



one environment.

key performance indicators.

Annual revenue

	2017	2016
Total Output (€ m)	744.7	557.5

Staff

UBM development employees (as of 31.12.)	309	309
UBM hotel employees (as of 31.12.)	439	407

Real estate development

Gross floor area of the realised projects (m ²)	191,947	184,205
Projects realised (number)	15	11
Projects certified (number)	7	6

Standing assets

Energy consumption (kWh)	39,844,402	53,690,365
Intensity of GHG emissions (kg/m ²)	81	101

Hotel operations

Overnights (number)	629,004	458,563
Energy consumption (kWh)	24,768,367	22,477,638
GHG emissions (kg/overnight)	11	14

**green.
building.
sustainability.**

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Dear stakeholders,

A common goal, working together in a team and identifying with the company are the key for UBM's success. This is why we are pursuing the shared vision of **one goal.one team.one company**. A common goal bonds people and aligns everyone's focus in the same direction. We have defined our **one goal** as increasing the value of the company – this also means doing business sustainably and positioning ourselves long-term as a reliable partner for investors, general contractors and suppliers as well as an attractive employer.

Social and environmental aspects make up a major part of the sustainable increase in the company's value. It goes without saying that these aspects have to be taken into account on every decision. All of the initiatives in the environmental and social spheres are not an end in themselves; instead they make a contribution to our

one goal. And economic success serves as the umbrella of the UBM sustainability programme; after all, only an economically successful company will be able to permanently deliver on its responsibility to society.

Especially sustainability in the ecological sense is of huge importance for us, as we are shaping the spaces we will live in tomorrow through our actions today. The core business of UBM is real estate development in the sectors Hotel, Office and Residential. The decisions we make today, starting with selecting the location through to the concept of the energy system and the construction materials used, will determine the impacts on the global climate for decades to come. We are well aware of this responsibility and strive to embrace it through environmental, holistic project development. The fact that we are already doing justice to this responsibility is reflected in the many awards we have received. We are proud to hold a total of 13 sustainability certificates that we have acquired over the past two years alone.

And yet our approach to sustainability does not only affect the projects we develop, but also the way we work. The cooperation with our suppliers and customers is based on trust and mutual respect. The high demands that we have set for ourselves hold true in equal measure for our business partners and naturally for our approximately 750 employees. Motivated and highly skilled staff are a key success factor. The contribution of every individual forms the basis for our value generation, therefore we have to secure the framework necessary for a good working environment. After all, **one team** pulling together in the same direction can achieve so much more. It is only together that we will thereby live up to our goal of acting sustainably: **corporate.social.responsible**.

As you can see, sustainability is a priority for UBM. We are now documenting our sustainable achievements for the first time in the form of a Sustainability Report. We invite you to see in detail over the following pages how sustainability is being lived at UBM today as well as where we are still developing and improving. With this in mind, this report shows you the measures we have implemented to date and the objectives we will pursue in the coming years. (102-14)


Martin Löcker
COO


Thomas G. Winkler
CEO


Patric Thate
CFO

about ubm.

Business model

UBM Development AG is a real estate developer that is the market leader in Europe in the hotel sector. The company buys, develops and sells properties in established locations with potential for value added. Here UBM promotes forward sales in order to guarantee a well-balanced relationship between profitability and the risk profile. The company has a clear focus on the three core markets Germany, Austria and Poland as well as the three asset classes Hotel, Office and Residential. This allows UBM to invest in markets that offer optimal value added in the medium and long term under consideration of the balance between profitability and risk profile. The dual approach of a development portfolio that is diversified both by region and by investment opportunity differentiates the company significantly from the opportunistic approach in the industry. The core business of UBM is real estate development. By selling off standing assets, the transformation into a pure-play developer is being expedited. In addition to property development, UBM also acts as a hotel leaseholder. The income from this business sector enables the generation of additional long-term cash flows. The focus here is on the three to four-star segment in excellent locations. **(102-1, 102-2, 102-6)**

