
SUSTAINABILITY REPORT 2020

PROPERTY ASSETS

+16%

€ 5.2 bn

Organic growth through in-house project completions as well as good market environment has further enhanced the value of our property assets.

OCCUPANCY RATE

96.1 %

Full occupancy of the asset portfolio on virtually all of CA Immo's core markets.

PROJECT COMPLETIONS

€ 230 bn

In 2019, CA Immo completed two office buildings for its own portfolio (investment volume of €117 m) along with one residential project in Munich.

RENTAL INCOME

+15%

€ 221 m

Rental revenue has increased significantly as a consequence of strong portfolio expansion in 2018.

LETTINGS PERFORMANCE

268,000 sqm

The high volume of new lettings, contract extensions and pre-letting on projects will ensure attractive rental revenue for the years ahead.


MY.O Munich

- Office building developed by CA Immo
- Transferred to the portfolio in the fourth quarter of 2019
- Approximate portfolio value of €140 m
- Pre-letting rate: 100 %

BÜROGEBÄUDE AM KUNSTCAMPUS Berlin

- Office building developed by CA Immo
- Transferred to the portfolio in the third quarter of 2019
- Approximate portfolio value of €56 m
- Occupancy rate: 100 %





In 2019, the quality of our real estate portfolio and the management of our portfolio was once again reflected in the form of higher rental income, extremely low vacancy rates and generally high operational profitability.

SMART PORTFOLIO.

Together with our strongly performing project development division, the result is an organically expanding and profitable portfolio of the highest quality. Our valuable land reserves are the foundation of a jam-packed project pipeline with significant potential: over the years ahead, we plan to develop new buildings with an approximate value of € 4 bn.

MISSISSIPPI HOUSE & MISSOURI PARK Prague

- Office complex developed by CA Immo
- Construction started in third quarter of 2019
- Approximate investment volume €65 m
- Rentable area: approximately 20,800 sqm

HIGH-RISE ON EUROPAPLATZ Berlin

- Office building developed by CA Immo
- Construction started in fourth quarter of 2019
- Approximate investment volume €150 m
- Pre-letting rate: 99 %



ORHIDEEA TOWERS
Bucharest

Completed by CA Immo in 2018, Orhideea Towers – which offers some 36,300 sqm of office space – currently forms part of the asset portfolio.

SMART EXPERTS. *IN CE CAPITALS*

CA Immo specialises in modern office properties in Central European cities. More than 400 employees at nine sites plan, build and operate office properties to the highest standards. We create exceptional workplaces so that users can work to an exceptional standard.

CA IMMO LOCATIONS

9

Where dynamism matches stability: we maintain a presence on the most attractive real estate markets of Germany, the CEE region and Vienna.

CA IMMO OFFICE USERS

MORE THAN
90,000¹⁾

Numerous international companies value our building expertise and trustworthiness; many companies have dealt with us for years at multiple international locations.

¹⁾ Projected

EMPLOYEES

414

CA Immo experts are active on our core markets, guaranteeing efficient management of the portfolio.



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FOREWORD BY THE MANAGEMENT BOARD



Left to right: Andreas Quint (CEO), Keegan Viscius (CIO), Andreas Schillhofer (CFO)

LADIES AND GENTLEMEN,

It is not just since the "Fridays for Future" movement that climate change has become a decisive factor for the long-term prospects of companies. However, media discussions and political debates on climate risks, climate targets and the measures needed to achieve them have strongly shaped public perception recently. This, in turn, has prompted many companies to now (finally) start to question their strategies, business models and decisions and to reprioritise performance indicators.

As a result, the fact that climate risks also imply an investment risk is increasingly understood by the capital markets. We have come to note this mainly because the subject of sustainability is playing an ever more important role in investor meetings, and the need for information is growing. What is interesting in this context is

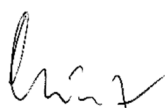
the fact that this is not exclusively about sustainability in terms of environmental protection and reduction of carbon emissions. A rising number of questions also relates to a much broader understanding of social responsibility: How do we perform our duty to serve society? Where do we as a company provide a sense of purpose and deliver benefits, do we act fairly towards all our various stakeholders, even beyond the usual shareholder value dogmas?

We have answers to these questions, but we also see the need to sharpen our positioning in this respect and communicate it more clearly. It is not only the current environment of the COVID 19 pandemic that calls upon us as companies more than ever to meet the wide range of interests and needs of our stakeholders with solidarity, decency and commercial prudence in a responsible balance.

We took a first step in 2019: In order to ensure best possible transparency in the documentation on our comprehensive sustainability activities we have significantly expanded our reporting in this area and prepared it in accordance with the sustainability standards defined by EPRA.

This is the basis on which we will continue to work on developing CA Immo in 2020 in the interest of maintaining a long-term partnership with all our stakeholders and in consistency with our rapidly changing world.

Vienna, in May 2020
The Management Board



Andreas Quint
(Chairman)



Dr. Andreas Schillhofer
(Member of the Management Board)



Keegan Viscius
(Member of the Management Board)

STRATEGY

Over three decades of continual development, CA Immo has become distinctly competitive and secured an excellent market position in Central Europe. By letting, managing and developing high quality office buildings, the company has built up property assets worth around € 5.2 bn in Central Europe, obtained attractive land reserves and established a first class capital and earnings basis for many more years of high value creation.

Company profile and business model

Developing and managing modern and spacious office properties in Central and Eastern Europe is CA Immo's core field of expertise. The company's core region comprises Austria, Germany, Poland, Hungary, Czechia, and Romania. While business activity in Germany is concentrated on the cities of Munich, Frankfurt and Berlin, the strategic focus in the other countries is directed at capital cities (Vienna, Warsaw, Prague, Budapest and Bucharest). In Germany, expansion into additional metropolitan areas with attractive characteristics and more than 500,000 inhabitants is a strategic option.

From the design and development of entire urban districts to the active management of investment properties, value is generated for CA Immo shareholders through a comprehensive value chain. The CA Immo business model aims to ensure stable revenue from lettings to a first-class pool of tenants with high credit ratings while generating additional revenue from the development and sale of real estate.

High-quality Investment Portfolio

The asset portfolio is clearly focused on office properties with an attractive yield in central and very well connected locations. The proportion of office properties was approximately 89% of the overall property portfolio on the key date. Other usage types only serve to optimise actual strategic real estate and account for a small proportion of the total portfolio.

The company aims to enhance the attractiveness of the portfolio over the long term through active portfolio management, i.e. by means of continual investment and the ongoing sale of properties with limited value creation potential. The company's core activities in several countries enable risk diversification. A strategic investment property should not only be attractive in terms of location and fittings, but also technically

innovative and sustainable in every respect; each should retain a strong market position combined with a distinctive image as an urban benchmark.

Real estate development significant growth driver

In-house development and the incorporation of modern, energy efficient core properties on the main markets of CA Immo will continue to be the main drivers of organic growth. In Germany in particular, land reserves in the portfolio and the company's development expertise constitute a strategic competitive advantage in a very competitive market for high quality buildings in urban locations.

Aside from its far-reaching stock of land reserves in German prime locations, CA Immo also benefits from its internal development platform (including, among others, construction subsidiary omniCon) enabling utilisation of the entire value-chain depth. From land preparation to procurement of building rights to construction management, letting and transfer of completed buildings to its own portfolio or selling them to final investors, CA Immo covers the full range of project development services.

Many successfully completed projects in Germany – including large-scale, complex undertakings for such reputable tenants as PricewaterhouseCoopers, Bosch, Mercedes-Benz, KPMG as well as Google and Salesforce – have highlighted the development expertise of the company and improved access to leading tenants as the basis for new development projects.

As in recent years, the company's development activity will focus on the German market. The CA Immo Group's strong positioning as an established, nationally successful real estate developer in Germany is critical to the future growth strategy of the company as this enables sustained access to high quality office properties and thus the organic expansion of rental cash flow. Returns attained on production costs are well above the current market level.

Regarding utilisation of its project completions, CA Immo pursues its strategy as office portfolio holder: Office properties are developed primarily for the company's own portfolio, whereas residential properties are earmarked for selling after completion.

Property acquisitions also driving growth

Aside from property development, the portfolio for the Group's core markets will be bolstered by selective acquisitions, which will also provide additional rental revenue. Value-enhancing growth opportunities to strengthen market position are most evident on the core markets of CA Immo in Central and Eastern Europe. Combined with a robust balance sheet profile and the local market expertise of internal asset management teams on all core markets, the corporate platform optimised over recent years constitutes a sound basis for raising value through growth.

Energy consumption and carbon footprint of the investment portfolio

Globally, buildings are responsible for 30% of carbon emissions while consuming 40% of raw materials and energy.¹⁾ Conservation of resources is a major theme affecting the future of the real estate sector. CA Immo continually collates and analyses international data on consumption as well as carbon emissions produced by the heat and energy consumption of its office properties. The data is applied to portfolio monitoring, on the basis of which decisions on maintenance measures are made.

The aim is to establish expanded, digitally supported energy management across the Group over the years ahead. Taking account of national standards and specific building layouts, this will bring about consistent energy monitoring that is standardised as far as possible, including weak point analyses; it will also ensure targeted and comprehensive modernisation of the overall portfolio.

