



Key performance indicators

Key earnings figures (in €m)

	2021	Change	2020	2019
Total Output ¹	471.0	-1.6%	478.6	678.0
Revenue	278.3	51.8%	183.3	242.0
Earnings before taxes	60.1	-3.4%	62.3	70.5
Net profit	43.7	7.3%	40.8	50.1

Key asset and financial figures (in €m)

	31.12.2021	Change	31.12.2020	31.12.2019
Total assets	1,494.5	8.9%	1,372.0	1,316.4
Equity	550.6	14.0%	482.9	462.5
Equity ratio	36.8%	1.65 PP	35.2%	35.1%
Net debt ²	381.0	-20.5%	479.1	442.4
Cash and cash equivalents	423.3	71.2%	247.2	212.4

Key share data and staff

	31.12.2021	Change	31.12.2020	31.12.2019
Earnings per share (in €) ³	4.50	2.6%	4.39	6.16
Earnings per share incl. hybrid capital interest ⁴	5.65	6.0%	5.33	7.10
Share price (in €)	43.30	20.9%	35.80	47.20
Market capitalisation (in €m)	323.5	20.9%	267.5	352.7
Dividend per share (in €) ⁵	2.25	2.3%	2.20	2.20
Payout ratio % ⁶	50.0%	-0.2 PP	50.2%	35.7%
Staff	355	4.7%	339	389

¹ Total Output corresponds to the revenue generated by fully consolidated companies and companies consolidated at equity as well as the sale proceeds from share deals, each in proportion to the stake held by UBM.

² Net debt equals current and non-current bonds and financial liabilities, excluding leasing liabilities, minus cash and cash equivalents.

³ Earnings per share after the deduction of hybrid capital interest (change in calculation beginning in 2020, comparative data adjusted accordingly).

⁴ Earnings per share before the deduction of hybrid capital interest.

⁵ The dividend is paid in the following financial year but is based on the previous year's net profit. The dividend proposal for 2021 is subject to the approval of the Annual General Meeting.

⁶ Dividend in relation to earnings per share after deduction of hybrid capital interest.

Contents

1. UBM at a glance

- 1.1. Our business model
- 1.2. Our activities
- 1.3. Value chain
- 1.4. Corporate and shareholder structure
- 1.5. Corporate governance
- 1.6. Economic indicators

2. UBM in detail

- 2.1. E as in Environment
- 2.2. S as in Social
- 2.3. G as in Governance

3. UBM & Sustainability

- 3.1. Our strategy
- 3.2. ESG organisation
- 3.3. Stakeholder inclusion
- 3.4. Materiality analysis
- 3.5. ESG goals and measures
- 3.6. Risk management
- 3.7. ESG reporting
- 3.8. ESG ratings
- 3.9. Memberships

4. UBM & Environment

- 4.1. Energy efficiency, renewable energies & CO₂ emissions
- 4.2. Recyclability & durability of building materials
- 4.3. Ground sealing, climate change adjustments and biodiversity
- 4.4. Refurbishment and revitalisation
- 4.5. Healthy building materials & the quality of life
- 4.6. Water and wastewater utilisation and waste in building operations

5. UBM & Social

- 5.1. Attractive employer & training and education
- 5.2. Diversity and equal opportunity
- 5.3. Health and safety
- 5.4. Architecture, urban quarter development and social diversity
- 5.5. Infrastructure and mobility
- 5.6. Customer orientation and awareness raising

6. UBM & Governance

- 6.1. Corporate governance & compliance
- 6.2. Sustainable procurement & regional added value
- 6.3. Innovation & technologies

7. Important information

- 7.1. About this report
- 7.2. GRI Index
- 7.3. Key indicators
- 7.4. Report on the independent assurance
- 7.5. Imprint

ESG

Environment, Social, Governance





**Dear Shareholders,
Dear Stakeholders,**

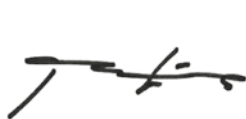
The westernmost city in Ukraine, Uzhhorod, is closer to Vienna than Bregenz in the far west of Austria. In view of this war on our doorstep, it appears to be reasonable to ask the one or other question on the current significance of ESG. But really? As part of our social responsibility, we made 150 rooms in our Polish hotels available as immediate assistance for the first refugees from Ukraine. That is also ESG - it stands for the "S" in Environment, Social and Governance.

Naturally, this war has also increased the focus on energy supplies in Europe and the dependence on Russian gas, especially in Germany and Austria, our two core markets. Gas, regardless of where it originates, is neither environmentally friendly nor sustainable as a primary energy source and is responsible for three quarters of the CO₂ emissions from buildings during their operation. That means nearly 10 billion tonnes of CO₂ each year. In other words: The war in Ukraine has not changed - just underscored - the importance of ESG.

ESG is an integral part of UBM's *green. smart. and more.* strategy. That is also reflected in the focus on *green building, green financing and green thinking* which is documented in our annual report through in-depth and interesting articles. With timber construction, we are using the greatest lever available to us as a real estate developer to prevent CO₂ emissions. Bonds with coupons that are linked to our ESG rating also confirm our commitment to ESG. And green thinking governs all our entrepreneurial actions.

Our ESG report will be audited for the first time by an independent chartered accountant, despite the fact that we are not even required to prepare a report. Moreover, the ESG Committee at the Supervisory Board level demonstrates the significance of ESG for UBM - also and especially in times like these.

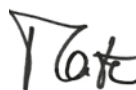
We would like to thank you for your interest in this key issue and hope we have been able to meet your information needs with this report.



Thomas G. Winkler
CEO, Chairman



Martin Löcker
COO




Patric Thate
CFO



Martina Maly-Gärtner
COO





Our strategy can be summarised in four words:
green. smart. and more.

That shows just how important sustainability is for UBM.
It represents the focal point of all our actions.

This report explains the various aspects of sustainability in connection with the Environment, Social and Governance.



1. UBM at a glance

- 1.1. Our business model
- 1.2. Our activities
- 1.3. Value chain
- 1.4. Corporate and shareholder structure
- 1.5. Corporate governance
- 1.6. Economic indicators

green. smart. and more.

1.1. Our business model. Explained in brief.

green. smart. and more. That summarises the strategy of UBM Development AG in four words. Explained in brief. Because anyone who plans for the future must develop buildings that are sustainable, intelligent and aesthetically appealing, where people feel well.

We develop properties for Europe’s major cities. In line with our core strategy, the focus is on green building and smart office in metropolises like Vienna, Berlin, Frankfurt, Munich and Prague. With over 150 years of experience, UBM provides a full range of development services - from planning to marketing - from a single source.

Ecological and social aspects play an important role in every decision because our actions today design the working and living space of tomorrow. Gold from EcoVadis, Prime Status from ISS ESG and more than 30 green building certifications in recent years underscore UBM’s commitment to sustainability.

The COVID-19 pandemic significantly increased the pace of change in this area. Ecological and social sustainability are

now the determining factors for our actions. In 2021 UBM applied for membership of the UN Global Compact, committed to compliance with the UN Sustainable Development Goals, and became an official supporter of the Task Force on Climate-related Financial Disclosures (TCFD).

UBM Development AG is listed in the prime market segment of the Vienna Stock Exchange and, as a result, meets the highest transparency standards. That not only means financial transparency but also covers the disclosure of all other aspects of the business model.

UBM’s corporate headquarters are located in Vienna, but its activities cover more than a dozen cities and metropolitan regions in five countries - Germany, Austria, the Czech Republic, Poland and the Netherlands. In many of these markets, UBM has been active as a real estate developer for many decades and has proven to be a reliable partner - not only for its customers, but also for the public authorities and financing banks. **GRI 2-1, 2-6**

TEAM PERFORMANCE ALONG THE ENTIRE VALUE CHAIN



Properties for Europe's metropolises.
Sustainable, technologically and emotionally
intelligent and with added value.

UBM IN EUROPE



Every decision we make in connection with the development of a property has an impact on the global climate for the coming decades. It is a conviction that is also reflected in our *green. smart. and more. strategy*.

1.2. Our activities

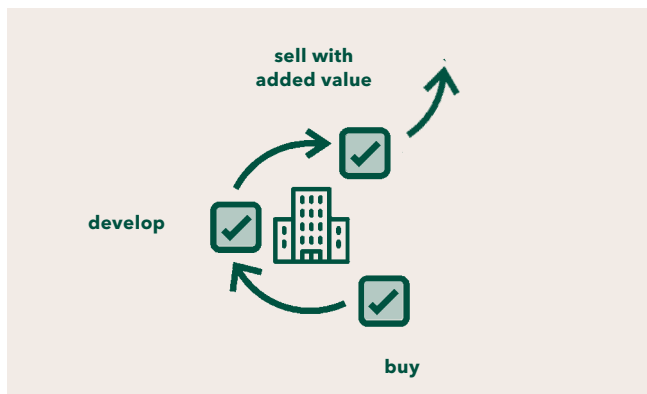
UBM develops and sells real estate at top locations with added value potential. That is our DNA. With forward sales, we increase the momentum in our business. Selling a property before completion means minimising the risk and setting a value for the sale which can be included in our accounting on a proportional basis during the construction period. Real estate development is our core expertise. This strategy guarantees a balance between profitability and risk. UBM's investments are concentrated in markets and asset classes which, based on this balance, generate optimal added value for our investors over the medium to long term.

UBM acts as a "one-stop shop". We offer all necessary services from a single source: market analysis, project development, planning and project management, financing, rental and sale. We can rely on a team of specialists with many years of professional experience who can accompany processes from the initial project idea to transfer to the tenant or final investor. This know-how makes it possible to cover all stages of the real estate value chain in our own house.

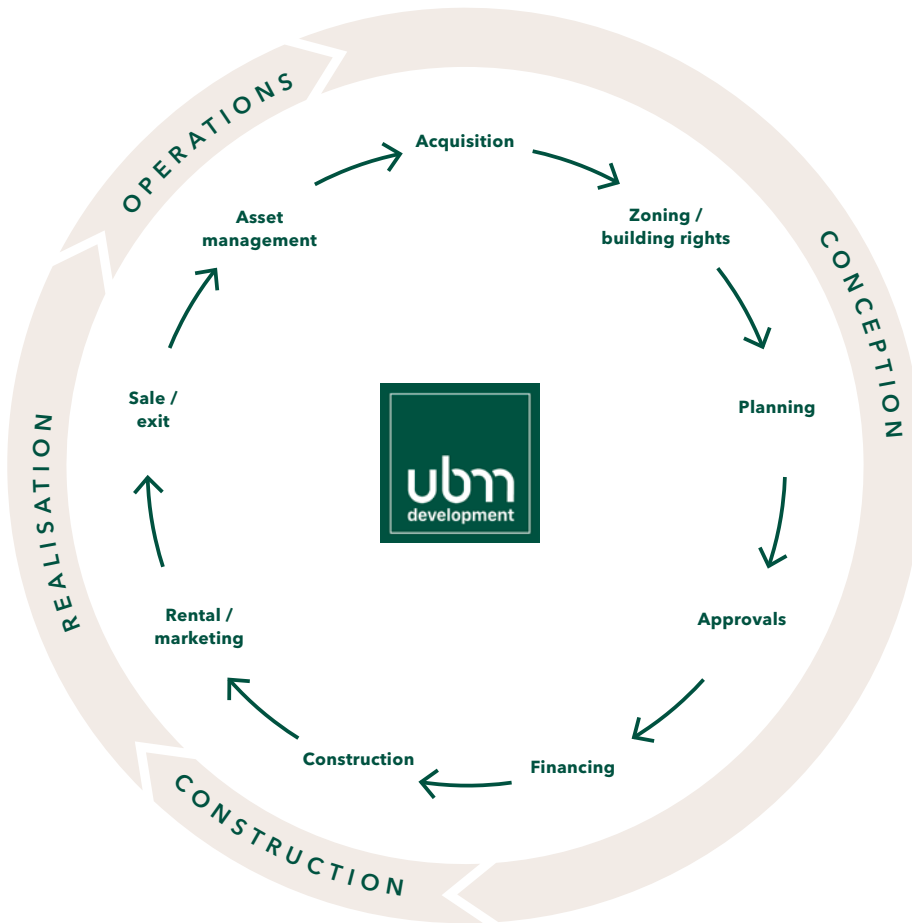
UBM's core business is real estate development with a focus on the residential and office asset classes. Over 450 apartments were sold in 2021. Based on the Total Output recorded in the individual countries during the past year, Germany was responsible for 34%, Austria for 42%, Poland for 17% and the other markets for 7%. The development pipeline in UBM's core markets is also well-filled for the future with €2.2bn by 2025. Our development projects are clearly focused on the residential segment at 55%. The office segment covers 45%. The German-speaking coun-

tries form the regional focus: We develop more than half of our projects (61%) in Germany and 30% in Austria, followed by the Czech Republic (7%) and other countries (2%). The focal point of our investments in the future lies, above all, in top cities like Munich, Frankfurt, Berlin and Vienna. For historical reasons, UBM holds properties with a total value of roughly €300m in its standing investment portfolio. These properties represent investments where the company cannot decide on a sale without the respective partner, or properties whose sale was not feasible to date for other reasons. UBM's basic strategic focus, however, is that of a "Pure Play Developer". Nearly 75% of the company's book value is attributable to development. **GRI 2-6**

UBM - CORE COMPETENCE



THE VALUE CHAIN



1.3. Competence and consequence along the value chain

Competence along the entire value chain is also part of UBM’s DNA, whereby sustainability is a central aspect. Because every decision we make in connection with the development of a property has an impact on the global climate for the coming decades. A conviction that is also reflected in our *green. smart. and more.* strategy.

The first stage of the value chain is formed by the search for and evaluation of a location, followed by building permit and zoning issues. The next step is the development and planning stage. After the necessary approvals are received and the financing is secured, construction begins. General contractors, individual companies or a combination of both serve as UBM’s partners.

UBM concentrates on realisation in the form of forward sales as early as the implementation phase. Due to UBM’s strategic transformation into a “Pure Play Developer”, the proper-

ties are generally sold. The company also holds individual standing assets in its portfolio (31% of the total property carrying amount at year-end 2021), where UBM is responsible for asset management.

In line with the commitment to sustainability, the entire life-cycle of a property is evaluated – for example: possibilities for the later use of a building through refurbishment or the recyclability of materials in the event of demolition can be actively included in the planning phase.

Quality and experience along the value chain

As a “Pure Play Developer”, UBM works with a wide variety of service providers and suppliers. The main service providers are consultants, for example architects, building physicists, appraisers and structural engineering – in other words, representatives of the different fields required for

planning. The transfer of a project to realisation involves new partners: either a general contractor, individual companies or a combination of both. Contractors and suppliers are organised for various management duties after completion. The overriding principle: In the selection of its business partners, UBM places the highest priority on experience from earlier business relationships, integrity and appropriate qualifications. There were no significant changes in the supply chain during 2021. **GRI 2-6**

1.4. International presence and stable shareholder structure

UBM Development and its subsidiaries have an efficient local network which guarantees competitive positioning in the individual markets. In addition to the headquarters of UBM Development AG in Vienna, the following operating subsidiaries are active in real estate development:

- UBM Development Deutschland GmbH and Alba Bau Projekt Management GmbH (Germany)
- UBM Development Österreich GmbH (Austria)
- UBM Development Czechia s.r.o. (Czech Republic)
- UBM Development Polska sp.z o.o. (Poland)
- UBM Development Netherlands B.V. (Netherlands)

There were no significant changes in the organisation during 2021.

The share capital of UBM Development AG totalled €22,416,540 as of 31 December 2021 and is divided into 7,472,180 shares. The syndicate comprising the IGO-Ortner Group and the Strauss Group held an unchanged 38.8% of the shares outstanding at year-end 2021. In addition, the IGO-Ortner Group held 6.8% of UBM outside the syndicate. A further 5.0% were held by Jochen Dickinger, a private investor. Free float comprised 49.4% of the shares and included the 3.9% of the shares held by the Management and Supervisory Boards. Most of the other free float was held by investors in Austria (53%) and Germany (32%).

GRI 2-1, 2-2, 2-9

1.5. Teamwork, also at the top

Cooperation is not only a guiding principle for UBM, but also a quality valued by top management. The four-member Management Board - Thomas G. Winkler (CEO), Martin Löcker (COO), Patric Thate (CFO) and Martina Maly-Gärtner (COO) - is supported by the Executive Committee as an extended management body.

The Executive Committee includes the four Management Board members and, at the present time, 16 selected country and specialist managers. The committee meets six to eight times each year to evaluate market trends and ensure continuous calibration. The members of the Executive Committee, in total, have invested approximately €5m in UBM shares and participate at 5% in an increase in the company's value through stock options.

Sustainability is an issue for management. But not only.

The assignment of responsibilities proves that sustainability plays a central role at UBM: Sustainability is a matter for management. The Management Board is responsible for the organisation of and compliance with sustainability issues. Thomas G. Winkler, the Chief Executive Officer, is in charge of the sustainability-relevant areas of strategy, investor relations & ESG, and compliance. Green building and timber construction report to Martin Löcker, while Patric Thate makes sure the financing turns "green" and oversees the implementation of ESG data management. Employees & work safety as well as hotel operations are the responsibility of Martina Maly-Gärtner. The Executive Committee regularly deals with sustainability issues, especially in view of the new strategic focus on *green. smart. and more.*

UBM became one of the first listed companies in Austria to establish an ESG Committee for the Supervisory Board in February 2021. As the senior controlling body, the Supervisory Board is now able to meet its responsibilities for the environment, society and governance through a separate committee. The ESG Committee deals with the analysis of sustainability criteria and social responsibility concepts in corporate processes - in particular, it defines the most

important ESG factors that are determined by the company's sector affiliation and business model and are subject to regional influence.

The ESG Committee monitors and supports activities in line with the ESG catalogue of measures based on the clear assignment of responsibilities at Management Board and Supervisory Board levels. It also supervises and evaluates the implemented ESG measures – above all, the impact of procurement and development processes on ecosystems, the use of resources, the direct and indirect neighbourhood, and good corporate management. Additional information on the ESG Committee can be found in the Annual Report for 2021 under the Corporate Governance Report starting on page 88.

The inclusion of ESG factors in the remuneration model will be analysed in detail in the future: Plans call for the integration of key ESG performance indicators in management's variable remuneration over the medium term. Further information on the Supervisory Board and Management Board is provided in the Annual Report for 2021 under the Corporate Governance Report starting on page 88.

Shared values as the basis

Many projects in many different countries – that demands a common basis to make sure everyone pulls together. At UBM, this means a clear strategic focus and shared values. The foundation is created by a system of values that is based on three pillars: competent. consequent. transparent. Specifically, that means: UBM stands for high technical competence, consequent actions and full transparency.

GRI 2-9, 2-13, 2-19, 2-22



Martina Maly-Gärtner (COO),
Thomas G. Winkler (CEO),
Martin Löcker (COO),
Patric Thate (CFO), f.l.t.r.

Based on these defined values,
we have formulated the following binding goals:

one goal

stands for an increase in the value of the company.

one team

expresses the goal to grow even closer together
as a corporate group.

one company

reflects the clear understanding to deal with the
outside world as a single entity.

1.6. Financial performance indicators

Business development and earnings

With after-tax profit of €44m, UBM closed the 2021 financial year with results that exceeded expectations at the start of the second pandemic year. This performance was supported by the selected sale of projects, without being involved in their realisation. The consequent focus on *green. smart. and more.* also played an important role. However, successful strategic change not only requires a solid financial basis: UBM has a stronger position than ever before with an equity ratio of 37%.

UBM Development generated Total Output of €471.0m in 2021, compared with €478.6m in the previous year. Of this total, €371.5m represents revenue from property sales. The largest contributions came from the two core markets, Germany and Austria, where, among others, four projects in the pre-development phase were successfully sold. Total Output for the reporting year was also influenced, above all, by the progress of construction on previously sold real estate projects which is realised over time in accordance with the percentage of completion and realisation. In this category, the largest contribution to Total Output was made by residential construction projects like the Gmunder Höfe in Munich and the Siebenbrunnengasse in Vienna, a project with 178 apartments designated for individual sale. Other positive contributions were made by the forward sold F.A.Z. Tower in Frankfurt and two hotels in Poland.

Revenue as reported on the consolidated income statement increased by 51.8% to €278.3m (2020: €183.3m).

This improvement was based primarily on property sales in Germany and Austria as well as the progress of construction on previously sold real estate projects which are recognised over time in accordance with the progress of completion and sale.

The profit from companies accounted for at equity rose to €36.0m in 2021 (2020: €27.8m). This improvement was supported, above all, by ongoing forward sold real estate projects like the F.A.Z. Tower in Frankfurt.

EBITDA rose by €10.8m over the previous year to €75.9m in 2021. Depreciation and amortisation declined by 14.8% to €2.6m (2020: €3.1m), and EBIT consequently rose by €11.3m to €73.3m (2020: €62.0m). Financial income declined from €23.9m in the previous year to €14.0m, and financial costs amounted to €27.2m (2020: €23.7m). There were no material deviations in financial costs during 2021 or 2020.

EBT totalled €60.1m in 2021 and was €2.1m, or 3.4%, lower than the previous year (2020: €62.3m). Tax expense equalled €16.4m, compared with €21.5m in 2020, and represented a tax rate of 27.3% (2020: 34.5%). The lower tax rate in the reporting year resulted from the tax effects of equity-accounted results and a special effect from the sale of a project in Austria.

Profit for the period (net profit after tax) totalled €43.7m in 2021 (2020: €40.8m). Net profit attributable to the

shareholders of the parent company amounted to €33.6m for the reporting year (2020: €32.8m). Beginning with the 2020 financial year, the calculation of net profit attributable to the shareholders of the parent company includes a deduction for the share attributable to the hybrid capital holders; the comparative prior year data were adjusted accordingly. The share attributable to the hybrid capital holders rose from €7.0m to €8.6m in the 2021 financial year following the issue of a new hybrid bond during the second quarter of 2021. The resulting earnings per share rose from €4.39 to €4.50 in 2021.

Asset and financial position


Total assets recorded by the UBM Group rose by €122.4m over the previous year to €1,494.5m as of 31 December 2021. This increase was supported, above all, by the issue of two sustainability-linked corporate bonds which will provide added financial flexibility for business activities.

Non-current assets declined slightly by €0.3m to €824.6m at year-end 2021. Property, plant and equipment totalled €12.9m as of 31 December 2021 (31 December 2020: €11.6m). This position consists primarily of capitalised rights of use from leases, which totalled €8.8m at the end of 2021.

Current assets rose by €122.8m over the level at year-end 2020 to €669.8m as of 31 December 2021. This increase was based primarily on a higher balance of cash and cash receivables, which grew by €176.1m to €423.3m.

Equity totalled €550.6m as of 31 December 2021 (31 December 2020: €482.9m) and was increased primarily by the issue of a hybrid bond and by earnings. The equity ratio equalled 37% at year-end 2021 and remained above the upper end of the 30–35% target range (31 December 2020: 35.2%). The issue of a deeply subordinated sustainability-linked bond (hybrid bond) was finalised during the second quarter of the reporting year. Nearly 50% of the 2018 hybrid bond was redeemed prematurely, and this financing was extended to 2026.

Bond liabilities totalled €526.5m at the end of December 2021 and were €70.0m over the level at the end of the previous year (31 December 2020: €456.5m). A €7.0m bearer bond (term 2021–2025) and a further €0.5m bearer bond (term 2021–2025) were issued in the first quarter of 2021. In the second quarter of 2021, UBM issued a sustainability-linked bond (term: 2021–2026). The issue volume of €150.0m included €68.9m from the exchange of the existing bond 2017–2022. A promissory note loan and bearer bond (term: 2016–2021) were repaid in December 2021.

Net debt was substantially lower than the previous year at €381.0m as of 31 December 2021 (31 December 2020: €479.1m). This indicator represents current and non-current bonds and financial liabilities, excluding lease liabilities, less cash and cash equivalents. The decline in net debt resulted, above all, from distributions from equity-accounted companies, property sales and an increase in financial liabilities as support for investments. 



ESG

as an integral part of our strategy

ESG - which stands for Environment, Social, Governance - is an integral part of our strategy.

Our projects must meet ecological, social and legal standards to qualify as "green" in the sense of our strategy.

2. UBM in detail

- 2.1. E as in Environment
- 2.2. S as in Social
- 2.3. G as in Governance





E NVIRONMENT stands for our commitment as real Greens – which is clearly demonstrated by our corporate colour – to delivering the best protection possible.

All our projects and transactions are “green” from top to bottom to meet the highest ESG standards: with *green building*, *green financing* and *green thinking*. In that way, we anchor green, as the core idea, at all levels of our company. This creates a holistic approach to environmental awareness as well as new perspectives and valuable synergies.



green building. timber construction and geothermal power.

The reduction of CO₂ emissions and the careful use of resources are essential requirements for every UBM project. In this way, we remain true to sustainability throughout the entire lifecycle of our properties - from the selection of a site and preparation of the draft, through construction and

operation, and up to demolition or revitalisation.

Timber construction pays off - both locally and globally

The selection of the materials used in building construction is clearly the most effective leverage for reducing

the CO₂ footprint. The production of the concrete and steel frequently used in the construction of a building are responsible for six per cent of all CO₂ emissions worldwide. That may sound manageable but, in fact, equals the total of all global flight, ship and rail traffic combined. For this reason,

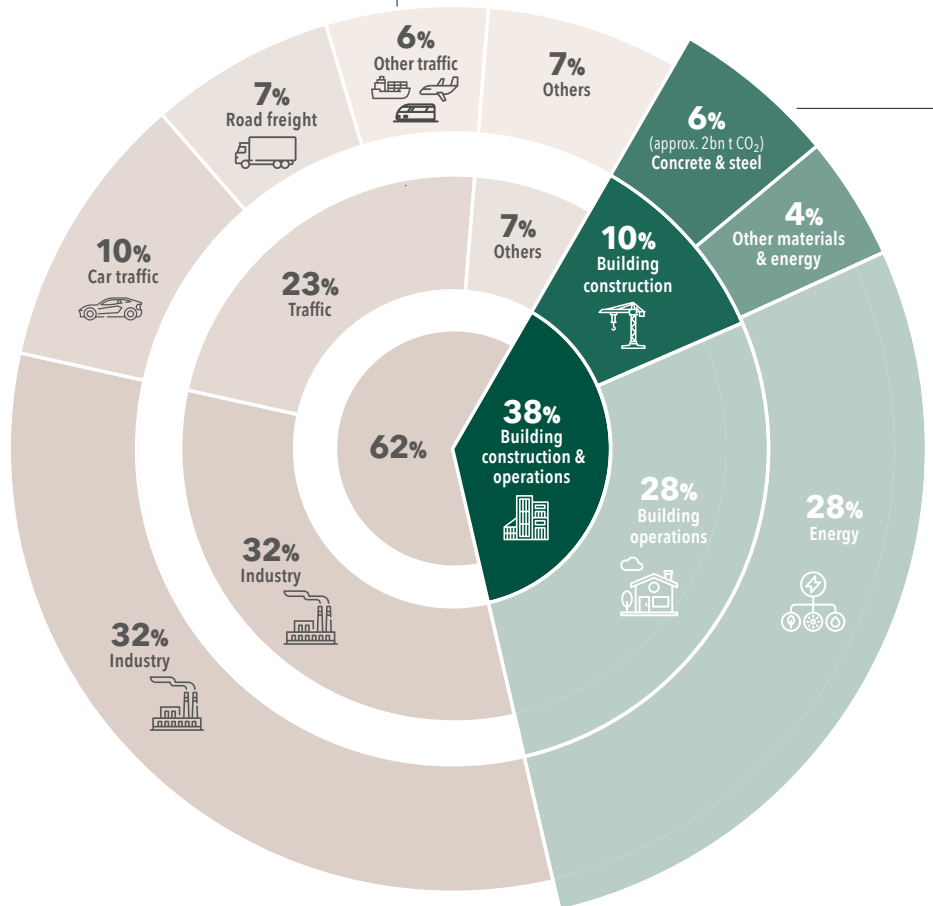
Timber Pioneer, Frankfurt.

