with contentment. A company with satisfied employees leads to **good corporate governance**, which in turn reinforces the commitment to longer-term, overall goals, such as working in a healthy environment. Lastly, a **green planet** with fresh air and diverse flora and fauna has a positive impact on **human wellbeing**.

“**Environment**” addresses ecological issues, such as reduction of GHG emissions. Our climate protection strategy strives for climate neutrality and then ultimately the achievement of net-zero level.

In addition, topics such as biodiversity, organic building materials, recycling and resource conservation are considered.

The „**Social**“ area pays attention to collaborative neighborhood developments in our project developments, where communities, neighbors, landlords and tenants are brought to the fore. Our impact as a company on people’s lives is enormously important for us. Promoting education and collaboration within our organization and in our communities is key. Entrepreneurial ethical principles are implemented, and social actions are launched.

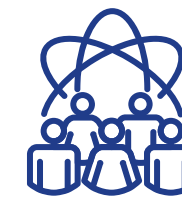
We pay attention to good corporate “**Governance**”, which includes to be a good and balanced employer - employee relationship. The opinion of our stakeholders is important to us. Therefore, we want to be as transparent as possible by reporting with reference to the GRI standards.

In the following report, the individual topics will be discussed in detail.



ENVIRONMENT

New green buildings
for the future



SOCIAL

Living together means
helping each other



GOVERNANCE

Good governance
is our culture

Balance is the key

The Sustainable Development Goals

Alfons & alfreda commits to the United Nations' Sustainable Development Goals (SDGs). The 17 SDGs are the current global goals for sustainable development.¹ They balance the social, environmental, and economic aspects of sustainable development. We have identified **10 SDGs** where we believe **to have the greatest chance of creating impact**. We strive to implement the following goals in all our actions:



3. Good Health and Wellbeing: Maintaining and restoring human health and preventing premature death.

4. Quality education: Equal access for all people to affordable and technical, vocational and higher education.

5. Gender equality: End all forms of discrimination and violence against women and girls.

8. Decent work and economic growth: Shaping a sustainable economy as a guarantor of social prosperity in which all people participate.

9. Industry, innovation and infrastructure: Sustainable and resilient infrastructures.

10. Reduced inequalities: Participation in prosperity and more equitable distribution of income.

11. Sustainable Cities and Communities: More sustainable urban development, settlement planning and transport systems.

12. Responsible consumption and production: Necessary changes in our lifestyles and economies.

13. Climate action: Mitigating GHG emissions, educating, raising awareness and building capacity for climate adaptation

17. Partnerships for the goals: Collaboration among states - countries of the global North support countries of the global South in capacity building for sustainable development.





STATEMENT

Michael Weidtmann*Managing Director*

„With our Ovum “Neue” Mitte Braunsfeld project in Cologne, we have created a **heterogeneous quarter with a diverse tenant base that is designed for longevity and durability** in numerous aspects. Sustainability in the sense of energy efficiency was a clear component of the concept plans, back when we initiated the project in 2018. At that time, there was hardly any interest in this, and we were still in a pioneering role with our primarily high levels of energy certifications.

Today, it has become apparent that awareness of this important topic has increased massively among both investors and tenants.

We observe the exploding appeal for not only highly certified buildings, but also for low CO₂ emitting and highly energy efficient properties. This is certainly due to multiple parameters: raised awareness, future affordability of green real estate and the obligation of companies to prepare annual sustainability reports.

Nowadays, the share of people who have realized that environmental certifications will not suffice is growing continuously. In the future, only entirely sustainable buildings will withstand the ever-transforming financial, leasing and investment markets. And that is great news.“



PART 2

New *green* buildings for the future

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Our international, national, regional actions and goals to combat global warming

At the Paris Climate Conference in 2015, it was decided internationally that all countries must commit to limiting the global temperature increase to well below 2°C above pre-industrial levels, with efforts toward a limit of 1.5°C.² In addition, GHG neutrality is to be achieved by 2050. This is to be implemented, among other things, with reference to the 17 Sustainable Development Goals, the SDGs by the UN, which were also established in 2015.¹

In 2019, the European Green Deal was recognized at national level, stating that the EU should become climate neutral by 2050 and that GHG emissions should be reduced by 55% compared to 1990 (#FitFor55).³ The German Climate Protection Act of 2021 was even more ambitious, setting targets to reduce GHG emissions by 65% by 2030 and by 80% by 2040 compared to 1990 levels.⁵ In addition, Germany is supposed to achieve GHG neutrality by 2045.

We want to be significantly faster than this and want to achieve a Net-Zero status of our whole organization including all projects as soon as feasible. As a first step, our corporate functions and our administration (our OpCos and HoldCos) are to become climate neutral by the end of 2022 by offsetting any emissions that were not reduced.

This climate neutrality status of 03.2021 – 03.2022 was certified in collaboration with TÜV Rheinland Energy GmbH. This credential is based on the GHG Protocol, which has established accounting standards for GHG emissions.

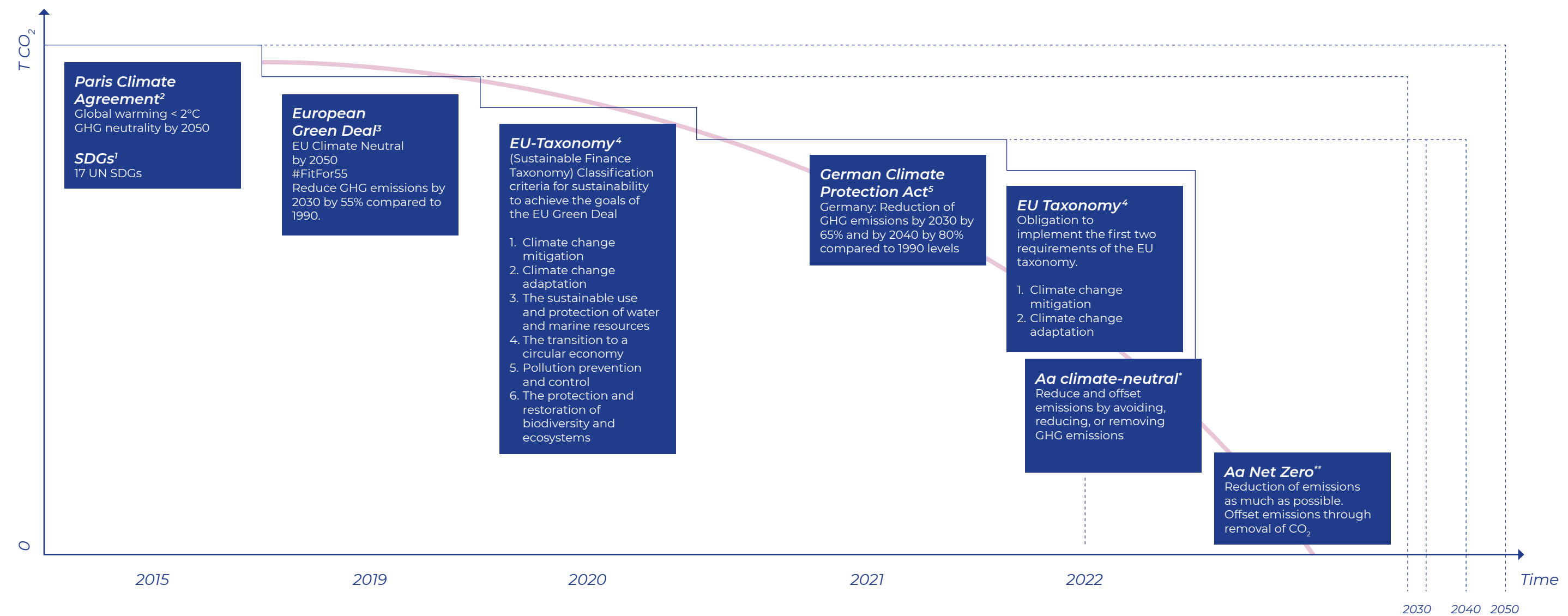
To achieve climate neutrality of our OpCos and HoldCos, we have measured our company's GHG emissions, reduced them as much as possible and off set them via a climate protection project that reduces the same amount of GHG emissions through their operations*.

To show our sincerity towards becoming net-zero, ***we set our own GHG emissions reduction program*** in line with the Paris Climate Agreement. We do not only want to achieve the climate-neutrality goal on company level but also throughout the whole value chain of our organization. Hence, including all project's as well.

We have therefore pledged to measure each of our projects' PCF, starting in 2023.

* The operative GHG emissions of our projects will be measured and off set with the more detailed Product carbon footprint (PCF) analyses, starting in 2023.



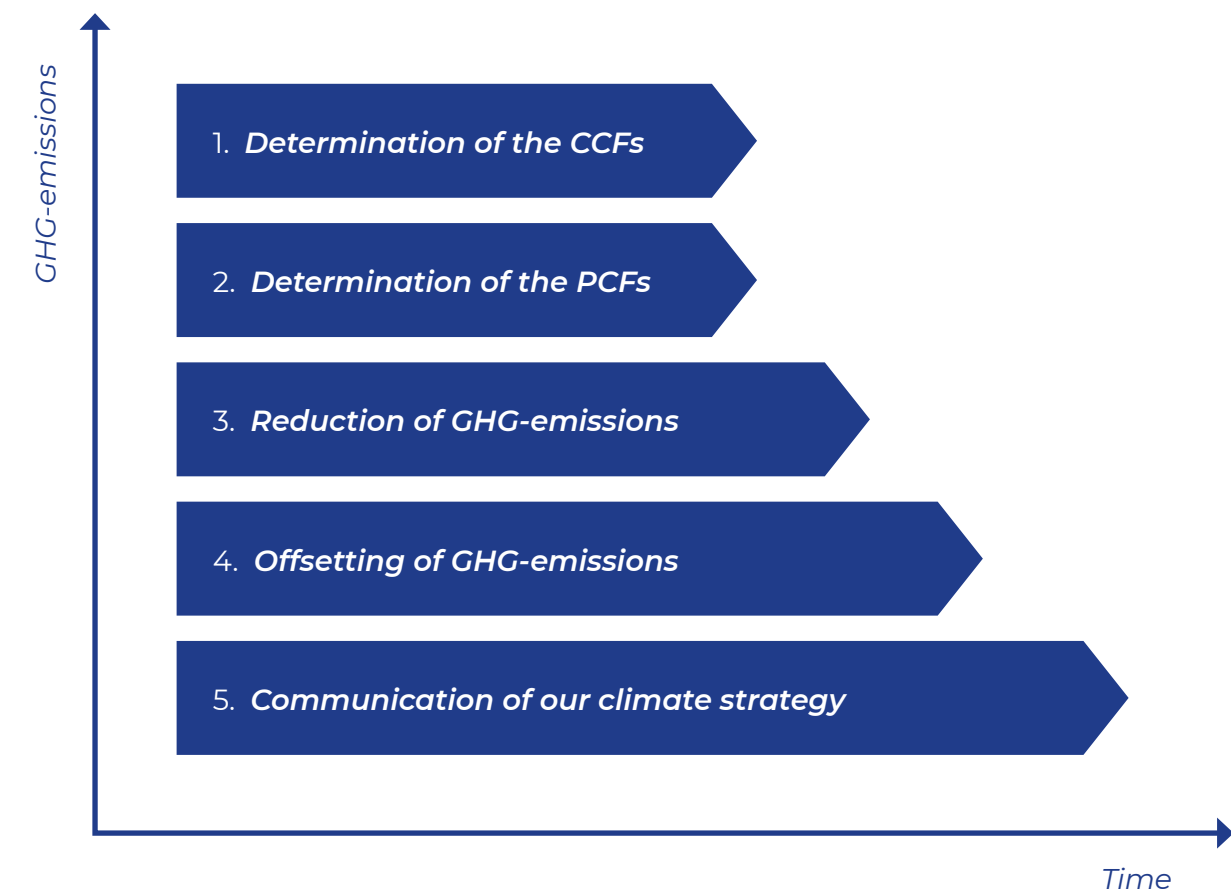


¹ At corporate level only. PCF measurements of projects will start in 2023.
² Setting an ambitious deadline for the first steps towards Net-Zero.



It *all* has to do with our planet

Our climate protection strategy consists of five steps. First, we **determine the Corporate Carbon Footprint (CCF)** of our company followed by the **Product Carbon Footprint (PCF)** of our projects. The calculation will help us in identifying the biggest emitters and implement strategies towards reducing GHG emissions. Any emission unit that we are not able to reduce to date will be offset through climate protection projects. The final step is to communicate our **climate protection** strategy transparently to stakeholders through our sustainability reports.



Our Corporate Carbon Footprint

measured in the period
03.2021 – 03.2022

The CO₂-e* are divided into 3 different scopes. Scope 1 includes the direct GHG emissions caused by the company. Scope 2 includes the indirect GHG emissions of the company. Scope 3 includes indirect GHG emissions that are not emitted by the company but come from upstream and downstream activities.

With the help of **TÜV Rheinland Energy GmbH**, which adheres to the GHG protocol, we have defined our operational system boundaries, our so-called, Core Areas, in scope 1, 2 and 3.⁶ The definition of Core Areas aided in the selection of emissions, that must be included in our measurements.

Not all Scope 3 emissions were included in the accounting of our CO₂-footprint. The reason is that the majority of the emissions are attributable to our product: the building and its entire value chain. We would like to have this part calculated in an additional PCF to get an exact overview of how much CO₂

we emit per building and in which areas we can improve. Calculating the PCF of completed buildings makes it possible to analyze past mistakes and avoid them in future projects. The accompaniment of external auditors for the calculation of PCFs of newly planned buildings allows an early opportunity to improve the carbon footprint.”

The establishment of the procedure to calculate the PCF, the continuous improvement of CO₂-e emissions reduction until the remaining CO₂-e emissions are offset to reach net zero, will begin in 2023.

* GHG emissions are also called CO₂-equivalents (CO₂-e), since many other emissions are included in addition to CO₂, such as methane and nitrous oxide.

“ Read more on page 76 in the chapter "What's next"

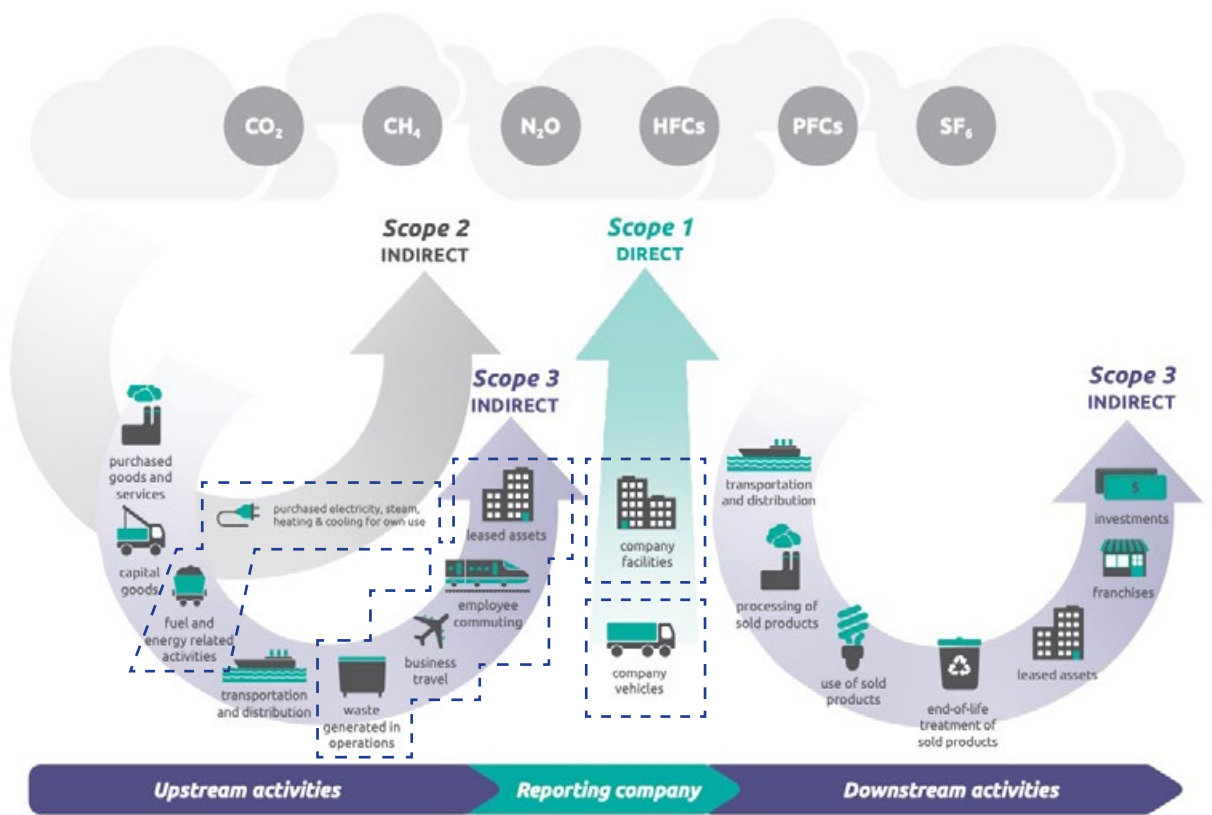
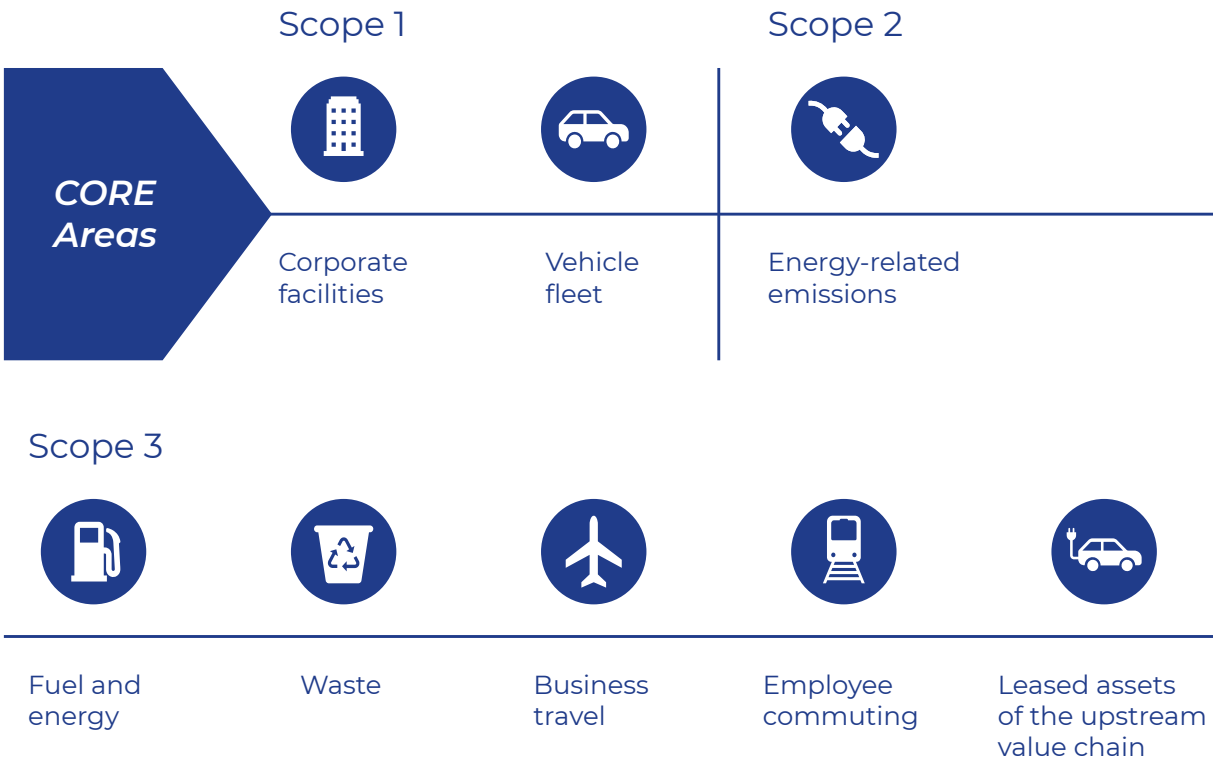