CA Immo is also enhancing the energy efficiency of its asset portfolio through the intensive in-house project development of the portfolio. All office and hotel properties built by CA Immo are developed in accordance with high sustainability standards (at least DGNB or LEED in gold),

also taking into account the experience and many years of expertise gained from ongoing building operations.

Successful implementation of strategic programmes

CA Immo successfully implemented the strategic programmes of prior years. In addition to the finalising of sales of non-strategic properties and further optimisation of the financing structure, the strategic agenda was clearly focused on value-enhancing growth within defined core markets. Continuing to strengthen long-term cash flow for CA Immo while generating an attractive return on equity will continue to be the priority when it comes to strategy implementation (see section on 'Financial performance indicators').

Attractive dividends

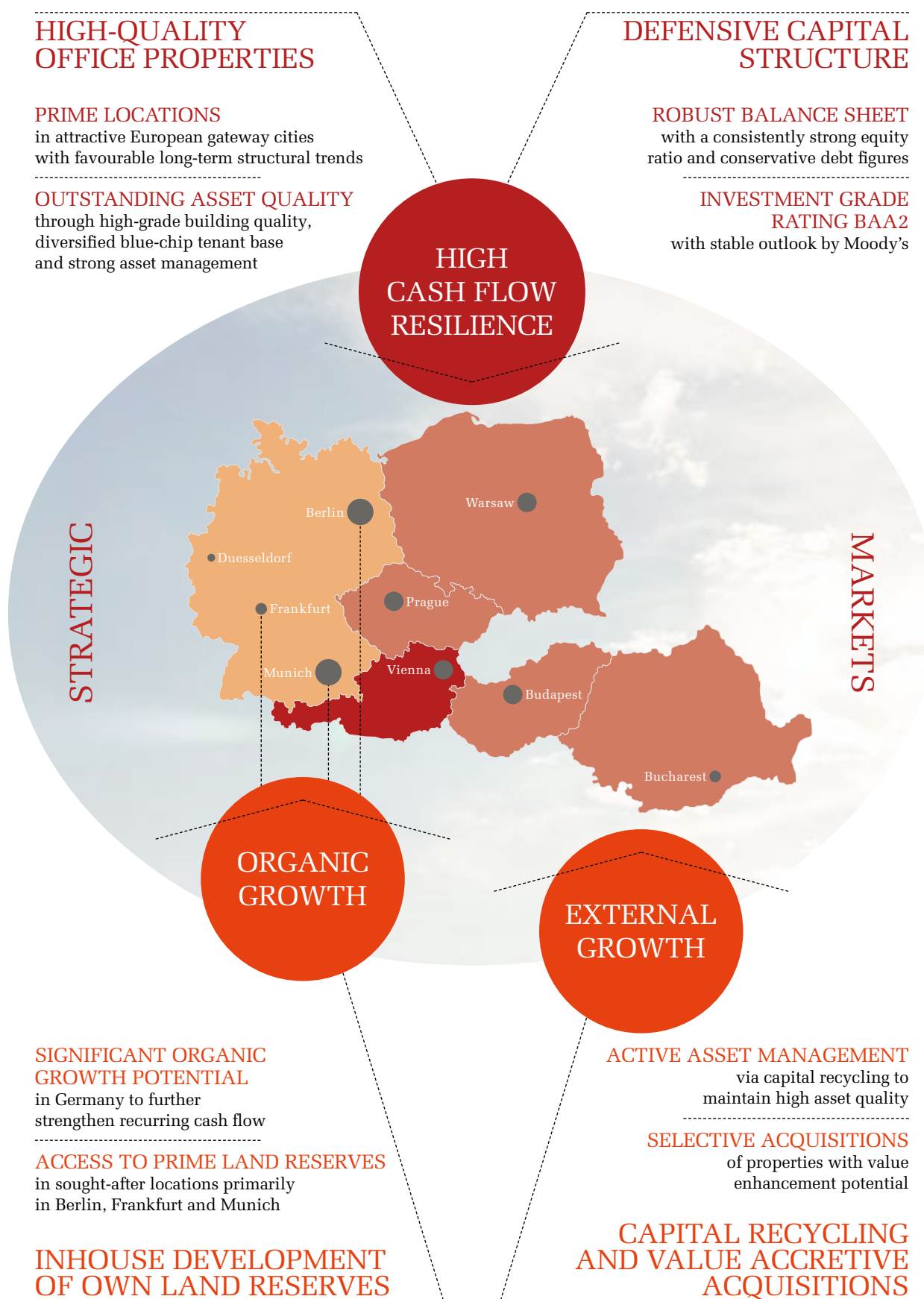
CA Immo has positioned itself as a dividend payer with the long-term objective of offering shareholders attractive payouts on a regular basis. The long-term, stable profitability of lettings business is a critical indicator of the company's capacity to pay a dividend, which should be gradually raised by means of the measures outlined above. This continual enhancement of recurring earning power as a core strategic objective is to be reflected in dividend growth, with an approximate payout ratio of 70% of FFO I.

Investment grade as a strategic component

In December 2015 Moody's Investors Service, the international rating agency, classified CA Immobilien Anlagen AG with a Baa2 investment grade (long-term issuer) rating with a stable outlook following a comprehensive analysis of creditworthiness. The key indicators in retaining and upholding the corporate credit investment grade rating, which is of high strategic significance to CA Immo, are a strong balance sheet with low gearing, recurring earning power, an associated solid interest coverage ratio and a sufficiently large quota of unsecured properties.

¹⁾ Kahn, Kok and Quigley, 2014; Glaeser and Kahn, 2010

BUSINESS MODEL



ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG)

The CA Immo business model is based on sustainable value creation for the long term, taking account of environmental, economic and social considerations at Group and product level. Corporate governance is an overarching term spanning all CSR topics.

To meet the needs of all stakeholders as effectively as possible while ensuring the competitiveness of its real estate over the long term, CA Immo has adopted a **comprehensive sustainability policy**:

Products and services (real estate level)

CA Immo holds international investment properties of many different kinds at many stages of the property life-cycle. In order to ensure the longest possible value retention and marketability of all properties, CA Immo applies diversified quality management.

- Long-term maintenance of marketability and utilisation quality by investments in large, modern office properties in central locations
- Current development activity aimed at regenerating the portfolio and assuring quality
- Sustainability certification for core properties and projects (at least DGNB or LEED gold) or certifiable implementation of all development projects in the office and

hotel asset classes as objectified evidence of the building quality

- Active, locally organised tenant support and retention through company branch offices

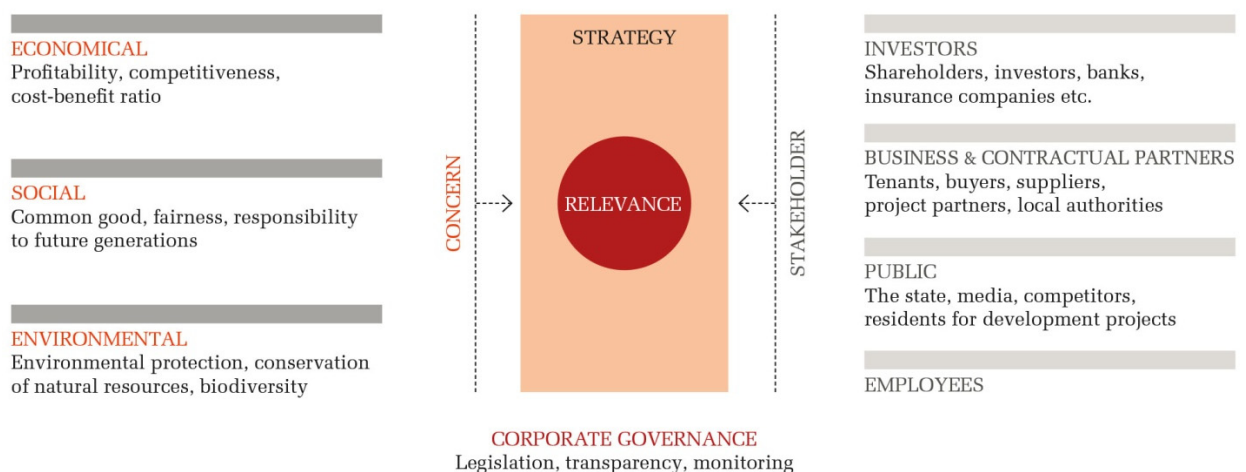
Corporate governance (Group level)

- Compliance management: Compliance with laws, guidelines and codes; measures to prevent corruption
- Full stakeholder communication: transparency of publications and documentation and continual dialogue with relevant target groups to ensure competitiveness
- Upholding a corporate culture that is respectful and fair to all stakeholders
- Responsible risk management in order to stabilise the company's success in the long-term

Integrated Sustainability Reporting

Sustainability reporting on our environmental, social and governance impacts is done in accordance with the EPRA Sustainability Best Practice Recommendations 3rd Edition (sBPR's). The data and narrative cover the calendar year ending 31 December 2019. Only reporting on the consumption of our investment portfolio (data and narrative) refer to the calendar year ending on 31 December 2018, since consumption data for our buildings was not available for business year 2019 at the time of reporting.