15,000 square metres of rentable space in the booming Europaviertel.



GLOBAL CO₂ EMISSIONS

The production of the concrete and steel frequently used in the construction of a building is responsible for **six per cent** of all CO₂ emissions worldwide. That equals the total of all global flight, ship and rail traffic combined.



we evaluate every project to see whether we can make renewable, CO₂-absorbing timber our first choice - and in doing so, provide relief for the global climate. Following the completion of our successful pilot project, the "barany.7" in Vienna, during 2021 UBM planned six further "timber construction sites" in Austria, Germany and the Czech Republic. Here we are creating substantially more than 100,000 m² of office and residential space.

Pioneering work made of timber - Timber Pioneer

UBM's flagship project involves the development of the eight-storey, "Timber Pioneer" in Frankfurt am Main. In the booming Europaviertel, the first timber-hybrid office building in this banking metropolis is currently under construction. "Our" Timber Pioneer, with its roughly 15,000 m² of rentable space, can really show off with convincing figures. The 1,500 cubic metres of FSC-certified spruce will bind roughly 1,500 tonnes of

CO₂ in the building - the same volume of cement alone would release 900 tonnes of CO₂. This state-of-the-art structure also produces enormous savings compared with conventional construction methods. Specifically: a reduction of almost one third in transport costs due to materials that are up to 70 per cent lighter, 40 per cent in the weight of the entire construction, nearly 50 per cent in construction time with pre-fabricated modules and up to 80 per cent in the CO₂ footprint of the shell construction.

An entire quarter in Vienna - and completely energy self-sufficient

Our action plan for green building includes environmental and climate aspects starting with the very first draft. Preservation of the landscape and city image, short transport routes and the careful use of valuable resources like the ground, water and energy are our most important guiding principles. For building operations, primary energy is the decisive factor - and here we use geothermal power in combination with solar energy wherever possible.

UBM's consequent approach to timber construction, combined with the integration of renewable energy sources, is visibly demonstrated by the LeopoldQuartier in Vienna. At a unique location between the green Augarten and the city centre, we are developing Europe's first urban quar-

ter in timber construction. UBM is also setting standards in terms of energy. The total energy requirements for heating and cooling will be generated directly at the building site. A well-planned network of roughly 250 geothermal ground probes will deliver around 4,800 MWh of heating and cooling energy. 100 per cent of the energy for the LeopoldQuartier will come from renewable sources. And operations will be nearly CO₂-free.

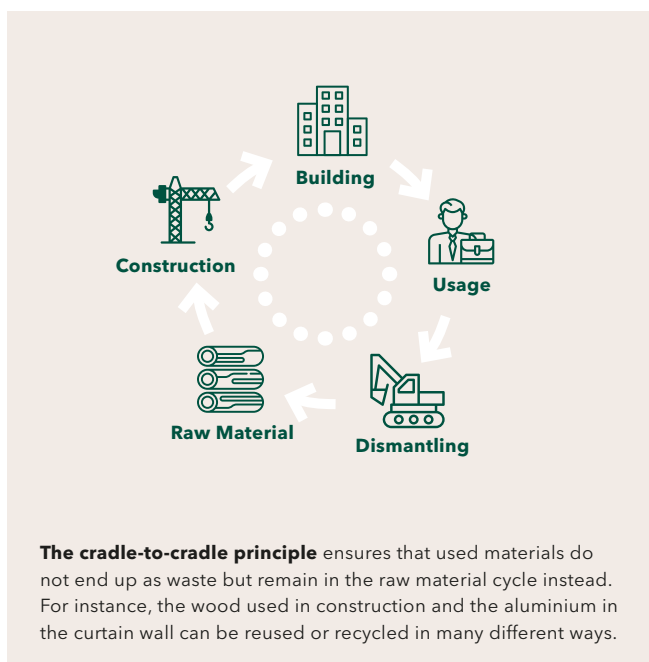
The reversal of ground sealing and enlarged green areas as well as semi-intensive, biodiverse planting on the rooftops support the green building approach. They provide protection against heat build-up and help to improve the microclimate. Following the development of the Quartier Belvedere Central, another large-scale UBM project in Vienna, the LeopoldQuartier also underscores our future-oriented approach to climate protection.

Materials with more use

UBM generally uses detailed lifecycle assessments to select the materials with the best durability and recycling capability. For every new construction project, we look far ahead and make sure roughly 95 per cent of all materials resulting from the demolition of our properties can be recycled into new building materials. **GRI 2-23, 3-3**

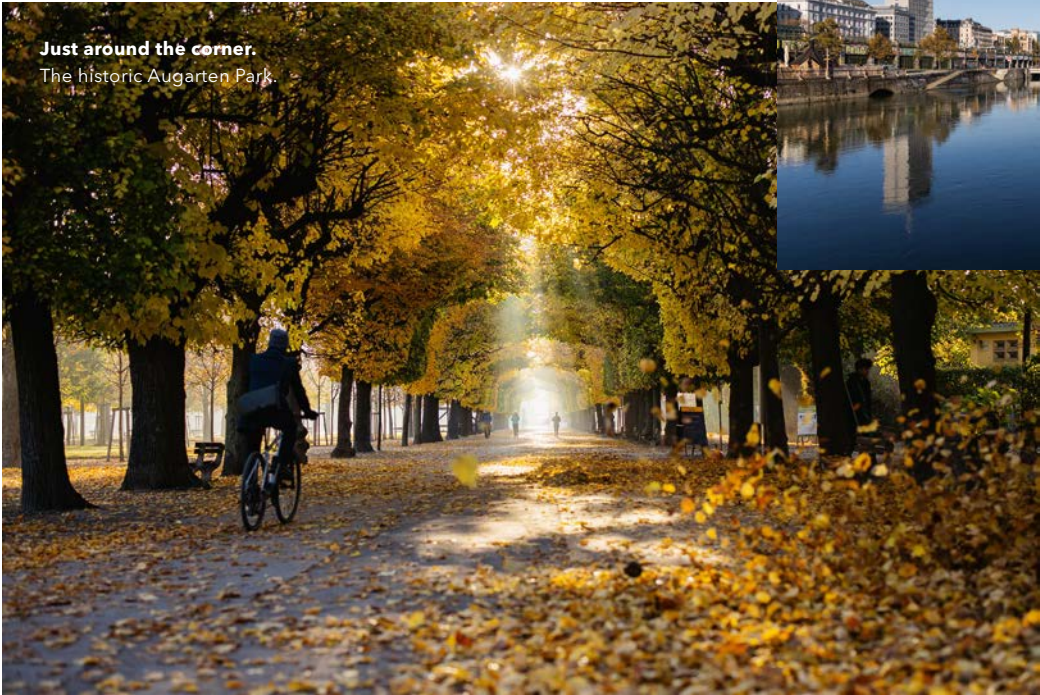


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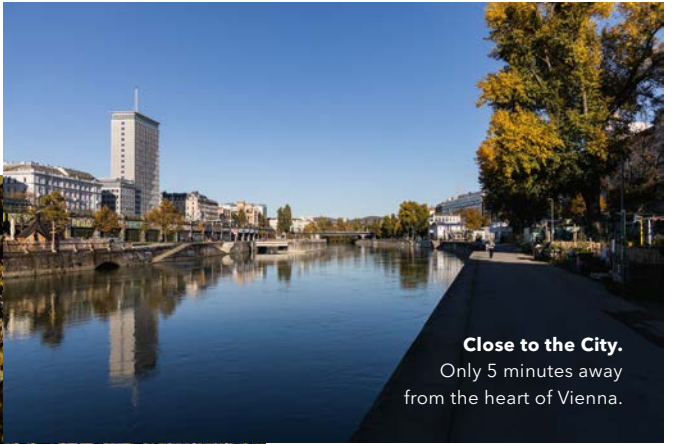




The LeopoldQuartier.
Offices, city apartments and flats in green surroundings and on the waterfront.



Just around the corner.
The historic Augarten Park.



Close to the City.
Only 5 minutes away from the heart of Vienna.

The sustainability focus includes UBM's commitment to reach a specific ESG rating threshold.

3,125% Sustainability-Linked UBM-Bond 2021-2026

Umsatzfrist: 27.04.-07.05.2021
 100% Umsatzfrist: 08.05.2021-31.12.2021
 Zeichnungsfrist: 11.05.-17.05.2021
 (Info: AT1505242021)

Umsatzfrist: 27.04.-07.05.
 Zeichnungsfrist: 11.05.-17.05.

UBM Development
 UBM Development entwickelt, konstruiert, betreibt und managt Green Buildings und Smart Cities in ganz Österreich (Wien, Salzburg, Innsbruck oder Prag). Die Aktien werden im primären Markt der Wiener Börse, wodurch höchstes Transparenzniveau gewährleistet wird. Das einzigartige Risikoprofil wird durch die internationale Risikoprüfung nach der EU-Nichtfinanzierungsrichtlinie (NFRD) bestätigt.

F.A.Z. Tower
 Finklergasse 10
 1040 Wien

green. smart. and more. www.ubm-development.com

Sustainability-linked bonds.
 These two securities – with a volume of 150 and 100 million euros – were placed in only a few hours.

green financing. In line with the EU Taxonomy.

As a company listed in Austria with subsidiaries in Central Europe, UBM Development is active on the international capital market. UBM shares are listed in Vienna's Prime Market, the segment with the highest transparency standards. We therefore view the requirements of the EU Taxonomy as central for our operations. The criteria catalogue for ecological sustainability of investments fits perfectly with UBM's strategy for successful, long-term development activities.

2021 signalled the start of our programme to convert our financing to green financing. This took place, above all, through the issue of two sustainability-linked bonds based on an ambitious rating.



Excellent and convincing ESG ratings

The well-known rating agency EcoVadis placed UBM among the top two per cent of the real estate and construction sector and in the top five per cent of over 75,000 ranked companies. We also received a gold award from EcoVadis.

In the internationally recognised ISS ESG rating, we are listed as one of the three best companies in our sector in Austria and Germany. And ISS ESG also raised UBM to Prime Status. The costs of our bond financing are now linked directly to our ESG rating.

Sustainably successful on the capital market

In May 2021, we became the first company in Austria to issue a senior ESG-linked bond on the Vienna Stock Exchange. This UBM bond has a volume of 150 million euros and a coupon of 3.125 per cent with redemption at maturity. The sustainability focus includes our commitment, as the issuer, to reach a high ESG rating. Failure to meet this goal will increase the repayment amount by ten basis points per year.

In June, we placed another hybrid bond with a volume of 100 million euros on the Vienna Stock Exchange. Its unlimited term is linked to an interest step-up mechanism that calls for an increase of 500 basis points after five years if UBM does not redeem the bond. The bond carries a coupon of 5.5 per cent. Similar to the senior bond, the sustainability focus includes UBM's commitment to reach a specific ESG rating threshold or the repayment amount will increase by 15 basis points per year.

These two bonds converted a total of 250 million euros to green financing in a very short time. Considering the total bond volume of nearly 700 million euros, that represents a radical reorientation.

green financing is also project-based

The conversion of our credit financing represents the next step to even more green financing because an increasing number of our development projects qualify for "green loans". Sustainability-linked bonds support our general corporate financing. Over the longer term, we also see "green bonds" as attractive tools for green financing. However, these bonds are earmarked for a specific use and UBM must prove that nearly 100 per cent of the funds are used exclusively for the respective green project.

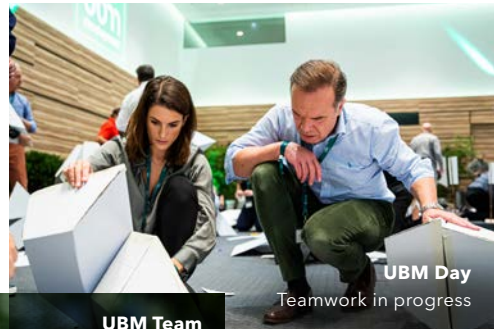


SOCIAL means community and involvement for UBM. Sustainability not only demands an ecological approach but also socially farsighted thinking.

We are working, step by step, to build a UBM that also leads the way with high social competence. As an employer, we support cooperation and fairness. As a developer, we create innovative building concepts for generations to come. And as a good corporate citizen, we live our responsibility to society.



UBM Day
A "green" event for more than
200 of our colleagues



UBM Day
Teamwork in progress



UBM Team
Common sense



UBM Day
Teamwork in progress

green thinking. Always going all out.

The construction and operation of buildings is responsible for nearly 40 per cent of worldwide CO₂ emissions. That's more than all traffic combined, including automobiles, or any other major industrial sector. As an international developer of properties and entire urban quarters, UBM is also challenged to address the ecological aspect of sustainability. Worldwide, building construction is responsible for 3.5 billion tonnes of CO₂ each year. The production of concrete and steel for building materials causes over two billion tonnes of this total. The increasing replacement of both, as practised by UBM, shows that an enormous gain is possible. In our development projects, we have also started to include modern, renewable forms of primary energy supplies like geothermal power combined with solar energy. Efficient thermal insulation, sophisticated building technology and the smart management of systems like air conditioning, lighting and ventilation help to save additional energy.

The DIY developer

Social aspects are just as important for green thinking. As UBM, we also want to offer a real community. That begins in our offices and ends with our social activities.

green thinking is an attitude which we also see as a sustainable, corporate-wide learning process. It covers UBM's training and educational programmes as well as our "UBM Day", which is held every two years and has since grown to cover nearly two days.



Social day "Caritas am Himmel"
Hands on



Social day
"Caritas am Himmel"
Team Spirit



Social day "Caritas am Himmel"
Project completed

Two days of pure UBM culture

More than 200 of our colleagues from Poland, the Czech Republic, Germany, the Netherlands and Austria took part in our "UBM Day" 2021 in Vienna at the end of October. The mixture of interactive team assignments, interesting lectures and exciting events as well as donation vouchers for charitable contributions in place of mementos were very well received. By the end of the day, all of the participants were able to feel the UBM strategy and experience the Group-wide community "live". In these times of COVID-19, it was a particularly valuable happening.

We organised the UBM Day for the first time as a "green meeting" in line with the Austrian Ecolabel criteria. That meant compliance with a long list of requirements - from environmentally friendly travel to the prohibition of plastic badges and the use of eggs from free-range hens by the catering firm.

Social days for good purposes

UBM gives employees interested in demonstrating their social commitment an extra day off each year. Several of our colleagues spent their social day in 2021 at the "Caritas am Himmel" during the summer. In this special day retreat on the Cobenzl, an idyllic hill on the outskirts of Vienna, they helped a number of clients put the overgrown garden into shape. And while they were there, they also built a long-awaited shady rest area.

A trip to the "Lichtblickhof" brings light into the daily routine of many children and young people who suffer from grief, trauma, physical impairment or illness. This facility at Vienna's Otto Wagner Hospital has successfully used equotherapy with horses for many years. In the weeks before Christmas 2021, a number of UBM employees set out to support the therapy centre. They helped to assemble and put up the festive Christmas decorations - and for an entire day, lent a hand wherever practical support was welcome.



Sterntalerhof
Donation for the children's hospice



"UBM-Express"
at the Business Run



Climate Impact Day
Speaker Marcus Wadsak



Climate Impact Day
Bicycle maintenance
in UBM's underground car park

50,000 euros for the Sterntalerhof

UBM continued its long-standing tradition and waived gifts for business partners and employees at Christmas 2021. Instead, €50,000 was donated to the Sterntalerhof in Loipersdorf (Burgenland). This facility houses Austria's only stationary children's hospice for families with severely, chronically or terminally ill children. With our donation, we want to help the Sterntalerhof continue its valuable work and give new strength to families in difficult situations.

Full programme on Climate Impact Day

21 September 2021 was a very special day: It marked UBM's first Climate Impact Day at the headquarters in Vienna. Lectures and presentations on climate protection, such as by ORF weatherman Marcus Wadsak, livestreams and a team quiz sharpened awareness of one of the greatest challenges of our time. We also underscored the importance of every seemingly unimportant initiative with a small gesture: The employees who cycled to work received a free bicycle maintenance check-up in UBM's underground car park. In view of the great interest and vigorous support, we have decided to hold a Climate Impact



Berlin
Team building



Berlin
Case study: "smart."



Vorarlberg
Case study: "green."



Vorarlberg
With "Timber Pope"
Hermann Kaufmann

Day in the other UBM countries as a fixed part of our schedule starting in 2022.

"smart" and "green travelling" as education

In October 2021, roughly 30 of our colleagues travelled to Berlin to learn about the realisation of smart office building ideas on site and, above all, to also experience the UBM community outside the office.

A number of colleagues involved with UBM's "green" strategy took a trip to the Austrian province of Vorarlberg at the same time, where they reviewed model pro-

jects and workshops for timber construction. The participants in both trips gained new impressions and valuable impulses for their future work and for cooperation throughout the UBM Group.

Keeping fit at the Business Run

A team of 21 UBM employees also took part in the annual Business Run in Vienna's Prater in 2021. After successfully completing the 4.1 kilometres, the hobby athletes met in the nearby Mehler restaurant for refreshments, a chat and networking.

GRI 2-23, 3-3



GOVERNANCE, meaning good corporate management, represents a competitive factor for UBM.

In addition to the environment and social issues, good governance has come to play a greater role in the perception and valuation of companies. UBM recognised this long ago and has also firmly anchored good corporate management at the ESG level.

Good ratings. Great opportunities.

A number of influential players have established a position as intermediaries between ESG requirements and the capital market. In addition to shareholders and banks, rating agencies, analysts and international institutional investors are becoming more and more important. One key example is the Global Reporting Initiative (GRI), which has defined binding global guidelines for the preparation of sustainability reports. UBM, as an international company, already reports in accordance with the latest GRI standards to provide decision-makers with comparable information and understandable performance indicators.


An ESG Committee at the highest level

ESG issues deserve the greatest possible attention. At UBM, that means they are an issue for the boss. For example: the ESG reporting by the UBM Management Board to the Supervisory Board goes far beyond standard information. An ESG Committee was established especially for this purpose and is comparable to the Audit Committee that reviews UBM's financial reporting.

Clear criteria and responsibilities

The ESG Committee has wide-ranging responsibilities. It analyses sustainability criteria and corporate social responsibility concepts in corporate processes and defines the most important ESG factors based on industry affiliation, business model and regional influences. The committee also clarifies responsibilities at Management Board and Supervisory Board levels. It monitors and evaluates the ESG measures set by UBM – and, for example, regularly examines and documents the effects of employment and development processes.

The integrity of our customers is regularly reviewed with a so-called “KYC (Know Your Customer) check”. Routine training courses are also held on the prevention of money laundering. “Compliance” – in other words, the observance of legally required standards, especially on the capital market – is given great attention. It's therefore no surprise that UBM repeatedly receives very high marks for governance in the ESG ratings. **GRI 2-9, 2-23, 3-3**



In February 2021, UBM became one of the first listed companies in Austria to establish an ESG Committee for the Supervisory Board. It also highlights the importance placed by UBM's Supervisory Board, as the senior controlling body, on ESG.

UBM has anchored the relevance of ESG in its corporate strategy through the focus on *green. smart. and more.* and is introducing concrete measures.

3. UBM & Sustainability

- 3.1. Our strategy
- 3.2. ESG organisation
- 3.3. Stakeholder inclusion
- 3.4. Materiality analysis
- 3.5. ESG goals and measures
- 3.6. Risk management
- 3.7. ESG reporting
- 3.8. ESG ratings
- 3.9. Memberships

Living sustainability.

3.1. Our strategy

Protecting the future viability of our planet is one of the most important social responsibilities of our time. With the announcement of the Green Deal, the European Union underscored its intention to make Europe the first climate-neutral continent in the world by 2050. Other megatrends apart from ecology are urbanisation and the demographic and social shifts in the social order. "Silver Society" describes the ageing of society, in which health and the quality of life will be deeply anchored as fundamental values in our consciousness. Changing gender roles and the breakdown of stereotypes have also led to radical changes in society and the business sector. These developments, together with COVID-19, are the decisive factors for the megatrend "New Work" - meaning people's needs as regards their working world.

We see these trends not only as a challenge but also as an opportunity: The interaction with ESG is a key success factor for our entrepreneurial actions. In the sense of ecological sustainability, UBM aims to become one of the leading timber construction developers in Europe. Our actions today are already focused on smart, low-barrier or barrier-free, flexible living and working to also meet the needs of tomorrow's users. As a real estate developer, we can give the office a new standing as a communication and collaboration platform - the physical workplace then becomes a place for community and corporate culture. As an employer, we also take advantage of these opportunities - for example, by benefitting from the additional innovation potential created by a diverse workforce.


UBM has anchored the relevance of ESG in its corporate strategy through the focus on *green. smart. and more.* and is introducing concrete measures. The efficient use of resources is an integral part of ongoing operations, as are social issues and adherence to compliance rules. UBM's flagship projects, green building certifications and the activities evolving from the *green. smart. and more.* strategy reflect the requirements of the EU and create new opportunities for UBM.

green. stands for measures in support of greening, meaning the redirection of the economy in line with the environment. Our primary focus is on timber construction as well as renewable energies and green building certification.

smart. expresses our commitment to intelligent buildings. With the use of sensors and automation, buildings can be adapted to meet the needs of users and, at the same time, operations can be made more efficient.

and more. means we tell stories with our buildings. This involves aesthetics, well-being and customer experience - a "more" that is perceptible all over.

Our sustainability activities are based on the applicable rules and regulations in the countries where we are active. For example: government programmes in the countries relevant for UBM cover issues like the expansion of renewable energy, the efficient use of energy, subsidy programmes for environmentally friendly behaviour and the strengthening of fundamental and human rights, especially in the supply chain. An additional framework is provided by national and supranational norms and standards, including the UN Global Compact, Sustainable Development Goals (SDGs), the EU Green Deal and the EU Taxonomy. We have implemented - and regularly evaluate and improve - the necessary processes to realise our ESG goals and related measures. Information on our 360° process landscape and measures is provided in the following sections of this report.

Leading worldwide ESG rating agencies have confirmed UBM's strong position on the topic of sustainability. Additional information can be found in section 3.8.  **2-23, 2-24**

ESG goals at a glance

ENVIRONMENT

E



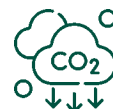
Timber construction

Over 100,000 m² in timber construction by 2025



Green building certification

Obtain green building certification for 100% of new developments



Reduction of CO₂ by 30%

Reduction of CO₂ intensity of completed projects by 30% by 2030



Brownfield development

Share of brownfield developments in new projects over 66% by 2025



Increase in renewable energy

Increase the share of renewable energy in energy carriers to 30% by 2025 (Standing assets and corporate locations)



Vehicles with alternative drives

Double the number of vehicles with alternative drives by 2025

SOCIAL

S



Minimise employee turnover

Hold employee turnover below 12.5% by 2025



Over 30% women in management positions

Increase percentage of women in management positions to over 30% by 2025



Yearly ESG training

Annual ESG awareness training for all employees

GOVERNANCE

G



Voluntary external ESG audit

Voluntary external audit of ESG reporting



Code of conduct for business partners

Carry out KYC reviews of new business partners and confirm binding code of conduct



Code of conduct for employees

Confirm code of conduct in writing with all employees

3.2. The implementation: organisation & governance

Together with the *green. smart. and more.* corporate strategy, we have anchored ESG goals throughout the entire corporation. We see the transformation of our conviction into concrete actions as the shared responsibility of all employees. Only when everyone knows and supports our internal ESG goals can ESG become part of our everyday life and have a lasting effect.

The organisation of and compliance with sustainability issues is anchored at Management Board level. Thomas G. Winkler, the Chief Executive Officer, is in charge of the sustainability-relevant areas of strategy, investor relations & ESG as well as legal & compliance. Green building and timber construction report to Martin Löcker, while Patric Thate makes sure the financing turns "green" and reliable ESG data management becomes reality. Employees and work safety are the responsibility of Martina Maly-Gärtner.

The Management Board and Executive Committee, together with the heads of the involved specialist departments, are responsible for the implementation of ESG activities. The relevance of the sustainability strategy and goals is evaluated at regular intervals and suitable goal attainment measures are defined. The Executive Committee frequently deals with sustainability issues, especially in view of the new strategic focus on *green. smart. and more.* The Management Board is included in central decisions and receives routine reports on progress.

With the help of a RACI matrix (Responsible, Accountable, Consulted, Informed), the roles and responsibilities for ESG were transparently defined and recorded. The investor relations & ESG department coordinates sustainability issues within the framework of UBM's strategy and business model and is in charge of the operative ESG reporting together with the organisation of ESG ratings. Its activities include the further development of the sustainability strategy, the definition and monitoring of goals, and the implementation of measures together with selected specialist departments. This

department is also responsible for monitoring changes in the legal framework and serves as an information interface for the company. The head of investor relations & ESG and the Management Board communicate regularly on current developments and issues.

The specialist departments and countries are responsible for managing and implementing sustainability issues. These employees become involved and implement the defined measures as part of their regular day-to-day operations and in pilot projects.

Corporate governance

The UBM Supervisory Board is composed of members elected by the Annual General Meeting. In addition, the Works Council is authorised by Section 110 Para. 1 of the Austrian Labour Constitutional Act to delegate a specific number of members to the Supervisory Board. The Annual General Meeting can recall a Supervisory Board member before the end of his or her term with a resolution based on a simple majority of the votes cast. The Supervisory Board elects a chairman and one or more deputies from among its members each year at a meeting held after the Annual General Meeting. The Supervisory Board can form committees from among its members, which can be established as permanent bodies or for individual tasks.