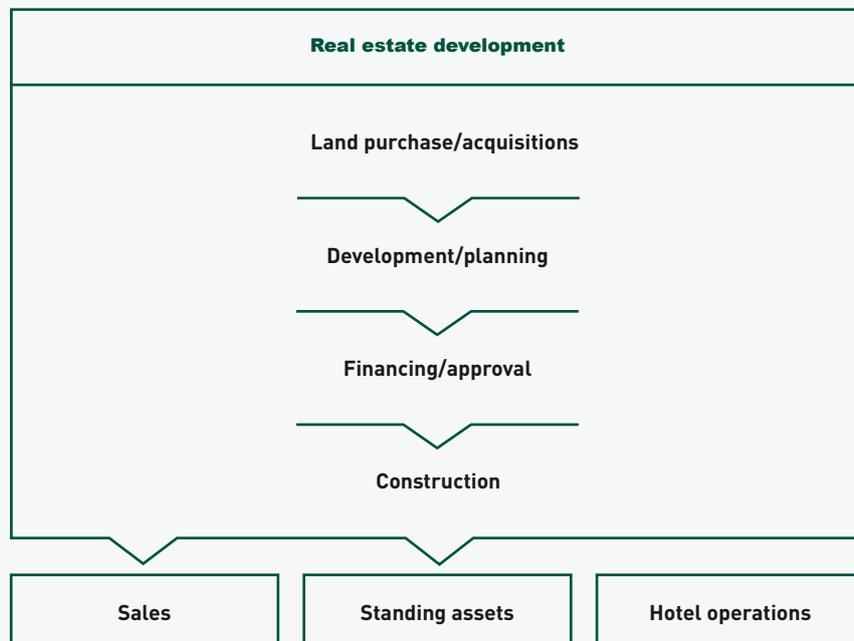
Value chain

The first phase of the value chain involves finding and evaluating the location, defined as acquisition and/or land purchase. This is followed by the development and planning phase. The initiation and financing take place parallel to the approval procedures. Once approval has been granted by the authorities, the project moves into the project realisation or construction phase. When marketing a property a difference is made between sales and letting, whereby the Company's transformation into a pure-play developer means that it is generally involved with sales rather than letting. However, for historic reasons there are also some standing assets in the UBM portfolio that are let. In the Hotel sector UBM often takes on hotel operations after selling the property through lease agreements. This means that UBM operates as the leaseholder of hotels it has developed itself, with ongoing operations handled by international hotel chains.

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Competency along the entire value chain is in the DNA of UBM. Not only in the technical sector – with more than 150 engineers, architects and project managers working at UBM – but also in all of the significant disciplines related to project development and realisation, UBM builds on its competencies in house. Here the primary focus is on taxes, financing, transaction management and sales. The supply chain of UBM consists of both products and services. The suppliers of services for real estate developments are first and foremost consultants such as architects, construction physicists, surveyors, statics experts etc., i.e. representatives of all of the disciplines necessary for the design and planning phase. As soon as a project enters the realisation phase, either a general contractor, individual companies or a combination of the above come into play. Once the building is completed, companies are charged with fulfilling various management tasks. When choosing business partners, UBM places a very high value on the experience from business relations and qualifications, while the company's general performance also serves as criteria in this choice. In the business model of hotel operations, regionalism plays a dominant role, which also extends to the aspect of staff. (102-9)