CORPORATE SOCIAL RESPONSIBILITY – SHARED VALUE MODEL



CORPORATE GOVERNANCE REPORT¹⁾

RESPONSIBLE CORPORATE MANAGEMENT

For CA Immo, corporate governance is an all-embracing concept of responsible, transparent and value-based corporate leadership. The Management Board, Supervisory Board and managerial team ensure corporate governance is actively applied and continually developed across all departments. Alongside the Austrian Corporate Governance Code and the specifications of the Institut Corporate Governance der deutschen Immobilienwirtschaft e.V. (ICG), good company management incorporates the standards of the internal monitoring system (IMS), risk management, compliance and, particularly, internal regulations on organisational and supervisory duties (allocation of responsibilities).

Commitment to compliance with corporate governance standards

Compliance with legal provisions applicable in the CA Immo Group's target markets is a high priority for the company. The Management Board and Supervisory Board are committed to the Austrian Corporate Governance Code²⁾ and thus to transparency and principles of good corporate management. This corporate governance report is also available at <https://www.caimmo.com/de/investor-relations/corporate-governance/>.

External evaluation

The evaluation carried out by Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. concerning compliance with rules 1 to 76 of the Austrian Corporate Governance Code for business year 2019 found that declarations of conformity submitted by CA Immo with regard to compliance with the C and R Rules of the Code were correct.

COMPLY OR EXPLAIN

The rules and recommendations of the version of the Corporate Governance Code applicable in business year 2019 (January 2018 amendment) are implemented almost in full. Discrepancies are noted in respect of C Rules no. 2 (right of appointment to the Supervisory Board) and no. 45 (executive positions with competitor companies).

C Rule no. 2: Formulation of shares in accordance with the 'one share – one vote' principle.

Explanation/reason: The ordinary shares of the company (98,808,332 bearer shares and four registered shares) were issued in accordance with the 'one share – one vote' principle.

The registered shares in existence since the founding of the company confer the right of nominating up to four Supervisory Board members. Partial use was made of this right of appointment: since the last Annual General Meeting held in May 2019, the Supervisory Board has comprised seven shareholder representatives elected by the Annual General Meeting, two shareholder representatives appointed by registered shares and four employee representatives. Transfer of registered shares requires the approval of the company. In the view of the company, the right of all shareholders to participate in the composition of the Supervisory Board is upheld in spite of the registered shares. The Austrian Stock Corporation Act provides for the delegation of members to the Supervisory Board, whereby the total number of appointed members may not exceed one third of all Supervisory Board members. Moreover, appointed members of the Supervisory Board may also be removed from office at the request of a minority (10% of the capital stock) where there is good cause relating to an individual member personally; however, this depends on a majority required for resolutions of 75% of the capital stock represented at the Annual General Meeting (article 21 of the Articles of Association of CA Immo). There are no preference shares or restrictions on issued ordinary shares of the company. The Austrian Takeover Act also ensures that all shareholders would receive the same price for their CA Immo shares in the event of a takeover bid (mandatory offer). The shareholders alone would decide whether to accept or reject any such bid.

C Rule no. 45: Supervisory Board members may not take up executive positions with companies that are competitors of CA Immo.

Explanation/reason: According to L Rule no. 52, the Annual General Meeting considers the professional and personal qualifications of candidates and aims to maintain a balance of expertise across the Supervisory Board in the selection of Supervisory Board members. Aspects of diversity are considered in terms of the representation of

¹⁾ In line with the AFRAC recommendations on corporate governance reporting, the corporate governance report of the parent company and the consolidated corporate governance report are tied together in one report.

²⁾ The Austrian Corporate Governance Code may be viewed on the web site of the Austrian Working Group for Corporate Governance at www.corporate-governance.at.

both genders, the age profile and the international make-up of the members of the Supervisory Board. The act governing the gender balance of women and men on Supervisory Boards will ensure the proportion of women on the Supervisory Boards of listed stock corporations (with six or more Supervisory Board members and a proportion women of at least 20% in the overall workforce) and companies with over a thousand employees is at least 30%. Failure to meet this quota will render Supervisory Board elections void. The law has applied to Supervisory Board elections since the start of 2018; current Supervisory Board mandates are unaffected.

To meet these criteria and uphold an in-depth knowledge of the real estate sector, there will be a preference for persons with a background in a similar industry environment. For this reason, the possibility that Supervisory Board members will hold positions with broadly similar companies cannot be ruled out. However, persons proposed for election to the Supervisory Board must present to the Annual General Meeting their professional qualifications, state their vocational or similar functions and disclose all circumstances that could give rise to concern over partiality.

The following Supervisory Board members hold executive positions with similar companies: Sarah Broughton, Laura Rubin (both appointed by Starwood) and Jeffrey G. Dishner perform a full range of managerial functions within the Starwood Capital Group, a financial investor specialising in global real estate investment and CA Immo's largest shareholder.

As well as performing numerous functions for the company in relation to all manner of properties, Torsten Hollstein is the Managing Director and founding member of CR Holding GmbH, a leading pan-European consultancy and asset/investment management business specialising in commercial real estate. Michael Stanton is currently a Portfolio Manager for FFF Asset Management Limited, an alternative investment fund with offices in Cyprus, Luxembourg, London, Zurich and Moscow specialising in investments in securities, real estate and private equities. There is no direct competition with the companies listed.

In a different sector but noteworthy in terms of the transparency of related party transactions is Monika Wildner's Supervisory Board mandate with Volksbank Wien AG. At the end of 2019, Volksbank Wien became a long-term tenant of around 14,000 sqm of office space in

the CA Immo portfolio building at Dietrichgasse/Haidingergasse in the Lände 3 district. The lease contract (concluded before the Supervisory Board mandate at CA Immo was accepted) conforms to standard market terms and conditions and generates annual rental income of approximately € 2.3 m.

A full list of executive functions performed by Management and Supervisory Board members is published at www.aimmo.com.

THE EXECUTIVE BODIES OF CA IMMO

Management and supervisory structure

The responsibilities of Management and Supervisory Boards and cooperation between Board members are defined by the law, the Articles of Association and rules of procedure passed by the Supervisory Board (including the schedule of responsibilities for the Management Board). The obligations therein defined as regards business matters requiring approval and information provision and reporting by the Management Board apply to all subsidiaries of CA Immo. The articles of association and rules of procedure for the Supervisory Board may be inspected at www.aimmo.com. The full Supervisory Board rules on matters of critical importance as well as general strategy. The Board also executes its duties through four competent committees. A presiding committee was also established to rule on urgent matters. The Supervisory Board may also form other expert committees when appropriate.

The Executive Board

The Management Board of CA Immo has comprised three members since 1 June 2019. The **Chief Executive Officer** (CEO) is responsible for overall organisation and management, the strategic direction and future development of the company and for representing the company to its Supervisory Board members and shareholders. As the Management Board spokesperson, he also issues statements to the general public and the media. The **full Management Board** is responsible for achieving the aims of business policy; in this regard, the Board bears overall corporate responsibility at both company and Group level. Regardless of individual departmental and Board responsibilities, all agendas are discussed openly by the Board members at regular Management Board meetings, with departmental representatives included in the discussions. The implementation of resolutions passed is continually monitored. The Supervisory Board is informed immediately of any significant discrepancies

from planned values. Irrespective of the division of authority, each member of the Management Board shares responsibility for the overall running of the company's business affairs.

The Supervisory Board and its committees

As at the balance sheet date, the Supervisory Board of CA Immo comprised seven members elected by the Annual General Meeting, two shareholder representatives appointed by registered shares and four employee representatives. The average tenure for elected Supervisory Board members is currently around three years. Its task is to oversee the management of the company and influence the company's strategic development. To ensure this, the Supervisory Board can demand all information on the company and associated Group companies from the Management Board. Major transactions such as investments, financing, plant closures and share deals may only be undertaken with the consent of the Supervisory Board. The members of the Supervisory Board are subject to the same duty of care as Managing Directors and Management Board members, regardless of their status as repre-

sentatives of shareholders and employees. Negligent conduct on the part of Supervisory Board members is countered by liability for damage resulting from such negligence.

The **audit committee** is responsible for overseeing the entire process of financial reporting, the (Group) auditing process, the effectiveness of the internal monitoring system, the internal auditing system and risk management. Auditing the annual and consolidated financial statements (including the management reports) and examining the corporate governance report and proposals on the distribution of profit are tasks of the audit committee. The committee also reviews the independence of the (Group) auditor – especially with regard to additional services performed on behalf of the company (non-audit services) – and puts forward proposals for the selection of the (Group) auditor to the Supervisory Board. All members of the audit committee (and especially Professor Klaus Hirschler, Richard Gregson and Sarah Broughton) are acknowledged as financial experts on the basis of their experience and professional track records.