In 2021, the Supervisory Board had eight members elected by the Annual General Meeting plus four additional members designated by the Works Council as employee representatives. The table on the following page shows the members elected to the Supervisory Board in 2019. As of 31 December 2021, the members of UBM's Supervisory Board held additional positions on supervisory boards or exercised comparable functions in Austrian and foreign companies (which are not included in the consolidated financial statements). These positions are listed in the table on the following page.

Members of the Supervisory Board

Name	Date of birth	Gender	Position	Member since	Appointed until
Karl-Heinz Strauss ¹	27.11.1960	male	Chairman	14.4.2011	AGM 2024
Iris Ortner ²	31.8.1974	female	Deputy Chair	14.4.2011	AGM 2024
Susanne Weiss ³	15.4.1961	female	Member	15.1.2015	AGM 2024
Klaus Ortner ⁴	26.6.1944	male	Member	15.1.2015	AGM 2024
Ludwig Steinbauer ³	26.10.1965	male	Member	15.1.2015	AGM 2024
Paul Unterluggauer	28.4.1967	male	Member	15.1.2015	AGM 2024
Bernhard Vanas ³	10.7.1954	male	Member	15.1.2015	AGM 2024
Birgit Wagner ³	9.1.1972	female	Member	29.5.2019	AGM 2024
Anke Duchow	19.1.1968	female	Member	27.5.2019	n/a ⁵
Martin Kudlicska	14.2.1972	male	Member	30.6.2016	n/a ⁵
Hannes Muster	28.11.1967	male	Member	30.6.2016	n/a ⁵
Günter Schnötzing	20.8.1973	male	Member	30.6.2016	n/a ⁵

¹ Karl-Heinz Strauss was Deputy Chairman of the Supervisory Board from 27 February 2013 until 18 September 2014 and has been Chairman since 18 September 2014

² Iris Ortner has been Deputy Chairwoman of the Supervisory Board since 18 September 2014 and previously served a member of the Supervisory Board from 2 July 2003 to 5 May 2010

³ independent member who does not hold more than 10% of the shares (C Rule 54)

⁴ Klaus Ortner was previously a member of the Supervisory Board from 18 March 2000 to 14 May 2014

⁵ appointed by the Works Council on 30 June 2016 as well as on 27 May 2019 in accordance with Section 110 Paragraph 1 of the Austrian Labour Constitutional Act

Additional functions of the Supervisory Board members

Name	Company	Function
Karl-Heinz Strauss	PORR Bau GmbH PORR GmbH & Co. KGaA PORR SUISSE AG	Chairman of the Supervisory Board Chairman of the Supervisory Board President of the Administrative Board
Iris Ortner	ELIN GmbH PORR AG ¹ OEBAG TKT Engineering Sp. z.o.o. (Polen) Blue Code International AG (Switzerland)	Chairwoman of the Supervisory Board Supervisory Board member Supervisory Board member Deputy Chairwoman of the Supervisory Board Supervisory Board member
Susanne Weiss	ROFA AG PORR AG ¹ Wacker Chemie AG ¹ Spielvereinigung Unterhaching Fußball GmbH & Co. KGaA	Chairwoman of the Supervisory Board Supervisory Board member Supervisory Board member Supervisory Board member
Klaus Ortner	ELIN GmbH PORR AG ¹	Supervisory Board member Deputy Chairman of the Supervisory Board
Ludwig Steinbauer	Klinikum Austria Gesundheitsgruppe GmbH	Supervisory Board member
Paul Unterluggauer	ELIN GmbH	Deputy Chairman of the Supervisory Board
Bernhard Vanas	PORR AG ¹ Wolfgang Denzel Holding AG Bankhaus Denzel AG Wolfgang Denzel AG Wolfgang Denzel Auto AG	Supervisory Board member Supervisory Board member Supervisory Board member Supervisory Board member Supervisory Board member

¹ listed

The chair of the highest governance body is not a senior executive in the organization. In accordance with the criteria based on C-Rule 53 of the Austrian Code of Corporate Governance, the following Supervisory Board members have declared themselves as independent: Karl-Heinz Strauss, FRICS (Chairman), Birgit Wagner, Ludwig Steinbauer, Bernhard Vanas and Susanne Weiss.

In accordance with C-Rule 36 of the Austrian Code of Corporate Governance, the Supervisory Board also conducted a self-evaluation during 2021. The questionnaire used for the evaluation addressed, in particular, the efficiency of the Supervisory Board, its organisation and its working procedures. The findings were evaluated and discussed by the Supervisory Board.

To support and ensure the efficient handling of complex issues, the Audit Committee, Nomination Committee and Remuneration Committee were established in 2021. Additionally, UBM became one of the first listed companies in Austria to establish an ESG committee at Supervisory Board level. The Supervisory Board, as the senior controlling body, now meets its responsibilities for the environment, society and governance through a separate committee.

The members of the ESG Committee and their positions are listed in the following table. The chairperson was elected by the committee members and reports each year to the Annual General Meeting on the major ESG factors and measures.

Members of the ESG Committee

Name	Position
Iris Ortner	Chairwoman
Susanne Weiss	Deputy Chairwoman
Birgit Wagner	Member
Anke Duchow	Member

The activities of the ESG Committee include the analysis of sustainability criteria and social responsibility concepts in corporate processes - in particular, identifying the key

environmental, social and governance factors (ESG) that are determined by the company's sector affiliation and business model and subject to regional influence.

The ESG Committee is responsible for overseeing and supporting actions in line with the ESG catalogue of measures based on the clear assignment of responsibilities at Management Board and Supervisory Board levels. It also monitors and evaluates the implemented ESG measures - above all, the impact of procurement and development processes on ecosystems, the use of resources, the direct and indirect neighbourhood, and good corporate management.

The integration of ESG in the remuneration model will be analysed in detail: ESG key performance indicators will be integrated in management's variable remuneration over the medium term.

The remuneration for the members of the UBM Management Board implements the remuneration policy in accordance with legal regulations and consists of non-performance-related components (fixed salary, pension fund/employee welfare fund contributions), performance-related components (variable performance bonus) and one-off payments as well as severance compensation for departing members. The variable, performance-based remuneration components are designed to reflect shareholders' interests in the positive development of the company and increase the Management Board's motivation to take actions which lead to the sustainable, long-term and risk-aware optimisation of Group results. Annual variable remuneration is dependent on the attainment of parameters set by the Supervisory Board, which are based on financial or non-financial criteria or a combination of both. The fixed salary of each Management Board member is based on the scope of duties as defined in the plan for the assignment of corporate responsibilities. Any side-line activities by Management Board members require the approval of the Supervisory Board.

The variable performance bonus for the chairman of the Management Board equals 2.5% of EBT, up to a maximum of €360,000.00 gross per year. If annual earnings equal or

exceed the amount defined by the Remuneration Committee, the chairman of the Management Board is entitled to the maximum amount of the variable performance bonus. If earnings are lower than the defined target, the chairman is entitled to receive a proportional amount. Management Board members Martin Löcker and Patric Thate also receive a variable performance bonus in line with the above scheme, but each up to a maximal of €240,000.00 gross per year. In accordance with the remuneration policy approved by the Annual General Meeting of UBM Development AG on 28 May 2020, the following additional performance bonuses were approved for the 2021 financial year: Martin Löcker received €20,000.00 for the realisation of the Timber Pioneer project in Frankfurt and Patric Thate received €40,000.00 for activities connected with the sustainability-linked bond. Annual payments are made to a pension fund for individual Management Board members. The amount of the contribution is based on the member's age and length of service with the company. D&O liability insurance has been contracted to cover the members of the Management Board, whereby the costs are carried by the company. Furthermore, UBM introduced a stock option programme for key managers and the Management Board in 2017.

The Remuneration Committee is responsible for the following duties in connection with the current remuneration policy and in accordance with applicable legal regulations: (i) matters related to the remuneration of the Management Board members and the content of the employment contracts with these persons, in particular, the definition and implementation of the underlying principles for the remuneration of the Management Board members and the criteria for the variable remuneration components in line with Rules 27 (above all, the preparation of a catalogue for the variable remuneration components), 27a and 28 of the Austrian Code of Corporate Governance; (ii) evaluating the remuneration policy for the Management Board members at regular intervals; (iii) approving the assumption of side-line activities by the Management Board members. The Remuneration Committee held two meetings during the reporting year. Consultations at the meeting on 26 March 2021 included the determination of the annual bonus for the members of the Management

Board. At the meeting on 24 June 2021, the granting of a special bonus to Management Board members Patric Thate and Martin Löcker was discussed. The members of the Remuneration Committee are Karl-Heinz Strauss, FRICS (Chairman), Iris Ortner and Susanne Weiss (remuneration expert).

Each Supervisory Board member receives an annual payment for his or her services as well as reimbursement of expenses and an attendance fee for each meeting. The amount of the attendance fee and the annual payment are determined by the Annual General Meeting. A resolution by the Annual General Meeting on 29 May 2019 established the following remuneration for members of the Supervisory Board: the chairman of the Supervisory Board receives fixed remuneration of €50,000.00 per year, the deputy chairman of the Supervisory Board fixed remuneration of €40,000.00 per year and the other members fixed remuneration of €30,000.00 per year. The attendance fee for meetings was set at €2,000.00 per meeting of the Supervisory Board or one of its committees. The Supervisory Board members appointed by the Works Council in accordance with Section 110 Para. 1 of the Austrian Labour Constitutional Act do not receive any additional payment for their work on the Supervisory Board.

GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-15, 2-16, 2-17, 2-18, 2-19, 2-20, 2-24

3.3. This is how we include stakeholders

Regular contact with our internal and external stakeholders and their active inclusion in our business activities are an essential part of what we do - above all, because we have an influence on many areas of life as a project developer. The fulfilment of our social and ecological responsibility as well as UBM's long-term economic success is based on successful cooperation with a wide variety of stakeholders and the respectful handling of their concerns.

In this connection, we carried out another materiality analysis in the business year 2021. A structured, methodical process allowed external stakeholders to contribute their views and express their concerns. Roughly 700 women and men from 12 pre-defined stakeholder groups (see page 44) were invited

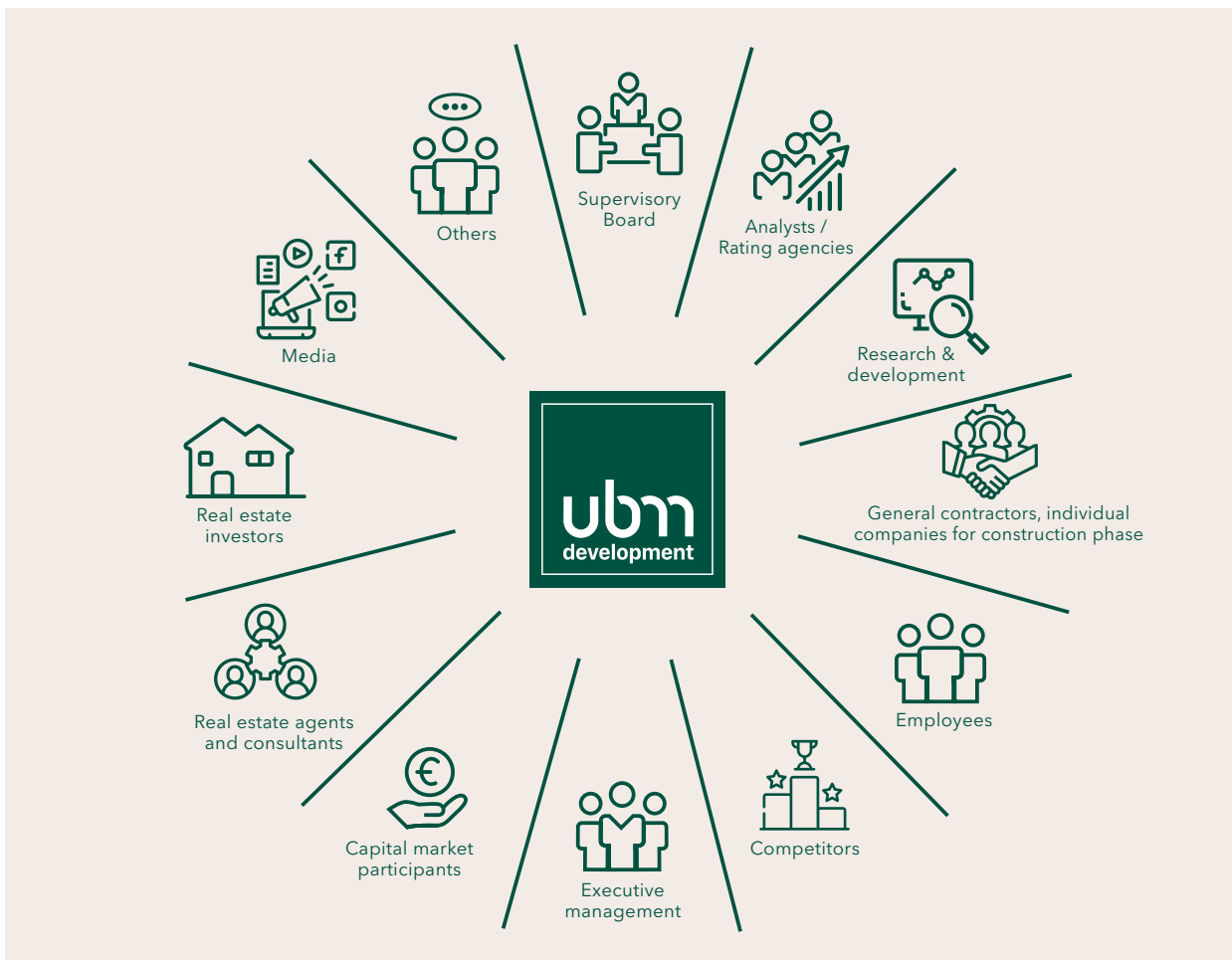
to take part in an online survey - 208 evaluable results were received and integrated into the materiality analysis.

Based on the responses from these stakeholder groups, the major issues were identified, structured and evaluated. The results are presented in the form of a materiality matrix (see section 3.4.).

We also include significant stakeholder groups through early information, participation and co-determination in planning and development processes, which gives neighbouring residents an opportunity to explain their needs and interests and influence results. This practice has been embedded in the process landscape as UBM's standard since 2021. Additional information can be found in section 5.

Our stakeholder dialogue uses, among others, the instruments listed on the following page. **GRI 2-29**

STAKEHOLDER GROUPS SURVEYED



Stakeholder Dialogue  **2-29**

Stakeholder group	Interests & expectations	Dialogue forms
Employees	<ul style="list-style-type: none"> ■ Attractive workplace ■ Professional and personal development ■ Support for work-life balance ■ Workplace safety and health 	<ul style="list-style-type: none"> ■ Communication via Intranet, newsletter, video streams, social media posts ■ Annual employee appraisals ■ Various events and initiatives (e.g. UBM Day, Climate Impact Day) to promote communication ■ Ethics code
Users/End customers	<ul style="list-style-type: none"> ■ Information and transparency of properties ■ High-quality and durable properties 	<ul style="list-style-type: none"> ■ Regular contacts with the project managers ■ Website, press releases, newsletter, social media posts
Capital market participants	<ul style="list-style-type: none"> ■ Transparent reporting on corporate strategy, implementation and target attainment ■ Information on forecasts, risk and opportunity analyses ■ Sustainable corporate performance 	<ul style="list-style-type: none"> ■ Personal discussions ■ Press reports and announcements ■ Website, newsletter, social media posts ■ Roadshows ■ Annual general meeting ■ Reports, e.g. annual report and ESG report
Supervisory Board	<ul style="list-style-type: none"> ■ Sustainable corporate performance ■ Transparent reporting on corporate strategy, implementation and target attainment 	<ul style="list-style-type: none"> ■ Supervisory Board meetings ■ ESG Committee meetings ■ Reports, e.g. annual report and ESG report
Business partners & suppliers	<ul style="list-style-type: none"> ■ Fair business relations and good cooperation basis ■ Shared values 	<ul style="list-style-type: none"> ■ Tenders and contract negotiations ■ Regular contacts during order execution ■ Code of conduct
Interest groups	<ul style="list-style-type: none"> ■ Definition of and support for shared values ■ Support for solutions to adapt to climate change and other ecological and social challenges 	<ul style="list-style-type: none"> ■ Proactive exchange and further development with the branch for social responsibility/ESG ■ Membership and active participation in several organisations
Public authorities	<ul style="list-style-type: none"> ■ Compliance with requirements of public authorities ■ Joint identification of solutions on issues for real estate and quarter planning 	<ul style="list-style-type: none"> ■ Coordination of decisions on major issues in close cooperation with the public authorities ■ Legally required reports ■ Reports, e.g. annual report and ESG report
Neighbouring residents	<ul style="list-style-type: none"> ■ Increase in quality of life through UBM projects 	<ul style="list-style-type: none"> ■ Timely information, participation and co-determination rights in planning and development processes
Media	<ul style="list-style-type: none"> ■ Targeted and timely information on current and strategic issues 	<ul style="list-style-type: none"> ■ Press releases ■ Interviews ■ Website

3.4. Materiality analysis

To meet our responsibility towards society and the environment, we rely on a structured process to monitor and evaluate social and ecological developments. This process is based on the concept of “double materiality”, meaning an evaluation from the outside-in (risks from the company’s viewpoint, impact on our business and added value) and inside-out perspective (UBM’s impact on people and the environment). A third dimension is the perspective of significant stakeholder groups.

The major issues for UBM were redefined in 2021 as part of a materiality analysis based on these three dimensions. This revision was required to accommodate changes in international regulations and standards, in particular the EFRAG recommendation to the CSRD draft (2021) and the GRI update 2021. The resulting materiality matrix forms the basis for this ESG report and replaces the version used last year.

The first step involved compiling a list of 17 potential material issues based on a comprehensive contact analysis, studies on megatrends, an extensive peer group review and discussions with internal experts. The evaluation of the importance and impact of these issues followed three perspectives:

- UBM’s impact on people, society and the environment
- The impact of sustainability issues on UBM
- The relevance of sustainability issues from the stakeholder perspective

UBM’s impact on people, society and the environment

Based on the valuation approach in the CSRD draft (2021), quantitative and qualitative assessments of the impact on people, society and the environment were carried out together with external experts. The ecological assessments are based on simplified carbon footprint measurements and other indicators that support an expert-based evaluation of the ecological impact. The social assessments are based on an estimate of the number of involved persons (range), the impact on their quality of life (scope) and the irreversibility of the impact.

Impact of sustainability issues on UBM

A worst-case scenario was developed for each sustainability issue and evaluated by the Management Board together with the investor relations & ESG department. Gross risks were evaluated on the basis of two dimensions (scope and probability of occurrence) over a time horizon of roughly ten years.

Relevance of sustainability issues from the stakeholder perspective

Internal and external stakeholders from 12 pre-defined stakeholder groups (see page 44) were invited to take part in an online survey where they were asked to rank the individual issues according to their priority and to select the five most important issues. The survey was sent to 700 stakeholders and generated 208 evaluable results (representing a return rate of 33%).

The three perspectives formed the framework for the assessment and prioritisation of the issues based on their importance for UBM and its stakeholders as well as the impact on the environment and society. In a workshop with the Management Board and the internal experts responsible for the areas of environment, society and governance, the findings were discussed and three material issues were identified:

- Energy efficiency, renewable energies and CO₂ emissions
- Attractive employer & training and education
- Corporate governance and compliance

The results were recorded in a materiality matrix and, in line with the ESG structure, classified under the areas of environment, society and governance for sustainability reporting. Here, employees and society are covered under the same heading. The matrix shows all three dimensions and is oriented on the EFRAG recommendation to the CSRD draft as well as the GRI standards 2021. The three material issues for UBM are described in detail in the following sections, and the other issues are also explained.

There were a number of changes in comparison with the materiality analysis from 2020:

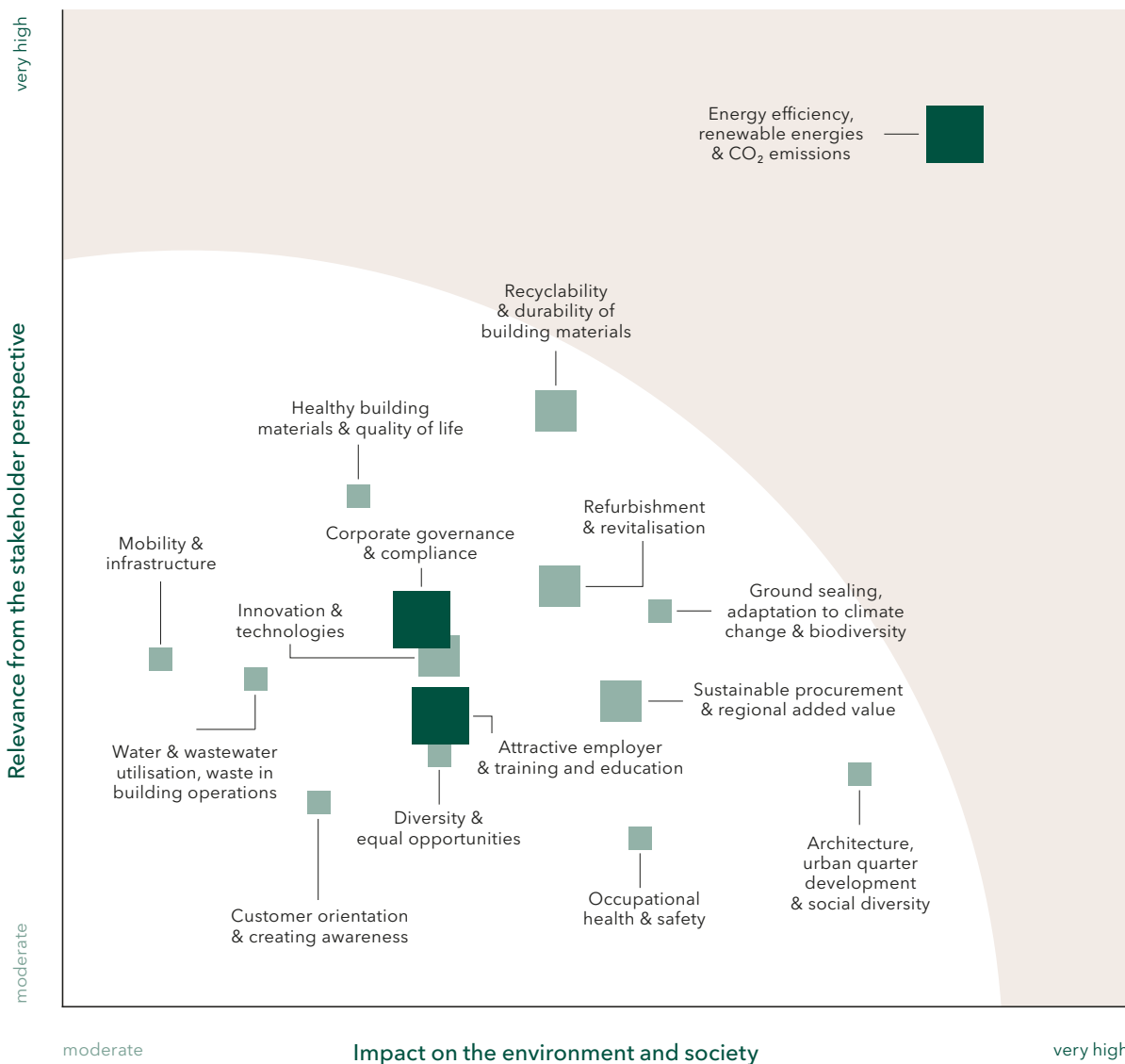
- “Energy consumption” and “GHG (greenhouse gases)” were combined under the material issue “energy efficiency, renewable energies and CO₂ emissions”.
- “Fair working conditions” and “employee training and education” were assigned to the material issue “attractive employer & training and education”.
- “Ethics & compliance” was renamed “corporate governance and compliance” and identified as a material issue.
- “Users’ well-being” and “incentives for environmentally friendly behaviour” were split off into “customer orientation and creating awareness” and “healthy building materials and quality of life”.
- “Digitalisation and technology” was expanded to include innovation (“innovation and technologies”).
- “Adaptation to climate change” and “biodiversity” were combined into a single issue (“ground sealing, adaptation to climate change and biodiversity”).
- “Urban quarter development” and “socio-cultural environment of projects” were combined under “architecture, urban quarter development and social diversity”.
- “Water consumption” and “waste” were combined under “water & wastewater utilisation, waste in building operations”.
- The new issue “sustainable procurement and regional added value” covers “social criteria in the supply chain”, “ecological criteria in the supply chain” and “regional economy & society”.
- “Infrastructure and mobility”, which was previously included under “socio-cultural environment of projects”, was recorded separately.
- The former issue “cooperations” is still an integral part of UBM’s activities but is not reported as a separate entity.

GRI 2-12, 2-29, 3-1, 3-2

MATERIALITY MATRIX

Material in the sense of GRI and CSRD

are dark green squares and topics with beige background.



The **relevance** for UBM is assigned as follows:



3.5. Concrete goals and measures

3.5.1. Sustainable Development Goals

UBM is committed to the United Nations Sustainable Development Goals (SDGs), which were adopted by all UN members in 2015 as the 2030 Agenda for Sustainable Development. Governments as well as companies are called upon to make a contribution to reaching these goals. The framework includes 17 goals and 169 sub-goals which are related to global economic, social and ecological challenges.

Our actions are also based on the ten principles of the UN Global Compact. The assignment of the applicable SDGs and their sub-goals together with the ten principles of the UN Global Compact and their relation to the GRI Standard is explained in greater detail in the GRI Index (see section 7).

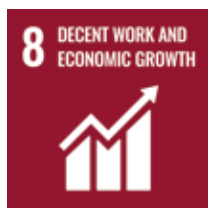
In connection with a materiality analysis (see section 3.4.) and a risk/impact assessment (see section 3.6.), UBM dealt with the SDGs and the related sub-goals in detail and identified the goals where the company can make a direct contribution to the Agenda 2030:



Affordable and clean energy - Ensure access to affordable, reliable, sustainable and modern energy for all.
Focus: Goals 7.2 and 7.3



Climate action - Take urgent action to combat climate change and its impacts.
Focus: Goals 13.1 and 13.2



Decent work and economic growth - Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
Focus: Goals 8.4 and 8.8



Life on land - Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.
Focus: Goal 15.5



Industry, innovation and infrastructure - Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.
Focus: Goal 9.1



Peace, justice and strong institutions - Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.
Focus: Goal 16.7



Sustainable cities and communities - Make cities and human settlements inclusive, safe, resilient and sustainable.
Focus: Goals 11.1 and 11.3

3.5.2. Goals and measures in detail

The consequent implementation of our commitment is underscored by the definition of goals, measures and indicators for the environment, society and governance action areas.