Figure from GHG-protocol⁷: Overview of GHG Protocol scopes and emissions across the value chain

Our CCF

Emissions in t CO₂-equivalents (CO₂-e)

- Scope 1
- Scope 2
- Scope 3



Scope 3 emissions in t CO₂-e*

- Scope 3.3 Fuel and energy-related emissions
- Scope 3.6 Business travel
- Scope 3.7 Commuter traffic
- Scope 3.8 Leased assets of the upstream value chain

Our CO₂-e emissions in %

Scope 1	0.00 t CO ₂ -e → 0.0%	Direct GHG emissions	
Scope 2	1.32 t CO ₂ -e → 3.0%	Energy-related emissions	
Scope 3	42.32 t CO ₂ -e → 97.0%		
	→ Scope 3.3: 0.35 t CO ₂ -e → 0.8%	Fuel and energy	
	Scope 3.6: 4.10 t CO ₂ -e → 9.7%	Business travel	
	Scope 3.7: 5.72 t CO ₂ -e → 12.5%	Commuting	
	Scope 3.8: 32.58 t CO ₂ -e → 77.0%	Leased assets – upstream value chain	

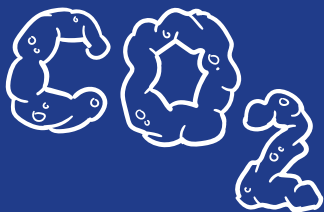
*At corporate level only. PCF measurements of projects will start in 2023

The CCF calculated by TÜV Rheinland Energy GmbH shows how much CO₂-e we emitted as a company throughout the period under consideration. **We emitted 0% GHG emissions in Scope 1** since our office building runs on heat pumps. Our indirect emissions in Scope 2 are attributable to the purchased electricity which has emitted 1.32 t CO₂-e in the period 03.2021 – 03.2022.

The major part of our emissions, 97%, can be allocated to Scope 3, from which 77%, are caused by leased assets of the upstream value chain – especially our leased vehicle fleet. As to our previous explanation, **our real estate projects are not included in this view**. In the future they will each be measured within a separate PCF to generate more specific data for our conclusions.

Total emissions in 03.2021-03.2022:
44 t CO₂-e

Emissions per employee in 03.2021-03.2022:
2.4 t CO₂-e



Just to get a better understanding of our emissions, here are some comparisons:
44 t CO₂-e correspond to ...



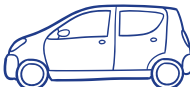
... the annual CO₂ sequestration of **3,520 beech trees**.⁹



... **338 economy flights** from Munich to Berlin.⁹



... the melting of **132 sqm of summer ice** in the Arctic.⁹



... **136,647 km** by car.⁹



Our Actions for GHG emission reduction

The first step towards a **sustainable future** has been taken. We have had our GHG emissions calculated. **Next, we are aiming to become climate-neutral.** To achieve this, we must reduce all GHG emissions as much as possible. The result shows that our direct and indirect GHG emissions of the company itself (OpCos and HoldCos) are relatively low. We emitted 1.32 t CO₂-e from March 2021 to March 2022. To decrease these emissions, we will switch to green power in 2023. The remaining discharge, which are the indirect GHG emissions that are not emitted by the company but come from upstream and downstream activities are in Scope 3. The largest producer of CO₂-e emissions is our vehicle fleet, most of which is still equipped with fossil fuel cars. However, in the future, no fossil fuel cars will be added to the fleet anymore and those leasing contracts of fossil fuel cars that can be terminated, are ended to convert to an all electric fleet.

By stopping global warming and drastically reducing the CO₂-e levels in our environment we can provide a healthy future for upcoming generations. We will implement several reduction measures in Scope 3 in

the future, even in areas where no emissions have been recorded yet.

Because every improvement is important, whether it is measured or not. True to the German motto:

»Kleinvieh macht auch Mist«

we switched to organic drugstore- and office supplies. We want to promote the use of public transport and therefore offer a job ticket to every employee for everyday commute. (Electric) bicycles have been offered for both, work and personal commutes within the city. This will preserve the environment, while promoting the health of employees. **Also, a no flight within continental Europe policy was established.**

Environmental protection, health, and our employees' satisfaction will all benefit from each of these measures.

Scope	Our CO ₂ -e emissions in %			Actions for CO ₂ -e emission reduction
Scope 1	0.0%		Direct GHG emissions	Sustainable office & sanitary products
Scope 2	3.0%		Energy-related emissions	Conversion to green electricity
Scope 3	97.0%			
	→ Scope 3.3:	0.8%	Fuel and energy	3.5 Office waste separation
	Scope 3.6:	9.7%	Business travel	3.6 Managing business trips and team events by train (flight for international trips only)
	Scope 3.7:	12.5%	Commuting	3.7 Providing (electric-) bicycles & job tickets for employees
	Scope 3.8:	77.0%	Leased assets – upstream value chain	3.8 Conversion to all-electric cars in the company fleet

More Actions will follow for a sustainable Alfons & alfreda.

Our Actions – Offsetting of GHG emissions

We want to become climate neutral!

Annually, we want to reduce and offset our GHG emissions. The extent of our reduction efforts will be reflected in next year's CO₂ footprint. This year we have offset our emissions from our business operations (OpCos and HoldCos) for the reporting period 03.2021 – 03.2022 through a carbon offset project by ClimatePartner Deutschland GmbH.¹⁸

As previously mentioned, we have especially committed to 10 specific SDGs that we strive to consider in all our activities. The forest protection project in **Rimba Raya, Indonesia** with its fulfillment of all 17 SDGs goals was therefore the perfect match for us.¹⁰ By supporting this climate project, we were able to adhere to all our 10 SDGs. This program is verified by the SD VISTA Standard.³²

Besides the conservation of forests and habitats of the endangered Bornean orangutans, the project supports the local community through several activities, such as providing water filters, improving fire management by teaching fire prevention and suppression abilities, giving out scholarships and setting up a floating clinic.¹⁰

In the reporting period we emitted a total of 44 tons of CO₂-e. With this carbon offset project, we continuously reduce our emissions and the planet's CO₂-e amount by reforestation.

The pictures shown on this page do not represent the original project. This is accessible at the following link: <https://fpm.climatepartner.com/project/details/1064/en>



The forest protection project. Protection of Orangutans and their habitat: the forest. 2022¹⁰



Education and Health for the community in Indonesia. 2022¹⁰

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The image features several large construction cranes silhouetted against a bright, hazy sky at sunset or sunrise. The sun is a large, glowing orb on the left side, creating a strong backlight effect. The cranes are tall, lattice-structured towers with long horizontal jibs. One crane in the center has a hook hanging from its cable. The sky transitions from a pale yellow near the horizon to a deep blue at the top.

OUR PROJECTS

*Carefully planned
to achieve a
particular goal*

THE OUTSIDE JOB



The 3 steps to implement sustainability in our actions

In the EU, buildings are responsible for 36% of energy-related GHG emissions.¹¹ That's why it's our responsibility to drastically improve this balance by creating sustainable and efficient buildings. Since our developments discharge the largest output in our entire footprint, we have implemented the following 3 measures to make the areas of acquisitions, construction, and operations more sustainable. After all, we want to be climate neutral and become net zero.

Step 1: Only construct sustainable buildings

We at Alfons & alfreda have our own goals and standards for each project. First, we assure the compliance with the state's law and requirements in our individual project manual. This includes the commitment and implementation of the 6 areas of the EU taxonomy.⁴ All technical project stakeholders are obliged to commit to the standards listed.

Step 2: Aim for climate-neutral projects

The climate neutrality of our projects is a central point of what we want to implement in the future by determining the PCF. Thus, we can determine CO₂-“giants”, find substitutes and our properties can become climate neutral in an efficient and targeted way. The establishment of the procedure to calculate the PCF, the continuous improvement of CO₂-e emissions until the remaining CO₂-e emissions are offset to reach net zero, will begin in 2023. In the second step, which has already begun, we have implemented our own measures in order to realize a project that is as CO₂-neutral as possible.

Step 3: Maintain transparency

The last and very important step is to maintain **transparency** in our projects and actions. We achieve this by publishing our annual **Sustainability Report** based on the Global Reporting Index (GRI), which offers a high standard of transparency worldwide.¹² We use various tools to assess the ESG standards of our projects. In addition, we want to create a material register for each building, which will allow the maximum transparency of the construction and a later reuse of the materials. Finally, we will have all of our buildings **certified**, which enables us to have our implementations audited and verified.

Step 1:
Only construct
sustainable buildings

As part of the European Green Deal, the EU Commission aims to achieve the transition to a modern, resource-efficient and competitive economy and climate neutrality by 2050.³ A key part of this are the Sustainable Finance Disclosure Regulation (SFDR)¹³ and the EU Taxonomy⁴ Regulation, a classification system that **define environmentally sustainable economic activities**.



The SFDR does not prescribe specific sustainability criteria of financial providers or products. It enables fund providers to transparently disclose their strategies for dealing with sustainability risks, comply with transparency obligations, and assign their products to specific sustainability categories. These sustainability categories are defined in various funds: Article 8 or Article 9, with Article 9 being the most sustainable and thus often referred to as a dark green fund.¹³ The Taxonomy Regulation, in turn, defines criteria for sustainable economic activities, with sustainability in this context currently referring to climate and environmental

protection aspects. The regulation, which entered into force on July 12, 2020, defines the six environmental targets listed in the following table. According to the EU Taxonomy Guidelines, economic activities are environmentally sustainable if

- **they make a substantial contribution to achieving one or more of the six stated environmental goals (Substantial Contribution)**
- **they do not significantly harm (DNSH), this is the achievement of the five other EU environmental objectives, and**
- **they comply with minimum standards for occupational safety and human rights (Minimum Safeguards).**

The standards defined in our project manual assure the fulfillment of the six areas of the EU taxonomy in addition to our own Aa standards as well as all criteria for a DGNB platinum certification in all our future developments.

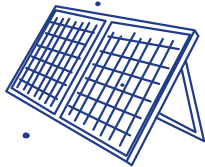


EU-Taxonomy ¹¹		Compliance with all requirements under EU-TAXONOMY Article 9 SFDR ¹¹		Aa Standards (Project Manual)
1.		Climate change mitigation	Primary energy demand 10% below GEG standard (approx. KfW 67.5)	CRREM decarbonization pathway - No stranding; KfW 40 Efficiency House
2.		Climate change adaptation	Expert opinion; adaptation measures	Early location analysis
3.		The sustainable use and protection of water and marine resources	Water flow rates	Water saving/reducing; circularity & fittings
3.		The transition to a circular economy	Circular economy according to DGNB criteria	40% according to Cradle-2-Cradle, creation of a material register
5.		Pollution prevention and control	70% Recycling of demolition and use of certain materials; site management plan.	Material policy; CO ₂ footprint of building materials is reviewed
6.		The protection and restoration of biodiversity and ecosystems	Review and conservation of biodiversity	Biodiversity Due Diligence - 3 Compensatory measures

Step 2: Aim for climate-neutral projects

To achieve climate neutrality in our projects, the PCF must be calculated. The establishment of the procedure to calculate the PCF, the continuous improvement of CO₂-e emissions until the remaining CO₂-e emissions are offset to reach net zero, will begin in 2023.

Until then, we determined our own measures that we are aiming to implement in the three main phases of project development to minimize the carbon footprint of our projects.



Planning of the projects
with maximum sustainable requirements

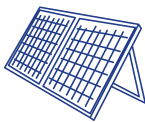


Resource-saving,
CO₂ emission-reduced and efficient construction



Climate-neutral
and environmentally conscious operation

Planning of the projects
with maximum sustainable requirements



Our project manual combines standards from the EU Taxonomy¹¹, the DGNB¹⁴ and the ECORE¹⁵ Scoring to achieve maximum sustainability in all our new developments. The following goals are the focus:

1. More efficient buildings through better building services and building envelope

- Orientation at least to the efficiency house level 40 of the KfW sustainability class¹⁶
- Aim for the Sustainable Building Quality Seal of KfW: „Qualitätssiegel Nachhaltiges Gebäude“ (QNG)¹⁷
- WiredScore Platin Certification¹⁹

2. Stronger focus on organic building materials and building materials from the circular economy

- Use of at least 40% recycled materials in the sense of Cradle-2-Cradle (C2C)
- Identification of latest organic alternative materials and building materials by a task force between project developers, architects and construction companies

3. Generation of energy on and around the building

- Use of photovoltaic systems, heat recovery, wind energy or other green power generating systems, where possible and useful

4. Quality and resilience of the building

- Determination of the stranding date of the planned object by means of CRREM. Any new project launched today must be designed to avoid „stranding“ by implementing green leases, green power in common areas, and conversion to hydrogen/biogas. These measures are individually implemented for each project.
- Perform a pre-purchase risk analysis of the site to screen for any environmental risks and their potentials
- Design each building in BIM structure to determine its sustainability in early stages, and to generate a material register throughout the construction phase, which enables the recycling of the building at the end of its life cycle

All of our upcoming projects, the materials of the old building stock will be recorded in order to recycle the products for further uses. In this way, the circular economy is ensured from the outset through the creation of a material cadaster, which enables the data collection of the demolition of the old building stock and the future demolition of the new building. Since our sustainability goals target the entire value chain in the construction of a building, we try to ensure that purchased sites with buildings or brownfields are still used, before the actual development happens.

Resource-saving,
CO₂ emission-reduced and efficient construction



During construction we aim to incorporate the above-mentioned aspects as well as the usage of at least 40% C2C materials, which conserves resources and avoids waste.



OVUM, Cologne
Construction phase

Climate-neutral
and environmentally conscious operation



The following approaches, that we implement in our developments ensure that the building remains environmentally friendly **in operation** and retains its raison d'être.

1. Securing a **diverse tenant structure** and creating common areas for constructive exchange
2. Commit tenants and landlords to sustainability with **Green Leases**, raising awareness of sustainable practices, reducing CO₂ emissions in operations, and committing to renovation measures.

3. Take at least **3 biodiversity measures** per project

4. Measure **the life cycle assessment** of the building for the first operating year to examine the buildings sustainability and have this audited by the DGNBs “climate positive” seal

5. **Compensation of the remaining non eliminable CO₂ emissions** of the building through climate protection projects in order to make the planning for new construction more efficient in the long term

Step 3: Maintain transparency

The final step in ensuring sustainability in our project developments is **qualitative transparency**. Everyone should be able to understand what we do, how we do it and why we do it. Sustainability is a matter of course, but in recent years in particular it has gained in importance, which we are very happy about.

Each project is listed and explained on our company **website**.²⁰ Plus, most of the projects have their own personal website, with much more detailed information and the possibility to interact with us. Here, often interviews about the involvement of neighbors and other stakeholders are disclosed.

This sustainability report, which is based on **GRI standards**, and which has been approved by **TÜV Rheinland Energy GmbH** includes all our actions, ideas and where we have come from.¹² Thus, our improvement will be visible within the following years through the reporting of the buildings.

Lastly, our buildings' transparency is assured by an external auditor who certifies the sustainability of the developments. The following associations and tools support us in our sustainability measurement:

- We are members of **DGNB**, which is a German association that is committed to „a sustainable built environment“.²¹
- **WiredScore** focuses on connectivity and technology within the building. New technology leads to longer, more qualitative, sustainable use.
- To determine the stranding point of our buildings, we use the **CRREM** tool.²²
- The **ESG Circle of Real Estate (ECORE)** will develop an internationally respected tool for calculating the sustainability of project developments by Q1 2023.¹⁵ We are a member of Ecore and will soon be able to utilize it. These calculations can also be checked and confirmed by an external auditor.
- The **material register** for every newly planned building provides base for CO₂ footprint calculation of the entire value chain. More on this in the „What's next?“ chapter.



WiredScore
PLATINUM



EU-Taxonomie-konform
verifiziert durch DGNB



An insight into some of *our developments*

OVUM

Cologne Braunsfeld

34,000 SQM GFA
OFFICE, HOTEL, RETAIL, GASTRONOMY

A new, prestigious quarter is being built in Braunsfeld, the western Cologne district. The office and hotel campus, which will be completed with restaurant and retail spaces, is particularly distinguished by its high-quality architectural concept. The **DGNB Gold** and **Wired Score Gold** certifications complete the picture of this future-oriented project.

On the approx. 12,000 sqm site, a quarter is being constructed that combines office, hotel, gastronomy and retail use. The individual buildings are arranged around a distinctive oval public square, which will ensure a **revitalization of the surrounding area** even outside office hours due to the mix of uses. The building ensemble creates a street space enclosure with the continuous facade

along Stolberger Straße and Eupener Straße as well as attractive spatial sequences. The five- to six-story, clinkered building volumes rise above a 5.75-meter-high entrance plinth consisting of high-quality exposed concrete arches. The conception creates attractive spatial sequences: from the guidance through bordered paths between the buildings to an opening oval square.

Originally, the site was used for industrial purposes. As part of the neighborhood development, the formerly contaminated site was **completely remediated** and more unsealed space was created overall. Thus, the project is not only a benefit in terms of the area's urban development but also from an environmental perspective at the location.