CURRENT COMPOSITION OF THE COMMITTEES¹⁾

The audit committee	The investment committee	The nomination committee	The remuneration committee	The presiding committee
Sarah Broughton	Jeffrey Dishner	Jeffrey Dishner	Jeffrey Dishner	Sarah Broughton
Richard Gregson ³⁾	Georg Edinger ⁴⁾	Georg Edinger ⁴⁾	Torsten Hollstein ²⁾	Georg Edinger ⁴⁾
Professor Klaus Hirschler ²⁾	Torsten Hollstein ²⁾	Torsten Hollstein ²⁾	Dr. Florian Koschat	Torsten Hollstein ²⁾
Nicole Kubista ⁴⁾	Franz Reitermayer ⁴⁾ (until 10.2.2020)	Dr. Florian Koschat	Michael Stanton	Dr. Florian Koschat
Sebastian Obermair ⁴⁾	Laura Rubin	Sebastian Obermair ⁴⁾		Sebastian Obermair ⁴⁾
Michael Stanton	Michael Stanton	Michael Stanton		

¹⁾ As regards the independence of the individual committee members reference is made to the chapter Supervisory Board.

²⁾ Chairperson

³⁾ Deputy Chairperson

⁴⁾ Employee representative

The **investment committee**, in cooperation with the Management Board, prepares the ground for all investment decisions that must be taken by the full Supervisory Board. The investment committee may also approve investments in and sales of real estate and companies and the implementation of development projects and similar measures with total investment volumes of up to € 50 m; beyond this limit, the approval of the full Supervisory Board is required.

The **nomination committee** is responsible for succession planning for the Management Board and the Supervisory Board. Candidates for vacant Supervisory Board mandates put forward to the Annual General Meeting are considered on the basis of their professional and personal qualifications, with particular efforts made to maintain diversity and a balance of expertise across the Supervisory Board. Management Board members are invariably selected according to a defined appointment procedure, taking corporate strategy and the current position of the company into consideration. The **remuneration committee** also scrutinises the remuneration system for the Management Board. On account of their lengthy professional track records, all members of the remuneration committee possess sufficient knowledge and experience of remuneration policy.

The **presiding committee** rules on urgent matters and measures where no delay is possible and the approval of the Supervisory Board cannot be obtained in good time. Its decisions are presented to the Supervisory Board for authorisation as soon as possible.

Details of the main activities of the Supervisory Board and the committees in business year 2019 are provided in the Supervisory Board report (please see our Annual Report 2019).

Co-determination by employees on the Supervisory Board

Four employee representatives from the works council were appointed to the Supervisory Board. Although works council members are always numerically inferior owing to the one-third parity rule, their Supervisory Board activity affords them faster and fuller access to important information on happenings within the company and a right to be consulted on far-reaching corporate decisions. The works council may also enter into direct dialogue with shareholder representatives with a view to informing the owners of any managerial problems directly.

Co-determination of shareholders

The rights and obligations of the shareholders derive from the Stock Corporation Act and the Articles of Association of CA Immo. The most important shareholder rights are the right of profit-sharing, the right to attend General Meetings (with associated voting rights) and the right to request additions to an agenda and submit motions to a General Meeting. At the 32nd Annual General Meeting, for example, the shareholder group Petrus Advisers *et al* – contrary to the resolution of the company – proposed the election of Dr. Martin Hagleitner to the Supervisory Board. The nomination proposal was rejected, with all resolutions proposed by the company having the legally required majority. Given their voting rights, shareholders are entitled to vote not only on the appropriation of corporate profit, but also on the future direction of the company (for example by approving takeovers, capital measures or the actions of Management and Supervisory Board members). Another right of shareholders is the right to information: shareholders have the right to be informed on all key matters affecting the joint stock company. Further information on the rights of shareholders as regards Annual General Meetings is published at www.caimmo.com.

Independence and dealing with conflicts of interest

In accordance with the independence criteria laid down by the Supervisory Board (C Rule no. 53), a Supervisory Board member is deemed to be independent where he or she has no business or personal relationship with the company or its Management Board which could give rise to a material conflict of interests and thus influence the conduct of that member. All thirteen members of the Supervisory Board have declared their independence according to C Rule no. 53. With the exception of Sarah Broughton, Laura Rubin and Jeffrey G. Dishner, all members of the Supervisory Board meet the criteria under C Rule no. 54 in that they do not represent the interests of any shareholder with a stake of more than 10% (Starwood). However, some members of the Supervisory Board perform functions in related companies or similar organisations that have the potential to create a conflict of interests. Full details are provided under Related Party Disclosures in the notes (please see our Annual Report 2019), and in the explanations ('Comply or explain' for C Rule no. 45).

Neither Management Board nor Supervisory Board members are permitted to make decisions in their own interests or those of persons or organisations with whom they are closely acquainted where such interests are

counter to the (business) interests of the CA Immo Group. All conflicts of interests must be declared immediately. In the event of a contradiction of interests arising, the member in question shall be required to abstain from taking part in voting procedures or leave the meeting while the relevant agenda item is being discussed.

Moreover, members of the Management Board are not permitted to run a company, own another business enterprise as a personally liable partner or accept Supervisory Board mandates in companies outside the Group without the consent of the Supervisory Board. Senior executives may only enter into secondary activities (and in particular accept executive positions with non-Group companies) with the approval of the Management Board.

All business transactions conducted between the company and members of the Management Board as well as persons or organisations with whom they are closely acquainted must conform to industry standards and have the approval of the Supervisory Board. The same goes for contracts between the company and members of the Supervisory Board which oblige those members to perform services outside of their Supervisory Board activities for the CA Immo Group in return for remuneration of a not inconsiderable value (L Rule no. 48) and for contracts with companies in which a Supervisory Board member has a significant business interest. The company is not permitted to grant loans to members of the Supervisory Board outside the scope of its ordinary business activity.

COMPLIANCE

Compliance is a central component of good corporate management and the precondition for long-term success in business. For CA Immo, compliance is a risk management tool that establishes the framework for business activity. CA Immo's compliance management system is based on the pillars of prevention, identification, communication and intervention. Our compliance strategy aims to establish integrity as a firm part of corporate culture. That involves observing legislation and internal regulations while respecting fundamental ethical values and doing business in a sustainable manner. For CA Immo, integrity and fair dealings with partners are the basis of good business. The code of conduct of CA Immo is published at www.caimmo.com; it is binding on all executive bodies, employees and contractual partners, including architects, construction firms, estate agents, other service providers involved in lettings and joint venture partners. In particular, the code sets out regulations on conformity

with the law, dealings with business partners and third parties, handling company equipment and confidential information, avoiding conflicts of interest and so on. It also contains information on dealing with complaints, violations of the code of conduct and other provisions binding on CA Immo.

Our values are shared and consistently practised by all employees. To this end, we continually seek to upgrade our training concepts, incorporate compliance into our business processes and tailor communication to target groups. However, compliance also means promoting entrepreneurial risk-taking by creating a clear framework for taking calculable business risks. Breaches of legal provisions and internal regulations are incompatible with the law and our understanding of compliance, and appropriate sanctions will be taken in such cases.

Compliance organisation

All Group compliance and governance activity is handled by the Corporate Office division, which works closely with the Risk Management and Internal Auditing divisions to perform an advisory, coordinating and consolidating role; it reports directly to the CEO and the Supervisory Board or its audit committee. Responsibility for the content of compliance rests with the various Group divisional heads. The Corporate Office coordinates the compliance management system, develops the compliance programme on the basis of identified compliance risks specific to the industry, compiles and advises on guidelines, accepts comments and complaints (anonymously or otherwise) and oversees the resolution of compliance issues with Internal Auditing or external advisors. Moreover, employees regularly undergo training on preventing corruption, capital market compliance and other subjects.

Key compliance issues

In business year 2019, compliance activity focused on the implementation of new legal requirements (largely due to the second Shareholder Rights Directive), the drafting and revision of existing internal guidelines and the continual monitoring of the observance thereof. Once again, the main focus of activity was on numerous bilateral consultations on compliance and governance issues as well as internal processes and guidelines and so on.

Preventing corruption

CA Immo rejects every kind of corruption and to this end has defined compulsory principles (zero tolerance).

Counter-corruption measures are reported to the Supervisory Board at least once a year. Instances of potential corruption are investigated by the Group Auditing department on the basis of the auditing plan approved by the audit committee or based on special audit mandates issued by the Management Board, audit committee or full Supervisory Board. All operational Group companies are investigated for corruption risks at regular intervals.

GENDER DIVERSITY

CA Immo ensures equality and balance in the composition of its employee structure, both across the workforce as a whole and at all managerial and executive levels. Aside from professional qualifications, the recruitment process adheres to a strict policy of non-discrimination between women and men. As at the balance sheet date, the proportion of women working for the Group stood at approximately 52% (53% in 2018). The proportion of women was highest in the CEE subsidiaries (73%), followed by Austria (59%) and Germany (40%). There are still no women on the Management Board of CA Immo. Four women serve on the Supervisory Board, where the total proportion of women is 31%; analysed separately, women make up 33% of the shareholder representatives and 25% of the employee representatives.

Further information on the gender pay gap can be found in the 'Employees' section.

The proportion of female managers increased to 29% compared with 24% for the prior year. In filling managerial vacancies, the focus is on internal succession planning and raising the proportion of women by deliberately targeting women in the recruitment process. Where qualification backgrounds are equivalent, preference is given to female applicants. Part-time employment does not preclude a managerial position. This model was used for the first time in 2019 by one managerial staff member. Graduate and talent management programmes also promote constantly gender balance.