Issue	Goal	Measures	Indicators	Time horizon
ENVIRONMENT - PROJECT DEVELOPMENT				
Timber construction	Over 100,000 m ² in timber or timber-hybrid construction	Quality gate: Every project must be evaluated to determine whether timber-(hybrid) construction is possible - if it is, timber-(hybrid) construction must be the method of choice	m ² of timber	2025
	Evaluate timber in the selection of materials for all new project construction			ongoing
	Reduce CO ₂ by at least 20% with timber-hybrid construction versus conventional construction at project level	Quality gate: Every project must demonstrate savings in the ecological assessment during execution planning	Savings in t CO ₂ equivalents	2025
Energy requirements & CO₂	Reduce primary energy demand (PED) for new projects to national nearly zero energy building standards	Planning specifications for technical building services on all new projects	Primary energy demand	2025
	Reduce CO ₂ intensity (basis 2019) by 30% for completed projects		CO ₂ intensity in kg/m ² (CO ₂ equivalents)	2030
	Increase share of renewable energy in energy carriers to 50%		Share of energy from renewable sources to total energy consumption	2030
Green building certification	Obtain green building certification for 100% of new developments starting in 2022	Green building certification for all new projects as a mandatory element of the <i>green. smart. and more.</i> strategy	Share of certified projects in the total portfolio	2025
Brownfield development	Increase share of brownfield developments in new projects to over 66%	Focus of acquisition process on brownfield developments (land with existing buildings)	Share of brownfield developments in the total portfolio	2025
Sustainable building materials & circular economy	Evaluate the use of sustainable/recycled building materials in all new development projects	For every project, the use of sustainable/recycled building materials must be evaluated in the planning stage		ongoing
	Use cradle-to-cradle approach in dismantling for all new development projects	Circular economy requirements passed on to planners		ongoing

Issue	Goal	Measures	Indicators	Time horizon
ENVIRONMENT - CORPORATE LOCATIONS				
Renewable energy	Increase share of renewable energy in energy carriers to 30%	Changeover to green electricity supplier	Share of energy from renewable sources in total energy consumption	2025
Energy management	Establish/Optimise building management systems (BMS) at all UBM locations	Equip all Group locations with BMS and upgrade building optimisation		2025
Motor vehicle pool	Double the number of vehicles with alternative drives (basis 2021)	Preference for purchase of vehicles with alternative drives	Number of vehicles with alternative drives	2025
Travel	Air travel: CO ₂ reduction of 25% (basis 2019)	Prepare and distribute travel manual for employees on subject of air travel	Emissions (in t CO ₂ equivalents) caused by air travel	2025
ENVIRONMENT - STANDING ASSETS				
Renewable energy	Increase share of renewable energy in energy carriers to 30%	Changeover to green electricity supplier	Share of energy from renewable sources in total energy consumption	2025
CO ₂ intensity	Reduce CO ₂ intensity by 30% (basis 2020)	Reduction of CO ₂ intensity through refitting to achieve high-efficiency energy systems, building automation & change in energy carriers	CO ₂ intensity (CO ₂ equivalents)	2030
Energy management	Establish/Optimise building management systems at all standing assets	Equip all standing assets with BMS and upgrade building optimisation		2022
	Anchor guideline for sustainable building operations in all standing assets	Prepare guideline for sustainable building operations and distribute to all tenants		2022

Issue	Goal	Measures	Indicators	Time horizon
SOCIAL				
Attractive employer - win over the best employees	Increase number of applicants	Create employer branding strategy to strengthen the attractiveness of UBM for potential candidates and continuously improve the candidate experience. This includes the development of a career page, increased online presence, e.g. in LinkedIn or kununu, and preparation of job and skills profiles for all job classifications.	Number of applications per advertised position	ongoing
	Increase quality of applicants - first calculation of interview quota in 2022		Interview quota (% of applicants with job interview)	2022
	Ensure high probability of hiring		New hiring by gender & age, offer acceptance rate, time-to-hire after job ads	ongoing
Attractive employer - retain the best employees	Hold employee turnover below 12.5%	Create employer branding strategy to strengthen the attractiveness of UBM for potential candidates. This includes a structured onboarding process for all new employees, flexible working time models, attractive remuneration, regular information for employees via internal communication channels, internal opportunities for advancement, and the preparation of job and skills profiles for all job classifications.	Turnover rate, average length of service with the company, recommendation quota, share of management positions filled internally	2025
Training and education	25% more training hours per employee (basis 2020)	Define individual, requirements-oriented training measures in annual employee appraisals	Average training hours per employee	2025
	Annual ESG awareness training for all employees	Active participation of all employees in Climate Impact Day to create awareness for the importance of ESG	Share of employees with ESG training	2022
	Promote feedback culture - annual appraisals with all employees	Regular HR development and feedback discussions with employees based on a guideline	Share of employees with appraisals	ongoing

Issue	Goal	Measures	Indicators	Time horizon
Diversity and equal opportunities	No salary differences between women and men	Focus recruiting on the search for suitable candidates. Women will be directly addressed through appropriate wording in job advertisements, and clear guidelines give preference to women when qualifications and experience are equal.	Gender pay gap (by hierarchy and age levels; "adjusted gender pay gap")	2025
	Increase percentage of women in management positions to over 30%		Share of women in management positions	2025
	Increase percentage of women in the total workforce to 50%		Share of women in the total workforce	2025
Health and safety	Protect and promote employees' health	Protect psychological and physical health of employees with the help of modern occupational work and health protection management systems based on the highest standards (ISO 45001). Support for employees' health is provided by in-house fitness offerings and an occupational physician, work-places are designed to promote healthy working conditions, and there is a subsidy for membership in a fitness studio.	Work-related illnesses, absences due to work-related illnesses in days lost	ongoing
	Hold lost time due to work accidents at a low level Goal: zero work accidents		Absence rate after work accidents, work accidents per year	ongoing
GOVERNANCE				
Corporate governance and compliance	Safeguard entrepreneurial compliance and responsible actions	Expand whistleblower system to also cover violations of data protection regulations and other reportable incidents in accordance with EU Directive 2019/1937	Violations of rules and regulations, confirmed corruption incidents, proven cases of money laundering, proceedings over anticompetitive behaviour, discrimination incidents	2021
		Expand whistleblower system to also cover violations of other reports in connection with the UBM code of conduct; make whistleblower system also available in Czech and Polish		2022
		Certify process-oriented quality management system according to the highest standards (ISO 9001)	Share of employees covered by ISO certification	ongoing
		Self-evaluation by the Supervisory Board to judge the efficiency of its activities, especially organisational and working procedures		annual
		Evaluate possible ESG remuneration model and prepare necessary data basis	2023	

Issue	Goal	Measures	Indicators	Time horizon	
Corporate governance and compliance	Implement guidelines and prevent misconduct by consequent preventive actions	Carry out employee training (in-house or via e-learning) on capital market compliance; revise and expand training materials	Number of training courses held	ongoing	
		Carry out in-house training for employees on compliance with a focus on the prevention of money laundering; revise and expand training materials	Number of training courses held	ongoing	
		Carry out sampling controls to verify compliance with rules for insider information as well as confidential and price-sensitive information		ongoing	
		Confirm code of conduct in writing with all new employees in their national language	Share of employees with agreement to code of conduct	ongoing	
		Adapt code of conduct to meet our sustainability requirements and to strengthen the integration of ecological and social responsibility		2021	
		Regular training for compliance staff and additional certification for responsible employees		ongoing	
		Store documentation on internal guidelines read by employees		2022	
		Prevent money laundering and terrorism financing	Carry out continuous KYC reviews of new business partners via disclosure forms		ongoing
			Regularly update internal risk analysis for the prevention of money laundering and terrorism financing		ongoing

Issue	Goal	Measures	Indicators	Time horizon	
Sustainable procurement and regional added value	Ensure ecological & socio-economic compliance in the value chain	Confirm binding code of conduct with business partners in writing		ongoing	
		Adapt code of conduct to meet our sustainability requirements and strengthen the integration of ecological and social responsibility in the value chain		2021	
		Prepare procurement guideline with a focus on office and advertising materials		2021	
		Ensure correct subcontractor documentation	Number of business partners who have signed the code of conduct	2022	
		Carry out sampling controls to verify compliance by existing suppliers for documentation of subcontractors; in Germany, use of an IT solution		2022	
GENERAL					
ESG reporting	Transparent ESG reporting	UN Global Compact: publish progress report		annual	
		Continue voluntary reporting based on the Austrian Sustainability and Diversity Improvement Act, adapt reporting to meet the new GRI 2021 requirements		2021	
		Update materiality analysis to reflect GRI 2021 and CSRD (draft) requirements		2021	
		Voluntary, gradual adaptation of reporting to meet the EU Taxonomy requirements	% revenue, % capex, % opex	2023	
		Voluntary, gradual adaptation of reporting to reflect TCFD recommendations and declaration as an official TCFD supporter		2021	
		Voluntary external audit of ESG reporting		2021	
		Develop, optimise and expand internal reporting and monitoring systems	Develop process for internal reporting, introduce and expand sustainability data tool		2022
		External assessment of ESG performance	Arrange for ESG ratings by well-known rating agencies		annual

3.6. Conscious handling of risks and their effects

The realistic assessment and management of risks represent an essential factor for business success and sustainable management. One related step was the announcement in 2021 of UBM's commitment as an official supporter of the Task Force on Climate-related Financial Disclosures (TCFD). The TCFD recommends the voluntary disclosure of climate-related risks based on four pillars: governance, strategy, risk management, and metrics and targets.

The TCFD recommendations on the reporting of climate-related risks were applied for the first time in 2021 and gradually implemented. Additional information on the risk management system can be found in the annual report beginning on page 119.

Governance

The overall responsibility for general risk management at UBM lies with the Management Board. The head of risk management is responsible for the operational risk management process. A risk catalogue with the most significant individual risks was developed jointly at a meeting of the Management Board, risk manager and risk coordinators. ESG risks in connection with sustainability issues were evaluated extensively as part of the materiality analysis in 2021 and 2020 (see section 3.4.). The full Management Board was involved in this risk analysis together with the investor relations & ESG department.

Strategy

Energy efficiency, renewable energies and the reduction of CO₂ emissions are central drivers for UBM's long-term success and, consequently, an elementary part of the *green. smart. and more.* corporate strategy. Given the substantial share of worldwide energy-related CO₂ emissions, increasing regulations to limit CO₂ emissions by the construction and real estate sector are to be expected. The revised EU Energy Performance of Buildings Directive took effect on 1 January 2021 and deals with the energy efficiency of buildings. It requires all new buildings to be built as nearly zero-energy buildings (according to the respective national definition). Buildings that do not meet this standard could therefore risk being denied a building permit in the future. Climate protection, among others, is also anchored in the EU Taxonomy (e.g. through regulations covering primary energy requirements). That could result in a competitive disadvantage as well as a decline in investor demand for investments that are not classified as sustainable in the sense of the taxonomy.

The growing frequency of high temperature periods is also increasing the pressure on energy-intensive equipment for building operations (e.g. cooling systems). Moreover, the CO₂ pricing scheme which, for example, is planned to be introduced in Austria in 2022, will create financial disadvantages for fossil energy carriers. UBM has shifted its focus to the carbon-absorbing raw material timber, renewable energies like geothermal power or photovoltaics, and green building certification as part of its *green.* strategy. Intelligent buildings and solutions for efficient building operations are anchored in this strategy with *smart.*

Risk management

In the course of general risk management, the probability of occurrence and the scope of possible damages from the above-mentioned risks are evaluated twice each year by the Management Board. The risk system is audited annually and adapted where necessary to meet changing circumstances. Examples of ESG-relevant individual risks in this catalogue are human resource risks (e.g. internal fraud, health, employee turnover) and the operating risks associated with buildings (e.g. force majeure). The risks arising from daily business operations are identified, assessed and controlled through appropriate measures by operating management. The compliance function monitors adherence to external and internal rules and regulations, while internal audit ensures independent and objective monitoring.

The evaluation of gross risks as part of the ESG risk analysis in 2021 was based on two dimensions (scope and probability of occurrence) over a time horizon of roughly ten years. The most important risks were identified with this evaluation and subsequently flowed into UBM's materiality analysis as one of the three dimensions.

Metrics and targets

UBM has defined measures and indicators for assessment and management along the three fields of environment, society and governance. The main goals are described on page 39, the details on page 50. Further information can be found in the following sections.

Sustainable management is the basis for economic success - and economic success is the basis for sustainable management.

3.6.1. Environmental risks

Environmental risks and their impact are becoming increasingly important for the planning and realisation of development projects. One of the greatest challenges for real estate developers is to prevent or minimise the negative effects of their activities on the environment. Economic success and sustainable project development represent an area of tension but go hand in hand at UBM: Sustainable management is the basis for economic success - and economic success is the basis for sustainable management. The goal is to reduce environmental risks and, at the same time, identify and utilise business opportunities for UBM in this field.

A scenario was developed for each sustainability issue as part of the materiality analysis. Specific measures are described in greater detail in section 4.

The following environmental risks are relevant for UBM:

Sustainability issues	Risks	Measures
Energy efficiency, renewable energies and CO₂ emissions	<ul style="list-style-type: none"> ■ Increasing regulations for emissions, energy efficiency and other relevant topics ■ Rising CO₂ prices for fossil fuels 	<ul style="list-style-type: none"> ■ Strategic focus on timber construction, renewable energies and green building certifications ■ Installation/Optimisation of building management systems in standing assets and at UBM locations
Recyclability and durability of building materials	<ul style="list-style-type: none"> ■ Delivery shortages, increased competition and rising material costs ■ Increasing regulations for building materials 	<ul style="list-style-type: none"> ■ Evaluation of timber in the selection of materials for all new development projects ■ Include circular economy requirements in the planning stage
Ground sealing, climate change adjustments and biodiversity	<ul style="list-style-type: none"> ■ High water and flooding due to ground sealing ■ Increasing temperature, heat islands 	<ul style="list-style-type: none"> ■ Focus on brownfield developments ■ Focus on biodiversity in designing outdoor facilities ■ Expansion of biological diversity through roof and facade greening
Refurbishment and revitalisation	<ul style="list-style-type: none"> ■ Strict requirements for building demolition and correct material recycling 	<ul style="list-style-type: none"> ■ Green building certification, also for refurbishment projects
Healthy building materials and the quality of life	<ul style="list-style-type: none"> ■ Increased minimum requirements for the healthy quality of building materials 	<ul style="list-style-type: none"> ■ Green building certification ■ Use of timber
Water and wastewater utilisation and waste in building operations	<ul style="list-style-type: none"> ■ Reduced water supplies for building operations and the upstream construction industry due to dry periods (climate change) ■ Increasing costs for waste disposal 	<ul style="list-style-type: none"> ■ Green building certification ■ Established waste concepts and targeted measures for water and wastewater utilisation

3.6.2. Social risks

We view our responsibility as an employer, contracting firm, business partner and integral part of our social system as a central element of our economic actions. The realisation of our projects is dependent to a significant degree on our employees. For that reason, UBM places high priority on attracting motivated, committed and qualified employees, giving them opportunities for development and creating an attractive working environment.

Our success is also based on our proven quality as a business partner and contracting firm that acts with competence, reliability and transparency.

A scenario was developed for each social issue related to sustainability as part of the materiality analysis. The risks arising from social issues, their impact and the implemented measures are described in greater detail in section 5.

Challenges from COVID-19

A taskforce comprising the Management Board, members of the Executive Committee and internal experts was established in March 2020 in reaction to the outbreak of the COVID-19 pandemic. It is responsible for defining the necessary distancing and hygiene measures in the company and at construction sites to create the safest possible working conditions under the given situation in the countries with UBM locations and projects. Protecting the health and safety of all employees is this team's overriding goal.

The results of this fast reaction: The active communication of measures to employees and testing offers at UBM's locations and construction sites minimised the effects on UBM. Additional information on the risks related to the COVID-19 pandemic can be found in the 2021 annual report beginning on page 122.

In the area of social issues, the materiality analysis identified the following risks:

Sustainability issues	Risks	Measures
EMPLOYEES		
Attractive employer & training and education	<ul style="list-style-type: none"> ■ Higher turnover and the related additional costs, increasing costs for new hiring ■ Decline in innovation power and productivity ■ Image loss 	<ul style="list-style-type: none"> ■ Active support for an open communication culture and work-life balance ■ Measures to develop skills and career planning, opportunities for personal development ■ Competitive and performance-oriented remuneration and benefits
Diversity and equal opportunities	<ul style="list-style-type: none"> ■ Loss of innovation potential when personal backgrounds are not considered ■ Lack of motivation, higher turnover and the resulting higher costs ■ Increasing legal requirements ■ Image loss 	<ul style="list-style-type: none"> ■ Targeted recruiting of suitable female candidates ■ Exchange of experience ("buddy principle")
Occupational health and safety	<ul style="list-style-type: none"> ■ Rising costs due to lost workdays and illness ■ Image loss 	<ul style="list-style-type: none"> ■ Integrated management system for occupational safety and health protection ■ Active support for physical and psychological health
SOCIETY		
Architecture, urban quarter development and social diversity	<ul style="list-style-type: none"> ■ Increasing requirements for barrier-free, flexible and smart housing due to demographic shift 	<ul style="list-style-type: none"> ■ Green building certification ■ Active support for stakeholder dialogues ■ Membership in initiatives like ÖGNI, ICG
Mobility and infrastructure	<ul style="list-style-type: none"> ■ Standing assets become more difficult or impossible to sell 	<ul style="list-style-type: none"> ■ Flagship projects for future-oriented mobility concepts ■ Active support for stakeholder dialogues
Customer orientation and creating awareness	<ul style="list-style-type: none"> ■ Project delays ■ Market entry problems 	<ul style="list-style-type: none"> ■ Green building certification ■ Active support for stakeholder dialogues ■ Membership in initiatives like ÖGNI, ICG

3.6.3. Governance risks

Responsible, transparent and future-oriented management forms the basis for a company's economic success - and this economic success is the basis for sustainable management. Specifically, that means: The way we address major social challenges and balanced treatment for the interests of all our stakeholders are an essential and integral part of our actions.

A scenario was developed for each governance issue related to sustainability as part of the materiality analysis. The risks arising from social issues, their impact and the implemented measures are described in greater detail in section 6.

The extensive catalogue of measures to deal with compliance risks covers the entire UBM Group. Corruption risk is viewed as part of human resources risk (among others, internal fraud, corrupt behaviour) and flows into the risk assessment, risk map and overall aggregation. Measures to reduce this risk include, among others, regular training, work instructions (e.g. the dual control principle), obtaining several offers, recording order procedures, the separation of orders and payment as well as the related controls. **GRI 205-1**

In the area of governance, the materiality analysis identified the following risks:

Sustainability issues	Risks	Measures
Corporate governance and compliance	<ul style="list-style-type: none"> ■ Fines, consequences under criminal law ■ Reputational damage ■ Risks for the interests of investors and employees, declining share prices ■ Financial damages due to invalid agreements ■ Exclusion from tenders 	<ul style="list-style-type: none"> ■ Commitment to the Austrian Code of Corporate Governance ■ Extensive compliance management system ■ Whistleblower system ■ Internal training and awareness creation ■ Code of conduct for business partners ■ Ethics code ■ 360° process landscape
Sustainable procurement and regional added value	<ul style="list-style-type: none"> ■ Increasing regulatory requirements for due diligence in the supply chain ■ Problems in international supply chains ■ Reputational damage 	<ul style="list-style-type: none"> ■ Code of conduct for business partners ■ Procurement guideline for the ecologically oriented purchase of office and advertising materials, meals and hospitality
Innovation and technologies	<ul style="list-style-type: none"> ■ Impairment of competitive ability ■ Loss of know-how 	<ul style="list-style-type: none"> ■ Smart Building Innovation Foundation (SBIF) ■ Digitalisation of the UBM working world

3.7. ESG reporting

UBM is not covered by the reporting requirements of the Austrian Sustainability and Diversity Improvement Act but has voluntarily and proactively published an annual ESG report in line with the latest GRI standards since 2020. Consequently, the company is very well prepared to address the information requirements at the product and corporate levels that will result from the CSRD and Taxonomy Regulation.

Reporting will be gradually adapted to reflect the changing regulatory developments - for example, the materiality analysis was revised under this perspective (see section 3.4.). Moreover, UBM's reporting is based on voluntary frameworks and norms like the UN Global Compact (see section 3.9.). This ESG report serves as a progress report for the UN Global Compact. UBM has been an official supporter of the TCFD recommendations (Task Force on Climate-related Financial Disclosures) since 2021 and is reporting on this subject in this report for the first time (see section 3.6.).

In connection with the concrete, measurable goals for the coming years which were set in 2021, the ESG report is a valuable management tool for UBM to meet its responsibility to society. The ESG report describes the management approaches, goals and measures related to the environment, society and governance, and highlights successes as well as challenges. The subject areas are based on the materiality analysis carried out in 2021. The ESG report is prepared by the investor relations & ESG department in coordination with the specialist departments and released by the Management Board. Additional information on UBM, its business development and corporate governance is provided in the 2021 annual report.

Transparency and reliability are also decisive for our ESG reporting, and we therefore arranged for an external limited assurance audit of this ESG report (more information is provided on page 125). UBM also introduced a central data management tool in 2021 which will be successively filled starting in 2022. The goal is to create an informative basis for the definition of internal goals and external evaluations. Controlling is responsible for this tool at corporate level, while data collection takes place directly in the respective areas and departments in the individual countries. **GRI 2-3, 2-5, 2-14**

3.8. ESG ratings

Leading global ESG rating agencies have confirmed UBM's strong position on the topic of sustainability.

ISS ESG: Prime Status for UBM Development

The rating by ISS ESG resulted in "Prime Status" (Level "C+") for UBM Development. That makes UBM Development one of the most sustainable companies in its sector in Germany and Austria.

The corporate rating by ISS ESG evaluates the ecological and social performance of a company based on more than 100 selected sector-specific ecological, social and corporate governance criteria.



EcoVadis: Gold for UBM Development

The first evaluation by the internationally recognised ESG rating agency EcoVadis led to Gold for UBM Development AG. UBM now belongs to the top two per cent of the sector (real estate and housing) and the top five per cent of the 75,000 companies graded by EcoVadis.

This evaluation is based on 21 criteria from the four most important sustainability aspects: environment, labour and human rights, ethics and sustainable reporting. UBM's performance exceeded the sector average in all four categories.



3.9. Memberships

Our actions are also based on the ten principles of the UN Global Compact, a "network of the future" which UBM joined in 2021. UBM has also been an official supporter of the Task Force on Climate-related Financial Disclosures (TCFD) since 2021, where it is one of more than 2,500 organisations committed to fighting climate risks and developing a more resistant financial system through better disclosure.

An intensive dialogue with stakeholders is guaranteed and reinforced by UBM's participation in various organisations

and sector associations. The company has been a member of the Institute for Corporate Governance (ICG) since 2019 and contributes to the ICG's social impact investment initiative. In addition, UBM is a member of the corporate platform respACT (Austrian Council for Sustainable Development), the Austrian Sustainable Building Council ("Österreichische Gesellschaft für Nachhaltige Immobilienwirtschaft", ÖGNI) and Hotel Management Associates (HAMA).

UBM expanded its active participation in the interest group "IG-Lebenszyklus Bau" to include membership in 2020. The organisation's working group on the shortage of land is headed, among others, by Gerald Beck, managing director of UBM Austria. We are committed to finding ways to stop the wasteful use of the limited resource land with existing and new framework conditions.

We also play an active role in the Association of Austrian Project Developers ("Vereinigung der Österreichischen Projektentwickler", VÖPE). Together with other VÖPE members, UBM shows that project developers can be strong and reliable partners for the general public and the public sector in the creation of living environments. **GRI 2-28**

E

as in Environment

4. UBM & Environment

- 4.1. Energy efficiency, renewable energies & CO₂ emissions
- 4.2. Recyclability & durability of building materials
- 4.3. Ground sealing, climate change adjustments and biodiversity
- 4.4. Refurbishment and revitalisation
- 4.5. Healthy building materials & the quality of life
- 4.6. Water and wastewater utilisation and waste in building operations

Our company. Our environment.

The real estate and construction sector is, from the global viewpoint, the most CO₂- and energy-intensive area. It therefore goes without saying that ecological aspects play a key role in all our decisions. Our focus on green building, our commitment to wood construction, and renewable energies and energy efficiency are an expression of this conviction.

Future-oriented real estate development

As a real estate developer, we design the living space of the future – and that means we also design the environment. Real estate development is not only our core business, it also gives us the greatest leverage to significantly reduce our carbon footprint. Consequently, UBM directly addresses the ecolog-

ical impact of its activities in all project phases with a constant focus on environmental protection and the careful use of resources.

Our activities concentrate on the following areas:

- Energy efficiency, renewable energies and CO₂ emissions
- Durability and recyclability of materials
- Ground sealing, climate change and biodiversity
- Refurbishment and revitalisation
- Healthy building materials and the quality of life

Real estate development projects

Projects	Total pipeline ¹	2021	2020	2019
GFA (Gross Floor Area) total [m ²]	711,709	118,104	129,269	70,431
GFA Office [m ²]	133,765	5,430	44,407	2,451
GFA Hotel [m ²]	129,899	51,149	8,046	39,010
GFA Residential [m ²]	382,121	47,072	76,816	28,260
GFA Other and Mix [m ²]	65,924	14,453	0	710
Projects - all asset classes [number]	54	10	10	8
Office [number]	9	1	2	1
Hotel [number]	8	4	1	3
Residential [number]	35	4	7	3
Other and Mix [number]	2	1	0	1

¹ The data covers all projects in the pipeline, including the projects completed in 2021.

We measure our locations based on their footprint

In addition to our development projects, we want to make our own business operations more sustainable. UBM has office space at 19 locations. Our goal in this area is to steadily reduce our ecological footprint. Relevant activities to reach this goal involve energy consumption and emissions (see section 4.1.). The efficient use of water and correct waste management are also important issues for UBM and are internally managed and reported.

Fewer standing assets

The strategic focus of UBM's business activities includes the development and sale of properties. Accordingly, the number of standing assets has been steadily reduced since 2015. UBM also takes action to support sustainability in these properties – here, the key issue is whether the properties are rented and UBM therefore only has an indirect influence on energy consumption and emissions, for example through the use of energy-saving lighting or efficient heating and cooling solutions.