For more information visit:
www.ovum-braunsfeld.de



An insight into some of *our developments*

TESTA

Berlin Schoenefeld

52,000 SQM GFA
OFFICE, HOTEL, RETAIL, GASTRONOMY & FITNESS

Our TESTA Ensemble is an innovative business quarter that uses **renewable energy sources** and offers a fully developed e-mobility infrastructure, forming a comprehensive concept for sustainable working and commuting. The building complex will use a variety of efficient digital solutions designed to minimize the environmental footprint and maximize the wellbeing for users.

The project's original concept in 2019 was to offer price-sensitive, high-quality office spaces near the city's soon-to-open main airport. In the ensuing 1 ½ years of the project, there has been an extreme shift not only in society, but also in Alfons & alfreda's internal perception of its commitment to

sustainability in project development. Thus, the project's good ESG standards at that time no longer met our requirements. In terms of our awareness to participate in the climate change, we restructured the project and decided to replan the whole quarter, with a much more intense focus on the project's ESG performance. Specifically, 10 areas were optimized, which are shown in the following table.

Now, with our TESTA, we create a **biophilic and sustainable office environment** where people can collaborate, develop and be inspired every day.



For more information visit:
www.testa.berlin



Domain	Before replanning	After replanning
Energy Supply concept	Combined heat and power unit, photovoltaics	Air-to-water heat pumps, photovoltaic systems, solar facades
Energy source	Fossil fuel: gas	Green electricity, solar energy, wastewater heat recovery
End energy consumption	3,726,520 kWh	1,210,932 kWh
Renewable energy generation	121,958 kWh	561,747 kWh
Heating/cooling system	Ceiling panels	Hybrid ceiling sails
Certifications	DGNB Gold	DGNB Platin, WELL Platin, LEED Platin
KfW-standard	KfW55	KfW40EE
Insulation thickness	U-value opaque parts: 0.22 U-value Transparent parts: 1.2	U-value opaque parts: 0.17 U-value Transparent parts: 1.0
Rainwater usage	None	Retention area in the courtyard + cisterns
Biodiversity measures	Green roofs, extensively used wet meadow as infiltration troughs	Greened facades; Insect- and bird-friendly tree and hedge species; Green roofs with substrate mounds, dead wood, sand lenses, coarse gravel beds, insect hotels and water areas as bird watering places; bee-friendly plants on the roof; extensively used wet meadow as infiltration troughs.



- **Article 9 EU taxonomy compliant**
- Coverage of more than half of the heat output by recovered energy from wastewater → approx. 250,000 kWh / year extra
- **Cisterns with a capacity of approx. 630,000 liters**
- 60% lower primary energy demand than the GEG reference building
- **The entire facade is made of recycled demolition clinker**
- Annual products of approx. 311,560 kWh / year



An insight into some of *our developments*

THE WID

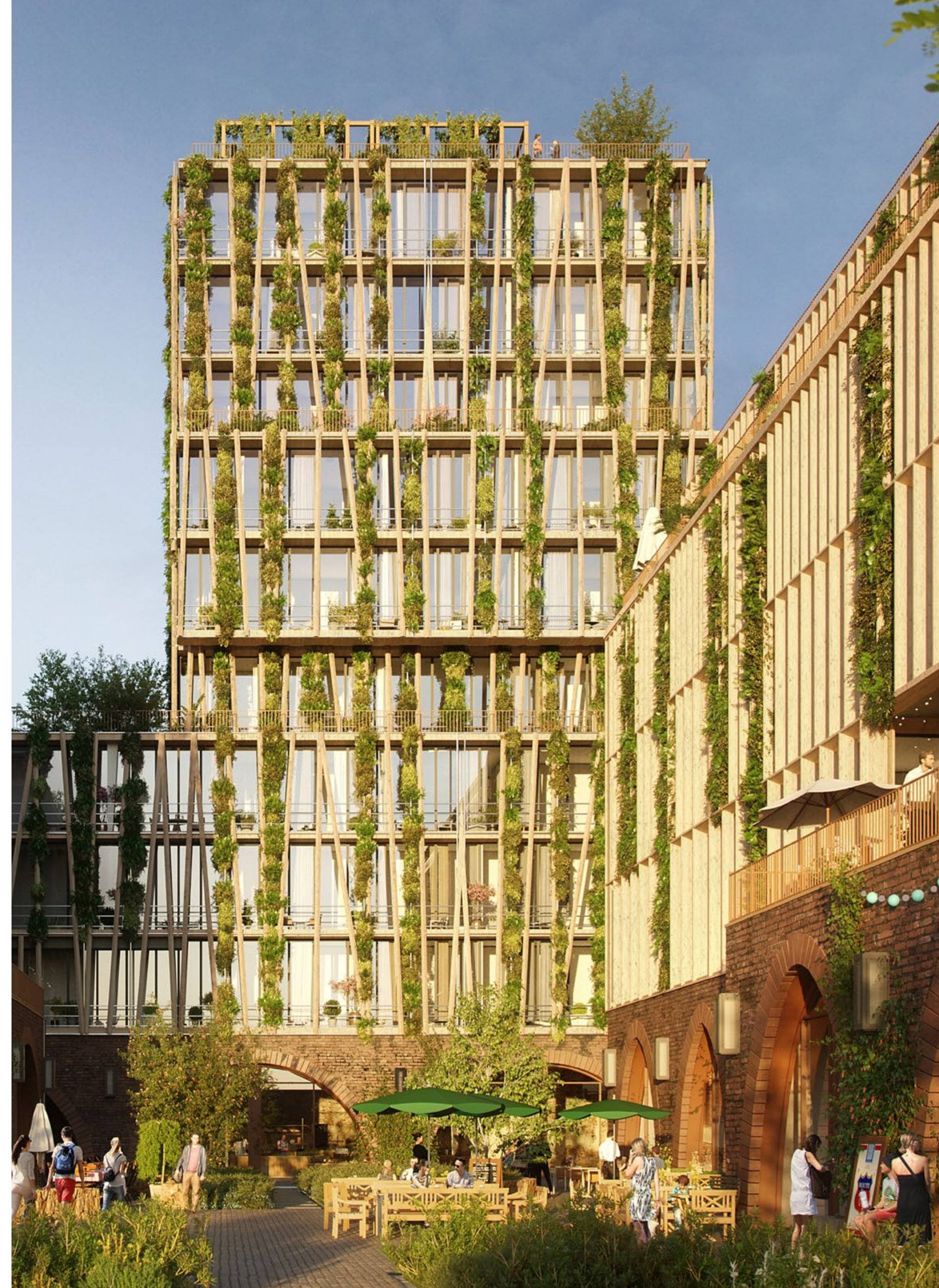
Cologne Ehrenfeld

45,000 SQM GFA
OFFICE, RETAIL, GASTRONOMY, EDUCATIONAL INSTITUTION

In *Cologne's trendy Ehrenfeld district*, an open think tank is being built with our projects The WID and The TWO that will provide new space for work, meetings and leisure. In this special development concept of two adjacent properties, the old building structures of the listed gasworks merge with modern, sustainable architecture. A **hybrid timber construction** with green roofs and façades forms an exciting contrast to the urban industrial backdrop of Ehrenfeld. Inviting roof terraces and balconies offer **space for work, communication and leisure**.

The concept is rounded off by spacious plazas in the interior and pathways on all sides. For the implementation of the project, co-operation with sustainable manufacturers is to be established at an early stage in order to obtain a sustainable and efficient project development in the entire value chain. Several certifications, such as DGNB Platin and Well-Building Platinum, will approve our sustainable construction and building concept.

THE OUTSIDE JOB





For more information visit: www.thewid-thetwo.com

THE OUTSIDE JOB



An insight into some of *our developments*

THE TWO

Cologne Ehrenfeld

45,000 SQM GFA
OFFICE, RETAIL, GASTRONOMY

We commit to preserve the **thriving and lively district** alongside with our adjacent development The WID and see the potential to form a positively shaped future with our projects. We want to create areas that offer people space for **creativity, productivity and exchange**, without losing the characteristics of the industrial and working-class district. That's why we want to support the commercial district and create spaces for all types of business. The architectural design of the quarter bridges the gap between the historic Ehrenfeld and an up-and-coming, multicultural, and creative environment.

A historic brick base on the ground floor provides the basis for avant-garde **wood-hybrid façades**. Green areas and open spaces create the perfect place for lively exchange and serve as a collaboration site. This innovative design not only creates a **building with lighthouse character** in Ehrenfeld, but it also demonstrates that the charm of old Ehrenfeld does not have to be lost in new types of neighborhoods. Our goal is to design the entire value chain, from planning and construction to leasing and operating, as green and sustainable as possible in order to be able to meet the sustainability standards of the future.



For more information visit:
www.thewid-thetwo.com



THE OUTSIDE JOB

Project Overview

The overview of our completed, under construction and planned projects shows we increasingly focus on sustainability.

Project (Start – Completion date) (Location)	ESG Strategy (w/Social policy)	EU-Taxonomy Strategy/ SDFR	Energy Concept	Certification
Beethovenstraße (2018 – 2021) (Hilden) (Brand Liwon)	Housing development to reduce pressure on rental market	None	EnEV2016 CHP (Cogeneration Unit)	None
Von-den-Berken Straße (2018 – 2022) (Dortmund) (Brand Liwon)	Housing development to reduce pressure on rental market	None	EnEV2016 With district heating	None
Eckhaus (2017 – 2023) (Düsseldorf)	High standard office and retail development for an increase of the high street quality	Fulfillment of DNSH criteria	EnEV2016 With district heating	None
Mo26 (2018 – 2022) (Stuttgart)	Pre-Biodiversity check and creation of a lizard habitat	Fulfillment of DNSH criteria	EnEV2016 Heat pump with condensing technology	DGNB Gold WiredScore Gold
Ovum (2019 – 2023) (Köln)	Aa impact investing strategy*	Fulfillment of all DNSH criteria	With district heating (Stranding in 2040*)	DGNB Gold WiredScore Gold
Testa (2019 – 2026) (Berlin)	• Aa impact investing strategy • Energy concept replanned to achieve a less carbon intensive footprint	Classification of the project as environmentally sustainable according to EU taxonomy**	The supply concept is based on heat pumps, which are supported by solar energy and wastewater heat recovery	DGNB Platin* WiredScore Platin* WELL Platin*
LaBo (2019 – 2025) (Sindelfingen)	Pre-Biodiversity check	Fulfillment of DNSH criteria	EnEV2016 With district heating	DGNB Gold*
The Wid (2019 – 2028) (Köln)	• Aa impact investing strategy* • Built as a hybrid-timber construction	Classification of the project as environmentally sustainable according to EU taxonomy**	Project still in conceptualization phase	DGNB Platin* WiredScore Platin* WELL Platin**
The Two (2021 – 2028) (Köln)	• Aa impact investing strategy* • Built as a hybrid-timber construction	Classification of the project as environmentally sustainable according to EU taxonomy**	Project still in conceptualization phase	DGNB Platin* WiredScore Platin* WELL Platin*
Fürstenbrunner Weg (2020 – 2026) (Berlin)	• Aa impact investing strategy* • Built as a hybrid-timber construction • Fulfill Core Green Building Criteria	Classification of the project as environmentally sustainable according to EU taxonomy**	Project still in conceptualization phase	DGNB Platin* WiredScore Platin* WELL Platin* Core Green Building*

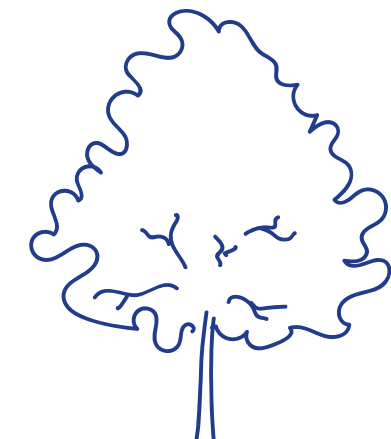
* targeted and intended sustainability standard as the project is still under development
** EU-Taxonomy: Contribute substantially to one or more of the environmental objectives (in Article 9); Not significantly harm any other Article 9 objective (with reference to Article 17); Be carried out in compliance with minimum safeguards (laid down in Article 18); Comply with technical screening criteria (established under Articles 10-15 and 19).

The future we want
has to be implemented now

Product Carbon Footprint (PCF)

As a real estate project developer, we are aware that the main proportion of our CO₂ emissions are generated during the construction phases of our properties within our organization's value chain. For this reason, we will determine the PCF for every newly developed project in the future. This involves measuring the GHG emissions along the entire value chain.²³

Since the PCF is not measured in years, but in the entire time of creation of the product, only provisionally calculated data can be shown at the beginning. The final data will be ascertained and communicated after the completion of each project.



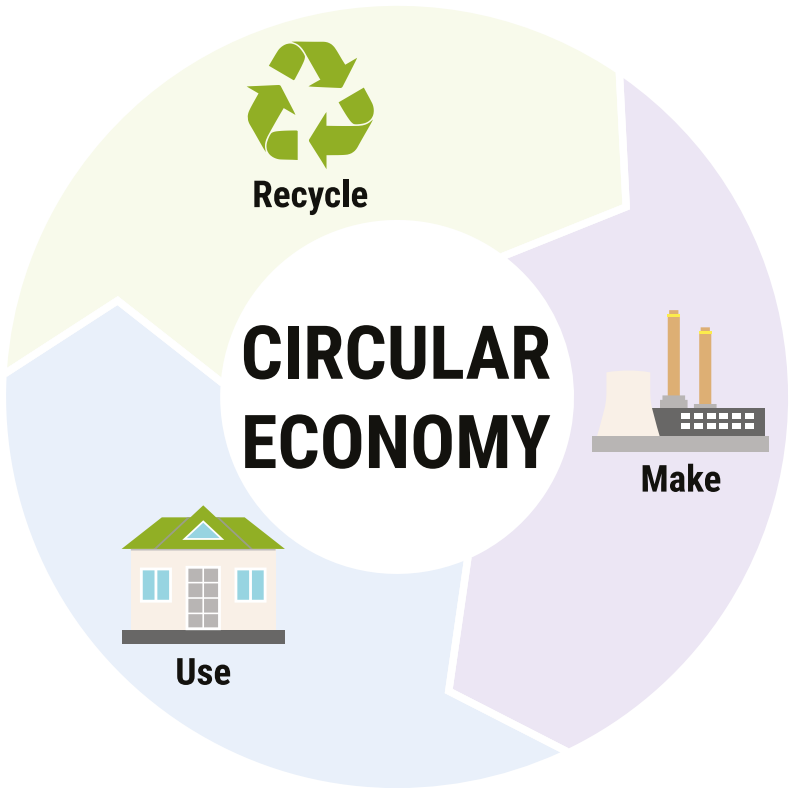
WHAT'S NEXT?

A Circular Economy Specialist

Resource scarcity is a hot topic on our planet. The construction industry consumes an extremely large amount of resources across the entire value chain. However, existing and new buildings can also be seen as large **stores of materials**. We want current resources in existing buildings and newly constructed buildings to remain usable. We can ensure that they remain in the **circular economy** by partnering up with companies that specialize in this process. Therefore, in 2023 we strive to create a partnership with

a circular economy specialist. Thereby, the focus lies on the following two measures:

- 1. Each existing building purchased is thoroughly evaluated to determine if materials can be reused or recycled
- 2. All materials for each newly planned building shall be listed in a register, which will enable an accurate disassembly at the end of the building's life cycle



GETEC Wärme & Effizient GmbH²⁴

We want our future properties to ideally produce at least as much energy as they consume. For this reason, Aa has entered a joint venture with the GETEC Group, one of Europe's largest energy service and -contracting providers by founding "Alfons & alfreda Energy GmbH". The idea is to be able to increase the energy self-sufficiency of our developments, to be able to introduce all kinds of energy saving measures and to gain knowledge about the usage of our buildings' technical equipment by expanding our value chain vertically by

remaining involved in our projects' energy management together with GETEC even after completion. Furthermore, Getec's excellent team of engineers will help us and our planners to stay informed about the newest and most innovative energy solutions in the real estate sector.