Value chain phases

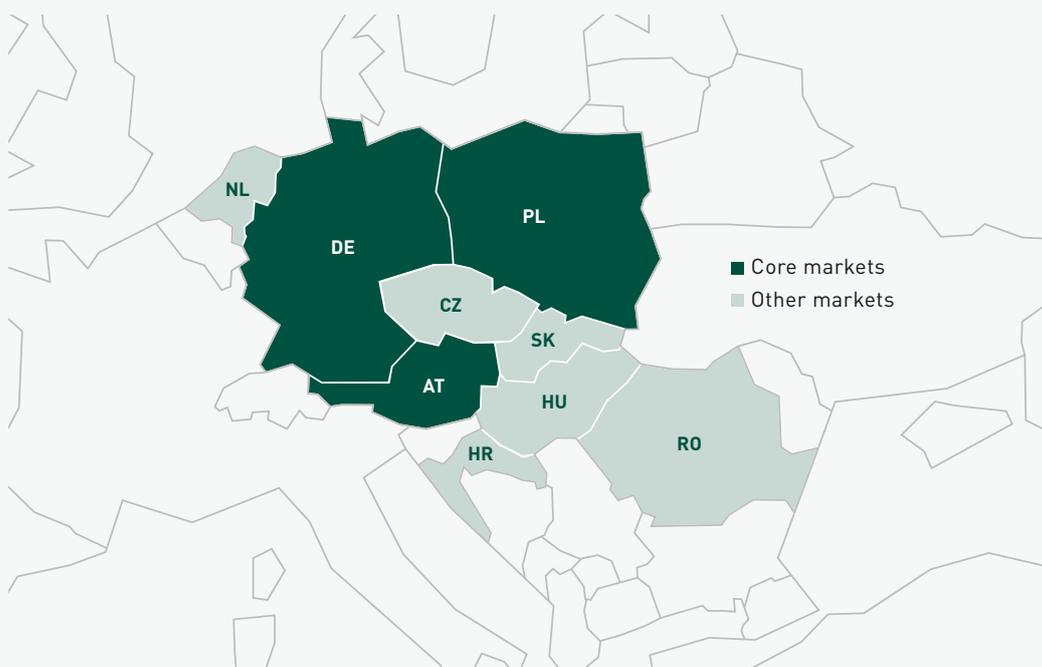


Focus on three core markets

In its business area of real estate development, UBM Development focuses on the three core markets of Germany, Austria and Poland. Ranked in terms of Total Output generated in 2017, 47% came from Austria, 19% from Poland, followed by Germany with 18% and other markets with 16%. In general, Germany and Austria represent the largest UBM markets. The somewhat lower Total Output from Germany in 2017 can be attributed to not finalising several large-scale projects until 2018, when they will first have an impact on Total Output. The medium-term planning specifies that in future 50% of investments will go to Germany, 30% to Austria, and 20% to the other markets.

The future pipeline on the three core markets is also bulging. Despite numerous completions in 2017, the project pipeline to 2021 has around €1.8 bn. UBM buys, develops and sells properties in established locations, thereby focusing on metropolises and centrally positioned cities such as Berlin, Hamburg, Frankfurt, Vienna and Warsaw. Here UBM applies a clear follow-your-customer approach. The second business area of UBM, represented by UBM Hotels, concentrates on operating eight hotels in three core markets and is present in the cities of Frankfurt, Munich (three hotels), Berlin, Amsterdam, Warsaw and Wrocław. **(102-1, 102-2, 102-6)**

Geographic presence



The company

Corporate structure

In the core area of real estate development UBM employed a total of 309 employees in eight countries as of 31 December 2017. The hotel operations (UBM Hotels) reported a workforce of 439 people from the fully consolidated companies.

With its subsidiaries, the company has access to an efficient local network, thereby guaranteeing its competitive positioning on the property market. In addition to the headquarters of UBM Development AG in Vienna, the following operational subsidiaries of UBM have been established: Strauss & Partner Development GmbH (Austria), Münchner Grund Immobilien Bauträger GmbH and Alba Bau Projekt Management GmbH (Germany), UBM Polska sp.z.o.o. (Poland), UBM Bohemia Development s.r.o. (Czech Republic), UBM Development s.r.l. (Romania), UBM Projektmanagement KFT. (Hungary), UBM Holding NL b.v. (Netherlands), UBM Slovakia s.r.o. (Slovakia). In addition, UBM Development AG has interests/companies in France, Bulgaria, Croatia, Ukraine, Luxembourg, Russia and Cyprus.

A rebranding is taking place in the second quarter of 2018 in order to present the Group's unity to the outside world. In future all subsidiaries in the development business will make a joint appearance under the UBM Development brand. **(102-3, 102-4, 102-7, 102-10)**

Shareholder structure

The share capital of UBM Development AG totalled €22,416,540 as of 31 December 2017 and is divided into 7,472,180 shares. The syndicate (Strauss Group, IGO-Ortner Group) holds 38.8% of the shares outstanding. The Executive Committee (top 20 management staff) has invested around €5m and participates in 5% of future value creation via a share option programme. 61.2% of the shares were held in free float; in terms of region, 31% of the free float is held in Austria, 28% in Germany, 20% in the UK, 20% in the rest of Europe and 1% miscellaneous.

Business performance and asset figures

In the 2017 business year UBM managed to increase its Total Output by 33.6% to €744.7m, while revenue totalled €364.7m. The main reason for the rise in Total Output was the successful implementation of the accelerated sales programme "Fast Track 17". Stand-out projects in the development sector included the two hotels and an office and micro-living project in Quartier Belvedere Central (QBC) in Vienna, the Kotlarska office property in Krakow, and the luxury Hyatt Regency hotel in Amsterdam. The net profit in 2017 was €37.0m, thereby climbing by 25.9% against the previous year. The net profit after non-controlling interests of €36.5m was even well above the record year 2015 (€33.8m). Earnings per share of €4.88 were generated in 2017, marking a significant rise on the previous year's value of €3.90.