4.1. Energy efficiency, renewable energies & CO₂ emissions



4.1.1. Importance of the issue

With the Paris Agreement, nations across the world have agreed on joint efforts to hold global warming substantially below 2°C and, through further measures, to limit the increase to 1.5°C below the pre-industrial level (1990). The EU Green Deal represents the heart of European sustainability efforts in this context. It calls for a reduction of at least 55% in net greenhouse gas emissions (basis: 1990) by 2030 in the EU. This important interim goal in the Green Deal will put Europe on course to become the world's first climate-neutral continent by 2050. Related activities include the European Commission's "Fit for 55" package which includes draft legislation in the areas of climate, energy and fuel, traffic, buildings, the use of land and forestry operations. The requirements include, among others, a European approach to CO₂ pricing (certificate trading and CO₂ taxes).

Other sets of regulations and initiatives like the EU Taxonomy currently focus, among others, on energy and emissions and establish stricter requirements for companies regarding climate protection measures and the related reporting. Investments not considered sustainable in the sense of the taxonomy are likely to face a competitive disadvantage as well as a decline in investor demand in the future. Various players – including companies, investors, public institutions and consumers – are called on to accept responsibility and support the attainment of these goals with effective measures.

These ambitious goals represent a challenge for the real estate sector because energy consumption and the related greenhouse gas emissions caused by buildings during their entire lifecycle have a significant influence on the climate footprint. The construction and operation of real estate are responsible for nearly 40% of global CO₂ emissions and over one third of worldwide energy consumption (UNEP 2020). The real estate sector therefore plays an important role – reducing energy consumption and the CO₂ emissions of buildings are crucial for meeting the defined goals.

Real estate developers have a powerful lever to make a valuable, positive contribution in the area of energy and emissions: The examples of possible actions include renewable energies (geothermal power, the installation of photovoltaic or solar energy equipment, inclusion in the planning phase or subsequent refitting and options for the expansion of renewable energy carriers), energy-efficient building shells and technology, low-energy and low-emission building materials (e.g. timber) and the integration of mobility concepts (e.g. e-charging stations). **GRI 3-3**

4.1.2. Our commitment

Through the development of new projects, we create urgently needed living space for society. We want to support the global agenda and attach great importance to environmentally friendly, resource-conserving and future-oriented construction methods. The carbon footprint of a property can be substantially reduced, both during construction and in later building operations. Our focus is on low-emission building materials, energy-efficient building design, and the use of renewable energies.

Our commitment to and investments in timber construction are important because of their significant, inherent capability to reduce the carbon footprint. Every cubic metre of wood stores one tonne of CO₂ over the long term, while the production of cement and steel is energy-intensive and results in CO₂ emissions. The production of the concrete and steel frequently used in building construction is responsible for no less than six per cent of all CO₂ emissions worldwide. Consequently, we evaluate the possible use of the renewa-

ble material timber, with its carbon-capturing properties, for every project. Our goal here is to create significantly more than 100,000 square metres of office and residential space in timber-hybrid construction by 2025.

The energy consumption in the buildings developed by UBM (offices, apartments) also has an impact on the environment and is a material cost factor for tenants and users. As early as the planning phase, the energy consumption from the construction and operation of a building can be reduced. Efficient measures include, among others, good insulation, energy-efficient building technology, location-based orientation and the size of windows, shading equipment and the energy-efficient regulation of the indoor climate (heating and cooling) with modern sensors.

We are working intensively to develop “smart” buildings that ultimately consume less energy and resources.

In comparison with fossil energy carriers like natural gas or heating oil, the use of renewable energy sources in buildings (geothermal power, photovoltaic and solar technology, etc.) can make a significant contribution to reducing CO₂ emissions. This can also be achieved through subsequent refitting or options to increase the use of renewable energy carriers. The options for connecting to geothermal power and similar sources, however, must be evaluated in selecting the location and acquiring the site.

Our *green. smart. and more.* strategy places ESG in the focus of our actions along the entire value chain. It is deeply anchored in processes and represents an integral part of all phases. Processes are operationally standardised through an institutionalised 360° principle. More specifically: As part of the “Next Level” efficiency programme, all core and support processes were reviewed on the basis of defined quality gates and ultimately defined for the entire UBM Group. These processes were adapted in line with the strategic focus

on *green. smart. and more.* to ensure implementation of the strategy at project level. For example: Every project must include an evaluation, among others, for the use of timber as a building material, greening and the on-site generation of renewable energy through photovoltaics – as only several examples of quality gates in our standardised Group-wide processes. Additional information on the 360° process landscape can be found in section 6.

For new projects, we build with timber and operate with renewable energy wherever possible.

Sustainability certifications are a suitable measurement instrument to make building performance on the real estate market comparable – and to draw conclusions and learn from the results. For many years, we have actively, and based on our conviction, worked to achieve certification for our properties. All new construction projects are sustainably planned, built and subject to a sustainability assessment based on the DGNB, LEED or BREEAM systems. UBM has set a goal as part of its strategic reorientation to achieve certification not only for 100% of its commercial properties, but also for all new projects in the residential asset class – at the latest by 2025.

As a pure property developer, we work with a wide range of suppliers and service providers. Our business partners are required to meet the same high standards, for example strict environmental requirements for suppliers’ production processes and building material components. Environmental protection is also anchored in the subcontractor statement (further information can be found in section 6).

The focus on environmental aspects at our Group locations is also increasing. The corporate units in Austria (AG and UBM Austria), the Czech Republic and Poland are certified under the international environmental management norm ISO 14001 and quality management norm ISO 9001, and UBM Germany will be added to this list in 2022. UBM Devel-

opment AG and UBM Austria are also certified under the ISO 50001 energy management norm. Our binding ethics code, in which the subject of environmental protection is anchored, creates the foundation for all business activities and decisions, whereby compliance is confirmed in writing by our employees (see section 6 for further information).

The United Nations recommends three steps to achieve climate neutrality: measure emissions, reduce emissions and, finally, compensate for unavoidable emissions. We calculate our emissions based on the internationally recognised Greenhouse Gas Protocol and monitor and report on our performance. One challenge in this respect is the limited availability of data on Scope 3 emissions, i.e. the indirect emissions arising from the purchase, transport or sale of raw materials and other products. In cases where there is a lack of low-emission electricity, we have started to use certificates as compensation for the unavoidable CO₂ emissions arising from electricity consumption in selected standing assets or Group locations.

In order to be optimally positioned for the future, UBM established the Smart Building Innovation Foundation (SBIF) in 2022. This non-profit foundation includes partners from industry and science who work together to develop technical applications for smart buildings. The foundation complements our *green. smart. and more.* strategy and will contribute to achieving greater sustainability in the real estate sector. Its goals include the long-term reduction of emissions and resource consumption as well as the optimisation of economic feasibility for sustainable office and residential concepts. The first use case deals with consumption- and capacity-optimised office properties. **GRI 2-23, 2-25, 3-3**

4.1.3. Organisational structure

The green building department supports and monitors the operational implementation of green building processes. New requirements at national and European level are evaluated and implemented at project level in agreement with the *green. smart. and more.* strategy. This department also coordinates the evaluation and organisation of building certification for development projects by external partners.

The project managers are responsible for the operational implementation of the green building strategy in development projects. They optimise the projects, e.g. for energy consumption, in cooperation with external experts in agreement with the possibilities offered by the respective locations.

The implementation of the green building strategy in standing assets and at Group locations is the responsibility of UBM's asset managers. They implement the measures defined by green building to reduce the CO₂ emissions from these properties.

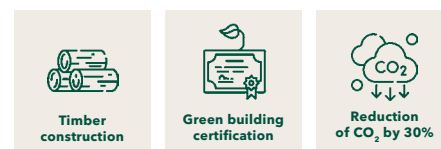
The timber construction department with its five experts is the competence centre for timber construction and contributes directly to UBM's strategic focus.

All projects are carefully reviewed by UBM's Management Board and must be approved. **GRI 2-23, 2-24, 3-3**

4.1.4. Goals and measures

Property development

Goals from our sustainability programme:



To reach these ambitious goals, UBM implements specifically designed measures to reduce energy consumption in its projects. Examples are the use of energy-efficient materials for building shells and the installation of energy-efficient technical equipment. The use of timber as a building material makes a special contribution to reducing CO₂ emissions. An active commitment to sustainability best practices makes it possible for UBM to identify and utilise key controls to optimise building performance with regard to energy and CO₂ emissions.

Goals and measures in detail:

Timber construction

- Over 100,000 m² in timber construction by 2025
- Evaluation of timber in the selection of materials for all new projects
- CO₂ reduction of at least 20% with timber construction at the project level by 2025

In order to ensure the conscious selection of materials for the construction of buildings, every development project begins with the question: Can it be realised with timber construction? The lifecycle assessment for every timber construction project must demonstrate savings compared with conventional construction methods when realisation is planned. These two quality gates are part of the 360° principle described in section 4.1.2.

UBM underscored its commitment to sustainable building materials in the barany.7 residential construction project in Vienna, which was completed in 2021. A test will compare the different construction methods under the same conditions. One of the seven identical buildings was built as a wood structure, the rest according to the conventional solid method. The University of Applied Sciences Campus Vienna is accompanying the project with a study which will document the long-term advantages of wood construction in a direct, practical comparison.

The positive experience from this Vienna project was also transferred to a much larger scale: The receipt of the building permit in 2021 marked the start of construction of Timber Pioneer, the first office building in Frankfurt to be built in timber-hybrid construction. This structure (construction, maintenance, dismantling and disposal) will achieve a CO₂ reduction of roughly 12% compared with conventional con-

struction methods. UBM is handling the “embodied carbon”, i.e. the embedded emissions, during the construction phase by using timber to reduce CO₂ emissions from the building materials.

One challenge for timber construction is the current lack of specialists in the executing companies. The strong dynamics on the timber market were a further source of uncertainty during the past year but, after a speculative phase, the timber price stabilised at a level where this raw material is available at a reasonable price.

Energy & CO₂ intensity

- Reduction of primary energy requirements to national nearly zero energy building standards by 2025
- Reduction of CO₂ intensity by 30% (basis 2019) by 2030
- Increase in the share of renewable energy in energy carriers to 50% by 2030

To meet its energy and CO₂ intensity goals, UBM has defined the primary energy requirements which flow into the planning of technical building equipment in all new development projects. The installation of measurement and monitoring systems (smart buildings) can lead to the target-oriented reduction of emissions, for example through intelligent lighting or equipment.

The durability of buildings, meaning the inclusion of a second or third use in the planning stage, is an important factor: The specific goals set by UBM are reviewed regularly by Life Cycle Costings (LCC/lifecycle cost calculations) and Life Cycle Assessments (LCA/lifecycle evaluations). These planning tools make it possible to determine and, where necessary, to optimise the energy requirements and CO₂ emissions of buildings from construction to maintenance and dismantling.

The calculation of energy consumption and CO₂ emissions is based on the final energy requirements in the respective project. The energy intensity depends on the project specifics (asset class, countries) and is therefore subject to fluctuations.

Energy indicators - real estate development

	2021	2020	2019
Total calculated energy consumption [kWh]	11,165,679	9,515,538	7,243,201
GFA of development projects [m ²]	118,104	129,269	70,431
Calculated energy intensity [kWh/m²]	95	74	103
Direct/Indirect GHG emissions [t] ¹	3,132	2,460	1,920
Intensity of GHG emissions [kg/m²]¹	27	19	27
Property area in total [m ²]	45,678	47,783	25,884

¹ Information on the emission factors used can be found in chapter 7. The energy consumption in the project development is calculated as per certificates.

Green building certification

- Obtain green building certification for 100% of new developments starting in 2022

UBM expanded its sustainability strategy in 2021 to include internationally recognised certification for the residential construction projects that are designated for global sale. Green building certification for all new projects is a mandatory element of the 360° principle. In addition, the profiles “dismantling” and “construction site” were added to the certification programme for the large-scale LeopoldQuartier project in Vienna. UBM has decided to extend its certifications to refurbishments and listed buildings in 2019, and plans call for the continuation of this strategy. The following projects were successfully completed in 2021:

- anders wohnen, Munich-Pasing
- barany.7, Vienna
- Pohl gasse, Vienna
- Neugraf, Prague
- Astrid Office, Prague
- voco, The Hague
- Mercure, Katowice
- Holiday Inn Express, Düsseldorf
- ibis Styles, Krakow
- Am Kanal, Potsdam

The residential and hotel asset classes comprised a major part of the projects finalised by UBM in 2021. Four projects in each of these two classes, with 47,072 m² (residential) and 51,149 m² (hotels) of GFA were completed, each representing 40% of the total completions.

Six of the ten projects completed in 2021, representing 100% of the commercial properties, successfully completed a sustainability assessment. In total, 71,032 m² of the 118,104 m² GFA completed in that year, or 60%, were certified. The four uncertified projects are residential projects which were started before UBM’s strategic reorientation, and certification was therefore not carried out.

UBM plans to continue building certification as confirmation of the sustainability of its property developments. All projects in all asset classes in the pipeline will undergo a sustainability assessment in the future to support the attainment of the defined goals over the long term. Building certification will also be used as a tool to implement the requirements of the EU Taxonomy in established systems.



The following table shows the classification of certified and uncertified projects:

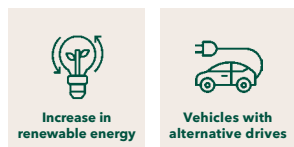
Certifications - real estate development

	2021	2020	2019
Projects - all asset classes [number]	10	10	8
Office [number]	1	2	1
Hotel [number]	4	1	3
Residential [number]	4	7	3
Other and Mix [number]	1	0	1
GFA total [m ²]	118,104	129,269	70,431
GFA certified [%]	60	41	55
GFA certified [m ²]	71,032	52,453	39,010
GFA not certified [m ²]	47,072	76,816	31,420
Certifications ¹ [number]	6	3	4
DGNB [number]	2	3	3
LEED [number]	3	0	3
BREEAM [number]	1	0	0

¹ The data are based on the absolute number of projects, without an adjustment for double certification.

Corporate locations

Goals from our sustainability programme:



Goals and measures in detail:

Renewable energy & energy management

- Increase the share of renewable energy in energy carriers to 30% by 2025
- Establish/optimize building management systems (BMS) at all UBM locations by 2025

To meet these ambitious goals, UBM is gradually converting its Group locations to green electricity suppliers and equipping or refitting these facilities with building management systems to support energy optimisation. One challenge in this area is the availability of sustainable electricity. The share of renewable energy in UBM's total energy consumption in 2021 equalled 25% in Austria, 28% in Germany, 13% for ALBA, 15% in Poland and 0% in the Czech Republic. CO₂ certificates were purchased for the Group's location in Warsaw due to the lack of availability of green electricity to neutralise the emissions from electricity consumption. In accordance with the GRI standards, this voluntary CO₂ compensation does not have an impact on reported emissions. The contracts for all locations in Germany, Austria, the Czech Republic and Poland will be converted to green electricity, where available, at the latest in 2025.

UBM generally relies on district heating for its heating supplies to benefit from the decarbonisation of the national networks and avoid the use of pure fossil energy carriers. Energy-efficient LED lighting is also installed when UBM locations are renovated.

UBM has carried out regular energy audits since 2016 in accordance with Directive 2012/27/EU on energy efficiency and Directive (EU) 2018/2002 (in Austria, the Energy Efficiency Act; in Germany, the Building Energy Act). All investments over 50% (land, standing assets, new development projects) and locations are covered by these procedures. An external energy audit was carried out at the German and Austrian locations in 2019, and verification audits based on ISO 50001 took place in Austria (AG and UBM Austria) during 2020 and 2021. ISO 50001 audits are scheduled for Germany and Poland in 2022, and the Czech Republic will follow.

An important measure introduced by UBM in 2020 that will be expanded in the coming years is the transparent and more exact collection of data on energy consumption and emissions. This will support the development of further climate protection initiatives in the future. Transparent data collection is already in place at most of the locations, and projects have

been ongoing since 2021 to extend these procedures to the other locations.

Vehicles

- Double the number of vehicles with alternative drives by 2025 (basis 2021)

Records have been kept on the petrol and diesel consumption of all Group motor vehicles since 2020. These surveys provide the basis for defining concrete targets to reduce emissions. Preference is given to hybrid or electric vehicles when new vehicles are purchased, whereby the decision also involves the availability of suitable charging stations near the employee's home. In 2021, UBM's motor vehicle pool had 18 vehicles with alternative drives.

Travel

- Reduce CO₂ in air travel by 25% (basis 2019) by 2025

The Group-wide travel guideline "think before you travel" makes clear that business trips should only be taken when absolutely necessary. Rail travel must be given preference for shorter distances, and video conference portals should be used more frequently for meetings. The use of these digital formats has increased substantially as a result of the COVID-19 pandemic.

For the UBM Day 2021, more than 200 of our colleagues from Poland, the Czech Republic, Germany, the Netherlands and Austria travelled to Vienna to experience our Group's community "live". This event was certified as a "green meeting" in line with the Austrian Ecolabel criteria. That meant compliance with a long list of requirements including environmentally friendly travel, preferably with rail or public transportation. A limited number of the participants travelled via air due to the longer distances. UBM officially compensated for the resulting emissions (in total, 2.982 tonnes of CO₂) through support for the portfolio of Austrian climate protection projects.

Standing assets**Goal from our sustainability programme:****Goals and measures in detail:****Renewable energy**

- Increase the share of renewable energy in energy carriers to 30% by 2025

UBM is converting not only its Group locations but also its standing assets to green electricity suppliers. The W3, a standing asset in Vienna, already purchases green electricity and, in addition to district heating, is also changing over to district cooling. A "manage to green" project is currently in progress at the Poleczki Business Park in Poland. It involves the neutralisation of CO₂ emissions from the total electricity consumption in 2021 and 2022 through certificates because green electricity is not available at that location. In order to ensure the long-term availability of renewable energy, photovoltaic equipment is currently being installed on the rooftop of one of the office buildings in the commercial park.

Energy management & CO₂ intensity

- Reduce CO₂ intensity by 30% (basis 2020) by 2030
- Establish/Optimise building management systems at all standing assets by 2022
- Anchor guideline for sustainable building operations in all standing assets by 2022

UBM is equipping or refitting all standing assets with building management systems to support energy optimisation. CO₂ intensity will be reduced by refitting with highly efficient energy systems and building automation. In addition, a guideline for sustainable building operations will be prepared for all tenants. **GRI 3-3**

4.2. Recyclability & durability of building materials

In property development, the early planning phase defines the scope of the ecological footprint - and can be seen as the key to an efficient circular economy. Our focus on structural elements covers, among others, the materials used, their durability and their recycling capability.

The EU Taxonomy anchors, among others, the transition to a circular economy, waste avoidance and recycling (e.g. through regulations covering the hazardous waste from construction and demolition). Investments that fail to meet these requirements are likely to face a competitive disadvantage as well as a decline in investor demand in the future.

The use of environmentally friendly and durable building materials (e.g. timber) creates numerous environmental benefits. They include, among others, the capture of CO₂ and the lower consumption of resources. Timber, as a renewable raw material, stores carbon over the long term and is characterised by high resilience, strength and load-bearing capacity combined with flexibility. Timber also creates time and cost benefits through prefabrication and modular construction, lower transport costs due to reduced weight and increased space through narrower wall construction. And last but not least, timber creates an excellent indoor climate: wood surfaces equalise humidity and that has a positive influence on the indoor climate.

With timber construction, we have the largest lever in our hands as a real estate developer.

The production of steel and concrete, in particular, is CO₂ intensive, and these materials should be recycled when a building is demolished. Later recycling capacity can be actively included as early as the planning stage, for example

through the avoidance of inseparable composites. Timber can be easily recycled – untreated wood can be reused or recycled, while dirtied or treated wood can be used as a renewable energy carrier. In this way, UBM supports recycling in the sense of the circular economy.

Goals and measures in detail:

Sustainable building materials & circular economy

- Evaluate the use of sustainable/recycled building materials in all new development projects
- Use cradle-to-cradle approach to dismantling for all new development projects

The planning stage for all UBM projects must include and evaluate the use of sustainable and/or recycled building materials. Circular economy requirements are passed on to the planners.

Lifecycle assessments (see section 4.1.2.) are used, above all, for building sections with massive components as well as building sections with different lifecycles and renovation cycles. The results of these lifecycle assessments help UBM to optimise the selection of materials and component assembly and make an important contribution to resource conservation, the reduction of environmentally harmful waste and the return to the materials cycle.

In the LeopoldQuartier, the demolition of the existing building is taking place as sustainably as possible and in line with our *green. smart. and more.* strategy. Special attention is given to recycling and the reuse of building materials, and virtually no landfill deposits are required. Most of the materials are separated mechanically at the site, and high priority is placed on the shortest possible transport routes to the recycling location. And this effort really pays off: Nearly 95% of all materials resulting from demolition can be reused. The remaining 5% are hazardous waste (e.g. fluorescent tubes and the like) which must be sent to a landfill in accordance with legal regulations. The LeopoldQuartier was awarded “Gold” certification by the DGNB for sustainable building demolition.

Work has also started to optimise CO₂ emissions over the entire lifecycle for the Village im Dritten project in keeping with the focus on sustainability. **GRI 2-23, 2-25**

4.3. Ground sealing, climate change adjustments and biodiversity

Urban development inevitably leads to interference with the local fauna and flora. The direct consequences of construction activity include, for example, the reduction of animal habitats and an increase in the air temperature in heavily populated areas as well as a decline in the regeneration of groundwater due to lack of direct rainwater seepage and the resulting risk of highwater and flooding. Increased ground sealing changes the microclimate – local temperatures increase and new heat records are set (heat islands) – and can cause serious health problems for the people involved.

The EU Taxonomy requires, among others, the protection of healthy ecosystems (e.g. through regulations governing construction sites). Investments that lead to negative effects for the ecosystem are likely to face a competitive disadvantage as well as a decline in investor demand in the future. Building permits in Austria are granted under sustainability aspects which also include the issues of ground sealing and biodiversity.

UBM's goal is to avoid the conversion of natural or undeveloped areas as far as possible and, by doing so, limit ground sealing. Preference is given to development projects located in urban areas which have a previous use and, as a rule, are embedded in an existing infrastructure.

UBM's value chain for real estate development begins with an acquisition, or the purchase of a site. We never use land in protected or sensitive areas for our projects. However, the realisation of greenfield projects is invariably connected with intervention in the ecosystem through ground sealing, the destruction of free space, for example. UBM therefore focuses on so-called brownfield developments to avoid the conversion of natural or undeveloped areas as far as possible and limit ground sealing.

In addition to conscious interaction with the resource "land", the preservation of biological diversity is another important concern. It will be reflected in future projects through rooftops with extensive and intensive biodiverse green areas and facade greening - which will help to reduce the heat island effect in our urban areas as well as the heating and cooling load.

UBM's focal points for biodiversity are as follows:

- Brownfield developments
- Biodiversity in designing outdoor facilities
- Increase in biological diversity through roof and facade greening
- Ecologically valuable design and non-invasive greening

Goal from our sustainability programme:



Goals and measures in detail:

Brownfield development

- Increase share of brownfield developments in new projects to over 66% by 2025

As mentioned above, UBM's acquisition process is focused on brownfield developments (land with existing buildings). Biodiversity has been integrated in UBM's 360° process landscape. The relevant parameters (tree stock, groundwater, contamination, previous use, etc.) for all asset classes are surveyed and monitored in accordance with the "Land" checklist.

Our reporting on development projects is based solely on the sealed areas, with a differentiation between greenfield and brownfield. Greenfield developments represent roughly 24% of the 45,678 m² in the ten projects completed during 2021. We also exchanged an area of 24,290 m² on four brownfield projects. **GRI 2-23, 2-25**

Green- & brownfield developments - real estate development

Projects	Total pipeline incl. 2021	2021	2020	2019
Greenfield developments [number]	8	3	2	2
Brownfield developments [number]	46	7	8	6
Greenfield developments [total property area [m ²]]	98,990	11,038	4,256	7,166
Brownfield developments [total property area [m ²]]	241,553	34,640	43,527	18,718
Greenfield developments [%]	29	24	9	28
Brownfield developments [%]	71	76	91	72

4.4. Refurbishment and revitalisation

The acquisition of developed land, in part with existing buildings, leads to increased requirements for demolition, refurbishment or revitalisation. Stricter legal requirements for building demolition can be expected in the future, for example through the consequent separation of construction and demolition waste or the production of quality-assured secondary building materials.

Refurbishment projects are a fixed and steadily increasing component of UBM's real estate development portfolio. In comparison with demolition and subsequent new construction, the conversion and vitalisation of existing buildings results in lower energy consumption and lower CO₂ emissions - an important ecological aspect that will also be taken into account in the future. Other resource-conserving benefits include the use of existing infrastructure, a reduction in new soil sealing, less intervention in the existing ecosystems and

the preservation of existing building substance. The lifecycle of a building is extended as a result, and that reduces CO₂ emissions.

UBM has increased its focus on projects involving revitalisation and has also set a goal to evaluate all refurbishment projects based on sustainability criteria. Two projects underwent building certification in 2021, namely the Andaz Sugar Palace in Prague (LEED) and the voco in The Hague (BREEAM). Of the 54 development projects in UBM's pipeline at the end 2021, six involved refurbishment and revitalisation during the construction and development phase. Thus, the projects on the following page are responsible for 75,769 m² of the total pipeline (711,709 m² GFA). 11% of the total area (or 13% of the number of projects) in the pipeline including 2021 is accounted for by revitalisation and redevelopment projects.

Renovation and revitalisation projects - real estate development

Projects - total pipeline incl. 2021	Type of property	Status	GFA/number	%
Development projects [m ²] - total			711,709	100
Renovation and revitalisation projects [m ²] - total			75,769	11
voco, The Hague	Hotel	completed	11,030	
Siebenbrunnengasse, Vienna	Residential	under constr.	17,389	
Siebenbrunnengasse, Vienna	Commercial	under constr.	6,322	
Sugar Palace, Prague	Hotel	under constr.	16,395	
Smolensk, Krakow	Residential	under constr.	7,906	
Swietnizka, Wrozlav	Commercial	under dev.	8,302	
Unterbiberger Straße 15, Munich	Residential	under dev.	8,425	
New construction projects [m ²] - total			635,940	89
Renovation and revitalisation projects [number]			7	13
New construction projects [number]			47	87

GRI 2-23, 2-25

4.5. Healthy building materials & the quality of life

The use of healthy building materials has a positive influence on the indoor climate in UBM's buildings and the comfort for residents, office tenants and hotel guests. The avoidance of harmful substances (e.g. paints, insulating materials, adhesives, synthetic products) can create a pleasant and healthy ambiance for everyone involved. The EU Taxonomy includes, among others, the avoidance and prevention of environmental pollution (e.g. through regulations covering pollutants in paints, insulation, flooring, etc.).