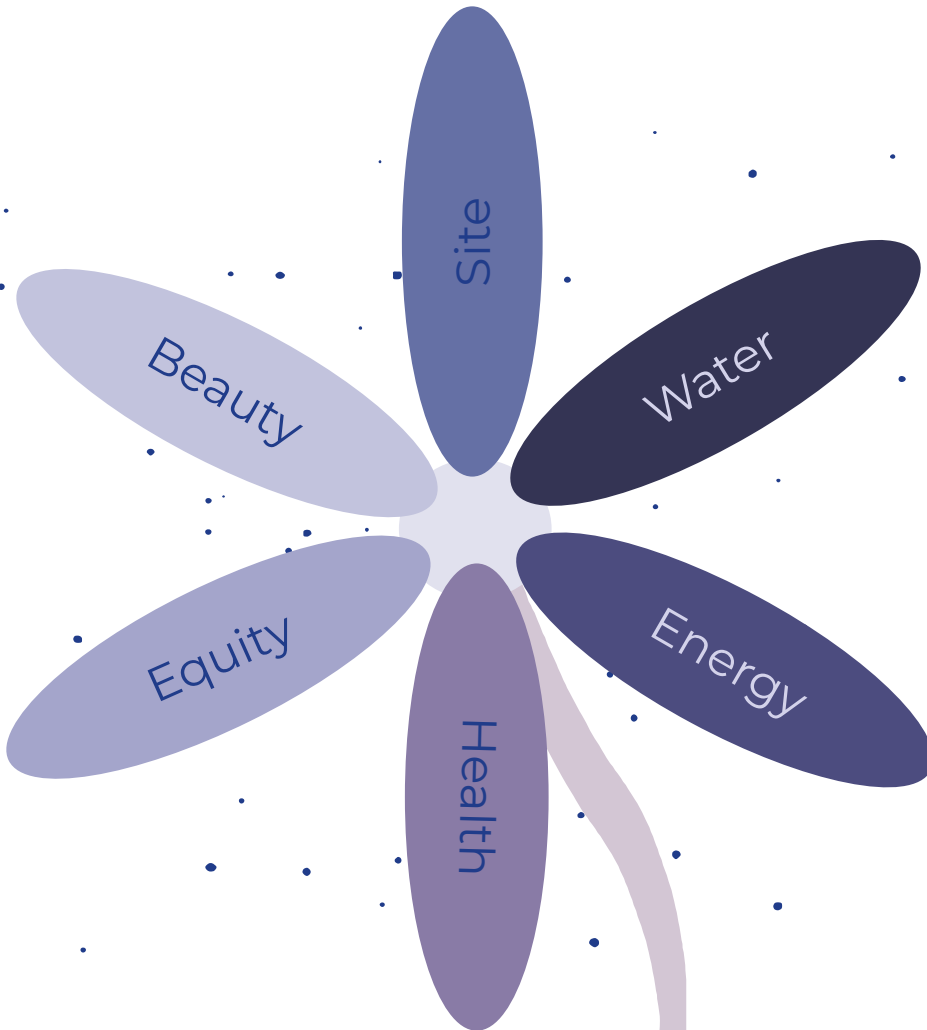


Living building challenge

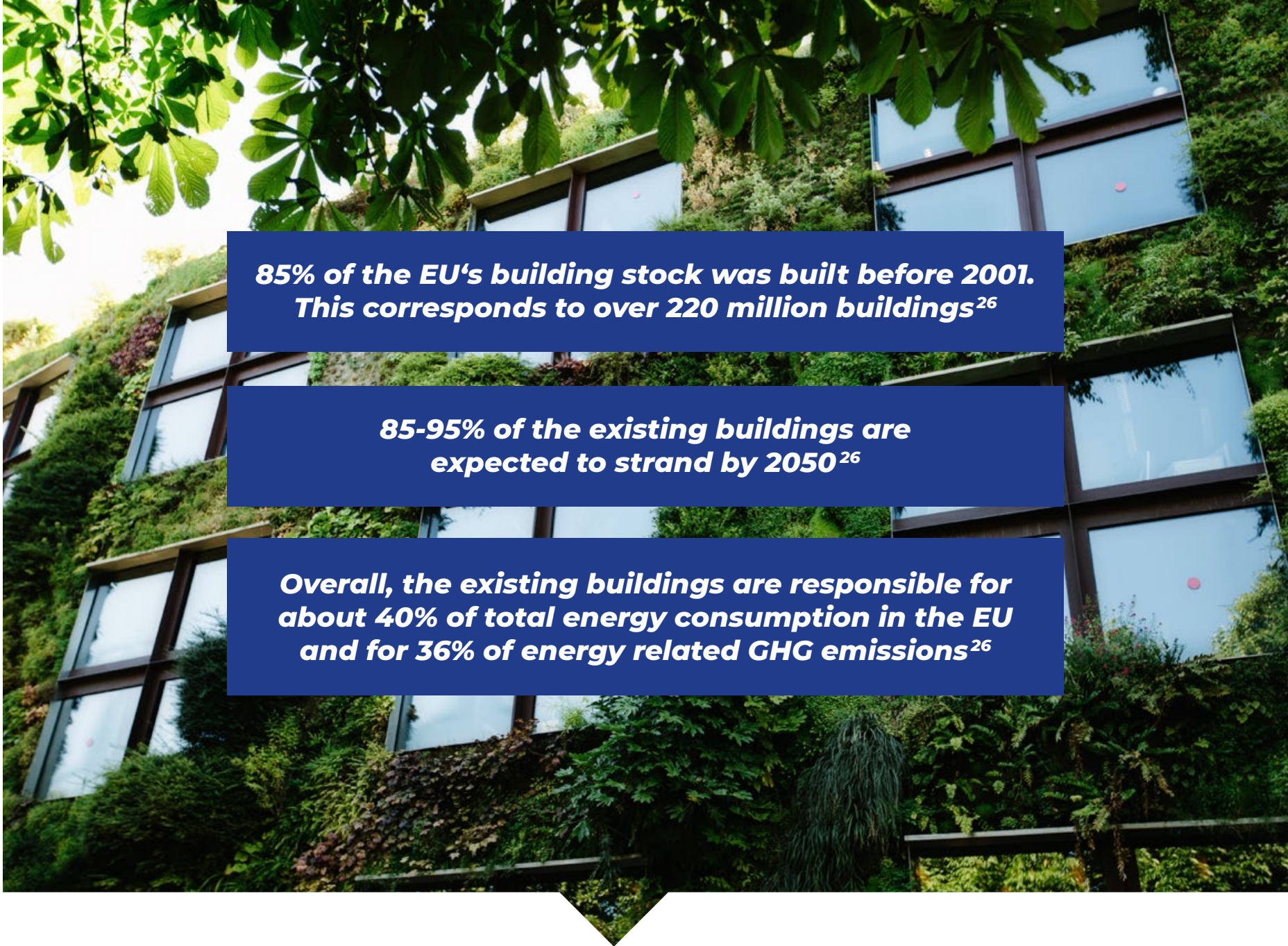
One of our biggest newly set goals is to participate in the **Living building challenge (LBC)**.²⁵

The LBC is a US certification program that defines the **most advanced benchmark for sustainability**, providing a framework for construction, design and the relationship between people and all aspects of the built environment. It is one of the most rigorous performance standards in the industry, requiring a net-zero energy, water and waste footprint for every project. The program is

managed by the Living building institute (ILFI) in Seattle. The principals of the LBC are in the shape of a flower, which is supposed to reflect the efficiency and beauty of the nature. This flower has 7 petals that represent the performance areas - Materials, Site, Water, Energy, Health, Equity, and Beauty. Each petal has sub-units called „Imperatives“ that need to be implemented. Although we are aware of the high requirements of the LBC, **we are aiming to take on the challenge** with our project „Fürstenbrunnerweg“ in Berlin within the next years.



WHAT'S NEXT?



85% of the EU's building stock was built before 2001. This corresponds to over 220 million buildings²⁶

85-95% of the existing buildings are expected to stand by 2050²⁶

Overall, the existing buildings are responsible for about 40% of total energy consumption in the EU and for 36% of energy related GHG emissions²⁶

Did you know?

Nothing in the real estate industry is more sustainable than the revitalization of existing buildings. Old existing buildings emit an extremely large amount of CO₂ and are one of the biggest problems facing the real estate industry. **We are not the only ones who have recognized this problem.** For this reason, part of the European Green Deal strategy for energy- and resource-efficient construction is **renovation**. In 2020, the EU Commission has launched the strategy

„A Renovation Wave for Europe - Greening our buildings, creating jobs, improving lives“ to boost renovation in the EU.²⁶ Here, the renovation rate is to be doubled by 2030. The current rate is 11%, with energy renovation at just 1% p.a. The numbers are sobering.

It is time for change!

It is time to make cash cows vegan!

Making Cash Cows Vegan® (MCCV) our independent added value program

MCCV is a program developed by Aa, that pursues the redevelopment of existing buildings. It takes a holistic approach to each property, as the development measures also include the often-neglected value drivers „Social“ and „Governance“.

The goal is to create **ESG+** products that clearly exceed the minimum legal requirements and thus manage to meet sustainability standards for the next decades without having to intervene in the structure of the building again.

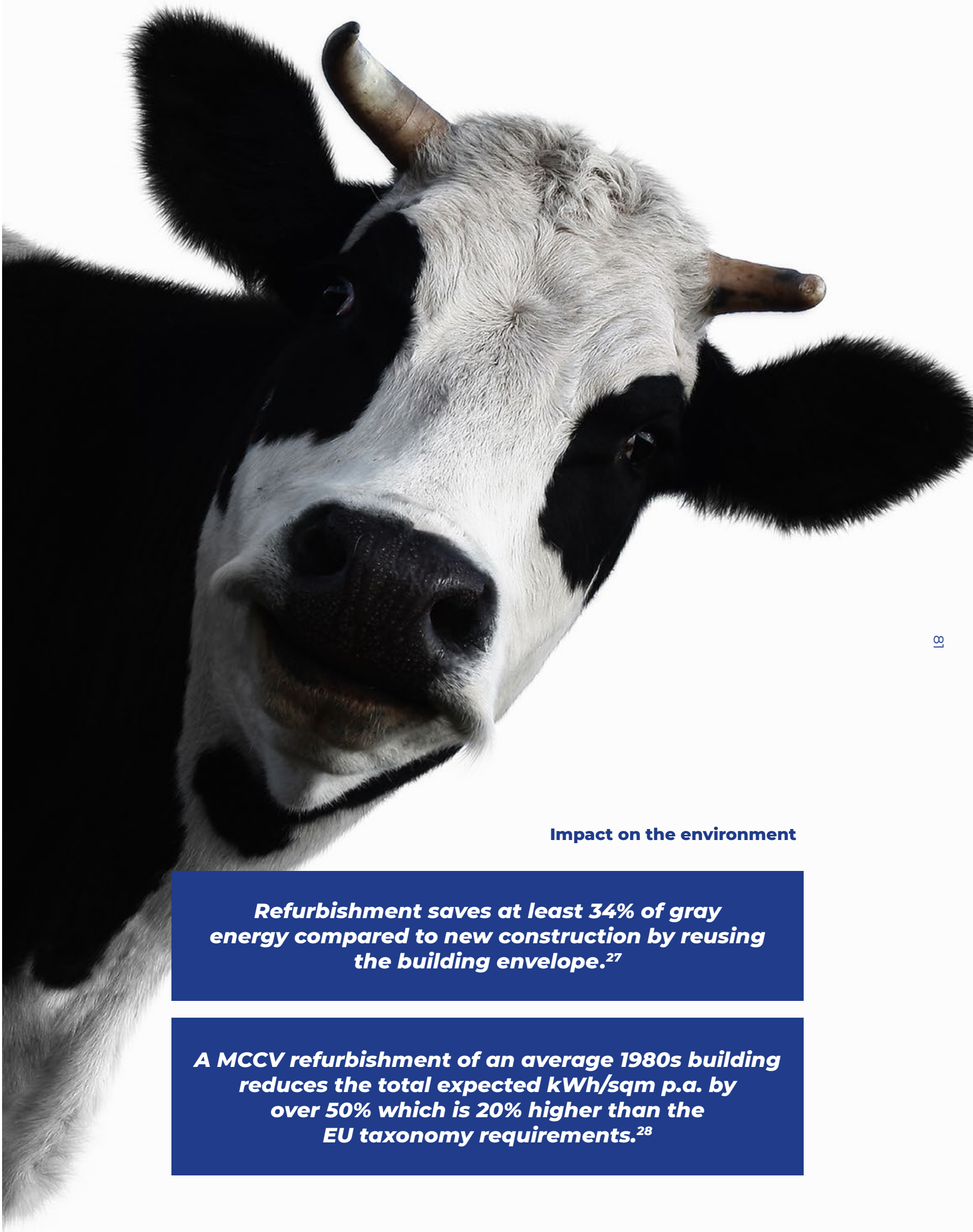
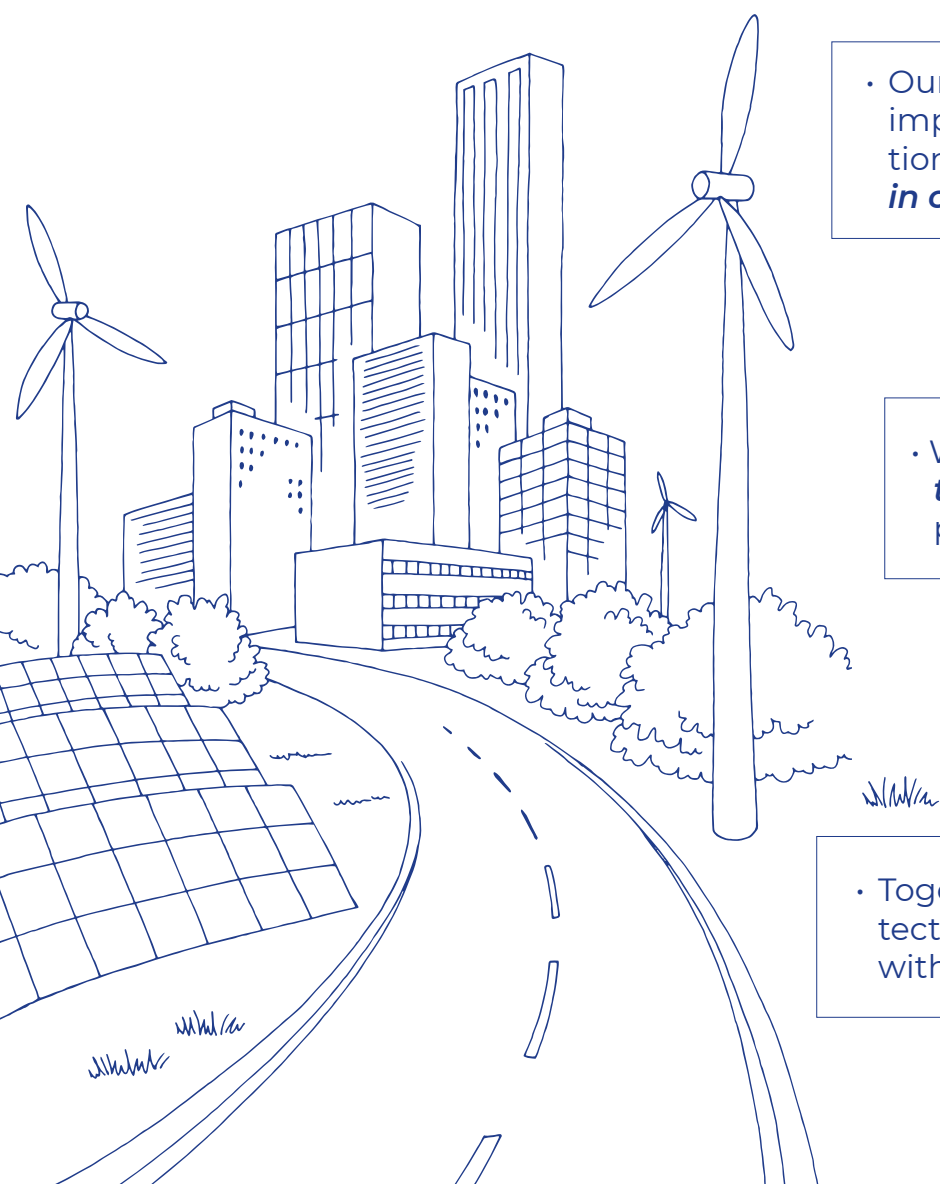
Our approach with MCCV

- We identify and utilize **urban development** potentials. Technical improvement and area expansions are aspects of these capabilities.

- Our projects are not only aimed at technical improvement and the resulting certifications. We want to **create better places in overall**.

- We have **extensive knowledge of the tenant and buyer markets** and can adapt projects precisely to their requirements.

- Together with our shareholders, the architects Phase5, we strive to create buildings with their **own recognition value**.



Impact on the environment

Refurbishment saves at least 34% of gray energy compared to new construction by reusing the building envelope.²⁷

A MCCV refurbishment of an average 1980s building reduces the total expected kWh/sqm p.a. by over 50% which is 20% higher than the EU taxonomy requirements.²⁸

Making Cash Cows Vegan a holistic development approach

MCCV aims to improve all aspects of existing buildings to make them more sustainable, more social and also more economical. The following aspects are considered in Aa's holistic approach to project development and MCCV.

ESG+ Catalog of measures

- **Sustainable refurbishment**
- **CO₂-neutral operation**
- **Adaptation to climate change**
- **Health and wellbeing**
- **Mix of tenants**
- **Infrastructure**
- **Areas let for social uses**
- **Identity and environment**
- **Tenant management**
- **Extension of building law**
- **Repositioning „New Work“**
- **Flexible space for multi-tenant use**
- **Governance**



Johannes Aldenhoff

Developer

„In my opinion, our „Making Cash Cows Vegan“ program is something special and extremely exciting. Our concept can serve as a ***national and international example of how ESG-compliant redevelopment should proceed.***

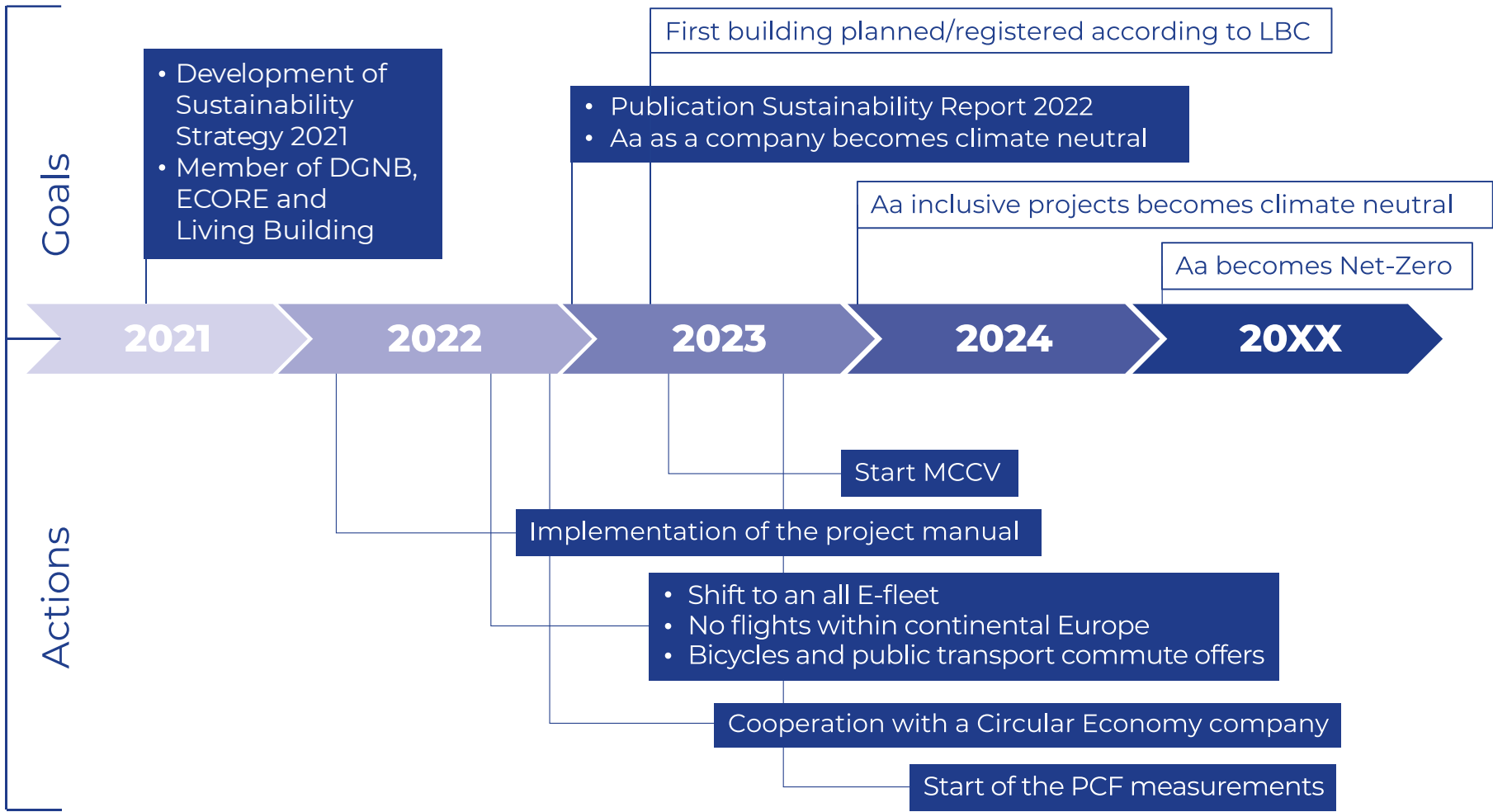
The holistic approach to the development, which actively incorporates social and governance issues, is unfortunately rarely implemented by others in this form yet.