As of 31 December 2017 equity totalled €355.4m. Together with the decrease in total assets to €1,130.9m, the equity ratio saw a significant rise to 31.4% (2016: 27.7%). With net debt of €477.9m, UBM was 30.9% down on the €691.2m as of 31 December 2016. This reduction was caused by the strong sales activities in the full year 2017, which brought in cash proceeds of almost €600m. Trade payables amounted to €70.8m at the end of 2017, while other financial liabilities (current and non-current) totalled €34.6m. Bond liabilities as of 31 December 2017 of €383.8m rose against the comparative date. The reason for this was the issue of a bond with a volume of €150m in October 2017. (102-5, 102-7)

Sustainability

The following goes into detail on the systematic approach to the issue of sustainability and the production of the Sustainability Report.

“We take action on sustainability across the Group.”

Sustainability process

As a project developer and also as a property owner, UBM has a weighty responsibility towards society. Especially in the real estate development sector, UBM can not only influence its own sustainable business activities, but also lay the foundations for future users (e.g. the choice of materials, energy supply). Moreover, the inclusion of sustainability aspects during the design, build and operations is a critical instrument for the sustainable retention of a property.

In order to be able to consider the focal points of the sustainability strategy in every phase of project planning, the relevant impacts and risks of UBM on society, the economy and the environment were identified and prioritised in a first step in workshops and in dialogue with internal experts.

The resultant thematic blocks were then condensed in a two-stage process. By analysing the value chain with a look at the industry-specific issues, it was possible to precisely determine the impacts and risks of the different sustainability aspects in every business area and in every phase.

When looking at the value chain it nevertheless became clear that partially different impacts and risks occur in the individual business areas of UBM in the different phases. This is why special attention was paid to the business areas of property development, standing assets and hotels.

The materiality of the issues resulted on the one hand from the relevance of the impacts on and risks for the areas of the environment, society and the economy, on the other hand from the significance for the different stakeholder groups. This is why the next step involved internal representatives asking the relevant stakeholder groups to prioritise the issues in regard to the environmental, societal and economic impacts of UBM.

The knowledge of the relevant stakeholder groups and their interests as well as the continuous exchange of views is the prerequisite for a reliable sustainability structure at UBM. This is why a more structured and comprehensive dialogue with external stakeholders (e.g. online tool) has been planned for the 2018 business year in order to verify the sustainability issues identified as material to date, along with the corresponding management approaches. The findings of the future processes should serve as a basis for optimising the sustainability strategy including the management approaches for the material sustainability aspects of the UBM Group.

Sustainability issues (results of the risk and impact analysis)

(102-47)

 <p>Biodiversity & soil sealing</p>	 <p>Recyclability & longevity of the materials</p>	 <p>Corruption & anti-competitive behaviour</p>	 <p>Occupational health & safety of staff</p>
 <p>Energy consumption</p>	 <p>Adapting to climate change</p>	 <p>Health & safety of end users</p>	 <p>Water consumption</p>
 <p>Staff further education & training</p>	 <p>Waste</p>	 <p>Data protection</p>	 <p>Impacts on the local economy</p>

The importance of certain issues and the control capabilities of UBM vary between the different business areas, a point that is also reflected in the structure of this report: issues related to staff and compliance are addressed jointly in the respective chapter for all business fields. All other issues are described in the context of the individual business fields.

“Many interests – one goal: projects that offer sustainable success.”

Stakeholder dialogue

UBM takes care to balance the interests of its stakeholders when conducting its activities. The relevant stakeholder groups have been worked out in detail along the value chain in talks with internal experts.

The substantial stakeholders for UBM include investors and the capital market, business partners (e.g. consultants, property managers, hotel operators and brands), customers and end users, purchasers, tenants, homeowners, hotel guests and naturally its own staff.

According to the materiality analysis, the issues of data protection and preventing corruption are a high priority for the group of investors. For designers and construction companies the issues of occupational health and safety, waste management and effects on the local economy represented the most important issues. Property managers and hotel operators prioritise low energy and water consumption at the properties above all, along with a reduction in emissions. They also rank the health and wellbeing of the end users as material.

The end users, for example homeowners or hotel guests, represent another stakeholder group for UBM. Their interests mainly lie in attention to health and safety, disabled access, data protection and energy management. The public, which includes neighbouring communities, authorities and the media, accord high importance to the waste generated, water consumption and transport emissions. Last but not least, the interests of UBM’s own employees are naturally of relevance to the company.

The staff appraisals have revealed that further education and training as well as high standards of safety at work should be promoted. Attractive working conditions and diversity are key foundations for the economic success of UBM.