CA Immo makes it possible to reconcile professional and family life by offering flexible working hours, part-time options, working from home, paternity leave and 'fathers' month'. Employees on a leave of absence remain linked to the internal information network and are invited to participate in annual team meetings and company events.

FINANCIAL PERFORMANCE INDICATORS

The strategic focus of business activity at CA Immo is the long-term increase in the value of the company. This is supported by key financial performance indicators which are important tools to identify the factors that contribute to the sustained increase in enterprise value and quantifying those factors for the purposes of value management.

The primary financial performance indicator is the net income generated on the Company's average equity (**return on equity** or RoE). The aim is to produce a figure higher than the calculated cost of capital (assuming a medium-term rate of around 7.0%), thus generating shareholder value. At 14.0% in 2019 (2018: 12.1%), this figure was above the target value. With the successful strategy implementation of recent years and strong positioning of the CA Immo Group, the ground was prepared for generating a return on equity over the long term, and one that exceeds the cost of equity (see the "Strategy" section).

The other quantitative factors used to measure and manage our shareholders' long-term return include the change in NAV per share, operating cash flow per share, and Funds from Operations (FFO I and FFO II) per share (please refer to the table "Balance Sheet" and "Key Figures per Share" in the flap of the annual report).

FFO I, a key indicator of the Group's long-term earning power, is reported before taxes and adjusted for the sales result and other non-permanent effects. For business year

2019 the FFO I target was defined as > € 125; this was achieved with actual values of € 133.3 m (€ 1.43 per share). FFO II, which includes the sales result and applicable taxes, is an indicator of the overall profitability of the Group.

Since the key financial indicators ultimately demonstrate the operational success of the property business, they are preceded by a series of other non-financial performance indicators which are key to measuring and managing the operational business.

The **key performance indicators of operational property business** are among others as follows:

- The **occupancy rate** indicates the quality of the portfolio and the success in managing it. With an occupancy rate of 96.1%, CA Immo is above market average.
- The **quality of a location** and its infrastructure are critical to the marketability of properties. The majority of CA Immo office properties are situated in CBD- or central business locations of Central- and Eastern European cities.
- **Sustainability Certificate**: As at reporting date, 81%¹⁾ of the CA Immo office portfolio is certified according to LEED, DGNB or BREEAM standard.
- **Local presence** and market knowledge: CA Immo has branch offices on its core markets to ensure efficient management and tenant retention.

¹⁾Basis: office properties, by book value

NON-FINANCIAL PERFORMANCE INDICATORS

ENVIRONMENT: ECOLOGICAL QUALITY AND ENERGY EFFICIENCY OF THE ASSET PORTFOLIO

1. OVERARCHING RECOMMENDATIONS ACCORDING TO EPRA

Organisational boundaries

We take an operational control approach for our data boundary. Reporting therefore covers investment properties and development projects that are:

- 100% owned by CA Immo, and
- assigned to the asset class of offices (main usage type). Office properties make up the core segment of CA Immo; as at the key date, such properties accounted for approximately 89% of the entire asset portfolio

Reporting on consumption data for the asset portfolio (data and report) relates to the calendar year ending 31 December 2018. This is because consumption data for our buildings was not available for business year 2019 at the time of reporting. To provide an indication of consumption in 2019 despite this, we have extrapolated consumption figures on the basis of the previous year's results, taking account of the occupancy rate as at 31.12.2019 and an estimate based on benchmark data for project completions and acquisitions accruing to the portfolio in 2018 (see next page). The rest of the reporting in this chapter (from page 20f: information on sustainability certification, sustainable project development and health and safety in building operation and project development) relates to key date 31 December 2019.

We conform to the scope definition of the Greenhouse Gas Protocol in the reporting of consumption data for the asset portfolio. This exclusively comprises resources acquired by ourselves as landlord and passed on to tenants (Scope 1 and 2):

- Scope 1: Energy we control generated directly on-site (natural gas)
- Scope 2: Energy we control generated indirectly on-site (electricity and district heating & cooling)

In two areas of our reporting we discuss EPRA sBPRs: general recommendations (see this page) and performance indicators on sustainability (refer to tables on page 18-20).

Coverage

We seek to report on all properties within the organisational boundary defined above, and for which we are responsible for utilities consumption. We have excluded three offices which were acquired during the reporting period (business year 2018) and three offices which were completed. We have also excluded two fully single-let offices. Although we make efforts to obtain data for tenant consumption, it has required estimation of consumption to a level which does not create a meaningful analysis at this moment. One particular property in the investment portfolio (Rennweg 16) is a multi-use asset class but for reporting exclusively office consumption we have only included consumption relating to office space, which is used by CA Immo.

Estimation of landlord-obtained utility consumption

All energy consumption is based on meter readings and invoices where applicable. No energy data (for electricity and gas) is estimated. Water consumption is based on invoices with a small proportion of data from 2018 estimated by extrapolating consumption from 2017. This affects less than 0.1% of our data in 2018. In a few instances, we have converted waste data which has been provided in the volumetric units. We have used density conversion factors which were developed by the UK Environment Agency.

Boundaries – reporting on landlord and tenant consumption

The consumption reported includes only the utilities (energy and water) that we purchase as landlords. Tenant electricity which has been sub-metered has been reported separately. Water consumption occurs at a whole building level and therefore includes tenant use. Waste data covers tenant and landlord waste as we are responsible for waste contracts.

Analysis – normalisation

Intensities (Elec-Int, GHG-Int and Water-Int) are calculated using the gross lettable floor area (m², excluding car parks and basements) as the denominator for whole buildings. We are aware of the potential mismatch between the consumption numerator and denominator in some cases, where consumption for electricity in some properties relates to the common areas only. However, at other properties there are shared services for the whole building and therefore tenant and landlord data cannot be separated. For our own offices we report intensity performance measures using the floor area we occupy within the building.

Analysis – segmental analysis

Segmental analysis has been conducted on a geographical basis. The office portfolio includes properties in Germany, Austria and Central Eastern Europe, of which the locations are Czech Republic, Hungary, Poland, Romania, Croatia, Serbia and Slovakia.

Third party verification

The sustainability data in this report has not been subject to third-party verification.

Disclosure on own offices

Utilities consumption at six of our own occupied offices which form part of our investment portfolio are included in the total figures. Utilities consumption and waste generation in four own use offices which are not located in CA Immo properties is reported separately. Please see the table on page 20.

2. NARRATIVE ON SUSTAINABILITY PERFORMANCE

Energy consumption and the carbon footprint

Globally, buildings are responsible for 30% of carbon emissions while consuming 40% of raw materials and energy.¹⁾ Conservation of resources is a major theme affecting the future of the real estate sector. CA Immo continually collates and analyses international data on consumption as well as carbon emissions produced by the heat and energy consumption of its office properties (see table on page 18-19). The data is applied to portfolio monitoring, on the basis of which decisions on maintenance measures are made.

In 2018, total greenhouse gas emissions based on direct and indirect energy consumption by the CA Immo office stock were some 2% lower than the previous year's level. The main reason for the reduction was lower district heating and cooling consumption (down approximately

12% on the previous year in like-for-like comparison). Electricity consumption fell by around 2% year-on-year. The estimated energy consumption²⁾ of our office stock in business year 2019 is approximately 91,177,400 kWh for electricity (excluding the tenants' energy supply), around 60,025,300 kWh for heating and cooling and roughly 59,125,600 kWh for gas.

Measures aimed at increasing energy efficiency

To optimise the energy efficiency of its portfolio for the long term, CA Immo is enacting measures that include:

- Exchanging old pumps for high efficiency, energy-saving pumps
- Exchanging conventional lighting for LED technology with modern sensors
- Motion detectors in common and ancillary rooms
- Installation of heat recovery capability in ventilation systems
- Modernisations and system enhancements (in heating and cooling control systems, for example)
- Focused and strategic energy procurement

The aim is to establish expanded, digitally supported energy management across the Group over the years ahead. Taking account of national standards and specific building layouts, this will bring about consistent energy monitoring that is standardised as far as possible, including weak point analyses; it will also ensure targeted and comprehensive modernisation of the overall portfolio.

CA Immo is also enhancing the energy efficiency of its asset portfolio through the intensive in-house project development of the portfolio. All office and hotel properties built by CA Immo are developed in accordance with high sustainability standards (at least DGNB or LEED in gold), also taking into account the experience and many years of expertise gained from ongoing building operations.

¹⁾ Kahn, Kok and Quigley, 2014; Glaeser and Kahn, 2010

²⁾ Since consumption data for our buildings was not available for business year 2019 at the time of reporting, we can only estimate the energy con-

sumption for the office portfolio during this period. The estimate was calculated on the basis of prior year values, taking the occupancy rate into consideration; consumption data for 2019 for the six office buildings added to the portfolio in 2018 was projected in line with reference values.