The particular challenge we consciously face is to create a ***commercially attractive investment product*** with a corresponding investment effort for the individual projects, despite our high ESG standards, in order to help the global environment and ***make more cash cows vegan.***“

ESG Timeline

Past, presence, future

The ESG Timeline shows our progress in sustainability. This is how we are planning and have planned to implement our previous outlined ecological measures and goals.





PART 3

Living together means helping each other

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Wellbeing places, happy people and self-initiative

„Social” is one of the three pillars of ESG, but its definition or role in the regulated sustainability framework is not clear to all stakeholders. According to the Duden dictionary, the definition of social is „**serving the common good**, the general public; regulating and promoting human relations in the community and protecting the [economically] weaker“. Therefore, social sustainability should focus on people

and society. People must act sustainably to protect the earth and all its inhabitants in the present as well as in the future. The aspiration is to preserve the living space for upcoming generations. The United Nations has set 17 sustainable goals, the SDGs, which among other things also contribute to social sustainability and which we also want to support.



Our Social Goals

Alfons & alfreda wants to contribute to social sustainability and **preserve our future** by focusing on three main areas of social sustainability. Two of them refer to the project developments themselves, the last one aims at our company.

What can we do to make the world a better place? With our self-developed Social Impact Investing Strategy, we can plan buildings that deliver top performance in all social areas.



We as a company
Focus on self-initiative



Happy people
Focus on renting



Wellbeing places
Focus on district development

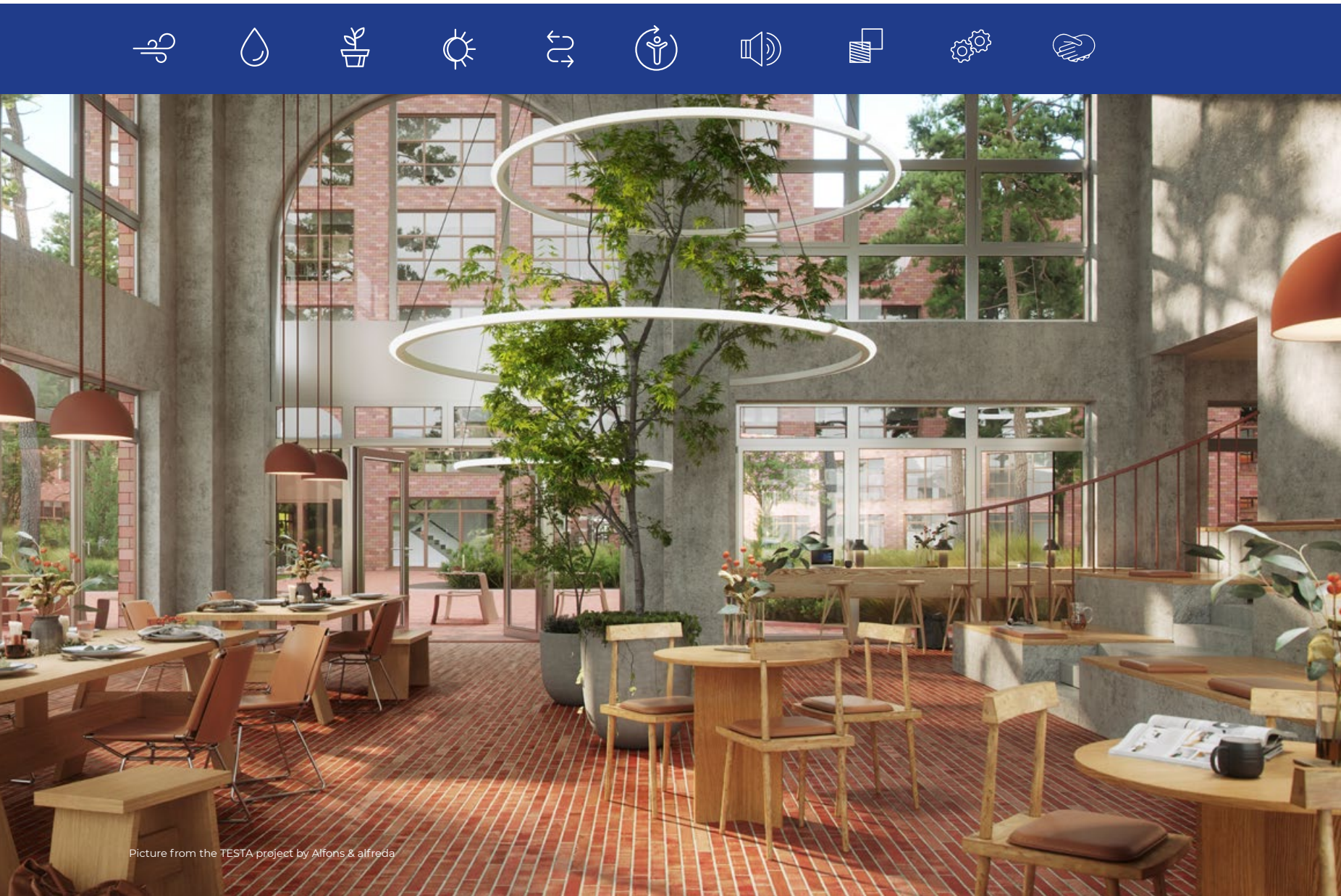
THE COHESION

Wellbeing places Focus on district development

A long-term raison d'être for buildings is not just about healthy materials, but also about life in those buildings, including the impact on the surrounding environment. To give life to a building or a neighborhood, it must fit into the community and **encourage people to come together**. Thus, a "wellbeing place" must be created to drive neighborhood development. This can be achieved through various ways, such as green spaces, areas with a quality of stay, or a so-called 15-minute city. Here, all important everyday life needs can be reached within 15 minutes on foot, such as educational institutions, medical care, groceries or the hairdresser. In addition, the community's arts and culture should be promoted accordingly. This can be managed by offering publicly used areas. We intend to implement these measures for social neighborhood developments in each new project. To ensure this, we want to certify our new products with the

WELL platinum certification. In addition, we have developed our own social scoring, reflecting the areas where possible improvements in the social sector are shown.

The WELL Building Standard is a rating system that focuses exclusively on the goal of positively influencing the comfort, health and wellbeing of users through the design of buildings and interior spaces. It was launched by the International Well Building Institute (IWBI). It focuses on air, water, nourishment, light, movement, thermal comfort, sound, materials, mind and community.



Picture from the TESTA project by Alfons & alfreda

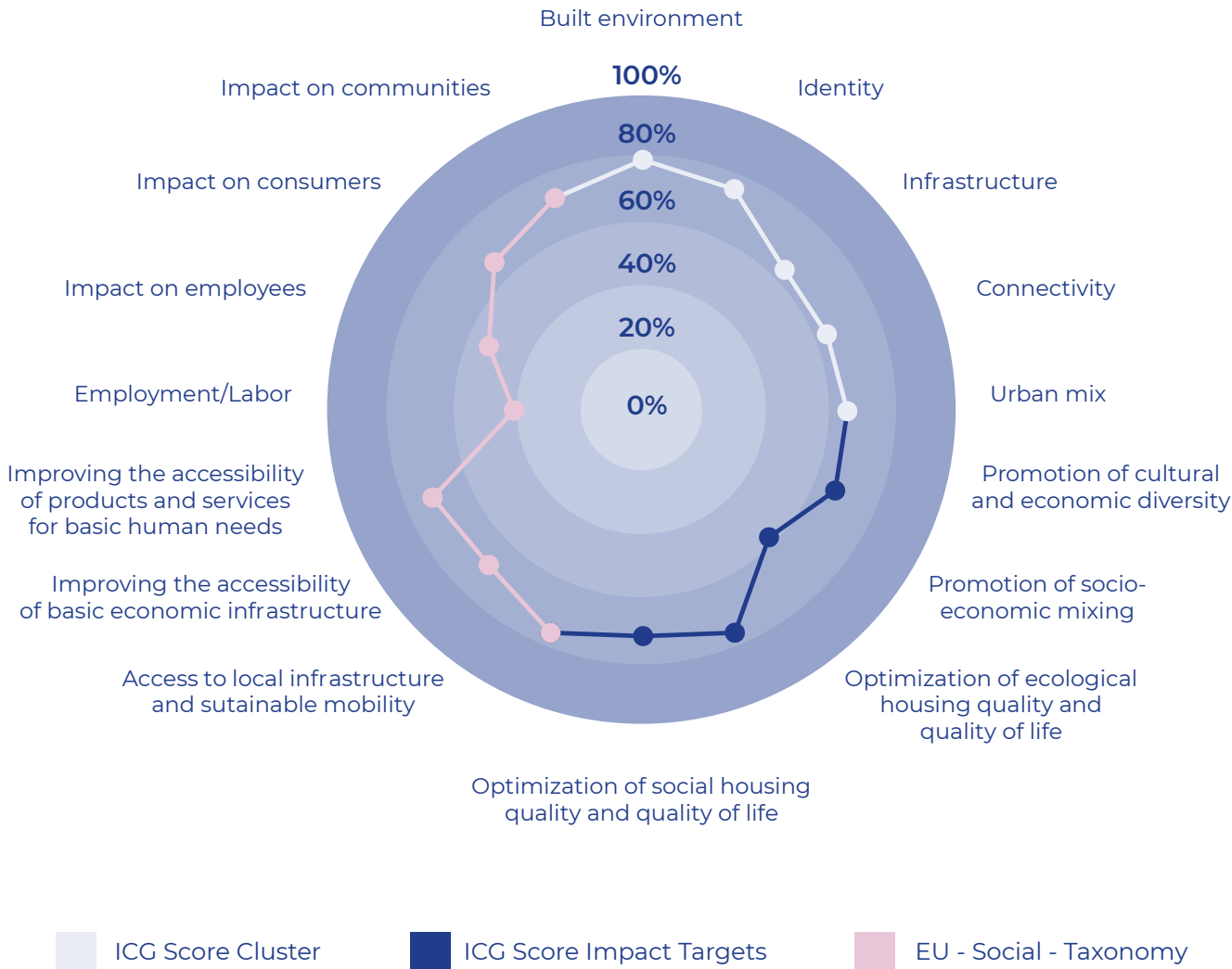
Wellbeing places

Focus on district development

We have developed a **social scoring system** to determine the social contribution of our projects. The practice shows the development of the different social aspects in each project, to determine shortcomings and be able to improve them at a focused, individual level. This is based on the Corporate Social Responsibility (CSR) Scoring of the Institute for Corporate Governance (ICG). The ICG's CSR initiative is dedicated to corporate social **responsibility** and its benefits for society. For this purpose, 6 areas of a neighbourhood development were defined: built environment; identity; infrastructure; connectivity; and urban mix. In addition, 6 underlying strategic objectives were defined: promoting the

cultural; economic and socio-economic mix; promoting the environmental; and social quality of life; improving local infrastructure. Additionally, the objectives of the EU Social Taxonomy were included.³¹ The Social Taxonomy aims to channel private capital into socially sustainable investments. The EU Social Taxonomy has identified three guiding objectives for socially sustainable activities that should guarantee a high level of social wellbeing. A socially sustainable economic activity should contribute at least either to decent work (involving the value chain), to decent living standards and consumer welfare, or to inclusive and sustainable communities and societies.

Social Score Overview



Social Scoring

Project Overview

	1	2	3	4	5	6	7	8	9
Location	Dortmund Von-den-Ber- ken-Str. DOVDBS	Düsseldorf Schadowstr. Eckhaus	Köln Stolberger Str. OVUM	Stuttgart Motorstraße Mo26	Berlin Waßmans- dorfer Allee TESTA	Sindelfingen Böblinger Str. LaBo	Köln Widdersdorfer Str. THE WID	Köln Widdersdorfer Str. THE TWO	Berlin Fürstenbrunner Weg FBW
Real Estate Type	Residential	Office, Retail	Office, Hotel, Gastro, Retail	Office	Office, Hotel, Gastro, Retail, Fitness	Hotel	Office, Gastro, Retail, Educational institution	Office, Gastro, Retail	Office or Educational institution
GFA	5,343 sqm	2,401 sqm	31,543 sqm	15,500 sqm	50,712 sqm	7,357 sqm	47,117 sqm	45,200 sqm	3,952 sqm
Preliminary completion	Q1/2022	Q2/2023	Q2/2023	Q4/2022	Q1/2026	Q1/2025	2028	2028	2026

ICG Score Cluster	DOVDBS	ECK- HAUS	OVUM	MO26	TESTA	LABO	THE WID	THE TWO	FBW	̄
Built environment	43%	33%	60%	40%	73%	50%	100%	100%	70%	78.5%
Identity	48%	48%	68%	44%	60%	44%	96%	96%	52%	74.8%
Infrastructure	37%	77%	50%	47%	40%	60%	83%	83%	63%	62.6%
Connectivity	24%	28%	32%	36%	44%	20%	100%	88%	48%	62.3%
Urban mix	28%	23%	52%	32%	42%	31%	92%	92%	43%	64.0%

ICG Score Impact Targets	DOVDBS	ECK- HAUS	OVUM	MO26	TESTA	LABO	THE WID	THE TWO	FBW	̄
Promotion of cultural and economic diversity	17%	23%	46%	40%	37%	20%	100%	100%	37%	65.1%
Promotion of socio- economic mixing	33%	20%	40%	20%	33%	13%	87%	87%	20%	55.8%
Optimization of eco- logical housing quality and quality of life	36%	29%	67%	38%	64%	51%	96%	96%	69%	75.0%
Optimization of social housing quality and quality of life	40%	40%	52%	38%	56%	38%	96%	96%	56%	70.5%
Access to local infrastructure and sustainable mobility	44%	92%	60%	56%	48%	72%	100%	100%	76%	75.1%

EU - Social - Taxonomy	DOVDBS	ECK- HAUS	OVUM	MO26	TESTA	LABO	THE WID	THE TWO	FBW	̄
Improving the access- ibility of basic economic infrastructure	33%	55%	48%	45%	55%	53%	90%	90%	65%	68.1%
Improving the access- ibility of products and services for basic human needs	40%	43%	54%	37%	54%	43%	97%	97%	60%	71.1%
Employment/Labor	40%	40%	40%	40%	40%	40%	40%	40%	40%	40.0%
Impact on employees	52%	52%	52%	52%	52%	52%	52%	52%	52%	52.0%
Impact on consumers	34%	31%	49%	40%	46%	31%	93%	93%	43%	65.5%
Impact on communities	20%	25%	80%	20%	45%	40%	100%	100%	65%	72.0%

Social Scoring

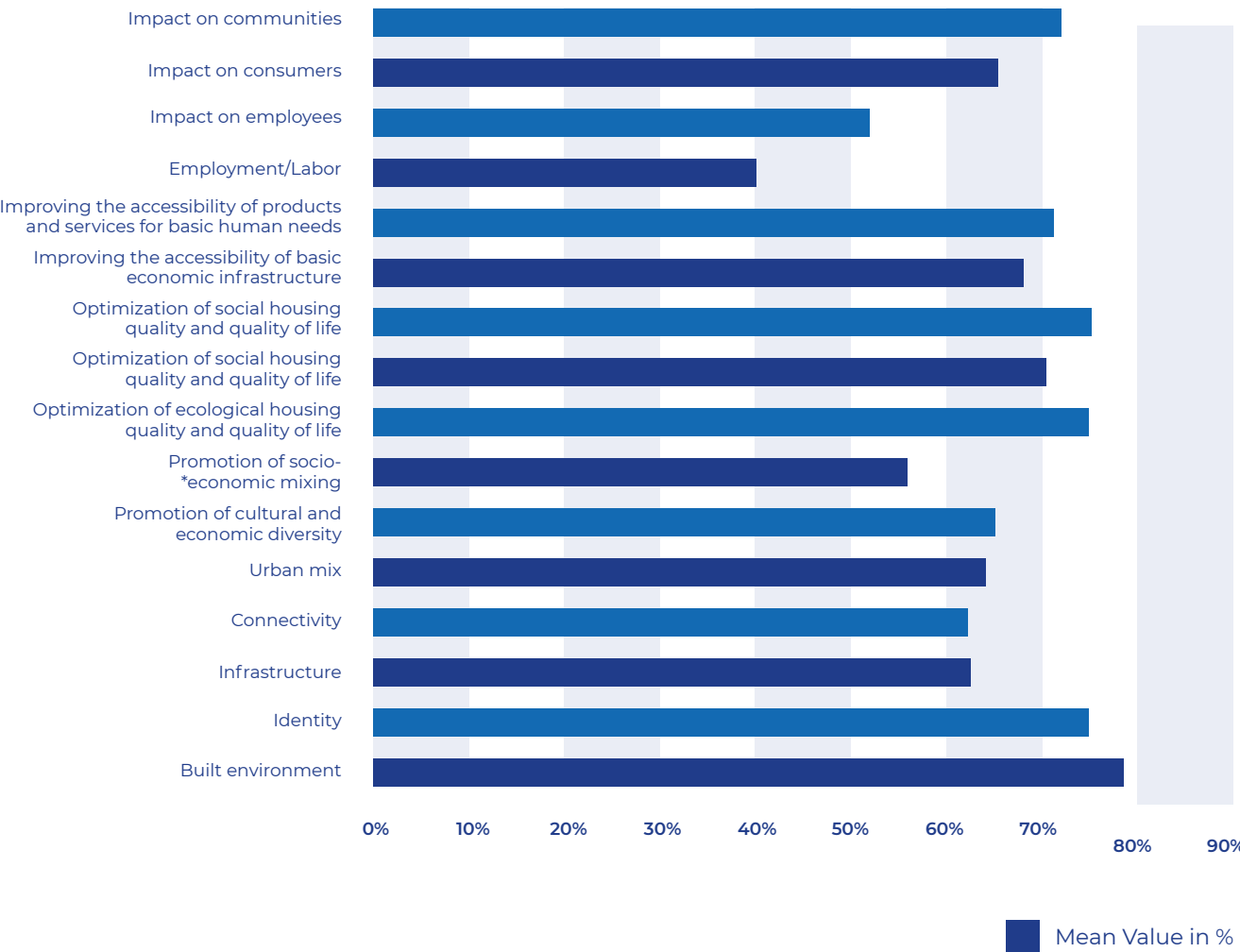
Evaluation of our projects

In the evaluation, attention is paid to the calculated mean value of all projects. 7 out of 16 evaluation criteria score above 70%. Among the top 3 are "built environment", "impact on communities" and "identity".