UBM selects the most appropriate quality level for building certification to ensure and confirm the use of healthy building materials. Timber is a particularly important product with regard to living quality and aesthetics: Timber surfaces equalise humidity and therefore have a positive influence on the indoor climate. In indoor rooms, timber stands out owing to its pleasant haptics, acoustic properties and atmosphere. This is due, above all, to the fact that timber provides good thermal insulation, and surfaces at room temperature are perceived as comfortable. **GRI 2-23, 2-25**

4.6. Water and wastewater utilisation and waste in building operations

In the operation of buildings, water and wastewater utilisation play an important role. The recycling of rainwater and grey water as well as water-saving equipment (efficient fittings in kitchens and bathrooms) can reduce the consumption of fresh water. The EU Taxonomy calls, among others, for the sustainable use and protection of water resources (e.g. through requirements for water-efficient fittings and water protection management plans).

Water stress areas are areas in which the demand for water exceeds the supply during a specific period or areas where the usability of existing water supplies is limited by poor quality. In these areas, water stress leads to the deterioration of fresh water supplies for quantitative (overstressing of aquifers, dehydration, etc.) and/or qualitative (pollution, salt intrusion, etc.) reasons. Due to its geographical focus, UBM is relatively unaffected by water stress at the present time.

Although consumption is primarily influenced by end users, we still implement effective measures. One example is the Mercure Katowice Centrum: Its 18-metre-high and 260 m² green facade is much more than a popular exterior symbol of the "green and clean" motto. Nearly 7,000 plants root in pockets that are made of recycled materials and mounted on textile panels. This vertical garden is irrigated with rainwater collected in the basement.

Waste management is also important in building operations. The avoidance of waste saves energy and resources, and the organised collection of waste allows for correct material recycling. End users, in particular, can also influence waste generation and separation.

Examples of the measures taken in the standing assets and Group locations are provided below:

At the W3 standing asset in Vienna, the anchor tenant and facility management have developed a waste concept. We also ensure waste separation at our headquarters in Vienna based on an established concept. A digital solution for waste management similar to the one used in Berlin is also in preparation.

Paperless invoices were introduced throughout the Group in 2020. That led to a significant reduction in paper consumption and also complements the previously established controlling systems.

On UBM Day, which was certified as a "green meeting" in line with the Austrian Ecolabel criteria, specific measures were also implemented to minimise waste. Disposable tableware was not used, the decorations were rented or designed for multiple use, beverages were served from bulk packs, and all waste was correctly separated. **GRI 2-23, 2-25**



S

as in Social

5. UBM & Social

- 5.1. Attractive employer & training and education
- 5.2. Diversity and equal opportunity
- 5.3. Health and safety
- 5.4. Architecture, urban quarter development and social diversity
- 5.5. Infrastructure and mobility
- 5.6. Customer orientation and awareness raising

Social responsibility. For employees and society.

Sustainable management is in no way limited to environmental aspects. It also covers a company's social responsibility, in other words the impact of its actions on society.

This also includes fair and responsible interaction with our employees in our direct sphere of influence. The women and men who work for UBM are an important factor for our long-term success and essential for the positive development of our company. In this connection, we have defined the following focus areas:

- Attractive employer and training & education
- Diversity and equal opportunities
- Health and occupational safety

As a real estate developer, we also have an impact on local communities and neighbouring residents. Our projects contribute to the quality of life for society. This applies, in particular, to urban quarter developments, but is also true for residential construction and office buildings. We are well aware that we change and influence the living environment of people with every real estate development project. That creates a responsibility which we actively accept. Our goal is, wherever possible, to establish a constructive dialogue with neighbouring residents and relevant interest groups in the areas surrounding the projects and to make an improvement through our activities. This added value and neighbourhood vitalisation also benefit the project over the long-term.

Accordingly, we have defined focal points in the following areas:

- Architecture, urban quarter development and social diversity
- Infrastructure & mobility
- Customer orientation and awareness creation

We are well aware that we change and influence the living environment of people with every real estate development project.

5.1. Attractive employer & training and education



5.1.1. Importance of the issue

Qualified and motivated employees are an important factor for our company's long-term success. Attracting and retaining these women and men calls for an environment in which personal development is possible and community is supported.

The understanding of work, above all by younger talents, is undergoing a paradigm shift which has been accelerated by the influence of the COVID-19 pandemic and the rapid increase in digitalisation. Values like purpose, the work-life balance and creative opportunities are becoming more and more important.

New work structures include, above all, greater flexibility for working hours and locations. However, a functioning remote work culture can never completely replace the office with its spontaneous interpersonal contacts, inspiring coincidence, and sharing and shaping. Offices will, consequently, not become irrelevant, but the requirements will change: That is where a company becomes visible, that is where community becomes real. The office will become a place where coexistence is lived and new ideas are born.

The study "The State of Skills 2021" shows that the COVID-19 pandemic has intensified the need to acquire new skills but also reduced development opportunities. Limited possibilities to invest in learning and development, combined with rising demands on new skills and competences can cause problems at several levels over the long term. Employees with insufficient expertise will be unable to carry out their activities at a higher quality level - and when confidence in their own abilities is low, work is perceived as more stressful, assignments take longer, and both quality and motivation decline. Training and education therefore create benefits

for the employee as well as the employer. Expanding know-how and skills, retaining this expertise in the company, and supporting innovation by employees guarantees quality and satisfaction for everyone involved.

A greater risk for companies is the inability to find, develop and retain sufficient specialists and managers. A lack of opportunities can lead to lower employee motivation and productivity. That, in turn, can increase employee turnover, recruiting costs and the loss of know-how in the company.

In the competition for qualified employees, positioning as an attractive employer is decisive. The basis is formed by compliance with the respective national laws governing employment and working conditions as a minimum standard as well as consideration for other frameworks like the recommendations of the International Labour Organisation. Employers must respect human rights, reject child labour and forced labour, and support the freedom of association, among others, and can also influence the following subject areas: fair compensation, safe and healthy working conditions, and the rejection of any form of discrimination.

Unattractive working conditions can damage a company's reputation, appeal to neither young professionals nor experienced experts, and significantly limit access to the labour market. News of bad experience with employers in online application platforms or social media can also be expected to spread rapidly. In the end, the company's positioning on the market will be weakened with an increasing risk that potential employees may wander to the competition. **GRI 3-3**

5.1.2. Our commitment

We owe our success to our talented, committed employees who take on individual responsibility and want to play an active role in designing UBM's success. UBM supports its employees in reaching their personal career goals and offers them opportunities for personal growth, diverse training and development possibilities and numerous benefits.

With our values – competent. consequent. transparent. – we create a working climate in which each person feels included,

authorised and called upon to make a personal contribution. We encourage our employees to be proactive through short decision paths and flat hierarchies.

The design of our working environment reflects our strict compliance with the national and international rules and requirements in the markets where we are active. We also base our actions on agreements that include the Universal Declaration of Human Rights, the United Nations Guidelines and the international labour standards set by the International Labour Organisation. Our activities exceed minimum standards. This commitment is anchored in our codes of conduct (ethics code and code of conduct for business partners, see section 6.1.).

Modern workplace & community

Open communications are a central element of our corporate values and an important building block for our attractiveness as an employer. At all our locations, we create working spaces that support interaction, creativity, and the health and performance of our employees. The headquarters in Vienna, for example, include a lounge with table football and darts as well as a green inner courtyard and roof terrace with a barbecue area. Specially created "new work zones" serve as multifunctional work areas and give the office a new standing as a communication and collaboration platform.

Our Group-wide UBM Day, which is held every two years, supports the exchange of information and an open corporate culture across business areas and national borders. In addition to company outings or Christmas parties, we organise events like barista workshops and joint participation in sport events to promote teambuilding.

Work-life balance

We believe it is important to help our employees establish a healthy work-life balance and to reconcile their work and family life. Individual working time models are part of our efforts in this area. Rules are in place, and formalised in the company agreement, to permit nursing leave for close family members. Employees have access to special time off under certain circumstances and, of course, all employees are entitled to parental leave.

Open communications are a central element of our corporate values and an important building block for our attractiveness as an employer.

Performance-based remuneration

With very attractive salary packages and regular bonuses that are tied to individual performance and annual results, UBM employees participate in the company's success.

Benefits

Additional benefits include, among others, the reimbursement of costs for environmentally friendly mobility like subsidies for public transportation as well as a daily lunch allowance. Special projects to help employees remain healthy include in-house fitness programmes and a subsidy for annual membership in a fitness studio. An important part of this policy specifies that these benefits are also available to part-time employees. In this respect, UBM does not differentiate between full-time and part-time employees.

Career, training and continuing education

Specially planned training and continuing education programmes are a fixed part of human resources development at UBM. The basis is formed by the annual appraisal meeting, which includes an agreement on goals and specific training measures together with the responsible supervisor. UBM actively offers numerous educational opportunities ranging from internal workshops and idea competitions to external training programmes, but also encourages and supports the independent development of its employees.

GRI 2-23, 2-25, 3-3, 401-2, 404-2

We actively offer numerous development opportunities as part of our human resources strategy, but also encourage employees' independent development.

5.1.3. Organisational structure

At the Management Board level, the COO is responsible for personnel-related issues which are centrally combined under human resources. The head of human resources meets regularly with the COO to discuss developments in this area. Targets, measures and the strategic focus are defined together with the Management Board and communicated to the organisation. The human resources team also includes an HR business partner who implements human resources measures together with local management in agreement with the HR strategy. **GRI 2-23, 2-24, 3-3**

5.1.4. Goals and measures

Goals from our sustainability programme:



Goals and measures in detail:

Recruit the best employees for UBM

- Increase number of applicants
- Increase quality of applicants and continuous increase starting in 2022
- Ensure high probability of hiring

To reach these goals, UBM has implemented targeted measures to establish an employer branding strategy. Its goal is to increase the attractiveness of UBM as an employer for potential applicants and to continuously improve the candidate experience. The related measures include the development of a career website, increased online presence, e.g. in LinkedIn or kununu, and preparation of job and skills profiles for all job classifications.

The indicators used to monitor target attainment include the number of applications per advertised position, interview quota (first survey scheduled for 2022), the offer-acceptance rate or time-to-hire after the job advertisement.

Retain the best employees

- Hold employee turnover below 12.5% by 2025

The creation of an employer branding strategy will also increase the attractiveness of UBM for existing employees. The related measures include a structured onboarding process for all new employees, flexible working time models, attractive remuneration, regular information for employees via internal communication channels, internal opportunities for advancement, and the preparation of job and skills profiles for all job classifications.

The turnover rate for the entire UBM Group equalled 12.9% in 2021. Other indicators for internal monitoring include average length of service with the company, the share of management positions filled internally and the recommendation quota.

Train and educate the best employees

- Promote feedback culture - annual appraisals with all employees
- 25% more training hours per employee by 2025 (basis 2020)
- Annual ESG awareness training for all employees starting in 2022

Individual, requirements-oriented training measures are defined in regular personnel development and feedback discussions with employees based on an internal guideline. These discussions are held with all employees, regardless of the hierarchy level. A project is currently in progress to support the organised recording of employee appraisals.

The COVID-19 pandemic created an additional challenge by limiting the offering and resulting in the cancellation of training courses and seminars. The percentage of employees who participated in training fell from 65% in 2020 to 35% in 2021. However, the average hours of training per employee remained constant at around 17 hours.

In 2021, a special training initiative was launched in support of ESG issues: Numerous employees voluntarily took part in the Climate Impact Day to improve their understanding of ESG. The active participation of all employees in this event is planned to begin in 2022. Other internal events and training (e.g. internal courses, projects related to the *green. smart. and more.* initiative) and targeted internal communication will create a greater awareness for the importance of ESG.

GRI 2-23, 2-25, 3-3

5.2. Diversity and equal opportunities

A working environment free of discrimination and a culture of mutual respect and appreciation throughout the entire workforce - these are the requirements for equal opportunities and diversity in a company. A company that does not promote diversity and equal opportunities risks damage to its reputation and, in the worst case, could be faced with legal consequences.

Poor performance in this area can undermine a company's position on the market and result in the loss of business partners and customers. Innovation potential is also lost when the personal backgrounds of employees (e.g. migration background, nationality, family constellations) are ignored.

The lack of equal opportunities at the workplace (remuneration etc.) can lead to lower employee motivation and higher turnover, which means additional costs and time for new hiring. Moreover, there are signs that the legal requirements governing equal opportunities will be strengthened in the future.

Fair treatment of our employees and a culture of mutual respect and appreciation are obvious at UBM. We treat all employees equally - regardless of their ethnic, national or social background, disabilities, sexual orientation, political or religious conviction, gender, family status or age, economic or other standing. Decisive action is taken against any form of discrimination.

Goal from our sustainability programme:



Goals and measures in detail:

- No salary differences between women and men by 2025 (adjusted gender pay gap)
- Increase percentage of women in management positions to over 30% by 2025
- Increase percentage of women in the total workforce to ca. 50% by 2025

Diversity has high priority for UBM. It allows us to utilise the full potential of the labour market and innovation by including people with different backgrounds and viewpoints. The employment of staff with different ages and experience is encouraged (buddy principle), and the company is increasing its efforts to raise the percentage of female employees in the organisation.

Activities to sustainably improve equal opportunities include recruiting that is focused on the search for suitable female candidates. Women are directly addressed through appropriate wording in job advertisements, and clear guidelines give preference to women when qualifications and experience are equal. In new hiring, there are no salary differences between the genders when the function, qualifications and seniority are equal. Starting in 2022, we plan to calculate the adjusted gender pay gap for the entire company as the basis for implementing specific measures.

In comparison with other companies in the real estate sector, the UBM Group had a positive standing with 25 women in key positions as of 31 December 2021 (Supervisory Board, managing directors, authorised signatories and key staff at UBM Development AG and its subsidiaries). A comparison with the 24 female managers in 2020 shows an improvement in the share of women in leading positions. The percentage of women in management positions equalled 26.6% and the percentage in the total workforce equalled ca. 45% in 2021.

Specific instructions give women preference when qualifications and experience are equal.

The Supervisory Board does not follow a specific diversity concept with regard to the composition of the Management and Supervisory Boards because the establishment of diversity targets for control bodies is not seen as expedient or useful. Education and professional experience play a significant role because a person under consideration for a Supervisory Board position must be capable of optimally performing his or her duties. These preconditions are not defined abstractly in advance but evaluated on a case-by-case basis. Accordingly, the expertise and specific requirements for the respective appointment are the only decisive factors in preparing proposals for the Annual General Meeting. Women represent 25% of the positions on the Management Board and 33% on the Supervisory Board. **GRI 2-9, 2-17, 2-23, 2-25**

5.3. Health and safety

Work absences can result in financial damages, the loss of know-how and productivity declines. In office settings, health and injury risks primarily involve ergonomic and psychological aspects. (Chronic) illnesses due to incorrect or non-existent ergonomics in work equipment can lead to increased sickness rates over the longer term. Construction sites are associated with health and injury risks, among others through severe or fatal accidents. These accidents have a direct negative effect on employees, but also mean additional administrative costs, work delays, rising project costs and/or legal consequences for the employer.

Our business success is based to a significant degree on the commitment and motivation of our employees. As an employer, we also feel responsible for their physical and psychological health.

Goals and measures in detail:

- Hold lost time due to work accidents at a low level - goal: zero work accidents
- Protect and promote employees' health

As a real estate developer, support for employees' physical and psychological health in everyday office routines plays a central role at UBM (e.g. through stress prevention, an occupational physician, in-house fitness rooms). A major focal point for construction sites involves occupational safety measures (e.g. accident prevention, acoustic/heat protection including training).

UBM has implemented an integrated management system to support occupational health and safety. It covers all employees and meets the highest standards. The Group units in Austria (AG and UBM Austria), the Czech Republic and Poland are certified under the internationally recognised occupational health and safety management norm ISO 45001, and certification will be extended to UBM Germany in 2022.

Occupational safety management includes experts like occupational physicians, specialists for occupational safety and employee representatives in line with national requirements. Safety-related supervision is assigned to a specialist who evaluates, among others, potential dangers and carries out safety inspections. Written instructions anchor occupational safety throughout the company and ensure compliance with high safety standards.

The success of these measures is reflected in the number of work accidents, which has been extremely low for many years. There were no reportable work accidents and no accidents with fatal or serious injuries in 2021. Moreover, no work-related illnesses were recorded.

In addition to strict safety measures, UBM places high priority on employees' health. The related measures include, among others, the creation of ergonomic workplaces and the opportunity to individually use the in-house fitness rooms. Outdoor athletes can join the "UBM-Express" and take part in various running events. An occupational physician is also available to assist employees at UBM's Vienna location. **GRI 2-23, 2-25**

5.4. Architecture, urban quarter development and social diversity

The coming decades will bring a demographic shift towards an ageing and more multinational society. The growing ecological demands on UBM buildings will, in turn, be increased to also include social aspects. Today's development projects should reflect smart, low-barrier/barrier-free and flexible living and working to also meet the needs of tomorrow's users. The failure to include carefully thought-out architectural concepts for buildings and urban development projects can result in cost-intensive subsequent refitting to meet the needs of the future.

A balanced social and cultural mixture of residents forms the basis for the sustainable development of residential areas. Smart architecture can increase the quality of the social benefits as well as the attractiveness and accessibility of buildings for users and neighbouring residents. The creation of recreational and common rooms and shared spaces also increases the quality of life in the surrounding area.

Our many years of experience as a real estate developer have taught us that development means change and interaction. One of our key principles is to always consider and integrate the socio-cultural environment in our projects. For us, that means designing projects to minimise the potential negative effects on the local area, for example caused by shading, artificial light, noise, emission and increased traffic, or to more than offset these effects through positive changes and improvements. The health and well-being of later users is the focal point of the socio-cultural aspects in project development. Included here, for example, are room temperature, construction acoustics, noise emissions and the optical design.


To make these phrases come alive, our approach includes sustainability certificates like DGNB and ÖGNI as key measurement and control instruments. Evaluation is based on the three-pillar principle of sustainability: economy, ecology and society. Many UBM projects have already received these certificates (see section 4.1.), and our goal is to achieve sustainability certification over the long term for all our projects, also in the residential asset class.

Our projects create living and working space that influences the health and well-being of future residents and users. UBM therefore places high priority on the ecological assessment of the building materials used and the integration of the demographic shift in its construction projects.

UBM is committed to meeting all applicable legal and normative requirements on its buildings. But our claim goes far beyond that: We always want to exceed legal requirements whenever this is important to future users.

The following key aspects for the functionality of buildings represent the standard for UBM in planning and realising its real estate projects:

- Accessibility
- Absence of pollutants and construction ecology
- Indoor climate and acoustics
- Security
- Visual comfort (look & feel)

UBM sees building certification - through its continuous development and adaptation to meet new market demands and trends - as an important tool to make sure its projects are fit for the future. Every project is designed to meet the *green, smart, and more.* strategy and is subsequently validated with established certification systems during the planning and construction phase.  **2-23, 2-25**

5.5. Infrastructure and mobility

The steady increase in traffic is one of the greatest challenges for municipal planning and development. Modern mobility concepts are, as a result, becoming more important in real estate planning and the design of urban quarters.

Sustainable buildings require an integrated view of the usage concept – for the specific building and for its urban quarter. That also includes the surrounding economic and social infrastructure (e.g. shops, schools, workplaces, recreational areas) as well as sustainable mobility concepts (car/bike sharing, e-mobility). Connections to public transportation, in particular, create shorter traffic routes and increase the quality of living, working and hotel stays.

UBM has accepted this challenge and, for example, developed a future-oriented mobility concept for the Timber Pioneer project in Frankfurt am Main. The goal is to reduce the use of private combustion vehicles for conventional destination and origin transportation. The following offering is designed to facilitate the changeover to more environmentally friendly means of transport for the Timber Pioneer building users:

- E-charging stations for cars and charging facilities for e-bike batteries
- Car sharing with hybrid and/or e-vehicle
- E-bike hire stations
- Additional bicycle storage areas
- Sophisticated bicycle infrastructure, including showers and changing rooms for users as well as a self-repair point

Some of these services, for example car sharing and the e-bike hire stations, can also be used by the employees in the neighbouring F.A.Z. Tower – which creates excellent and efficient synergies for both buildings.

At the LeopoldQuartier in Vienna, tenants and owners will be able to use e-charging stations in the office and residential areas as well as a mobility point with car and bike sharing products.

The Poleczki Business Park, a UBM standing asset in Poland, is currently carrying out a “manage to green” project that involves the refitting of two buildings to include parking spaces with e-charging stations. If the test phase is successful, e-charging stations will be installed in up to 30% of all parking spaces in the business park. **GRI 2-23, 2-25**

5.6. Customer orientation and awareness raising

A focus on the needs of (future) residents and users leads to longer satisfaction and can help to reduce conflicts and complaints. Customer orientation measures can include the early involvement of relevant stakeholders, consideration for important issues raised by different social groups, or conflict management processes. The creation of a greater awareness of sustainability issues can also improve users’ sense of well-being. Insufficient or a complete lack of customer orientation can lead to declining revenues, market access problems and lower corporate profitability.

UBM wants to create attractive quarters that contribute to sustainable urban development and create benefits for the general public. These quarters must be resistant against coming climate changes to also allow for a high quality of life in the future.

The development of an urban quarter means much more than just planning and constructing a building. Many different stakeholder groups are involved in these activities, including project developers, planners, public authorities and district administrators as well as neighbouring residents, and the complexity is accordingly high. We involve relevant stakeholder groups in our planning and development processes through early information, participation and co-determination rights. That allows neighbouring residents to express their needs and interests and influence results. This approach has been embedded in UBM's process landscape as the standard since 2021.

We involve relevant stakeholder groups in our planning and development processes at an early stage through information, participation and co-determination rights.

In this way, initial reservations by a citizens' initiative concerning a possible increase in the traffic load near the Gmunder Höfe in Munich were successfully dispelled. The goal for this project - and for all other UBM developments - is to also create an optimal usage mix for the city. In addition to attractive residential units with parking spaces, day-care centres, green and open areas available for public use, other benefits include the nearby recreational area along the River Isar and good public transportation connections via underground and rapid transit railway.

The LeopoldQuartier in Vienna is a further example of successful participative urban development. This area is under development based on specifications set by the city's development commission and the integration of citizens' concerns. Up-to-date information on the progress of construction is published on a project website, and an ombudsman service is available to deal with wishes, suggestions or complaints.

In close cooperation with the representatives of public authorities, decisions are coordinated on relevant issues involving the functional mix of the quarter as well as aspects like working place comfort, accessibility and the best possible reduction of emissions and immissions.

The instruments to reach these goals are diverse. Green areas, climate resilience, facade greening, the use of ground storage mass, networking between the buildings, real-time data on operating parameters to optimise energy consumption and much, much more are planned for the LeopoldQuartier and will create exemplary added value. In particular, the green zone - an expanded green area in the inner courtyard - is of great importance for the area and will contribute to the quality of life for all users and neighbouring residents. Special attention is also given to land re-naturalisation, the preservation of seepage capability, the creation of optimal living conditions for fauna and flora as well as rooftops with semi-intensive biodiverse planting. Photovoltaic elements will also be installed on these roofs to create a balance between energy production and climate improvement. The LeopoldQuartier will generate energy on site with wells and depth probes. Heating and cooling supplies for all buildings in the quarter will be produced centrally and CO₂-neutral.

Local supplies, social networking and mobility offerings are the basic components of this urban quarter development project. In addition to shared spaces, shared mobility and shared activities, the use of a quarter management app is also under evaluation to make the offerings and services available to users and neighbours. All these measures will help to create smart and green living space that sustainably increases and improves the value of the area surrounding the LeopoldQuartier.

The LeopoldQuartier represents a milestone for UBM in the implementation of its *green. smart. and more.* strategy for sustainable urban quarter development. Construction is scheduled to start in 2023. **GRI 2-23, 2-25**



G

as in Governance

6. UBM & Governance

- 6.1. Corporate governance & compliance
- 6.2. Sustainable procurement & regional added value
- 6.3. Innovation & technologies

Governance.

Living good management.

In addition to the environment and society, good governance plays an increasingly important role in the perception and valuation of companies. For UBM, good governance means being viewed as a trustworthy and reliable partner by our stakeholders. That is the foundation of our business success.

UBM's values - competent. consequent. transparent. - are reflected in our social responsibility: act ethically, accept the consequences, communicate transparently. To ensure that our values are lived throughout the entire company and reflected in our employees' everyday activities, our actions are based on ethical principles, relevant national and international legal norms, and internal guidelines.

As an active part of society, we accept our responsibility and have identified the following material subject areas as part of our materiality analysis:

- Corporate governance & compliance
- Sustainable procurement & regional added value
- Innovation & technologies

6.1. Corporate governance & compliance



6.1.1. Importance of the issue

Compliance with regulatory requirements and voluntary standards is an important part of responsible management. The construction and management of properties produces social benefits and can help to improve the quality of life, but also consumes natural resources and releases hazardous substances into the environment which, in turn, increases the pressure on (local) public authorities.

The relevance of compliance and compliance management systems has increased significantly in recent years for many different reasons. On the one hand, due to numerous new legal requirements that are connected with criminal penalties and, on the other hand, criminal prosecution is becoming more and more consequent.

Violations of legal requirements not only represent a significant risk for companies but are also connected with personal consequences for individuals. Companies can face fines, penalties and civil claims by damaged parties. In many cases, that can lead to exclusion from public tenders and harm the company's reputation.

Key aspects of real estate development include, above all, correct tenders (e.g. for construction services), the fight against corruption and bribery, proper working conditions and taxation behaviour by subcontractors as well as transparent internal guidelines and conduct rules.

The issue of human rights along the entire value chain deserves special attention and has gained momentum in recent years - also in the EU: In addition to various sustainable finance regulations and the proposed Corporate Sustainability Reporting Directive (CSRD), discussions centre on intensifying due diligence requirements in the supply chain and strengthening sustainability requirements for the Supervisory Board ("Sustainable Corporate Governance") to include mandatory human rights and environmental due diligence.

Companies that fail to meet environmental standards or ethical norms will be increasingly penalised by the financial markets, with a resulting negative effect on share prices and financial stability. Planned regulations (among others, CSRD, EU Taxonomy) will require companies in the EU not only to meet but also to monitor, comply and expand on this type of transparency. **GRI 3-3**

6.1.2. Our commitment

Responsible actions start at an individual level but, as a company, we have a duty and responsibility to create the necessary framework. UBM does this, for example, through transparent internal directives and a code of conduct, commitment to various corporate governance guidelines and the UN Global Compact, and an effective internal compliance management system.

Responsible and transparent management has top priority for UBM. Compliance with all applicable rules, regulations, guidelines, standards and norms in the countries where UBM is active goes without saying. The high demands we set for ourselves also apply to our business partners and employees. UBM's business model is oriented on ecological, social and ethically correct business practices. In order to strengthen the integration of ecological and social responsibility along the entire value chain, UBM has issued various behavioural requirements.