CARBON FOOTPRINT, ENERGY AND WATER CONSUMPTION IN THE OFFICE PORTFOLIO 2018

Indicator	EPRA	Boundaries	Unit of measure	Total portfolio		Coverage	
				2017	2018		
Total electricity consumption	Elec-Abs	Total energy consumption from electricity	kWh	132,479,755	130,013,259	50 out of 50	
		Of which shared services		83,648,179	78,849,548		
		Of which tenant areas		48,831,575	51,163,711		
		% from renewable sources		N/A	N/A		
Like-for-like electricity consumption	Elec-LFL	Total energy consumption from electricity		129,304,037	127,026,850	48 out of 49	
		Of which shared services		79,839,909	77,084,655		
		Of which tenant areas		49,464,127	49,942,195		
Total energy consumption from district heating and cooling	DH&C-Abs	Whole building		50,606,385	45,403,508	26 out of 26	
		% from renewable sources		N/A	N/A		
Like-for-like consumption from district heating and cooling	DH&C-LFL	Whole building		48,080,829	42,424,002	25 out of 26	
Total energy consumption from fuel	Fuels-Abs	Whole building		52,066,181	51,959,328	23 out of 23	
		% from renewable sources		N/A	N/A		
Like-for-like consumption from fuel	Fuels-LFL	Whole building		52,066,181	51,959,328	23 out of 23	
Building energy intensity	Energy-Int	Whole building	kWh/m ²	250	242	50 out of 50	
Direct GHG emission (total) Scope 1	GHG-Dir-Abs	Whole building	tCO ₂ e (location based) ¹⁾	9,589	9,558	23 out of 23	
Indirect GHG emission (total) Scope 2	GHG-Indir-Abs ²⁾	Whole building		42,411	41,387	50 out of 50	
Building GHG emissions intensity	GHG-Int	Whole building	tCO ₂ e/m ²	0.06	0.05	50 out of 50	
Total water consumption	Water-Abs	Whole building, municipal supply	m ³	475,627	548,360	50 out of 50	
		Whole building, other water supply		13,290	11,005		
Like-for-like water consumption	Water-LFL	Whole building, municipal supply		464,401	524,244	49 out of 50	
		Whole building, other water supply		13,290	11,005		
Building water consumption intensity	Water-Int	Whole building	m ³ /m ²	0.51	1	50 out of 50	
Weight of waste by disposal route (total)	Waste-Abs	Landfill with or without energy recovery	tonnes	N/A ⁴⁾	3,511	49 out of 50	
		Incineration with or without energy recovery			3,785		
		Reuse			-		
		Recycling			1,656		
		Material Recovery Facility			193		
		Compost			117		
		Other			-		
		Total diverted			5,751		
Weight of waste by disposal route (%)	Waste-Abs	Landfill with or without energy recovery	% disposal route		38%		
		Incineration with or without energy recovery			41%		
		Reuse			0%		
		Recycling			18%		
		Material Recovery Facility			2%		
		Compost			1%		
		Other ³⁾			0%		
		Total diverted			62%		
Type and number of assets certified	Cert-Tot		% of portfolio certified	74	79 (2019: 81)	40 out of 55 (2019: 45 out of 57)	

¹⁾ Portfolio GHG emissions have been calculated using 2017 and 2018 location-based conversion factors provided by the IEA (for electricity) and Scope 2 District Heating & Cooling and Scope 1 fuel emissions using 2017 and 2018 location-based conversion factors provided by DEFRA.

²⁾ GHG-Indir excludes emissions associated with consumption exclusively in tenant areas. This is considered to be Scope 3.

³⁾ Waste-abs: 'Other' refers to hazardous waste diverted from landfill (grease trap and electrical waste at Belgrad Office Park).

⁴⁾ Waste-LfL could not be reported as this information was not collected during 2017. In future reports, Waste-LfL will be included.

No Group-wide data on the proportion of energy consumption from renewable sources was available as at the key date; efforts will be made to publish this data for reporting year 2020.

Estimation	Change in %	2017			2018		
		Germany	Austria	CEE	Germany	Austria	CEE
0%	-1.9%	3,532,997	11,645,512	117,301,246	3,815,222	9,456,051	116,741,986
		3,474,338	11,645,512	68,528,329	3,728,981	9,456,051	65,664,515
		58,659	-	48,772,917	86,241	-	51,077,470
		N/A	N/A	N/A	N/A	N/A	N/A
0%	-1.8%	3,475,321	12,278,064	113,550,652	3,604,986	9,456,051	113,965,813
		3,416,662	11,645,512	64,777,735	3,518,745	9,456,051	64,109,858
		58,659	632,552	48,772,917	86,241	-	49,855,954
0%	-10.3%	17,531,089	7,437,330	25,637,966	14,163,611	5,748,758	25,491,139
		N/A	N/A	N/A	N/A	N/A	N/A
0%	-11.8%	16,691,089	7,965,330	23,424,410	14,163,611	5,748,758	22,511,633
0%	-0.2%	4,634,093	645,216	46,786,872	4,507,880	714,916	46,736,532
		N/A	N/A	N/A	N/A	N/A	N/A
0%	-0.2%	4,634,093	645,216	46,786,872	4,507,880	714,916	46,736,532
0%	-3.3%	183.60	158.41	295.03	136.25	120.73	293.82
N/A	-0.3%	853	119	8,616	829	132	8,598
	-2.4%	5,021	3,185	34,205	5,312	2,670	33,405
	-2.0%	0.06	0.03	0.08	0.04	0.02	0.07
0.03%	15.3%	52,624	46,911	376,092	47,421	50,040	450,899
	N/A	-	13,290	-	-	11,005	-
0.03%	12.9%	52,016	46,911	365,474	46,305	39,035	438,904
	N/A	-	13,290	-	-	11,005	-
0.03%	N/A	0.35	0.46	0.58	0.29	0.46	0.70
N/A	N/A			N/A	-	1,565	1,946
					1,091	-	2,694
					-	-	-
					889	49	719
					149	-	44
					90	-	27
					-	-	-
					2,218	49	3,484
					0%	97%	36%
					49%	0%	50%
					0%	0%	0%
					40%	3%	13%
					7%	0%	1%
					4%	0%	1%
					0%	0%	0%
					100%	3%	64%
N/A	N/A	78	23	79	80	19	89
					(2019: 71)	(2019: 33)	(2019: 96)

CARBON FOOTPRINT AND CONSUMPTION DATA OF OWN-USE OFFICE SPACES 2018 ¹⁾

Indicator	EPRA	Unit of measure	2017	2018	Coverage	Change
Total electricity consumption	Elec-Abs	kWh	320,688	340,809	4 out of 4	6%
Total energy from district heating and cooling	DH&C-Abs	kWh	307,577	367,065		19%
Total energy consumption from fuel	Fuels-Abs ²⁾	kWh	N/A	N/A		N/A
Building energy intensity	Energy-Int	kWh/m ²	112	127		13%
Direct GHG emission (total) Scope 1	GHG-Dir-Abs	tCO ₂	N/A	N/A		N/A
Indirect GHG emission (total) Scope 2	GHG-Indir-Abs	tCO ₂ (location based)	205	225		10%
Building GHG emissions intensity	GHG-Int	tCO ₂ /m ²	0.04	0.04		
Total water consumption	Water-Abs	m ³	949	996		5%
Building water consumption intensity	Water-Int	m ³ /m ²	0.17	0.18	3 out of 4	5%
Weight of waste by disposal route (total) ³⁾	Waste-Abs	tonnes	N/A	83.75		
Landfill with or without energy recovery				81.35		
Incineration with or without energy recovery				0.20		
Reuse				0		
Recycling				2.00		
Material Recovery Facility				0		
Compost				0.20		
Type and number of assets certified	Cert-Tot	%	50	50	4 out of 4	0%

¹⁾ Includes consumption data of the CA Immo branch offices in Munich, Frankfurt (omniCon and CA Immo) and Vienna. Munich branch office data (Klaus-Mann-Platz 1) is only available for a 12 month period between October 2017 and October 2018. Frankfurt branch office (Europa Allee): No 2018 consumption data was available for district heating and cooling. 122,000 kWh has been estimated based on benchmark data (76.12 kWh cooling and 45.88 kWh heating). No 2018 consumption data was available for water. 317 m³ has been estimated based on benchmark data

²⁾ There is no fuel consumption at any own use offices

³⁾ Waste data by weight was not available for our Munich branch office (Klaus-Mann-Platz 1)

Sustainability certification for investment properties

To facilitate transparent comparison of the quality of portfolio buildings across international boundaries, CA Immo has certified more and more portfolio buildings since 2015. In 2019, the certification process was completed for three office buildings in Bucharest, Zagreb and Belgrade. Two project completions have been transferred into the investment portfolio during the reporting period (Berlin, Munich), the certification process (DGNB in gold) had not been completed for either office building as at the key date.

As at 31 December 2019, 45 office properties (2018: 40) or 81% of the total CA Immo office portfolio (2018: 79%; by book value) have been certified according to DGNB, LEED or BREEAM standards, this corresponds to around 73% of the total CA Immo investment portfolio (all asset classes). Measured by rentable effective area (in sqm), certified stock comprised some 78% of the office portfolio and 63% of the total portfolio. Further investment properties as well as development projects are currently undergoing the certification process.