These three areas reflect the values of Alfons & alfreda. In addition to sustainable construction with organic materials and individual architecture, **we want our projects to identify with their surroundings and communities.** We also want them to be a place for everyone to come together. Our goal is to create a popular place with a right to exist. Our lowest score with 40% is achieved in the area of "Employment and the impact on subcontracted workers in the construction sector". This section focuses on the evaluation of the working conditions on site, the respect for human rights during the project and the compliance with non-discrimination and equality throughout the companies. Since these values are fundamentals to Aa, we want to improve in this sector in future projects. Today every subcontractor must

comply with all legal requirements valid in Germany. We are glad that we are privileged in Germany with high legal standards. However, we further want to improve social conditions during the construction of our buildings through various measures, e.g., each project participant must sign our social guidelines, that focus on transparency and the prevention of exploitative situations on construction sites. In addition, the project participants must adhere to the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

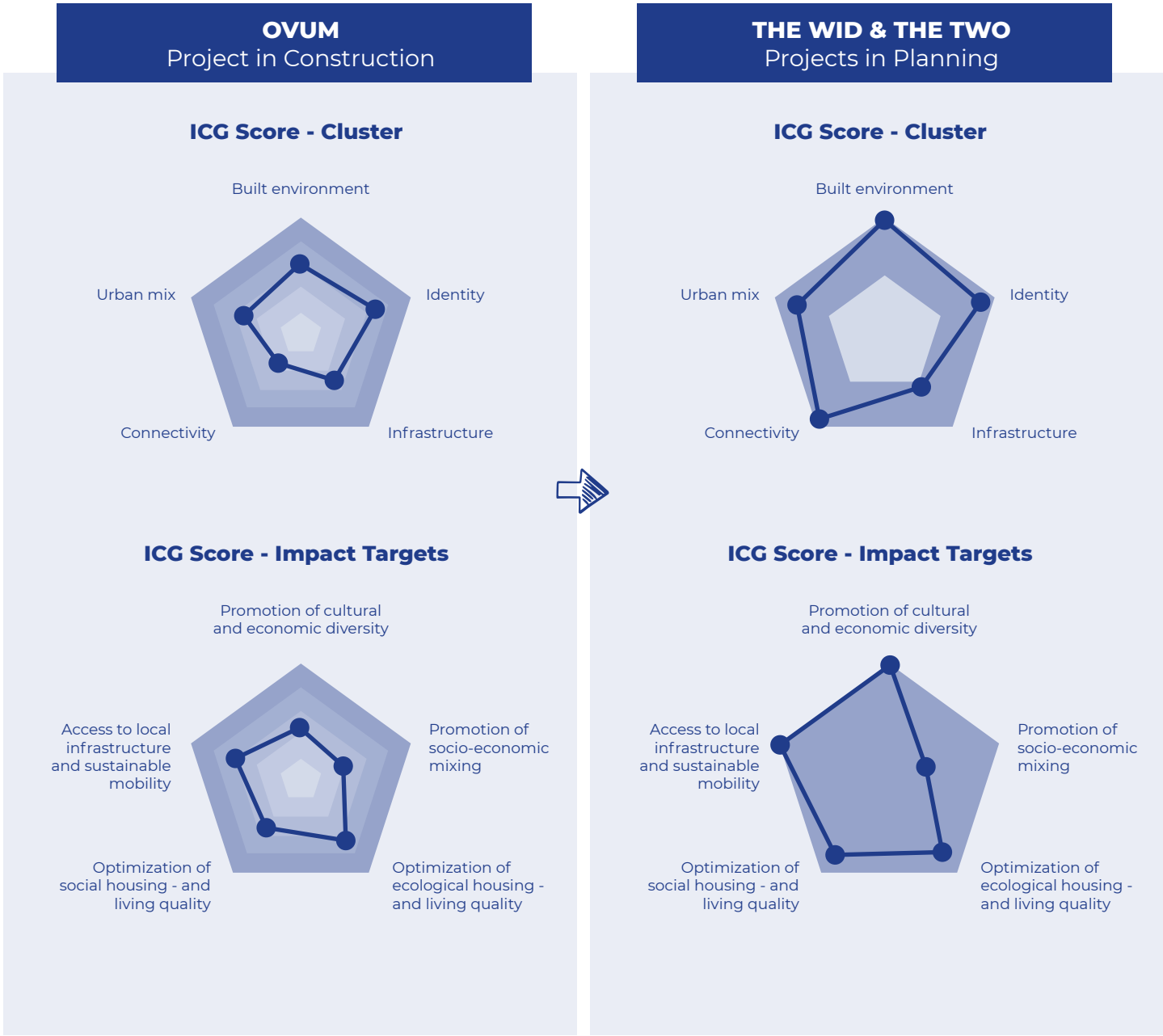
We will choose construction companies with a good and role model treatment of employees and subcontractors and are happy to experience an increasing awareness of a fair treatment among the participants. In the future, we aim to improve in each of these areas. For instance, our projects Ovum, The Wid and The Two demonstrate the enhancement in the social area.



Comparison of projects

Under construction vs. planned in the future

In the future, we aim to improve in each of the areas of our social scoring. For instance, our projects Ovum, The Wid and The Two demonstrate the enhancement in the social area.



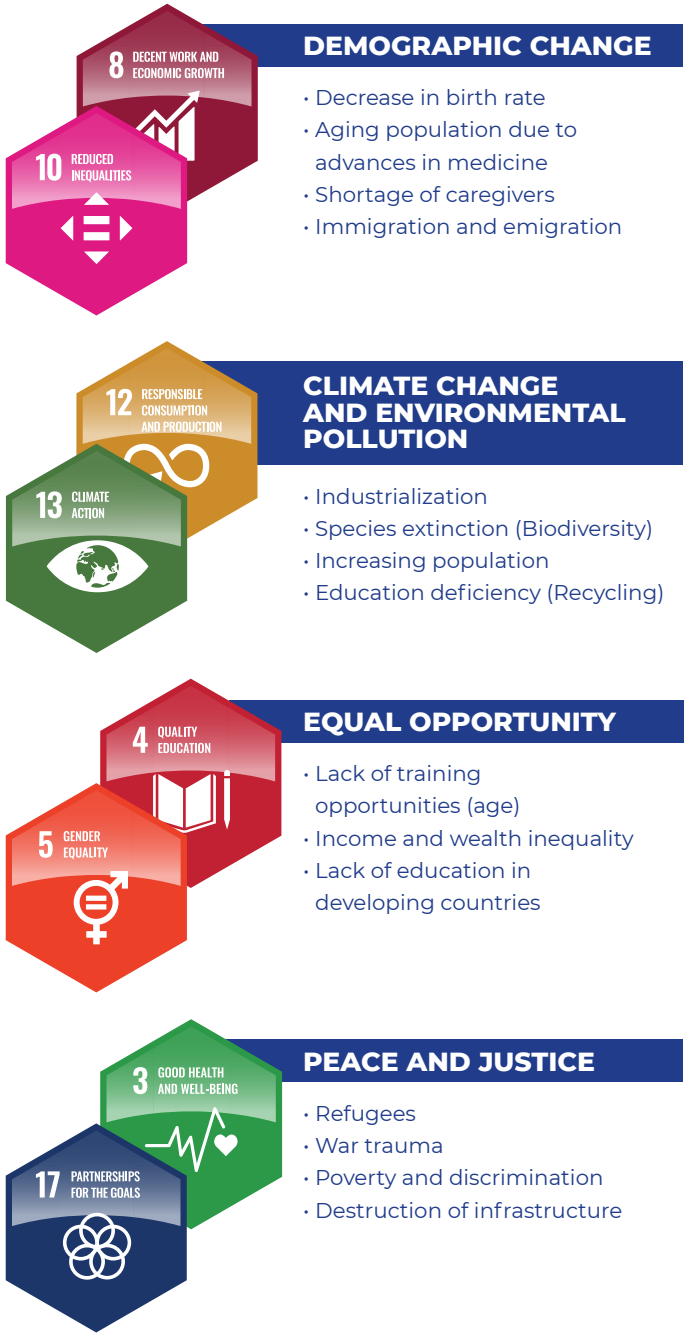
Clear improvement of social areas in our objects planned in the future.

Happy people

Focus on renting

One of our goals in the Impact Investing Strategy is to offer parts of the areas in our projects **at lower rental rates** to selected companies and organizations whose actions or products have a positive impact in the world. This includes offering rents at half price or at pure cost levels. We also intend to **offer to organize discounts** on equipment (such as furniture or IT infrastructure) for these spaces through various partnerships within our network. Thus, our goal is to promote a diverse mix of tenants within our buildings and the neighborhood that allows meaningful and diversified exchange.

We want to support organizations that align their business operations with those specific SDGs that we also focus on. Our goal is to enable long term strategic partnerships throughout the tenancy mix and to increase our tenants' awareness and possibilities within the field of impact investing! **We focus on developments with a neighborhood character, ideally with a heterogeneous mix of uses.** Urban, diverse structures lead to the most sustainable tenant mix and ensure the greatest possible value creation for the users, neighbors, and all others directly or indirectly involved.



**START-UPS**

Company-Builder start-ups

Social Entrepreneurship start-ups

**EDUCATIONAL INSTITUTIONS**

Continuing education

Retraining

Further education centers

Private universities

Adult education

**IMPACT ORGANISATIONS**

Non-Profit organisations

Non-Governmental organisations

TENANT PROFILE

Organization should create a **positive impact**

Tenants should pursue at least one of the 10 SDGs we support with their organization

Tenants should require financial assistance in the form of "**discounted rent**"

No organizations that hold religious ceremonies or the like

No extremist-oriented organizations (political events, demonstrations, etc.)

We as a company

Focus on Self-initiative

Our hands-on principle is also part of our Social Impact Investing Strategy. With our projects, we can secure long term social activities. But even short-term actions create added value. As a company, Alfons & alfreda has initiated and implemented several plans, that have a positive impact on society and environment and at the same time strengthen our team spirit and the awareness of each employee.



Help in times of war

During The Russo-Ukrainian war millions have fled the country from the brutality of war. Although monetary donations were useful in meeting basic short-term needs, the uncertainty of finding shelter, and a place to call home, remained. **We wanted to help by offering what we can do best** – project development. Every empty apartments within our properties that were not yet under construction were renovated, furnished and in cooperation with the authorities provided to refugee families free of charge. This did not cost us a lot of effort or money but means much for people in need.

Who runs the world? Girls!

The real estate industry is still a male domain. To us, the equality of the sexes is important, and we acknowledge the positive impact of the various views and opinions. Thus, we have achieved a balanced staff composition with 50% female employees. For us it is a matter of course that there is no difference in salary or in job positions. We want to show that women can be as successful as men in the real estate world. Therefore, we take part in "Girls Day", which is an initiative offering young girls a sneak-peak into our daily business for a day, highlighting, that real estate it's definitely not just a man's job.



A tree for each of us

We would love to plant a tree for every inhabitant of this planet, but we are not there yet. However, we we have already started! We joined forces and have not only strenghten our team spirit, but also did something for the environment with a special action. We planted our own tiny forest in Germany. It was quite extraordinary to **plant a couple of hundred trees with our own hands**. This brought each of us closer to life and this planet in a different way. We are looking forward to watching the forest grow and actually see the impact we created.



Everyone as much as they can

As we identify with the SDG 3 "Good Health and Wellbeing", we want to support to maintain and restore human health and prevent premature death by occasional financial donations, such as to the German Cancer Research Center, which is the largest biomedical research institution dedicated entirely to cancer research.





Education for the world

A School building project in Vietnam

Sustainability at Alfons & alfreda would not be complete without the social area. In ecological construction, we also pay attention to the use of the building and the added value for its users.

With our own initiative, building a school in Vietnam, we want to combine the SDG goals of the UN with our expertise in the real estate industry. Our goal is to **build educational facilities in disadvantaged communities and countries**, thus providing access to education for the local population. In addition, our ambition is to make other people aware of the lack of educational opportunities worldwide and to encourage them to take up the challenge together with us, e.g., in the form of a partnership or donation.

The educational institutions in Vietnam are well developed in the big cities. However, there are also many provinces in the country that are difficult to reach and located far away in the mountains.

There, resources are often too scarce to build or renovate schools. Therefore, local children have to travel extremely long distances to school, which are often dangerous and weather dependent. In addition, it is not possible for every family to cover the school trip financially. An exclusive contact to Vietnam enabled us to contact the Ministry of Education, with whom we are currently establishing a cooperation. We are in the process of founding a non-profit company here in Germany. This entity will then, supported by donations from our network, support the Vietnamese government in building an elementary school in the Ha Giang province of Vietnam. The goal is to establish process standards in this construction project that will enable us to scale up and increase our impact by building more facilities of this kind in Vietnam and other countries.



VIETNAM
331,690 sqm³³
Capital: Hanoi
Population: 97.3 million (2020)³³
Continent: Asia



STATEMENT

Susi Pham

Developer

"At Aa, everyone takes full responsibility from day one" - that's what I was told during my job interview. I was amazed when I was given all the freedom to develop and implement my own ideas already during my internship. Finally, the day came when I could realize my childhood dream - to give something back to my home country. Although I was born in Vietnam, I grew up in Europe and was able to enjoy the excellent schooling here. Albeit the majority of Vietnamese children have access to free primary education, the number of those who want to or are able to continue their study is drastically decreasing. It goes without saying that school construction provides disadvantaged children with **access to education**. My hope is that these same children will seize the opportunity and develop into great people who, in turn, will create new projects and ventures to give back to the community as well. This would complete the cycle of sustainability and engagement that will drive the country's development.

At Aa, our long-term goal is to increase the number of school constructions each year and to establish partnerships at home and abroad. This should not only stop at providing school education, but should result in projects that promote, for example, economic growth, equality, wellbeing, innovation and sustainable consumption in different countries. It is our duty to draw attention to social engagement and encourage as many stakeholders as possible to get involved. ESG is at the heart of our strategies to accelerate our contribution to **a sustainable and inclusive world."**

WHAT'S NEXT

PART 4

Good *governance* is our culture

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Our tool kit 2 106

Let's talk about 108

Aa as an employer 110

Our corporate goal and values 116

Our Governance Goal
Diversity, Flexibility and Education

Our Corporate Value
Good Governance is our culture

We guarantee the availability of all data and certifications required to maximize the ESG output of our properties and learn for future projects. We will certify all projects as DGNB Platinum, Well Platinum and WiredScore Platinum as a standard and will

transparently report on our ESG efforts and have them audited and verified externally. For this purpose, we currently use the GRI standard reporting guidelines and will complement them with the ECORE score in the future.

Compliance level of the EU taxonomy

- Application of an EU taxonomy-compliant ESG project manual
- Continuous further development of the handbook beyond the regulations of the EU taxonomy

All buildings in the future should be sustainable according to the definition of the EU taxonomy and thus eligible for Art. 9 funds of the SFDR.

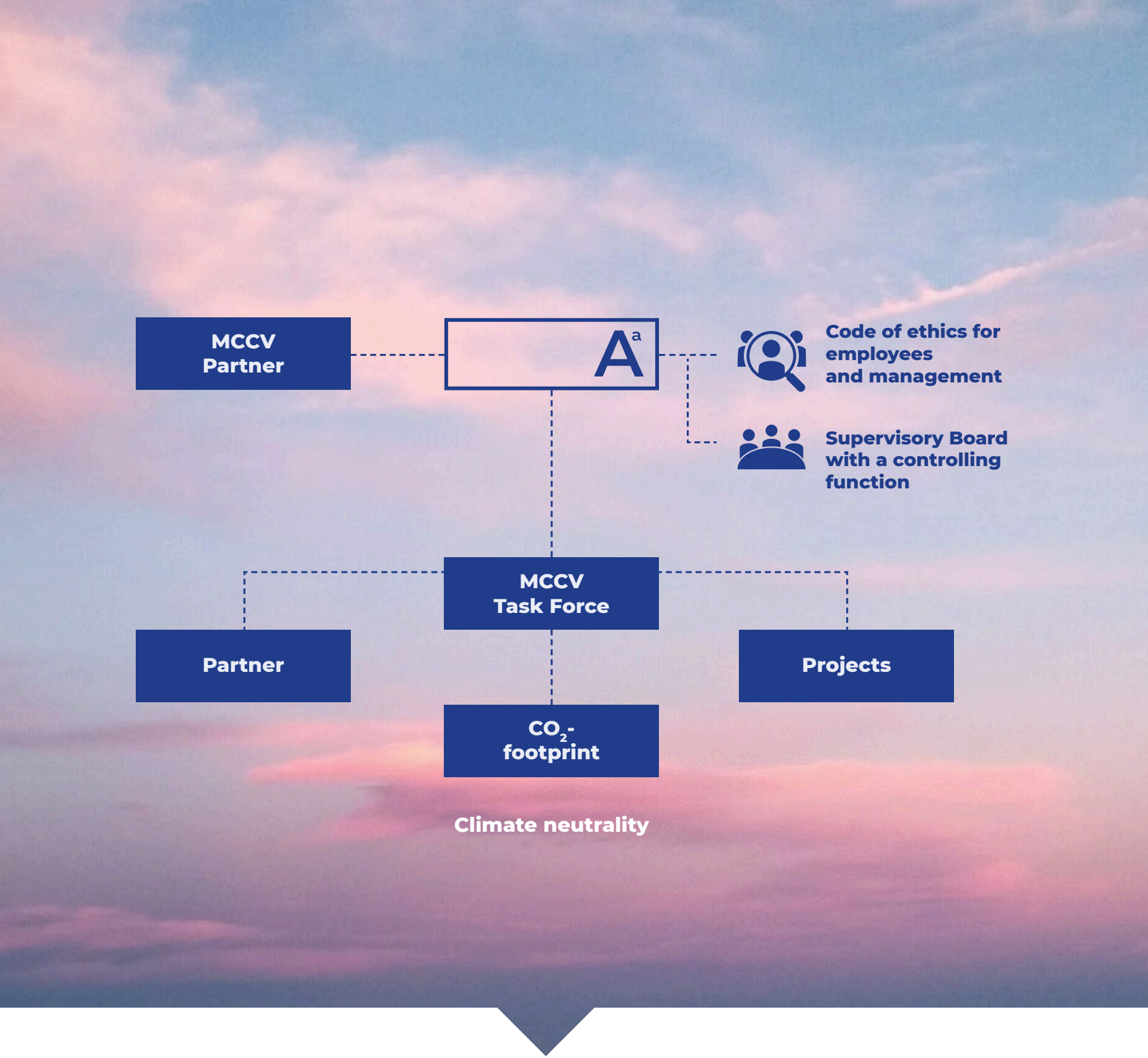


✓ **Strategic Task Force**

✓ **Transparent reporting**

✓ **Code of Ethics**

✓ **External review**



Data is published transparently on an annual basis (GRI Q1/2023)
Transparency towards stakeholders
External ESG assessment by ECORE (Q1/2023)