UBM's focus markets are strictly regulated and controlled legal areas with high human rights standards. Nonetheless, violations can also occur in heavily regulated markets, and respect for human rights is therefore anchored in internal guidelines. We are committed to the ten principles of the UN Global Compact which, for example, prohibit child labour and forced labour. Our codes of conduct (ethic code and code of conduct for business partners) require guarantees for fair compensation, workplace safety, support for equal opportunity and the freedom of association, for example.

Consequent compliance with applicable national and international legal norms as well as our ethical principles safeguards the trust of our stakeholders. We are non-partisan and do not make any donations to political parties.

Our responsible and transparent management is based on the following cornerstones:

Austrian Code of Corporate Governance

UBM, as an international listed company, has pledged its commitment to the Austrian Corporate Governance Code, a voluntary guideline for good management and control. The company has also issued rules of conduct in the form of internal guidelines to ensure transparent and exemplary actions.

Compliance Management System

The compliance management system implemented by UBM is intended to minimise the risk of a potential violation of legal regulations and ensure adherence to all framework conditions. A compliance management system manual details the responsibilities and powers of the compliance organisation as well as the processes which implement the related rules and guidelines. The Management Board and Supervisory Board consider it their responsibility to guarantee the consequent implementation of all compliance principles. Our approach follows the principle of prevention - disclosure - reaction, whereby the focus is on the prevention of incorrect behaviour.

The trust of employees, business partners, customers and other stakeholders is strengthened by UBM's focus on transparency, anti-corruption, fair business practices, the prevention of money laundering and data protection. Internal guidelines and work instructions form the framework for the necessary procedures - examples are:

Guideline: Cartel and Competition Law

Agreements and coordinated actions with third-party companies that lead to - or aim to lead to - the restriction of competition are prohibited and will not be tolerated by UBM.

Guideline: Anti-corruption

UBM employees are prohibited, without exception, from accepting or granting monetary gifts. Material gifts to employees of public organisations are also prohibited without exception. Small invitations and gifts can represent part of international business customs or cultural practices and

are only permitted under strictly regulated circumstances and only in connection with employees of non-public organisations.

Work instructions: Signatures

All correspondence with a legally or commercially binding content as well as orders for goods or services must, in principle, be signed by two persons (dual control principle) who are specifically authorised or designated.

Guideline for the prevention of money laundering and terrorism financing and work instructions: Prevention of Money Laundering

Before a business relationship begins, its purpose and the identity of the business partner or ownership structure for legal entities must be precisely identified and regularly monitored. The principle here is “know your customer”.

Work instructions: Data Maintenance 360°

Data maintenance and consequent data entry are essential for the correct performance of our systems. Further information on the 360° process landscape can be found on page 97.

Guideline: Conflicts of Interest

UBM employees must make sure their own interests do not come into conflict with their professional obligations or counter UBM’s obligations towards its business partners.

UBM operates a whistleblowing system as defined in Art. 32 of the EU’s Market Abuse Directive (“MAR”) which allows employees and external persons to report irregularities and (potential) violations of this regulation. Reports can be submitted directly to a staff member in the compliance organisation or sent by email to compliance@ubm-development.com or anonymously via the link <https://secureveal.ubm-development.com>. The reporting of potential violations is in the interest of the Management Board as well as the management of the Group companies. In

agreement with Art. 32 of the MAR, appropriate protection is given to persons who report violations and persons who are accused of violations as well as their personal data.

Data protection

UBM is committed to the confidential and responsible handling of personal data in agreement with the applicable data protection laws – above all the EU Data Protection Regulation and related national legislation. Secure handling is guaranteed by a data protection manual that includes rules for internal data processing, work procedures and their monitoring. Regular employee training and surveys create a greater awareness of this sensitive issue and make sure data protection does not drift out of focus.

Ethics code

A separate, binding ethics code forms the basis for all business activities and decisions. It is the foundation for moral, ethical and legally compliance behaviour by all UBM employees and is designed to prevent mistakes.

The values and principles contained in the code are based on national and international laws and requirements and on agreements like the Universal Declaration of Human Rights, the European Convention on Human Rights, the United Nations Guidelines (above all the Guiding Principles on Business and Human Rights), the OECD Guidelines for Multinational Enterprises, and the international labour standards set by the International Labour Organisation (in particular the Fundamental Principles of the IAO).

The subject areas covered by the ethics code include, among others, bribery and corruption, fair competition, fundamental and human rights, working conditions, occupational safety and health, environmental protection, the prevention of money laundering, and data protection. This code has been expressly agreed in writing with all employees in their

national language since 2021 and is regularly adapted to reflect developments in the social and regulatory environment as well as ethic values. The last update was completed in December 2021.

Further information on the ethics code can also be found on our website under the menu item "ESG".

Code of conduct for business partners

We not only place high priority on responsible actions by all UBM employees, but also set high standards for our business partners. A separate code of conduct for our business partners is firmly anchored in our corporate processes and regularly adapted to reflect developments in the business and regulatory environment and in fundamental ethic values. The latest update was finalised in December 2021 and included requirements for all business partners to strengthen the integration of ecological and social responsibility along the entire value chain.

This code is based on the same principles and regulations as the ethics code and covers issues like bribery and corruption, fair competition, fundamental and human rights, working conditions, occupational safety and health, environmental protection, the prevention of money laundering, and data protection. The code of conduct applies to all business partners who sell their products or services to UBM. If a business partner refuses to sign the code of conduct, any negotiated contracts will not be signed and the compliance officer is immediately informed. He will then decide - together with the Management Board - on further procedures. In the event the code is violated, UBM reserves the right to undertake suitable measures at any time which, in the end, can lead to suspension or immediate termination of a contract relationship with the business partner.

Further information on the code of conduct for business partners can be found on our website under the menu item "ESG".

Works Council

UBM has a Works Council with five members who are elected every four years. Four of these members are delegated to the Supervisory Board, where they make up one third of the votes.

UBM supports the freedom of association as defined by the respective national frameworks as well as representation on the Supervisory Board. The Works Council also takes part in collective negotiations in line with legal regulations and with UBM's approval. The newly founded ESG Committee also includes one member from the Works Council.

During the 2021 financial year, there were no threats to or violations of the above-mentioned freedoms for UBM's operating locations or suppliers.

Transparent processes

UBM has implemented a variety of rules and processes which go beyond legal requirements. These processes are operationally standardised through an institutionalised 360° principle. More specifically: As part of the "Next Level" efficiency programme, all core and support processes for project development were reviewed on the basis of defined quality gates and ultimately defined for the entire company. Roles and responsibilities were clearly assigned in these processes, and the control mechanisms were revised and improved. These procedures and rules give employees the corresponding tools to perform their jobs and support the efficient design of processes and controls.

We are convinced that these types of work instructions, guidelines and models create transparency, facilitate communication and documentation, and help to make processes more efficient. They also make effective controls possible.

UBM has taken the necessary precautions to ensure compliance with legal and internal guidelines, on the one hand, and to quickly identify and correct any weak points in business and organisational processes, on the other hand.

The internal control system and internal audit

Our internal control system (ICS) is an integral part of our business processes. The most important goals of this control system are to:

- Monitor compliance with business policies and defined goals
- Safeguard the company's assets
- Guarantee the reliability of accounting and reporting
- Maintain the effectiveness and efficiency of business processes
- Identify risks at an early point in time
- Reliably assess potential risks
- Monitor compliance with legal requirements
- Ensure the efficient use of resources and cost savings

In addition to the controls in core processes, UBM has installed commercial and technical controlling functions. Both report directly to the Management Board. Commercial controlling monitors the ongoing development of business to identify deviations from targets and, if there are any deviations, makes certain management receives the necessary information. Technical controlling monitors project development with a focus on schedules, construction costs, construction progress and all processes important for technical realisation.

GRI 2-15, 2-23, 2-25, 2-26, 3-3, 205-2, 407-1

6.1.3. Organisational structure

Compliance management at UBM is installed in the legal, corporate and compliance department, which is also responsible for the content of the related guidelines. A compliance officer and deputy were appointed by the Management Board of UBM AG. The compliance guidelines are prepared by the compliance officer in coordination with the Management Board and communicated to all employees. All UBM employees have digital access to these guidelines.

The compliance officer monitors adherence to the guidelines and is also responsible for regular updates to meet changes in legal regulations. The compliance guidelines are reviewed annually by the compliance officer. Risk analyses, reviews and internal audits form the basis for continuous monitoring of the compliance management system.

The key positions in the internal data protection organisation are the data protection coordinator and one data protection officer in each country who are all appointed by the Management Board. The data protection guideline calls for the installation of a data breach response team for the management and reporting of data protection violations in agreement with the data protection guideline.

A money laundering officer has also been appointed. As part of KYC reviews ("know your customer"), he compares the data received with sanction lists, entries in the register of economic owners, etc. Additional information on the KYC reviews can be found on page 100.

The respective organisational units implement the individual internal guidelines and work instructions. For example: The managing directors of the country organisations are responsible for the operational implementation and control of work instructions related to the code of conduct and ethics code.

The quality management department is responsible for procedural instructions and documents related to the 360° process landscape as well as the coordination of and support for regular audits and confirmation through ISO certificates.

GRI 2-23, 2-24, 3-3

6.1.4. Goals and measures

Goals from our sustainability programme:



Goals and measures in detail:

Safeguard entrepreneurial compliance and responsible actions

Fair business practices and zero tolerance for any form of corruption – these principles are a fixed part of our business culture. We have implemented the following measures to support this approach and anchor these principles in our company.

There were no confirmed cases of corruption, proven money laundering incidents or other violations of rules and regulations that would have led to fines or non-monetary sanctions in 2021 or 2020. Furthermore, there were no confirmed cases where contracts with business partners were cancelled or not extended due to violations involving corruption, and no confirmed cases that led to the termination or warning of employees due to corruption. There were no proceedings for anticompetitive behaviour, and no awareness of discrimination incidents.

Whistleblower system

The whistleblower system was expanded in 2021 to cover violations of data protection regulations and other reportable incidents in accordance with EU Directive 2019/1937. It will be further extended in 2022 to include other reports in connection with UBM's ethics code and made available in Czech and Polish.

Supervisory Board self-evaluation

The Supervisory Board carried out a self-evaluation of the efficiency of its activities, above all the organisation and working procedures, during 2021 in accordance with C-Rule 36 of the Austrian Code of Corporate Governance.

Quality management system

ISO 9001 certification is intended to make sure the process-oriented quality management system is based on the highest standards. The corporate units in Austria (UBM AG and UBM Austria), the Czech Republic and Poland are certified under the international quality management norm ISO 9001 and UBM Germany will be added in 2022. This certification covered 62% of UBM's workforce in 2021.

Remuneration model

The possible integration of ESG in the remuneration model will be examined more closely: ESG KPIs will be integrated in management's variable remuneration over the medium term.

Implement guidelines and prevent misconduct by consequent preventive activities

Employee training

The goal of training is to create a greater awareness among employees for potential sources of risk and, in this way, prevent corruption and anti-competitive behaviour. New employees receive training from the compliance department immediately after they join UBM. Regular e-learning programmes cover compliance with guidelines on different subjects like the anti-corruption guideline and the guideline on antitrust and competition law, which are intended to ensure transparent and fair market behaviour by employees, and the conflict of interest guideline as well as the issuer compliance guideline to prevent market abuse.

Most of the classroom training on compliance regulations has been converted to virtual programmes since March 2020 due to the COVID-19 pandemic. A total of 174 employee training courses (in-house and via e-learning) on compliance issues (with a focus on capital market compliance and money laundering) were held in 2021. The training documents were

reworked and, in particular, expanded to include current case examples.

The compliance team frequently visits training courses, and there are additional certifications for selected responsibilities (for example, the deputy compliance officer is also certified as a compliance officer under ISO 19600).

The procedure for the distribution of relevant corporate guidelines to new employees will be revised in 2022. Employees will be notified separately of any relevant changes in existing guidelines.

Ethics code

The ethics code is agreed in writing with all new employees in their national language. It was adapted in 2021 to meet our sustainability requirements and to strengthen the integration of ecological and social responsibility: For example, the focus on human rights and environmental protection was reinforced. Increased awareness of the importance of ESG is also supported by company events and training (like the Climate Impact Day, internal courses, projects based on the *green. smart. and more.* initiative) as well as targeted internal communication.

Sampling controls of insider information

The compliance team carries out sampling controls to monitor compliance with the rules for the distribution of insider information and confidential and price-sensitive information. Additional clarification briefings are held if necessary.

Prevent money laundering and terrorism financing

KYC review of new business partners

Know your customer is one of the basic principles underlying the guideline for the prevention of money laundering and terrorism financing and the work instructions on money laundering prevention. Full transparency is guaranteed by requiring all UBM contract partners to sign an appropriate disclosure form. Special focus is placed on transactions and the acquisition and sale of apartments. More stringent due diligence requirements are connected, among others, with transactions involving a greater inherent risk in the sense of the guideline on the prevention of money laundering and terrorism financing, e.g. for offshore companies, high-risk countries and contracts with politically exposed persons. The money laundering officer uses special procedures to review all transactions with an increased risk of money laundering.

Over 250 business partners were extensively reviewed in 2021.

Internal risk analysis for the prevention of money laundering and terrorism financing

UBM Development AG has registered brokerage as one of its commercial activities. The related activities are classified internationally as having an increased risk of money laundering, and an internal risk analysis was prepared and is updated regularly to cover the prevention of money laundering and terrorism financing.

The risk analysis for all Austrian subsidiaries which have registered brokerage as one of their commercial activities was updated through a risk survey in 2021 and filed with the respective trade authority. **GRI 2-24, 2-27, 3-3, 205-2, 205-3, 206-1**

6.2. Sustainable procurement & regional added value

Increasing regulations in various European countries require the implementation of corporate due diligence procedures in supply chains and the creation of greater transparency and traceability with regard to origin, removal and subsequent processing. The regulation is addressed to direct upstream suppliers (general contractors, executing partners) in a first step, but will be successively rolled out to cover the entire upstream supply chain (raw materials extraction, materials producers) and the related working conditions and human rights situation.

Goals and measures in detail:

Ensuring ecological & socio-economic compliance in the value chain

Compliance with social and ecological criteria in the supply chain is a key factor for UBM's sustainable procurement. Cooperation with local partner companies (e.g. construction companies, architects, planners) also has an impact on the local economy. Preference should be given to regional suppliers (among others, due to shorter delivery distances, cost and time savings, protection for local jobs).


Last, but not least, COVID-19 and the related restrictions have created a greater awareness of the importance of the local economy. As a major customer for construction companies, planners and consultants from the region, UBM makes a significant contribution to local added value, just like the motto says "Think global, order local". Regional business partners, meaning companies near the respective locations, play an important role in the realisation of projects. That creates jobs and regional added value directly at UBM's project locations.

Regional contract awards are definitely a win-win situation. On the one hand, local companies are supported and, on the other hand, UBM benefits from shorter delivery routes that reduce costs and save time, and facilitate the delivery of larger components. This was demonstrated, among others, by the barany.7 project in Vienna, where an Austrian specialist was commissioned to erect the building with sustainable and energy-saving timber construction. UBM created jobs and added value with this project, directly as well as indirectly.

The code of conduct prepared by UBM in 2020 (see section 6.1.) is designed to ensure that suppliers are also aware of their responsibility along the supply chain and contribute to the sustainable development of the real estate sector. This code is adapted regularly to meet changes in the social and regulatory environment and in fundamental ethic values. The last update was made in December 2021. A technical solution for compliance documentation is currently in preparation and will be implemented in 2022. The documentation of subcontractor compliance by existing suppliers will also be reviewed through sampling beginning in 2022. In Germany, a subcontractor management system will be introduced in 2022.

A procurement guideline was prepared in 2021 to strengthen ecological and social responsibility along the supply chain. It defines standardised criteria and requirements for the ecologically oriented procurement of office and advertising materials, catering and hospitality. For example, the selection of an organic fruit supplier for UBM's headquarters in Vienna now ensures deliveries based on seasonal and regional factors. Daily meals for employees are also supplied by a delivery service that provides organic foods.

UBM covers all dimensions of sustainability in its development projects, meaning we always consider and respect ecological, economic and socio-cultural aspects. This is underscored by our goal to arrange for the audit and certification of most of our commercial projects – including residential construction in the future – based on recognised sustainability seals like DGNB, ÖGNI, LEED or BREEAM.

These certifications also involve external experts and auditors to confirm the relevant quality level for building materials. Minimising the environmental impact of a building during its entire lifecycle requires a focus on the efficient use of heating energy, electricity, water and wastewater during the planning stage. The economic dimension covers the construction costs as well as subsequent building costs incurred over the entire usage period or lifetime of the building.  **2-23, 2-25**

6.3. Innovation & technologies

Internal and external research activities and innovations for sustainable buildings are relevant for the entire added value chain, whereby organisational, social and technical issues are considered. The use of smart building technology (e.g. sensors for smart ventilation, intelligent shading), for example, can make an important contribution to energy savings and efficiency improvements and, in this way, reduce the negative impact on people and the environment. An urban quarter that incorporates social aspects, e.g. communication areas, interactive commercial areas (co-working spaces, etc.) contributes to the social structure and interaction in the quarter.

smart. is UBM's keyword above all for new optimisation and control technologies as well as digitalisation. These activities are focused on the following:

The green. smart. and more. initiative

In line with the above-mentioned management approach, the *green. smart. and more.* initiative plays a very special role. It is backed by a Group-wide brainstorming campaign that covered several months and the entire workforce in 2020. The focus was placed on the following seven core issues which were defined in a dialogue between the Management Board and Executive Committee:

- Design & Construction
- Energy
- Building Operations
- Look & Feel
- User Services
- Technology & Data
- Mobility

Ideas and concepts were developed for these core areas as answers to the challenges created by climate change. The prevention of emissions, use of resource-efficient building materials, increase in energy efficiency and the greater integration of technological solutions are only a few of the keywords. The areas of Design & Construction, Energy and Building Operations, in particular, offer "green" starting points. UBM responded with the following flagship projects:

- Timber high-rise "Timber Pioneer" (Frankfurt)
- Quarter certification for the LeopoldQuartier (Vienna)
- barany.7 timber residential construction (Vienna)
- Green & Clean Hotel (Katowice)

The goals for green building certification were also reset. As in the past, all new commercial buildings will be certified.

Moreover:

- The certification of two listed revitalisation projects continued in 2021 and will be completed shortly
- Certification has focused since 2021 not only on commercial projects but also on all new residential construction projects scheduled for global sales
- Quarter certification is targeted - with the LeopoldQuartier as a flagship project

The core issues of User Services, Technology & Data and Mobility are designed to make UBM's real estate development "intelligent" through the use of technological solutions and, as a result, improve and individualise the user experience. As early as the planning stage, UBM ensures that buildings are equipped for future "smartness" trends - like the Internet of Things (IoT) or sensors - and can be adapted accordingly.

Future-oriented mobility concepts will also play a role in quarter development projects through the interaction of e-mobility, shared services and intelligent parking concepts. The needs of users and the local environment can therefore be met with the highest possible level of efficiency and resource protection.

In order to be optimally positioned for the future, UBM created the Smart Building Innovation Foundation (SBIF) in 2022. This non-profit foundation provides a platform for partners from industry and science to develop technical application solutions for smart buildings. Further information can be found in section 4.1.2.

Digitalisation of the UBM working world

The COVID-19 pandemic has increased our awareness of the central role played by digitalisation in keeping the economy, educational system and society running smoothly during the lockdowns. UBM has made massive investments in the Group's digitalisation in recent years and plans to continue these efforts in the future.

UBM launched the "Next Level" project in 2017 to digitally map operating and work processes as well as reporting and controlling at corporate level. The "newBM" project started in 2020 and is intended to move digitalisation at UBM a great qualitative leap forward, especially in the commercial areas but also in IT and infrastructure.

The "newBM" project included the development of an SAP S/4 HANA system based on standard processes and SAP best practices for 250 companies. A modern system supports the full digital management of HR processes, and a central treasury system safeguards the encrypted, safe and integrated handling of payment flows throughout the Group. The IT conversion also includes the latest IT equipment and is focused on productivity, security and flexible working. **GRI 2-23, 2-25**



7. Important information

- 7.1. About this report
- 7.2. GRI Index
- 7.3. Key indicators
- 7.4. Report on the independent assurance
- 7.5. Imprint

Also worth knowing

7.1. About this report

This report is UBM's second ESG report and fifth sustainability report. It provides information on the 2021 financial year of UBM Development AG.

UBM published its first sustainability report in 2017, which was based on the guidelines of the Global Reporting Initiative (GRI). In 2018 and 2019, sustainability issues were handled in a more compact non-financial statement that was part of financial reporting and the annual report. The report for 2020 was prepared in agreement with the GRI standards "Core Option".

This report on the 2021 financial year was prepared in accordance with § 267a UGB and the GRI Standards 2021. The financial year of UBM Development AG is based on the calendar year and covers the period from 1 January to 31 December. The next report is planned for 2023 and will include information on the 2022 financial year.

The report contents reflect the major thematic areas relevant for UBM. These areas changed in comparison with 2020 following a new materiality analysis (see section 3) and adjustments to reflect the GRI standards for 2021. The new presentation of information from previous reports is documented in the footnotes beginning on page 112. The reported indicators, where available, also cover 2020 and 2019.

The management of UBM Development AG is responsible for preparation of the report content. An external review with limited assurance was carried out by PwC (see page 125).

If you have any questions or suggestions on this report, please feel free to contact UBM at esg@ubm-development.com. Current information on sustainability can also be found on our website under the menu item "ESG".

Gender-neutral language was used in the report, where possible, to improve readability and the flow of the text, and no distinction was made between the genders. In the sense of

equal opportunities, corresponding terms generally apply to all genders.

Scope of consolidation

This report covers the corporate locations, standing assets and development projects of UBM Development in Austria, Germany, Poland, the Czech Republic and other markets.

In the hotel business, which was a focal point of activities before the strategic reorientation, UBM took over the role of the lessee in selected cases following the sale of the respective properties. The hotel leasing business was bundled under UBM hotels Management GmbH in 2016, and UBM holds an interest of 50% in this company today. Large, international hotel chains have been engaged for the operational management of these houses, whereby preference is given to partners who are aware of their ecological and social responsibility and have appropriate certification. This report does not deal with environmental issues related to the hotel operating company, which represents an equity-accounted investment, because UBM is unable to control the related measures and guidelines.

The indicators in the section on the environment cover all companies with a Group investment of more than 50%, all Group locations with more than 5% of the total workforce, and projects which had received building permits by 31 December 2021. ESG reporting will be continuously advanced and improved. The calculation of emissions for 2021 were based primarily on the CO₂e factors from the Sphera GaBi database (v14) to achieve consistency and actuality.

Where actual consumption figures are not available, estimates are used (mainly for project development, where the energy consumption is calculated as per certificates).

Details are provided in the footnotes starting on page 112.

GRI 2-2, 2-3, 2-4, 2-5, 2-14, 3-2

7.2. GRI Index

Statement of use	UBM Development has reported in accordance with the GRI Standards for the period 01.01.2021-31.12.2021.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	none apply

GRI Standard	Disclosure	Page	Omission, Reason	UNGC, TCFD
General disclosures				
GRI 2: General Disclosures 2021	2-1	Organisational details	8, 12	
	2-2	Entities included in the organisation's sustainability reporting	12, 106	
	2-3	Reporting period, frequency and contact point	62, 106	
	2-4	Restatements of information	106	
	2-5	External assurance	62, 106, 125-127	
	2-6	Activities, value chain and other business relationships	8-12, 14-15	UNGC 1-7
	2-7	Employees	118-119	UNGC 6
	2-8	Workers who are not employees	118-119	UNGC 6
	2-9	Governance structure and composition	12-13, 34, 40-43, 85-87	TCFD Governance
	2-10	Nomination and selection of the highest governance body	40-43	
	2-11	Chair of the highest governance body	40-43	
	2-12	Role of the highest governance body in overseeing the management of impacts	40-43, 46-47	TCFD Governance, Risk Management, KPIs & Targets
	2-13	Delegation of responsibility for managing impacts	12-13, 40-43	TCFD Governance
	2-14	Role of the highest governance body in sustainability reporting	62, 106	TCFD Governance

IMPORTANT INFORMATION

GRI Standard	Disclosure	Page	Omission, Reason	UNGC, TCFD	
GRI 2: General Disclosures 2021	2-15	Conflicts of interest	40-43, 95-98		
	2-16	Communication of critical concerns	40-43	2-16 b: The total number of critical concerns submitted is subject to confidentiality.	
	2-17	Collective knowledge of the highest governance body	40-43, 85-87		TCFD Governance
	2-18	Evaluation of the performance of the highest governance body	40-43		
	2-19	Remuneration policies	13, 40-43		
	2-20	Process to determine remuneration	40-43	2-20 a i: The Chairman and one of the two other members have declared themselves independent. 2-20 a iii: External consultants are not involved in determining remuneration. 2-20 b: not available.	
	2-21	Annual total compensation ratio		Not available for the reporting period.	
	2-22	Statement on sustainable development strategy	4, 12-13		TCFD Strategy
	2-23	Policy commitments	20-22, 28-31, 34, 38, 67-69, 74-79, 83-90, 95-99, 101-103		UNGC 1-7, 10
	2-24	Embedding policy commitments	38, 40-43, 69, 84, 98-100		
	2-25	Processes to remediate negative impacts	67-69, 74-79, 83-90, 95-98, 101-103		
	2-26	Mechanisms for seeking advice and raising concerns	95-98		UNGC 10
	2-27	Compliance with laws and regulations	99-100, 122-123		UNGC 8
	2-28	Membership associations	63		
2-29	Approach to stakeholder engagement	43-47			
2-30	Collective bargaining agreements	118-119		UNGC 3	
Material topics					
GRI 3: Material Topics 2021	3-1	Process to determine material topics	46-47		
	3-2	List of material topics	46-47, 106		

GRI Standard	Disclosure	Page	Omission, Reason	UNGC, TCFD
Corporate governance & compliance				
Anti-corruption				
GRI 3: Material Topics 2021	3-3	Management of material topics	34, 94-100	
	205-1	Operations assessed for risks related to corruption	61	The comprehensive catalogue of measures with regard to compliance risks covers the entire Group. SDG 16.5 UNGC 10
	205-2	Communication and training about anti-corruption policies and procedures	95-100, 122-123	The Code of Conduct must be signed by all business partners when concluding an order with a fee/ order volume of EUR 20,000 (gross) or more. A technical solution for documentation is currently in preparation and will be implemented. The ethics code is agreed in writing with all new employees in their national language. A breakdown of training and communication by employee category and country is not available for the reporting period. SDG 16.5 UNGC 10
GRI 205: Anti-corruption 2016				
	205-3	Confirmed incidents of corruption and actions taken	99-100, 122-123	
Anti-competitive behaviour				
GRI 3: Material Topics 2021	3-3	Management of material topics	34, 94-100	
GRI 206: Anti-competitive Behaviour 2016	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	99-100, 122-123	SDG 16.3 UNGC 10
Energy efficiency, renewable energies & CO2 emissions				
Energy				
GRI 3: Material Topics 2021	3-3	Management of material topics	20-22, 67-74	TCFD KPIs & Targets
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	112-116	302-1 d: n/a SDG 7.2, 7.3, 8.4, 12.2, 13.1, UNGC 7, 8
	302-2	Energy consumption outside of the organisation	112-116	
	302-3	Energy intensity	112-116	SDG 7.3, 8.4, 12.2, 13.1, UNGC 8

IMPORTANT INFORMATION

GRI Standard	Disclosure	Page	Omission, Reason	UNGC, TCFD
Emissions				
GRI 3: Material Topics 2021	3-3	Management of material topics	20-22, 67-74	TCFD Governance, Risk Management, KPIs & Targets
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	112-116	Biogenic emissions: n/a
	305-2	Indirect (Scope 2) GHG emissions	112-116	
	305-3	Other indirect (Scope 3) GHG emissions	112-116	Biogenic emissions: n/a
	305-4	GHG emissions intensity	112-116	
				SDG 3.9, 12.4, 13.1, 14.3, 15.2, UNGC 7, 8
				SDG 13.1, 14.3, 15.2, UNGC 8
Attractive employer & training and education				
Employment				
GRI 3: Material Topics 2021	3-3	Management of material topics	28-31, 82-85	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	118-119	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	83-84	
	401-3	Parental leave	118-119	Legal entitlement exists for all employees. 401-3 c, d, e: Retention and return cannot be evaluated for all countries with the existing system. The aim is to record the figures for all entities in a central reporting system from 2022 onwards.
				SDG 5.1, 8.5, 8.6, 10.3, UNGC 6
				SDG 3.2, 5.4, 8.5
				SDG 5.1, 5.4, 8.5, UNGC 6

GRI Standard	Disclosure	Page	Omission, Reason	UNGC, TCFD
Training and education				
GRI 3: Material Topics 2021	3-3	Management of material topics	28-31, 82-85	
	404-1	Average hours of training per year per employee	120-121	SDG 4.3, 4.4, 4.5, 5.1, 8.2, 8.5, 10.3, UNGC 6
GRI 404: Training and Education 2016	404-2	Programmes for upgrading employee skills and transition assistance programs	83-84	SDG 8.2, 8.5, UNGC 6
	404-3	Percentage of employees receiving regular performance and career development reviews		As in the previous year, an employee appraisal is conducted with all employees, regardless of hierarchical level. A system for re- cording the appraisals is in progress.