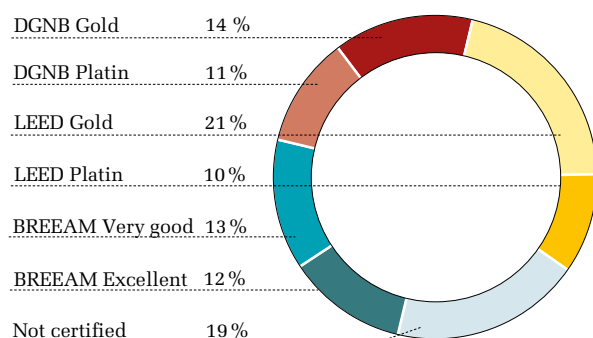
In year-on-year comparison, the stock of office space with sustainability certification (book value) had increased by approximately 18% to roughly € 3,066 m on 31.12.2019 (€ 2,605 m on 31.12.2018).

CERTIFIED OFFICE PROPERTIES BY REGION ²⁾

in € m	Total office portfolio	Certified office portfolio	Share of certified office properties
Germany	1,448.0	1,028.8	71.0%
Austria	345.9	115.2	33.3%
CEE	2,009.6	1,921.8	95.6%
Total	3,803.5	3,065.8	80.6%

²⁾ By book value. Basis: Properties with main usage office, 100% owned by CA Immo (fully consolidated).

CERTIFICATES OF THE CA IMMO OFFICE PORTFOLIO (Basis: € 3.8 bn book value)



SUSTAINABLE PROJECT DEVELOPMENT

Through its real estate and urban district development activities, CA Immo is helping to shape the skylines of major cities like Vienna, Berlin, Frankfurt and Munich – from involvement in the master plan to the establishment of surrounding infrastructure and the construction and running of new buildings.

Projects with sustainability certificates

To comply with the multifarious requirements arising at all levels, CA Immo only constructs offices and hotels certified to LEED or DGNB standards on a Group-wide basis. By meeting various certification requirements, the company makes allowance for the conservation of resources such as energy and water as well as emissions, wastewater and refuse and the transporting thereof; effects on safety and health are considered throughout the lifecycle.

OVERVIEW SUSTAINABILITY CERTIFICATION¹⁾ OF PROJECTS UNDER CONSTRUCTION

City	Project	System	Category
Berlin	High-rise Building on Europaplatz	DGNB	Gold
Berlin	MY.B	DGNB	Gold
Berlin	cube berlin	DGNB	Gold
Munich	NEO	DGNB	Gold
Frankfurt	ONE	DGNB	Platin
Mainz	ZigZag	DGNB	Gold

¹⁾ Intended sustainability certificates

Dialogue with residents and stakeholders

Within the context of its development projects, CA Immo observes legal requirements on potentially negative influences on stakeholders (such as construction noise and increased particulate matter pollution) and engages in proactive dialogue with relevant stakeholders from the outset. The latest examples of early resident communication and stakeholder engagement include citizens' events arranged in the course of developing the Eggarten estate in Munich (www.eggarten-siedlung.de).

Observance of social and environmental standards

Where construction services are provided, CA Immo requires contractors to comply with the legal regulations on occupational health and safety, workplace and working time regulations as well as wage agreements and compliance. Alongside the economic evaluation of tenders, the company asks potential contractors to comply with social and environmental standards and monitors observance during the tendering process.

Sensitive site development

Maximum attention is paid to issues such as biodiversity, species protection and (where relevant) habitat change during site development, especially in and around nature reserves. All properties are examined accordingly by specialists from the CA Immo construction subsidiary omniCon. On demand, restoration work and mitigating measures are introduced as appropriate; these may include the creation of green access pathways, compensation areas or the planting of tree and bushes.

EXAMPLE OF SUSTAINABLE PROJECT DEVELOPMENT: HOCHHAUS AM EUROPAPLATZ, BERLIN

**KEY FACTS**

- Construction of a new 84-metre class A office high-rise with approximately 23,000 sqm of rentable effective area, close to Berlin's main station.
- Certification to at least DGNB Gold envisaged.

SUSTAINABILITY ASPECTS

- The project will have a primary per annum energy consumption significantly below the benchmarks provided by the effective EnEV references (energy-saving directive for buildings).
- The requirements of the German Renewable Energies Heat Act (EEWärmeG) will be exceeded by means of a district heating system that uses combined heat and power technology.
- Energy-efficient lighting (LED).
- CO2 sensors for the automatic monitoring of air quality (concentration of carbon dioxide in ambient air) and ensuring an ideal indoor climate.
- Building control technology (room temperature, lights, blinds) that mainly uses battery-free EnOcean wireless technology. The existing environmental energy (e.g. kinetic motion/pressure, light and temperature difference) is converted into energy for the switches (energy harvesting).
- Comprehensive supply of e-mobility charging points for cars, motorcycles and bicycles.
- Convenient bicycle parking via large freight elevator.
- Large green zones in office areas.

ASSET HEALTH AND SAFETY

For all **project developments** carried out throughout the Group, health and safety aspects are applied at the planning and construction phases for the benefit of employees as well as future tenants and users of buildings. In this regard, the coordinator for safety and health matters, who is incorporated as early as the planning phase, coordinates those involved in the construction process. The coordinator undertakes regular safety inspections and intervenes without delay wherever they identify hazards.

As part of certification processes, which apply to all office and hotel buildings newly developed by CA Immo, numerous **measures that positively influence the health and comfort levels of tenants** were also enacted. The WELL Building Standard was launched in 2014. The purpose of this first standard for buildings and interiors was to implement measures to promote health and well-being (wellcertified.com). Visionary, a CA Immo office building

in Prague, attained **WELL Core and Shell certification in gold** in 2019; other projects are now in line for WELL certification.

Health and safety assessments are conducted across all regions at all sites in the course of ongoing **building operations**. Regular maintenance and specific inspections are carried out to ensure the safety and functional reliability of technical building installations. Intelligent building control systems, expert inspections and regular function testing is designed to avoid malfunctions and prevent system failures. Facility management contracts contain comprehensive service provisions governing energy management with the aim of enhancing the energy-related management of properties over time.

In reporting year 2019, no breaches of regulations in connection with asset health and safety came to light in the course of our development projects or in our buildings.

EMPLOYEES

As at 31 December 2019 the number of international employees totalled 414¹⁾ employees across the Group (31.12.2018: 382²⁾). Germany is CA Immo's core market for staff with around 51% working here, followed by Eastern Europe (24%) and Austria (19%). The remaining 6% account for employees of the Basel branch office of the 100% construction subsidiary omniCon. Of the 233 German employees, 106 worked for omniCon as at reporting date (2018: 96), including 24 staff members of the omniCon branch in Basel.

Branch offices on core markets

CA Immo has head offices in Vienna, from where the company also oversees local branch offices in Frankfurt, Berlin and Munich as well as Budapest, Warsaw, Prague, Bucharest and Belgrade. The branch offices employ regional staff at both employee and managerial level; new appointments are made by agreement with local branch managers and the Group's Human Resources department.

Key aspects in Human resources management

Promoting personal career paths, establishing and enhancing professional expertise and management skills, team building measures, organisational development and company health promotion are the cornerstones of human resource management at CA Immo. To enable managerial

positions to be filled internally, the emphasis is on **talent management and succession planning**. More than half of all CA Immo managers were promoted to their current positions from within the ranks.

Where people love to work

CA Immo launched an employer branding campaign in 2018. Entitled 'Where people love to work: The office specialist is hiring specialists', the campaign aimed to enhance the visibility and profile of the company as a fast-growing employer, especially in the German real estate and construction sectors. Events such as presentations and guided project site tours for students have been continued in 2019; CA Immo was also represented at the EXPO Career Day as well as university career fairs.



PERSONNEL DISTRIBUTION WITHIN THE CA IMMO GROUP ³⁾

Headcount	Number of employees				Share of women 31.12.2019 in %	Joining / Leaving 2019	New hires ⁴⁾ 2019 in %	Turnover ⁵⁾ 2019 in %
	31.12.2018	31.12.2019	Change in %	2019 Ø				
Austria	77	80	4	77	59	12/6	16	7.8
Germany/Switzerland ⁶⁾	210	233	11	222	40	50/26	23	11.7
CEE	95	101	6	98	73	12/10	12	10.2
Total	382	414	8	396	52	74/42	19	10.6

³⁾ Thereof around 11% part time staff; includes 23 employees on a leave of absence; excludes 20 headcounts of joint venture companies

⁴⁾ New hires: Entries 2019 / average number of employees (Headcount)

⁵⁾ Turnover: personnel departures x 100 / average number of employees (Headcount)

⁶⁾ At the end of 2018, 20 local employees were employed at the branch of wholly owned CA Immo construction subsidiary omniCon in Basel

¹⁾ Of which around 11% are part-time staff; including 23 employees on unpaid leave across the Group.

²⁾ Of which around 12% are part-time staff; including 23 employees on unpaid leave.

Career development and the promotion of high-potential young staff members

All employees of CA Immo hold annual appraisal meetings with their immediate managers to assess their performance, define targets and discuss individual career development. In 2019, 96% of employees attended such a review session; the remaining 4% were staff members who joined in the fourth quarter.