Our Acquisition

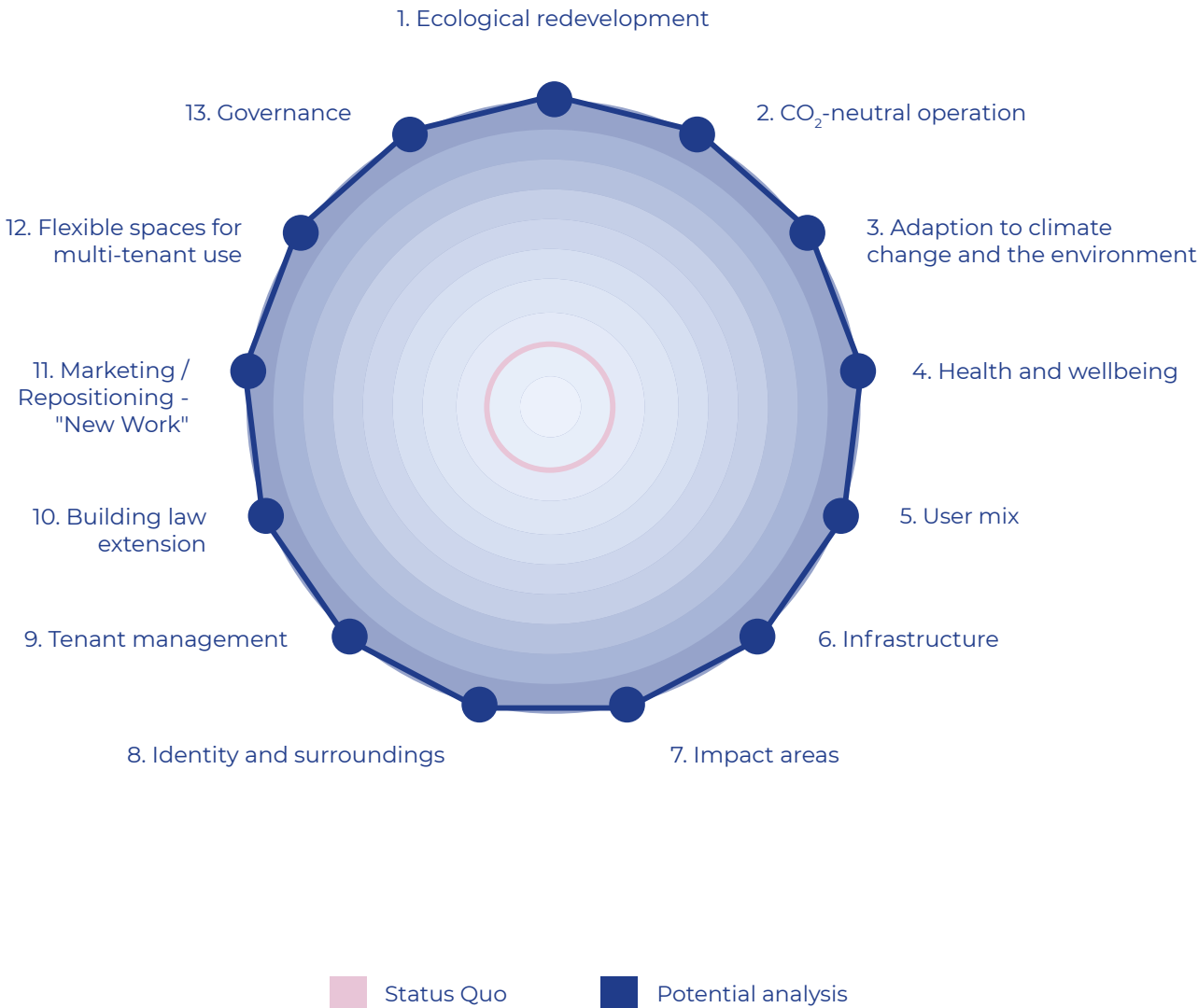
ESG Due Dilligence – Scoring

To ensure that we can take an effectively sustainable approach to new projects from the outset, attention is paid to the sustainability of the property right from the acquisition stage. In addition to our classic acquisition due diligence, an *ESG due diligence* is carried out in every underwriting process. The ESG-DD queries various criteria for sustainable buildings, which were derived from the DGNB and EU taxonomy criteria.

Thus, the sustainability of a building can be made measurable and visible. Additionally, the aspects of our social scoring are checked. The ESG-DD is also used to show the possible improvement of an existing building by comparing the status quo values of the building with those of the possible future renovated building. This is especially applicable for our future MCCV projects.

ESG Scoring

ESG DD Sample



Marcello Mazza
Co-Head Deal-Team

“In 2021, the due diligence of the acquisition process was expanded to include ESG factors in addition to the economic, legal and technical due diligence aspects.

The so-called "ESG-DD" is intended to record the status quo of the property to be examined under the aspects of "Environmental", "Social" & "Development" and provide conclusions about the classification in the sustainability context. In addition to the inventory, a potential analysis serves to highlight the possibilities of development in the sphere of ESG and thus, allows conclusions to be drawn about the concept and its intended, possible implementation.”

Our Initiatives

Internal Activities

A good corporate culture includes **structure** and **flexibility**. This combined with an open communication creates a place of individual development and various ideas.

There are weekly status quo update meetings on the projects with our management. Smaller internal meetings are held two to four times a month. Several times a year there are feedback discussions between each team member and their supervisor, and at least twice a year our Supervisory Board meets with our company's managing directors to advise, challenge and reflect.

Every month in our ESG Jour Fixe at board level, we brainstorm for new and better opportunities and reflect on our output so far. We present current topics and implement those through joint consultation. Nevertheless, there is always the possibility to share quick inspirations and ideas immediately.

Any new input, inspiration and innovation is not only shared at project development level, but it is also assessed by technical expertise. Phase 5's architects work closely with Aa. Through a joint **task force** we challenge and inspire each other and always stay up to date. We are a member of the German Sustainable Building Council (DGNB), the International Living Future Institute (ILFI), an American association for sustainable building, and the ESG Circle of Real Estate (ECORE), which has introduced international ESG scoring. In addition to our own research, these memberships update us on the latest developments in sustainable building solutions, both globally and nationally.

Good management does not only mean to be up-to-date, but to always **be one step ahead** as a company.

Aa is a member of the following associations



Regular exchange on ESG topics



INTERVIEW

Luisa Peisert

Developer

Luisa Peisert started as a dual student at Aa in December 2021 and is completing her bachelor's degree in real estate management while working. She is currently in her 5th semester with the elective course in Construction Management. A flexible working time model allows her to balance her studies, job and free time.

Do you feel that Aa supports you in your personal and professional development and career planning?

„Yes, as part of my dual studies in real estate management, I can always count on the support of my colleagues and superiors from Aa in all areas of daily work and topics from the university. At present, nothing would stand in the way of a part-time master's degree in project development or in-depth studies in real estate management, where I can also always count on the support of the company.“

Does the corporate culture of Aa correspond to your personal view of sustainability?

„Yes, with the three areas of environmental, social and governance, Aa pursues almost all the goals that I also represent in my personal view of sustainability. In the social area in particular, I am able to contribute a great deal to the design of Aa's measures and I am constantly involved in the development of new projects.“

Do you feel motivated and supported by the team in your daily work?

„Yes, a lot. The atmosphere, support and willingness to work - and community of this team makes up a very large part in the daily work motivation and satisfaction. Due to a very small age difference in the team, the cooperation and communication are uncomplicated and homogeneous.“

How are new ideas accepted in the company and are they promoted during implementation?

„New ideas are always viewed openly and positively and are also followed up in almost all cases. As already mentioned, I am always allowed to help shape and develop new project ideas in the Social (ESG) area, so that we have already been able to implement several of them this year. These include the planting of a Tiny Forest, the design of a student internship, and a career information day (Girls Day).“

INTERVIEW

Heike Pautsch

Head of Back Office

Heike Pautsch has been with Aa since December 2019 and is responsible for the back office of the project companies. As a young mother, she works predominantly remotely and thus manages to combine work and family.

Do you think it's exciting to work at Aa?

„Definitely, I think it's exciting to work at Aa, because there are always new projects and new tasks. I don't get bored with my job of being responsible for the back office, bringing it all together and introducing appropriate standards.“

Does your work environment help you find the right balance between your work life and your private life?

„The working environment at Aa helps me a lot to combine family and career through very flexible working hours. That is very important to me, and I particularly like that about Aa“

Does the corporate culture of Aa correspond to your personal view of sustainability?

„Sustainability plays a big role both for our company and for me personally as a young mother. I think we have a very similar view of the world and how it could be.“

What are the three most important lessons you have learned so far while working at Aa?

- „1. Digitalization allows me to do most of my job from home.
2. Coming from parental leave, i was happy to be able to set up a new department. It's great and appreciative when people have so much trust in you.“





INTERVIEW

Felix Hammerschmidt

Developer

After completing his Bachelor's degree in „Management & Economics“, Felix Hammerschmidt started as an intern at Aa in January 2021 and has been a permanent employee since April 2021. He pursued his desire for further education by starting his Master's degree in „Project Development“ part-time and is expected to finish in 2023. A flexible working time model allows him to balance his studies, job and free time.

Do you think it's exciting to work at Aa?

„In project development, there is never a day like the other. You are constantly confronted with new challenges and opportunities that you have to overcome and take advantage of. It's hard for me to imagine a more exciting work environment.“

Do you feel that Aa supports you in your personal and professional development and career planning?

„Aa is a great address for personal development. I was given the opportunity to take on great responsibility as project manager of a large-volume project early on. Especially in the areas of resilience, assertiveness, coordination and analytical thinking, I was able to develop significantly through the work I did. Attributes that are of huge value in management.“

Does the corporate culture of Aa correspond to your personal view of sustainability?

„Climate change is by far one of the greatest challenges mankind has ever had to deal with. To meet this challenge, companies must take responsibility for their actions. In this respect, I feel I am in very good hands with Aa. At the start of any project, the first and foremost question asked is, „How can we design the building to be as climate neutral as possible?“

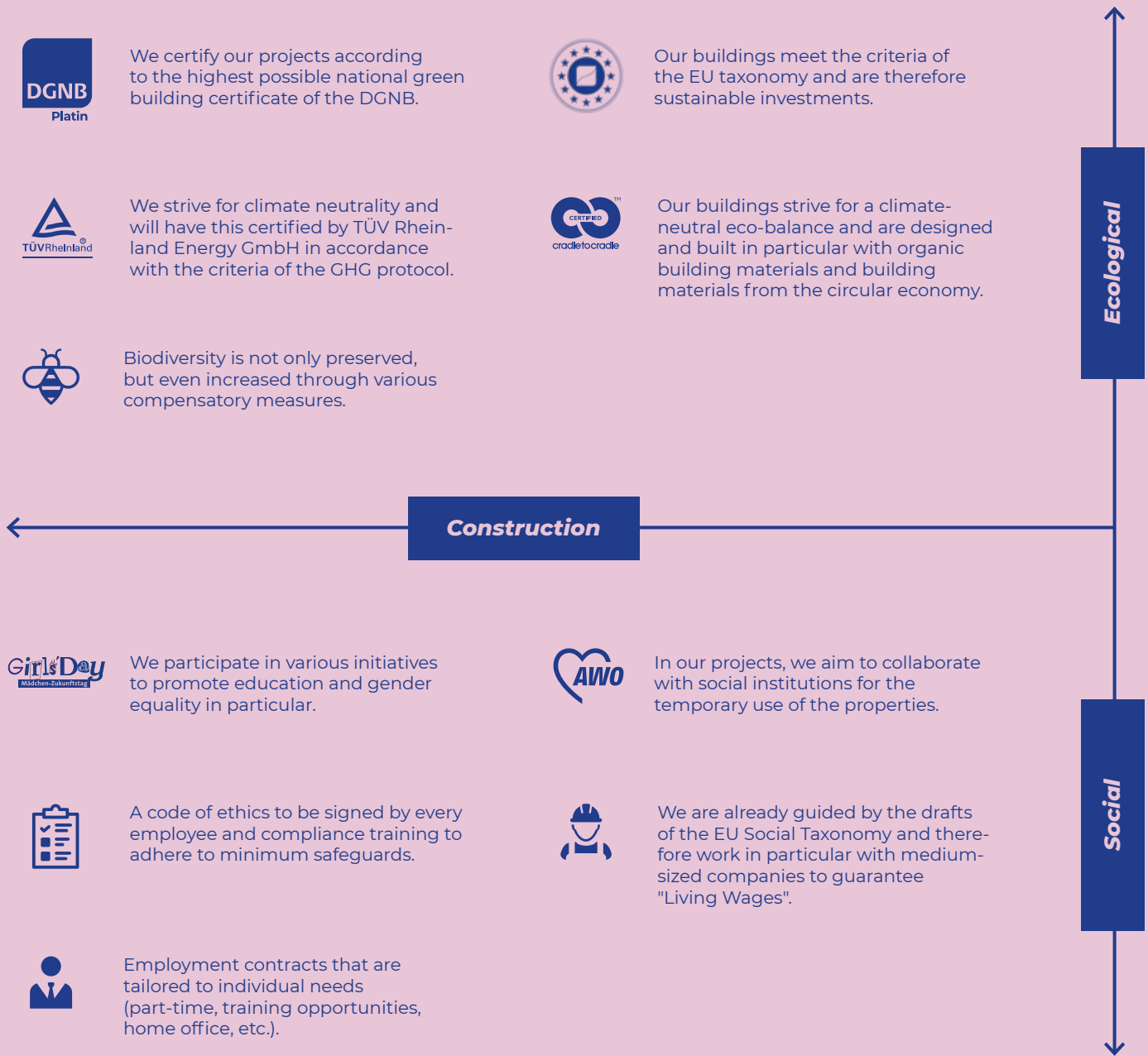
How would you rate your impact in the company?

„Due to the flat hierarchies, there is a constant exchange at eye level. New ideas - regardless of who they come from - are listened to and taken into account in the decision-making process. At the project level, project managers have the freedom to act on their own responsibility in almost all decisions that have to be made.“

Our ESG-Bottom Line
Reported in alignment with GRI
and soon also verified by ECORE



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PART 5

***Global* reporting index**

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Survey about the importance of sustainability issues

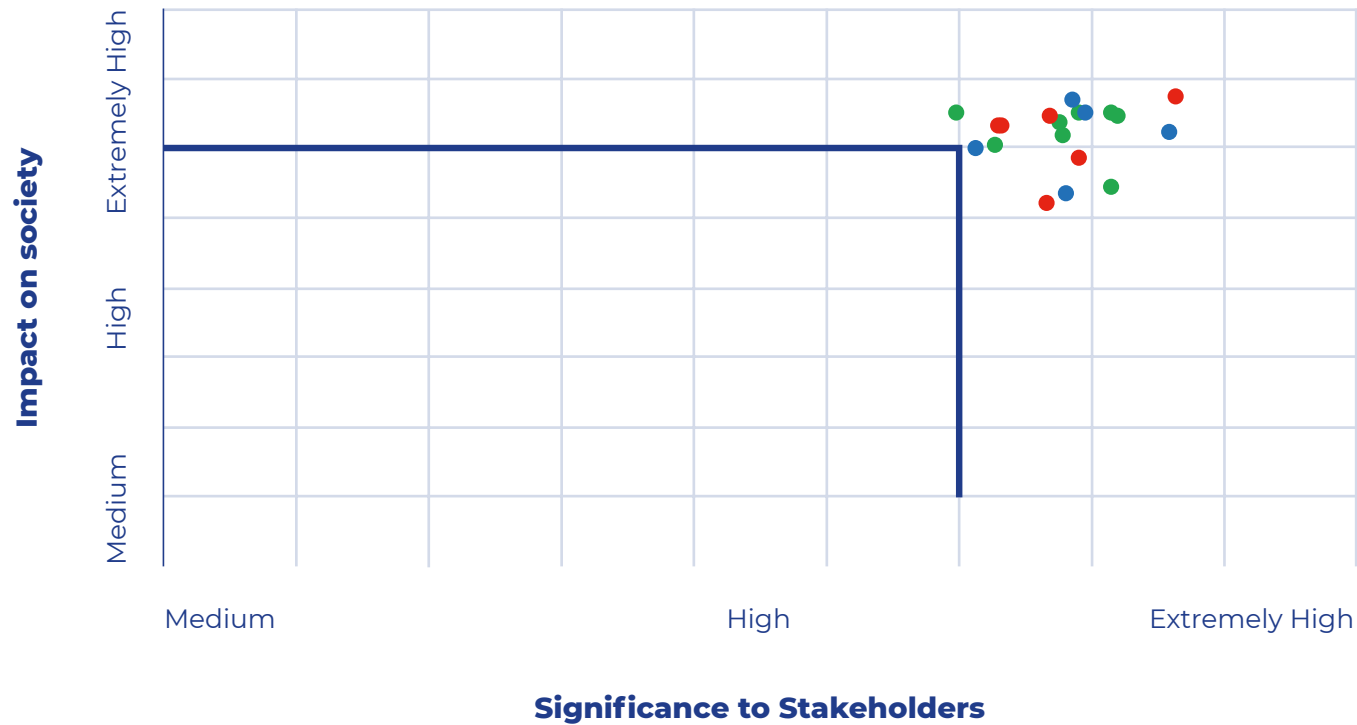


The *Global Reporting Initiative (GRI)* is an internationally established reporting standard for *sustainability reporting*.¹² The aim is to create transparency about the corporate social responsibility (CSR) activities of a company through standardization and comparability. Due to the communicative aspects and the reporting task, the GRI standards help to ensure comprehensive and targeted sustainability management. The GRI standards cover basic reporting spheres as well as a selection of company-specific reporting areas that are included in the sustainability report.

Aa prepares this report with reference to GRI and is supported and supervised by TÜV Rheinland Energy GmbH.

To ensure our focus on the aspects that are important to our stakeholders, *we implemented a potential analysis asking our stakeholders which sustainability dimensions of Aa are most important to them*. The results were transformed into a materiality matrix, which maps the dimensions "business relevance" and "impact on the environment, economy and society". From the process, luckily, it emerged that all issues relevant to us are also important to our stakeholders.