Key indicators

7.3. Key indicators

Environmental indicators - Group locations

		Unit
ENERGY CONSUMPTION¹		
	Total energy consumption business operations	kWh
GRI 302-1 Energy consumption within the organisation	Energy from renewable sources	kWh
	Energy from non-renewable sources	kWh
	Electricity	kWh
	Natural gas	kWh
	District heating	kWh
	Cooling energy consumption	kWh
GRI 302-3 Energy intensity	Energy intensity business operations	kWh/m ²
	Total commercial space	m ²
	Total fuel consumption	kWh
GRI 302-1 Energy consumption within the organisation	Energy consumption company cars diesel	kWh
	Energy consumption company cars petrol	kWh
GRI 302-2 Energy consumption outside of the organisation	Energy consumption diesel (leasing)	kWh
	Energy consumption petrol (leasing)	kWh
	Air travel	kWh
EMISSIONS²		
GRI 305-1 Direct emissions (Scope 1)	Natural gas	t CO ₂ e
	Energy consumption diesel	t CO ₂ e
	Energy consumption petrol	t CO ₂ e
GRI 305-2 Indirect emissions (Scope 2)	Electricity	t CO ₂ e
	District heating	t CO ₂ e
GRI 305-3 Other indirect emissions (Scope 3)	Energy consumption diesel (leasing)	t CO ₂ e
	Energy consumption petrol (leasing)	t CO ₂ e
	Air travel	t CO ₂ e

¹ Key for calculation of renewable energy:

AT 2021: according to information provided by the energy supplier, 2020: according to internal data

DE 2021: according to information provided by the energy supplier, energy consumption is extrapolated from available previous years; 2020: according to energy mix data provided by the respective energy carrier, energy consumption is extrapolated from available previous years

PL 2021 and 2020: according to information provided by the energy supplier

CZ 2021 and 2020: according to internal data (100% non-renewable energy)

² Classification of emissions based on the Greenhouse Gas Protocol. Greenhouse gases included in the calculation: Sphera GaBi v14: CO₂ equivalents

Sources for emission calculations:

2021: AT, PL, DE information provided by the energy supplier/Sphera GaBi v14; CZ Sphera GaBi v14

2020: AT, PLE, CZ Austrian Federal Environmental Agency; DE German Federal Environmental Agency

Company cars 2021: according to manufacturer's specifications; air travel 2020: according to airline tickets

³ Extrapolation is not possible for 2020 for DE ALBA district heating because the reference values are insufficient.

⁴ Total space 2020 excluding ALBA. ALBA 2020:

Oberhaching: 1055 m²

Mainz: 374 m²

Hamburg until 18.3. Holl. Brook: 202 m², Hamburg from 1.3. Campus Tower: 506 m²

Düsseldorf: 224 m²

Berlin until 11.11. Keithstraße: 202 m², Berlin from 1.10.: 416 m²

⁵ District heating for 2020 in Germany is an estimate based on the consumption of the last three years (2017-2019).

Therefore, it is not possible to allocate the district heating for DE to renewable and non-renewable sources.

⁶ Energy intensity 2020 excludes the ALBA locations because the data for 2020 is not representative.

Note: all locations with >5% of total employees included. Miscellaneous other locations are not included because they are responsible for only minimal consumption or because the consumption is calculated as a flat rate.

IMPORTANT INFORMATION

	2021						2020
	Total	AT	DE	DE ALBA	PL	CZ	Total ⁵
	985,326	321,975	112,439	208,275	163,499	179,139	756,842
	161,726	79,172	31,699	26,903	23,951	0	150,508
	823,600	242,803	80,740	181,371	139,547	179,139	547,447
	246,608	57,696	36,789	45,055	77,109	29,959	302,148
	20,869	0	20,869	0	0	0	0
	717,849	264,279	54,781	163,220	86,390	149,180	454,694 ³
	0	0	0	0	0	0	0
	102	93	55	81	233	211	92 ⁶
	9,619	3,449	2,044	2,575	703	848	7,746 ⁴
	2,099,238	882,236	209,274	453,349	377,662	176,717	1,796,468
	225,898	220,511	5,387	0	0	0	
	46,372	45,898	474	0	0	0	
	998,830	554,670	50,758	83,625	134,148	175,629	
	734,420	0	146,220	360,039	227,899	262	
	93,718	61,157	6,435	9,685	15,615	826	16,586
	4.2	0	4.2	0	0	0	0
	51.8	50.4	1.5	0	0	0	11
	4.5	4.3	0.1	0	0	0	5
	120.8	18.5	6.9	21.1	57.1	17.3	82
	107.7	5.8	4.0	35.2	30.5	32.2	81 ³
	224.2	104.9	13.6	22.2	36.2	47.3	318
	196.4	0	39.5	97.8	59.1	0.1	188
	67.4	44.0	4.6	7.0	11.2	0.6	12

Environmental indicators - Standing assets

	Unit
ENERGY CONSUMPTION¹	
GRI 302 - 1	
Energy consumption within the organisation	
Space (not rented space)	m ²
Total energy consumption	kWh
Energy from renewable sources	kWh
Energy from non-renewable sources	kWh
Electricity	kWh
Natural gas	kWh
District heating	kWh
GRI 302 - 2	
Energy consumption outside of the organisation	
Space (rented space)	m ²
Total energy consumption	kWh
Energy from renewable sources	kWh
Energy from non-renewable sources	kWh
Electricity	kWh
Natural gas	kWh
Cooling energy	kWh
District heating	kWh
Energy consumption total (inside + outside)	kWh
GRI 302 - 3	
Energy intensity	
Energy intensity	kWh/m ²
Usable space	m ²
EMISSIONS²	
GRI 305 - 2	
Indirect emissions (Scope 2)	
Natural gas	t CO ₂ e
Electricity	t CO ₂ e
District heating	t CO ₂ e
GRI 305 - 3	
Other indirect emissions (Scope 3)	
Rented space	m ²
Electricity	t CO ₂ e
District heating	t CO ₂ e
Natural gas	t CO ₂ e

¹ Key for calculation of renewable energy:
 AT 2021: according to information provided by the energy supplier; 2020: according to internal data
 PL 2021 and 2020: according to information provided by the energy supplier
 CZ 2020: according to internal data (100% non-renewable energy)
 HR 2021: according to internal data; 2020: in line with the energy mix data for Croatia (Statista)
 DE 2021: according to internal data

² Classification of emissions based on the Greenhouse Gas Protocol
 Greenhouse gases included in the calculation: Sphera GaBi v14: CO₂ equivalents
 Source of emission calculations: 2021 Sphera GaBi v14 and information provided by the energy supplier; 2020 Austrian Federal Environmental Agency

³ Excluding standing asset in Bergmanstrasse in Munich.

⁴ Standing assets in CZ have been sold.

Note: all standing assets (with physical real estate) in which UBM holds an investment of more than 50% are included.

IMPORTANT INFORMATION

	2021					2020 ³
	Total	AT	PL	HR	DE	Total
	906	906	0	0	0	5,214
	42,772	42,772	0	0	0	328,597
	7,605	7,605	0	0	0	13,898
	35,167	35,167	0	0	0	314,700
	42,772	42,772	0	0	0	168,563
	0	0	0	0	0	0
	0	0	0	0	0	160,034
	130,014	20,628	107,408	366	1,612	134,812
	23,530,656	3,081,806	20,137,449	25,693	285,708	25,171,216
	5,373,086	1,753,527	3,611,619	0	7,940	3,573,616
	18,157,569	1,328,279	16,525,830	25,693	277,768	21,597,600
	14,292,189	1,444,128	12,831,390	3,865	12,806	15,355,413
	446,948	200,970	0	21,828	224,150	187,728
	0	0	0	0	0	478,770
	8,791,519	1,436,708	7,306,059	0	48,752	9,149,305
	23,573,427	3,124,578	20,137,449	25,693	285,708	25,499,813
	180	145	187	70	177	182
	130,920	21,534	107,408	366	1,612	140,026
	0	0	0	0	0	0
	13.7	13.7	0	0	0	40
	0	0	0	0	0	32
	130,014	20,628	107,408	366	1,612	134,812
	1,605.8	15.6	1,589.0	0.2	0.9	3,430
	250.7	41.0	208.3	0	1.4	1,857
	9.2	0.7	0	0.8	7.8	514

Environmental indicators - Project development

	Unit	Pipeline projects with building permits	2021 Total	2020 Total	2019 Total
ENERGY CONSUMPTION					
GRI 302-2 Energy consumption outside the organisation - energy consumption as per certificate	kWh	27,339,281	11,165,679	9,515,538	7,243,201
GRI 302-3 Energy intensity	kWh/m ³	99	95	74	103
Number of projects	Number	22	10	10	8
Gross floor area of projects	m ²	274,971	118,104	129,269	70,431
EMISSIONS¹					
GRI 305-1 Direct emissions (Scope 1)	t CO ₂ e	1,212.7	421.9	0	0
GRI 305-2 Indirect emissions (Scope 2)	t CO ₂ e	6,185.3	2,710.1	2,460	1,920
GRI 305-3 Other indirect emissions (Scope 3)	t CO ₂ e				
GRI 305-4 Intensity of GHG emissions	kg/m ² GFA	27	27	19	27

¹ Classification of emissions based on the Greenhouse Gas Protocol
Greenhouse gases included in the calculation: Sphera GaBi v14: CO₂ equivalents
Source of emission calculations: 2021 Sphera GaBi v14, national energy certificates; 2020 Austrian Federal Environmental Agency

Note: The energy consumption in the project development is calculated as per certificates.

IMPORTANT INFORMATION

	Unit	Total pipeline - incl. 2021	2021	2020	2019
BIODIVERSITY & GROUND SEALING					
Total projects	Number	54	10	10	8
Greenfield developments	Number	8	3	2	2
Brownfield developments	Number	46	7	8	6
Land area - total	m ² of total area	340,543	45,678	47,783	25,884
Greenfield developments	m ² of total area	98,990	11,038	4,256	7,166
Brownfield developments	m ² of total area	241,553	34,640	43,527	18,718
Greenfield developments	%	29	24	9	28
Brownfield developments	%	71	76	91	72

Project	Type of property	GFA total	Status
RENOVATION & REVITALISATION			
Siebenbrunnengasse, Vienna	Residential	17,389	under construction
Siebenbrunnengasse, Vienna	Commercial	6,322	under construction
Sugar Palace, Prague	Hotel	16,395	under construction
voco, The Hague	Hotel	11,030	completed
Smolensk, Krakow	Residential	7,906	under construction
Swietnizka, Wroslaw	Commercial	8,302	under development
Unterbiberger Straße 15, Munich	Residential	8,425	under development
Total		75,769	
Number of renovation & revitalisation projects as a % of the total pipeline		13%	

Social indicators - Employees

INFORMATION ON EMPLOYEES¹

GRI 2-7 Information on employees	Employees - total
	thereof female
	thereof male
	Permanent contract
	thereof female
	thereof male
	Temporary contract
	thereof female
	thereof male
	Non-guaranteed hours employees
	Full-time
	thereof female
	thereof male
	Part-time
	thereof female
	thereof male
	Parental leave

GRI 2-8 Workers who are not employees	Workers who are not employees
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GRI 2-30 Tariff contracts	Percentage of salaried employees covered by tariff contracts ²
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ATTRACTIVE EMPLOYER¹

GRI 401-1 New employee hires and salaried employee turnover	New hiring - total
	thereof female
	thereof male
	thereof <30
	thereof 30-50
	thereof >50
	Turnover - total
	thereof female
	thereof male
	thereof <30
	thereof 30-50
	thereof >50
	Turnover rate ³

GRI 401-3 Parental leave ⁴	Employees on parental leave
	thereof female
	thereof male

¹ Headcount as of 31 December

² Employees in Austria are covered by a collective bargaining agreement. Correction ESG Report 2020: 40% of all employees (100% in Austria).

³ Turnover rate = Turnover/(Total employees + New hires) x 100

⁴ All employees are legally entitled to parental leave.

⁵ Restatements ESG Report 2020

IMPORTANT INFORMATION

2021							2020	2019
Total	AT	DE	PL	CZ	Other	Total	Total	
355	139	128	43	39	6	339	334	
160	56	57	27	18	2	145	144	
195	83	71	16	21	4	194	190	
348	138	126	40	38	6	335		
157	56	55	26	18	2	144		
191	82	71	14	20	4	191		
7	1	2	3	1	0	4		
3	0	2	1	0	0	1		
4	1	0	2	1	0	3		
0	0	0	0	0	0	0	0	
296	120	98	40	34	4	295 ⁵	281	
107	39	30	24	13	1	106 ⁵	95	
189	81	68	16	21	3	189 ⁵	186	
45	15	23	3	2	2	34	43	
39	13	20	3	2	1	29	39	
6	2	3	0	0	1	5	4	
14	4	7	0	3	0	10	10	
1						1	1	
39%						40%	41%	
65	19	30	8	8	0	51		
38	9	15	7	7	0	18		
27	10	15	1	1	0	34		
11	5	3	1	2	0	9		
40	12	16	6	6	0	33		
14	2	11	1	0	0	10		
52	16	23	4	6	3	38		
25	5	9	2	6	3	10		
27	11	14	2	0	0	28		
6	2	3	1	0	0	8		
30	13	11	3	1	2	23 ⁵		
16	1	9	0	5	1	7		
12.87%	10.3%	15.2%	8.5%	14.2%	33.0%	9.84% ⁵		
14	4	7	0	3	0	10	10	
14	4	7	0	3	0	10	10	
0	0	0	0	0	0	0	0	

TRAINING AND EDUCATION¹

GRI 404 - 1 Average hours of training and education per employee	Average hours by employee
	Average hours - female employees
	Average hours - male employees
	Average hours - employees without executive function
	Average hours - executives
	Rate of employees with participation in training and education (%)

OCCUPATIONAL HEALTH & SAFETY

GRI 403 - 9 Work-related injuries	Work-related injuries
	Commuting incidents
	Absence in days
	Lost Time Injury Rate ²
	Absence rate after injuries
	Work-related fatalities
	Reported close calls
GRI 403 - 10 Work-related ill health	Number of hours worked
	Documentable work-related ill health
	Absence as a result of work-related ill health
	Fatalities as a result of work-related ill health

DIVERSITY & EQUAL OPPORTUNITIES³

GRI 405 - 1 Diversity of governance bodies and employees	Management positions - total
	thereof female
	thereof male
	Supervisory Board - female
	Supervisory Board - male
	Managing Directors - female
	Managing Directors - male
	Authorised signatories - female
	Authorised signatories - male
	Executives - female
	Executives - male

¹ The formula for average continuing education hours was changed in 2021, restatement for 2020 and 2019.

Conversion of reported figures for 2019 and 2020 from days to hours using a multiplier of 8 (on average) hours per working day.

² Number of lost time accidents per 200,000 hours worked: Number of lost time accidents x 200,000/hours worked (LTIR - Lost Time Injury Rate).

³ Headcount as of 31 December

IMPORTANT INFORMATION

2021						2020	2019		
Total	AT	DE	PL	CZ	Other	Total	Total		
17	22	8	5	37	15	17	25		
19	32	7	4	37	0				
15	16	9	5	38	15				
15	19	7	4	40	0				
26	33	19	10	23	15				
35%	27%	38%	30%	62%	17%	65%	60%		
0	0	0	0	0	0	1	1		
0	0	0	0	0	0	1	0		
0	0	0	0	0	0	0	7		
0	0	0	0	0	0	0	0.51		
0	0	0	0	0	0	0			
0	0	0	0	0	0	0	0		
0	0	0	0	0	0	0	0		
n/a	262,714	n/a	67,324	n/a	n/a	399,320	392,334		
0	0	0	0	0	0	0	0		
0	0	0	0	0	0	0	0		
0	0	0	0	0	0	0	0		
2021 total						2020 total		2019 total	
94						94		100	
25						24		29	
69						70		71	
4						4		4	
8						8		8	
5						5		6	
39						39		38	
9						8		8	
15						16		21	
7						7		11	
7						7		4	

Economic indicators - Governance

Size of the organisation	Revenue (in €m)
	Total assets (in €m)
	Market capitalisation (in €m)

ETHICS & COMPLIANCE

GRI 2 - 27 Compliance with laws and regulations	Instances of non-compliance with laws & regulations f or which fines or non-monetary sanctions were incurred Monetary value of fines for instances of non-compliance with laws & regulations
GRI 205 - 2 Anti-corruption communication & training	Training on anti-corruption ¹
GRI 205 - 3 Anti-corruption	Confirmed corruption incidents Employees dismissed/disciplined for corruption Contracts terminated/not renewed due to corruption Proven money laundering incidents
GRI 206 - 1 Fair business practices	Legal actions for anti-competitive behaviour
GRI 406 - 1 Non-discrimination	Discrimination incidents

¹ Via e-learning (the e-learning program "capital markets compliance" was launched in autumn 2020 and is mandatory for all employees) and face-to-face.

IMPORTANT INFORMATION

2021							2020	2019
Total							Total	Total
278.3							183.3	242.0
1,494.5							1,372.0	1,316.4
323.5							267.5	352.7

2021							2020	2019
Total	AT	DE	DE ALBA	PL	CZ	HR	Total	Total
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
174							not available	not available
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0

Management's Responsibility

The management of UBM Development AG is responsible for preparation of the report content in agreement with the reporting criteria and for the management of and compliance with ESG issues. The disclosures in the report were prepared in accordance with § 267a UGB and the GRI Standards 2021.

Vienna, April 2022

The Management Board



Thomas G. Winkler
CEO, Chairman



Martin Löcker
COO



Patric Thate
CFO



Martina Maly-Gärtner
COO

Report on the independent assurance of non-financial reporting

Independent Limited Assurance Report on the ESG Report

(Translation)

We performed a limited assurance engagement of the ESG report in accordance with the requirements of section 267a UGB (Austrian Company Code) and of the GRI Standards 2021 (hereinafter the "ESG report") of UBM Development AG, Vienna (the "Company") for the financial year 2021.

Management's Responsibility

Management is responsible for the preparation of the ESG Report in accordance with the requirements of section 267a UGB and of the GRI Standards 2021.

Management's Responsibility includes the selection and application of appropriate methods to prepare the ESG reporting (in particular the selection of key issues) as well as making assumptions and estimates related to individual ESG disclosures which are reasonable in the circumstances, and for such internal controls as management determines is necessary to enable the preparation of an ESG report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a limited assurance conclusion based on our procedures performed and evidence obtained as to whether anything has come to our attention that causes us to believe that the Company's ESG report is not prepared, in all material respects, in accordance with the requirements of section 267a UGB and of the GRI Standards 2021.

We performed our engagement in accordance with the professional standards applicable in Austria with regard to KFS/PG 13 "Other assurance engagements", KFS/PE28 "Selected issues in connection with the assurance of non-financial statements and non-financial reports pursuant to sections 243b and 267a UGB as well as sustainability reports" and on the International Standards on Assurance Engagements (ISAE) 3000 (Revised) "Assurance engagements other than audits or reviews of historical financial information". These standards require that we comply with our ethical requirements, including rules on independence, and that we plan and perform our procedures by considering the principle of materiality to be able to express a limited assurance conclusion based on the assurance obtained.

Our report is issued based on the engagement agreed upon with you and is governed by the General Conditions of Contract (AAB) 2018, issued by the Austrian Chamber of Tax Advisers and Auditors (<https://www.ksw.or.at/desktopdefault.aspx/tabid-209/>), which also apply towards third parties. As provided under section 275 para. 2 UGB (liability provision regarding the audit of financial statements of small and medium-sized companies), our responsibility and liability towards the Company and any third parties arising from the assurance engagement are limited to a total of EUR 2 million.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The selection of the procedures lies in the sole discretion of the auditor and comprised, in particular, the following:

- Evaluating the overall presentation of the disclosures and non-financial information
- Critical assessment of the Company's analysis of materiality considering the concerns of external stakeholders by interviewing the responsible employees and inspecting relevant documents
- Obtaining an overview of the policies pursued by the Company, including the due diligence processes implemented as well as the processes used to ensure an accurate presentation in the ESG report by interviewing the Company's management and inspecting internal guidelines, procedural instructions and management systems in connection with non-financial matters/disclosures
- Obtaining an understanding of reporting processes by interviewing relevant employees and inspecting selected documentations
- Evaluating the reported disclosures by performing analytical procedures regarding non-financial performance indicators, interviewing relevant employees and inspecting selected documentations. All interviews as well as procedures were performed by virtual means due to the ongoing COVID-19 pandemic and the coronavirus containment measures
- Examining the ESG report regarding its completeness in accordance with the requirements of section 267a UGB and of the GRI Standards 2021

The following is not part of our engagement:

- Examining the processes and internal controls particularly regarding their design, implementation and effectiveness
- Performing procedures at individual locations as well as measurements or individual evaluations to check the reliability and accuracy of data received
- Examining the prior-year figures, forward-looking information or data from external surveys
- Examining the correct transfer of data and references from the (consolidated) financial statements to the non-financial reporting; and
- Examining the information and disclosures on the website or further references on the internet

Neither an audit nor a review of financial statements is objective of our engagement. Furthermore, neither the disclosure and solution of criminal acts, as e.g. embezzlement or other kinds of fraud, and wrongful doings, nor the assessment of the effectiveness and profitability of the management are the objectives of our engagement.

Restriction of Use

Because our report is prepared solely for and on behalf of the client, it does not constitute a basis for any reliance on its contents by other third parties. Therefore, no claims of other third parties can be derived from it.

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Company's ESG Report is not prepared, in all material respects, in accordance with the requirements of section 267a UGB and of the GRI Standards 2021.

Vienna
April 6, 2022

PwC Wirtschaftsprüfung GmbH

Marius Richter
Austrian Certified Public Accountant

Contact

Christoph Rainer
Tel: +43 (0) 664 80 1873 200
esg@ubm-development.com

Imprint

Media Proprietor and Publisher

UBM Development AG
Laaer-Berg-Strasse 43,
1100 Vienna, Austria
Tel: +43 (0) 50 1873 100
www.ubm-development.com

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Image Section

Creative Director: Christine Eisl
Editing: Tobias Scaer, Hans Fleißner
Production: Michael Schmid

Disclaimer

This ESG report includes forward-looking statements which are based on current assumptions and estimates made to the best of their knowledge by the management of UBM Development AG. These forward-looking statements can be identified by words like "expectation", "goal" or similar terms and expressions. Forward-looking statements, by definition, include risks and uncertainties. The forecasts concerning the future development of the company represent estimates which are based on the information available at the time the annual report was prepared. If the assumptions underlying these forecasts do not materialise or if unexpected risks occur at an amount not quantified or quantifiable, the actual future development and actual future results can differ from these estimates, assumptions and forecasts.

Significant factors for these types of deviations can include, for example, changes in the general economic environment or the legal and regulatory framework in Austria and the EU as well as changes in the real estate sector. UBM Development AG will not guarantee or assume any liability for the agreement of future development and future results with the estimates and assumptions made in this ESG report. UBM Development AG will not update these forward-looking statements to reflect actual events or changes in assumptions and expectations.

The ESG report as of 31 December 2021 was prepared with the greatest possible care to ensure the accuracy and completeness of the information in all sections. The amounts were rounded based on the compensated summation method. However, rounding, typesetting and printing errors cannot be excluded.

This ESG report is published in English and German and is available in both languages on the website of UBM Development AG. In the event of a discrepancy or deviation, the German language version takes precedence.

This ESG report was printed on Olin regular absolute white, an FSC-certified paper that meets the highest demands for environmental compatibility.

Photography

Philipp Horak
Astrid Knie
unsplash.com
UBM Development
Klaus Vyhnaek
Craig Dillon
gettyimages.com

Renderings

bloomimages.com

Pictograms

flaticon.com

Printing

Gerin Druck GmbH
Gerinstraße 1-3, 2120 Wolkersdorf, Austria

Translation

Donna Schiller-Margolis