The CA Immo Academy offers training and modular courses in the three core areas of professional expertise, social skills and health. One major focus in 2019 was the development of **leadership skills** through cross-company training courses.

Moreover, CA Immo provides specific support for international best practice exchange among employees. Under the project FIRE (Focus International Relation Experience) working groups were held also in 2018, aiming at exchanging innovations, international networking and internal promotion of young talents ("Fit for Future").

Social benefits

Depending on taxation and national insurance circumstances, CA Immo employees receive the following social benefits, amongst others: meal coupons/allowances, Bahncard 25 or 50, season tickets, support for training, kindergarten allowances, group health insurance, group accident insurance, deployment-specific allowances and company pension (pension fund).

Variable profit sharing

Alongside their fixed salary, CA Immo provides for variable profit sharing for all employees; this is linked to the attainment of budgeted annual targets and positive consolidated net income.

Safety at work

Two accidents at work were reported during reporting year 2019. Absences resulting from these accidents were not longer than one month in each case. No other serious occupational injuries, illnesses or absences by CA Immo employees were reported in 2019. CA Immo employees on construction sites received regular safety guidance along with health and safety plans. The safety of subcontractor staff has to be ensured by the subcontractor companies.

Fit2Work: Health and Efficiency in everyday office life

The fit2work project ensures promoting and maintaining employees' capacity to work and performance levels.

Appropriate trainings and tutorials are offered to staff members in order to minimise health risks such as burn out, long term sick-leaves or early retirements.

AVERAGE ABSENCES FROM WORK BY REGIONS ¹⁾

in days		Vacation	Illness ²⁾	Qualification	
				hours	days
Austria	Women	20	7	19	2
	Men	23	4	22	3
Germany	Women	28	13	25	3
	Men	28	6	28	3
CEE	Women	20	2	32	4
	Men	21	1	37	5

¹⁾ Average days of absence per employee (Headcount). Basis: Average number of employees 2019 (Headcount)

²⁾ Excludes two long-term sick leave cases (LTSL) in Germany and three LTSL in CEE. Including these LTSL, the average of sick leaves of men in Germany would be 10 days and for men in CEE 5 days.

PERSONNEL DISTRIBUTION BY AGE AND CATEGORIES (TOTAL: 414 EMPLOYEES) ¹⁾

in %			
Employees (355) ²⁾	≤ 28 years	29-48 years	≥ 49 years
Female	6	39	10
Male	5	27	13
Total	11	66	23
Executives (56) ³⁾	≤ 28 years	29-48 years	≥ 49 years
Female	0	23	5
Male	0	47	25
Total	0	70	30
Management Board (3)	≤ 28 years	29-48 years	≥ 49 years
Female	0	0	0
Male	0	67	33
Total	0	67	33
Total employees (414)	9	67	24

¹⁾ Excludes 20 employees (as of 31.12.2019) of the joint venture companies.

²⁾ Thereof 1% with handicap

³⁾ Executives include Group Managers, Managing Directors of the regional offices, heads of departments, divisional heads, team leaders.

Progressive digitalisation of personnel management

In 2018, CA Immo started to implement a central HR system with the aim of bringing about the uniform administration of personnel data across the company while streamlining processes.

The Manager Self-Service component, which came into operation early in 2019, enables managers to access key employee data on salaries and roles, for example. In the autumn, the Employee Self-Service component made it possible for employees to digitally request absences of all kinds for approval by managers. The implementation of additional modules is scheduled for 2020.

GENDER DIVERSITY

CA Immo ensures equality and balance in the composition of its employee structure, both across the workforce as a whole and at all managerial and executive levels. Aside from professional qualifications, the recruitment process adheres to a strict policy of non-discrimination between women and men. The proportion of women working for the Group stood at approximately 52% as at 31 December 2019 (53% in 2018). The proportion of women was highest in the Eastern European subsidiaries (73%), followed by Austria (59%) and Germany (40%). There are still no women on the Management Board of CA Immo. Four women serve on the Supervisory Board, where the total proportion of women is 31%; analysed separately, women make up 33% of the shareholder representatives and 25% of the employee representatives.

The **proportion of female managers** has increased from 24% (31 December 2018) to 29% on key date 2019. In filling managerial vacancies, the focus is on internal succession planning and raising the proportion of women by deliberately targeting women in the recruitment process.

Where qualification backgrounds are equivalent, preference is given to female applicants. Graduate and talent management programmes will also aim to raise the proportion of women steadily.

The **gender-specific wage gap** in terms of total remuneration stood at 4.9% for managerial staff and 9.3% for employees, partly because of varying fields of responsibility and accountability. Remuneration for the Supervisory Board is determined annually for concluded business years by the Ordinary General Meeting, which aims to ensure gender-neutral fixed remuneration along with attendance fees for all members of the Supervisory Board.

GENDER DIVERSITY

in %	Men	Women	Gender pay gap	
			Basic remuneration	Total compensation
Supervisory Board (shareholder representatives)	67	33	N/A	N/A
Management Board	100	0	N/A	N/A
Executives	70	30	2,3	4,9
Employees	44	56	8,4	9,3
Total	48	52		

CA Immo makes it possible to **reconcile professional and family life** by offering flexible working hours, part-time options, working from home, paternity leave and 'fathers' month'. Employees on a leave of absence remain linked to the internal information network and are invited to participate in annual team meetings and company events.

RESEARCH AND DEVELOPMENT

Technological and social change continues to transform the office environment and the knowledge-based economy. To develop office properties today in such a way that they can be efficiently and profitably managed in future, CA Immo monitors changes to working processes and corporate requirements in terms of premises; at the same time, it trials new technical solutions along with space and building concepts on selected development projects. Current examples of this approach include **cube berlin** – a fully digitised structure with artificial intelligence ('brain'). Amongst others, CA Immo collaborated with **RWTH Aachen, Germany's largest technical university**, for the cube berlin testing laboratory. Here the latest technologies for cube, the smart building project in Berlin, were tested and developed.

In the course of theoretical and practical research activity, CA Immo maintains partnerships with other companies and research institutions. For example, CA Immo is a **partner to the Office 21 joint research project of the Fraunhofer IAO Institute** (www.office21.de). The current research phase extending from 2018 to 2020 is focused on, amongst other things, the extent to which smart office environments can enhance employee productivity and which team typologies (and associated spatial conditions) support working processes most effectively.

CA Immo actively participates in the main platforms for the real estate sector through cooperation agreements and memberships of such bodies as the **Urban Land Institute (ULI)**, the **German Property Federation (ZIA)**, the **German Sustainable Building Council** and its Austrian

equivalent the **Austrian Society for Sustainable Real Estate (ÖGNI)**. In this way we can influence the development of the sector while contributing to research into sustainable urban and structural development.

In addition, CA Immo is a member of the **Innovation platform RE!N (Real Estate Innovation Network)** since 2018, with the objective of pilot testing own innovation approaches in cooperation with other real estate companies and start-ups at an early stage.

CA Immo derives its own and implements external best practice findings in order to develop, for instance, new and innovative office properties to secure the long-term competitiveness of the company.

ENVIRONMENTAL RISKS

Environmental and safety regulations serve to standardise active and latent obligations to remediate contaminated sites and complying with these provisions can entail considerable investment expenses and other costs. These obligations may apply to real estate currently or formerly owned by CA Immo, or currently or formerly managed or developed by the company. In particular, the provisions cover **contamination** with undiscovered harmful materials or noxious substances, munitions and other environmental risks such as soil pollution, etc.

Several regulations impose sanctions on the discharge of emissions into air, soil and water: this can make CA Immo **liable** to third parties, significantly impact the sale and letting of affected properties and adversely affect the generation of rental revenue from such properties.

Natural disasters and extreme weather conditions can also cause considerable damage to real estate. Unless sufficient **insurance** is in place to cover such damage, this can have an adverse impact. To minimise the risk, CA Immo incorporates these considerations into its assessments prior to every purchase and appropriate guarantees are required from sellers.

Wherever possible, the CA Immo Group makes use of environmentally sustainable materials and energy-saving technologies. CA Immo observes the ecological precautionary principle by ensuring all (re)development projects qualify for certification: in this way, stringent specifications regarding green buildings and sustainability are satisfied while the usage of environmentally unsound products is also ruled out.

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This Report contains statements and forecasts which refer to the future development of CA Immobilien Anlagen AG and their companies. The forecasts represent assessments and targets which the Company has formulated on the basis of any and all information available to the Company at present. Should the assumptions on which the forecasts have been based fail to occur, the targets not be met, then the actual results may deviate from the results currently anticipated. This Interim Report does not constitute an invitation to buy or sell the shares of CA Immobilien Anlagen AG.



Hergestellt nach der Richtlinie des Österreichischen Umweltzeichens
„Schadstoffarme Druckerzeugnisse“ · Druckerei Janetschek GmbH · UWNr. 637

IMPRINT

Published by: CA Immobilien Anlagen AG, 1030 Wien,
Mechelgasse 1
Date of publication: May 2020
Photos: CA Immo
Inhouse produced with FIRE.sys

We ask for your understanding that gender-conscious notation in the texts of this Report largely had to be abandoned for the sake of undisturbed readability of complex economic matters.