GRI Materiality Analysis Results



Survey of which sustainability issues are important to our stakeholders

- CO₂ footprint of the building
- CO₂ footprint of Aa
- Energy consumption of the building
- Proportion of organic building materials
- Proportion of recycled building materials
- Avoidance of waste during construction
- Water consumption of the building
- Promotion and protection of biodiversity
- Impact of the building on the neighborhood (infrastructure; green space; etc.)
- Diversity and equal opportunities for the employees at Aa
- Training offer for the employees of Aa
- Health and safety of construction workers
- Influence of the building on the wellbeing of the users
- Smart and digital buildings
- Economic success of Aa
- ESG Reporting
- Governance and compliance
- Respect for and promotion of human rights
- Regular dialogue with stakeholders

Materiality Analysis

Transparency is the goal

It seems to be extraordinarily important to our stakeholders and to us that buildings are built in a truly sustainable way, which includes their impact, as well as the efficient use of resources. In addition, **communication, equality, human rights and fair working conditions** are at the top of the agenda. What our stakeholders see as given and therefore also important is our corporate governance, which also includes regular ESG reporting.

Here are the 5 most and least important sustainability dimensions of Alfons & alfreda according to our stakeholders:

TOP 5	BOTTOM 5
Impact of the building on the neighborhood	Training offer for the employees of Aa
Water consumption of the building	Economic success of Aa
Energy consumption of the building	Diversity and equal opportunities for employees at Aa
Regular dialogue with stakeholders	ESG Reporting
Respect for and promotion of human rights	Avoidance of waste during construction

GRI content index

Statement of Use: Alfons & alfreda has reported the information cited in this GRI content index for the period 03.2021 – 03.2022 with reference to the GRI Standards.

GRI 1 used: GRI 1: Foundation 2021

GRI Stan- dard	Disclosure	Information of Alfons & alfreda
GRI 2: General Disclosures 2021		
2-1	Organizational details	Alfons & alfreda AG and Alfons & alfreda Advisors GmbH Erkrather Straße 230 40233 Düsseldorf, Germany
2-2	Entities included in the organization's sustainability reporting	a) Alfons & alfreda AG and Alfons & alfreda Advisors GmbH b) There are annual financial statements of each company and subsidiary that are regularly available for public inspection at Bundesanzeiger (www.bundesanzeiger.de) c) Alfons & alfreda AG, Alfons & alfreda Advisors GmbH; Alfons & alfreda Advisors GmbH is a wholly-owned subsidiary of Alfons & alfreda AG, there is a profit transfer agreement with both companies.
2-3	Reporting period, frequency and contact point	a) Annual sustainability report for the current year (01.03.2021 - 01.03.2022) b) Annual financial reporting for the current year (01.01.2021 - 01.01.2022), caused by organisational reasons c) Publication date: 01.2023 d) Janna Várady, Sustainable manager & Head of ESG, Erkrather Straße 230, 40233 Düsseldorf
2-4	Restatements of information	a) This is the first sustainability report
2-5	External assurance	The senior executives hired a sustainability manager who keeps herself informed about all external confirmations, such as certifications, and ensures that her own report is correctly reported in reference to the GRI Standard. TÜV Rheinland Energy GmbH has accompanied this reporting process. As the company is very small and the Sustainability Report is the first voluntary report in reference to GRI, no external audit was carried out.

2-6	Activities, value chain and other business relationships	<p>a) The group's main market is Germany</p> <p>b) i)ii) SR p. 20</p> <p>iii) Subcontractor</p> <p>- General planner for all service phases. This is usually carried out by Phase 5 GmbH from Düsseldorf. Phase5 is a shareholder of Aa.</p> <p>- General contractor, realisation of the building construction.</p> <p>- Project manager, representation of the technical competence on site and support of the awarding process.</p> <p>- Letting mandate, letting and sale of the property is managed by a brokerage house.</p> <p>d) Aa</p>
2-7	Employees	<p>a) Germany; total employees: 18 : Female employees: 7, Male employees: 11</p> <p>b) i) Permanent: 16 (Female employees: 7/ Male employees: 9)</p> <p>ii) Temporary: 2 (Female employees: 0/ Male employees: 2)</p> <p>iii) Full-time: 18 (Female employees: 7/ Male employees: 11)</p> <p>iv) Part-time: 0</p> <p>v) Non-guaranteed hours employees: 0</p> <p>c) Via our back office, trainees are included, Supervisory Board and Advisory Board not included; i) head count; ii) end of reporting time (01.01.2022 - 01.03.2022)</p> <p>d) https://www.alfons-alfreda.com/team.php?lang=</p> <p>e) Fluctuations in the last year due to terminations of internships, start of a master's program and new job orientations.</p>
2-8	Workers who are not employees	<p>a) 22 employees; i) Architects; ii) Planing</p> <p>b) Basic determination on the basis of documents provided, planning with the drawing program Vektorworks, cost determination with Excel, other with Word, i) Head count; ii) End of reporting time</p>
2-9	Governance structure and composition	SR p. 18; https://www.alfons-alfreda.com/team.php?lang=
2-10	Nomination and selection of the highest governance body	The two founders Friedrich Weil and Volker Busse are senior executives and form the Executive Board. This is supervised by the highest governance body, the Supervisory Board. The Executive Board is operationally active. Aa's shareholders select the highest governance body - the supervisory board
2-11	Chair of the highest governance body	https://www.alfons-alfreda.com/team.php?lang=

2-12	Role of the highest governance body in overseeing the management of impacts	<p>a) SR p. 18; the senior executives must inform the employees and the supervisory board about the latest ESG standards and their goals. For this purpose, external lectures, seminars, information events, etc. are attended, and additional research and comparisons with other sustainable companies are carried out.</p> <p>b) The senior executives are responsible for the reporting of the CCF of the company and the stakeholders and the resulting changes within the company to reduce it. Aa has developed ESG project guidelines and social guidelines, which every project participant has to sign.</p> <p>c) It must be reported yearly in the sustainability report within the reporting year and in the project guidelines of each individual project.</p>
2-13	Delegation of responsibility for managing impacts	<p>a) The senior executives select a sustainability manager and head of ESG to manage the organization's impacts on the economy, environment, and people</p> <p>b) The Sustainable manager & Head of ESG reports back to the senior executives once a month and twice a month back to selected employees. Moreover there is a weekly status meeting where the Sustainability manager & Head of ESG reports overall ESG topics to the whole company.</p>
2-14	Role of the highest governance body in sustainability reporting	The senior executives and the Sustainability manager & Head of ESG is responsible for the reviewing and approving the reported information, including the organization's material topics. As an independent company, TÜV Rheinland Energy GmbH accompanies Aa in its reporting in reference to the GRI standards this is then presented to the supervisory board.
2-15	Conflicts of interest	The requirement is not applicable because of the small size of Aa.
2-16	Communication of critical concerns	The small size of Aa results in direct communication of critical concerns to the senior executives.
2-17	Collective knowledge of the highest governance body	Check GRI Report 2-12
2-18	Evaluation of the performance of the highest governance body	The senior executives requires feedback during individual employee feedback sessions.
2-19	Remuneration policies	Due to the small size of the company, no management systems / processes are established. Nevertheless, the topics are addressed individually.
2-20	Process to determine remuneration	Due to the small size of the company, no management systems / processes are established. Nevertheless, the topics are addressed individually.

2-21	Annual total compensation ratio	Due to the small size of the company, no management systems / processes are established. Nevertheless, the topics are addressed individually.
2-22	Statement on sustainable development strategy	https://www.alfons-alfreda.com/j_intv_volkerbusse.php?lang= https://www.alfons-alfreda.com/j_intv_friedrichweil.php?lang=
2-23	Policy commitments	Every employee of the company must read a Code of ethics. The minimum safeguards ensure the alignment of project participants with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. This includes the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights. c) https://www.alfons-alfreda.com/pdf/Aa_Ethikkodex_202202.pdf d) The senior executives approved the policy commitments. e) The Code of ethics relates to human rights as well as to the activities of Aa. f) The policy commitments are written down in each project handbook and can be viewed on the Aa website; SR p. 104
2-24	Embedding policy commitments	There is a Code of ethic for every employee to read and sign. Social and environmental guidelines are signed from every project participant.
2-25	Processes to remediate negative impacts	The requirement is not applicable because of the small size of Aa.
2-26	Mechanisms for seeking advice and raising concerns	Individuals can seek guidance in implementing the organisation's policies and practices for responsible business conduct weekly by meeting the director. Individuals may raise concerns about the conduct of the organisation's business with the Board twice a year.
2-27	Compliance with laws and regulations	There were no significant instances of non-compliance with laws and regulations during the reporting period.
2-28	Membership associations	ECORE, DGNB, ILFI, GRESB

2-29	Approach to stakeholder engagement	a) Aa engages stakeholders by doing a Materiality analysis to research ours stakeholders' interests (SR pp. 120-122). They can get any information about us on our website. Each of them has to read our project manual and a code of conduct and they have to abide by it. i) The conceptual development of each project starts with a target group and stakeholder analysis. ii) As our goal is the long-term raison d'être of each project, we automatically try to ensure that the project provides added value for each stakeholder for as long as possible. iii) Aa seeks to ensure meaningful engagement with stakeholders by a target group/stakeholder analysis per project and regular interviews with them (for example: https://www.thewid-thetwo.com/interviews-alle).
2-30	Collective bargaining agreements	The requirement is not applicable because Aa has not entered into any collective bargaining agreements.

GRI 3: Material Topics 2021

3-1	Process to determine material topics	Aa is determining material topics through different tools, like stakeholder Materiality analysis (pp. 120-122), CO ₂ Materiality analysis, CCF audit by TÜV Rheinland Energy GmbH (pp. 40-41), a Social Scoring (p. 90), a ESG-Due Diligence (p. 106), everything aligned with the EU-taxonomy. One example is the project Testa (SR pp. 62-65).
3-2	List of material topics	a) Environment: Measuring our carbon footprint, reducing and avoiding our greenhouse gas emissions and offsetting non-reducible greenhouse gas emissions. Measures to reduce emissions for our company and our properties.(SR pp. 30-47) Social: Introduction of a Social Scoring system that measures the social aspects of the properties. Offer rental space with impact. Social actions within the company (SR pp. 87-101). Governance: The Aa makes sure that everyone in the company has equal opportunities and can always express their opinions openly. It also ensures that every new project achieves the highest environmental standard possible. (SR pp. 103-117) b) First report.
3-3	Management of material topics	a) SR pp. 26(SDGs), 34, 35(International/Europe/Germany), 32(International/Europe/Germany), 53(EU-Taxonomy), 79 (Refurbishments), 89-91, 95 (Social) b) SR pp. 53, 79, 81 c) SR pp. 4, 23, 29 d) SR. pp. 32-35, 43-44 (Climate), 51-56 (Sustainable Construction), 76-83 (Sustainable Construction and Refurbishment), 88-95 (Social in our projects), 96-99 (Social Actions), 104, 105, 108 (Governance) e) SR pp. 20, 51, 53, 90, 106 f) GRI 2-23, 2-14

GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	Check GRI report 2.2
201-2	Financial implications and other risks and opportunities due to climate change	SR pp. 29, 32-35, 51-53, 51-56, 80-83
201-3	Defined benefit plan obligations and other retirement plans	Due to the small size of the company, no management systems / processes are established. Nevertheless, the topics are addressed individually.
201-4	Financial assistance received from government	Check GRI report 2.2
GRI 301: Materials 2016		
301-1	Materials used by weight or volume	Due to the difficulty of compiling enough data for an evaluation of all our buildings under construction, we present here our project OVUM as an example. All future planned buildings will be presented in the future report as soon as data is available.
		Concrete: 5,248 t in-site concrete(components) + 2,573 sqm. reinforced, cast stone pavement and reinforced concrete FT facade + 431 m fiber-reinforced concrete window sills.
		Steel 25 t steel for subframes, soundproof walls, equipment enclosure
		Brick 1,775 sqm. brick
		Lime sand 294 sqm. gravel fill stone/natural stone
		Wood 11,245 m Solid wood skirting
301-2	Recycled input materials used	Due to the difficulty of compiling enough data for an evaluation of all our buildings under construction, we present here our project OVUM as an example. All future planned buildings will be presented in the future report as soon as data is available.
		No recycled input material has been used.
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	Scope 2: 6,139 kWh
		Scope 3.3: 6,139 kWh
		Total: 12,278 kWh

302-3	Energy intensity	Total energy consumption / Total number of employees 12,278 kWh / 18 = 682 kWh/employee
302-4	Reduction of energy consumption	SR pp. 34-37, 51, 84, 85
302-5	Reductions in energy requirements of products and services	SR pp. 51-56
GRI 304: Biodiversity 2016		
304-2	Significant impacts of activities, products and services on biodiversity	Due to the difficulty of compiling enough data for an evaluation of all our buildings under construction, we present here our project OVUM as an example. All future planned buildings will be presented in the future report as soon as data is available.
		- Calculation of the green areas in the absolute number (sqm) and as a % rate in relation to the total plot 776 sqm.
		Green areas - proportion of the building (roof and facade greening) n/a
		- Proportion of sealed area (% rate in relation to the plot of land) Before construction measure: 85.6% After construction: 80%
		- Proportion of unsealed area (% rate in relation to plot) Before construction measure: 14.4% After construction measure: 20%
304-3	Habitats protected or restored	Due to the difficulty of compiling enough data for an evaluation of all our buildings under construction, we present here our project OVUM as an example. All future planned buildings will be presented in the future report as soon as data is available.
	Measures taken	Nesting boxes/insect hotels - so far only planned, not yet implemented

GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	SR pp. 40, 41
305-2	Energy indirect (Scope 2) GHG emissions	SR pp. 40, 41
305-3	Other indirect (Scope 3) GHG emissions	SR pp. 40, 41
305-4	GHG emissions intensity	SR pp. 41
305-5	Reduction of GHG emissions	SR. pp. 43, 44
GRI 306: Waste 2020		
306-2	Management of significant waste-related impacts	SR pp. 43, 51-55
306-3	Waste generated	Due to the difficulty of compiling enough data for an evaluation of all our buildings under construction, we present here our project OVUM as an example. All future planned buildings will be presented in the future report as soon as data is available.
	Demolition waste	3,000.66 t
	Hazardous demolition waste	787,029 t
	Non-hazardous demolition waste	2,213.63 t
	Of which recyclable waste	31,32 t
	Contextual information necessary to understand the data and how the data has been compiled.	Waste balance enclosed/final report with detailed listing of the waste oils by GBU Geologie-, Bau- und Umweltconsult GmbH.

GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	We do not have a health management system as Aa is too small, but employees are taken care of with the following measures: - Home office (possibility) - especially important during Covid (safety). - Protective clothing when walking on construction sites - 2 first aiders - Covid tests, disinfectant, masks are available - Company accident insurance
403-2	Hazard identification, risk assessment, and incident investigation	Due to the small size of the company, no management systems / processes are established. Nevertheless, the topics are addressed individually.
403-3	Occupational health services	Due to the small size of the company, no management systems / processes are established. Nevertheless, the topics are addressed individually.
403-4	Worker participation, consultation, and communication on occupational health and safety	Due to the small size of the company, no management systems / processes are established. Nevertheless, the topics are addressed individually.
403-5	Worker training on occupational health and safety	Due to the small size of the company, no management systems / processes are established. Nevertheless, the topics are addressed individually.
403-6	Promotion of worker health	The health of its employees is very important to Alfons & alfreda. That is why there are several options that employees can use to stay healthy. These include: - Nutrition (fresh fruit and water in the office) - Sports (personal coach at FitX specifically specialized on back) - Flexible working hours and vacation policy (regulating one's own working hours contributes to well-being and avoids burn out) - Adjustable desks for everyone (to relieve back strain) - Company doctor of P5 has offered vaccinations against Corona for all Aa employees
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Protective clothing in the form of shoes, helmets and vests are provided at the construction sites. In the office, height-adjustable desks, ergonomic office chairs, air filtration systems, fresh fruit, a gym membership and a dedicated fitness trainer are provided for the health of employees to prevent negative effects on health in the workplace.

GRI 404: Training and Education 2016

404-1	Average hours of training per year per employee	Every employee who wants to take further training can do so. - Dual Bachelor Study - 1 female developer 27 hrs - Part time Master Study – 1 male developer 37 hrs - Finance Crash Course: Cash Flow Seminar 2020 - 1 male developer 21,75 hrs Cash Flow Seminar 2021 - 1 female developer 21,75 hrs, 2 male developer 43,5 hrs Cash Flow Seminar 2022 – 1 male developer 21,75 hrs
404-3	Percentage of employees receiving regular performance and career development reviews	GRI 2-7; SR pp. 18, 108

GRI 405: Diversity and Equal Opportunity 2016

405-1	Diversity of governance bodies and employees	- Regular employee (Including interns/working students/ dual students) 44% female/ 56% male 78% under 30/ 11% 30-50/ 11% over 50 - Mid-Mgmt (Co-Heads): 25% female/ 75% male 25% under 30/ 75% 30-50 years old - Managing Director/Head of: 67% female/ 33% male 100% 30-50 years old - Senior Mgmt (Executive Board, Supervisory Board, Advisory Board) 16% female/ 84% male 50% 30-50 years old/ 50% over 50 years old
405-2	Ratio of basic salary and remuneration of women to men	There is no difference in salary between male and female. It depends on the degree. This applies to regular employees and the Mid Management (Co-Heads).

GRI 413: Local Communities 2016

413-1	Operations with local community engagement, impact assessments, and development programs	SR. pp. 96, 97
413-2	Operations with significant actual and potential negative impacts on local communities	In the real estate industry there are many negative effects on the environment and people, such as isolation of communities and social groups or exploitation of workers. However, these problems do not occur on Aa's construction sites. Negative effects, such as geographic and economic isolation of the local community are prevented by the choice of the location of the property and the incorporation of mixed users. Aa also seeks regular dialogue with neighbors and stakeholders (SR pp. 66-73, 120-122). Exploitation of site workers is prevented by signing social guidelines. Through our social impact investing strategy, which focuses on neighborhood development, the segregation of social groups in the city is prevented (SR p. 25). Aa has no direct negative impact on the communities.

Data Collection
Transparency is the goal

Sustainability & GRI Report

- The determination of internal company data was done with the help of the back office of Alfons & alfreda.
- The determination of the data of the current projects was collected from the responsible project managers, who receive their data from the responsible subcontractors or external auditors.
- Information on policies, certifications and associations are determined of independent research.
- We were supported in reporting according to GRI standards by TÜV Rheinland Energy GmbH.
- The Corporate Carbon Footprint:
 - The determination of all internal company data, such as commuter routes, business trips, leased fixed assets, etc. was collected with the help of the back office of Alfons & alfreda.
 - The company's electricity consumption is based on the annual service charge statement by our landlord of the office complex Schwanenhöfe Erkrather Straße 230, 40233 Düsseldorf, Germany.
 - Our data and calculation of the CO₂ footprint was verified by TÜV Rheinland Energy GmbH.
 - The offsetting of our CO₂ footprint through a certified climate protection project as well as the verification of the offset and issuance of the "Climate Neutral Company" was carried out with ClimatePartner Deutschland GmbH.

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