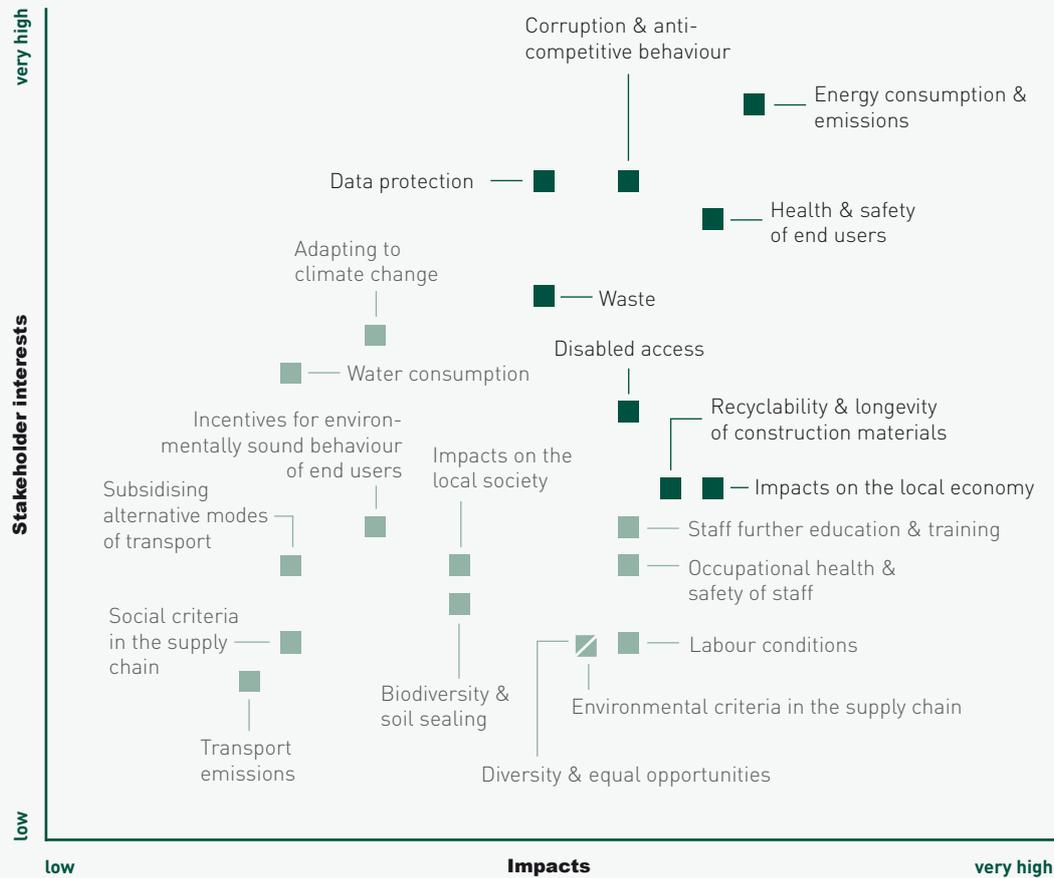
Dialogue with the stakeholders is currently taking place in direct meetings as well as in the course of trade fairs, consulting sessions or public information events. Employees have the chance to address their issues at various times throughout the year in internal information events.

(102-40, 102-42, 102-43)

“We identify the material issues and develop measures to address them.”

Materiality matrix

Based on the analysis of impacts and risks as described above together with the stakeholder interests, UBM has determined the following materiality matrix: **(102-44, 102-46)**



“We act in a way that is sustainable and forward-looking.”

Approach to sustainability

Environmental and social dimensions carry equal weight in determining the UBM sustainability programme. The economic performance serves as the umbrella of the UBM sustainability programme; after all, it is only an economically successful company that will be able to deliver on its responsibility to society long-term. This is why the common corporate objective “one goal” of the UBM Group also involves increasing the company’s value. This safeguards UBM’s entrepreneurial independence on the market, which is in the interests of every stakeholder. This goal also encompasses social and environmental components, as these aspects make up a significant share of the long-term and sustainable increase in the company’s value, which is why they are considered in every corporate decision.

In every phase of its lifecycle – from production (e.g. through use of materials and logistics) through to usage (e.g. building’s operations, maintenance) through to the end of its life (e.g. demolition) – a building generates emissions that can be measured in the potential for greenhouse gases, ozone depletion, ozone creation, acidification and over-fertilisation as well as abiotic depletion potential. These factors have a significant impact on the global environment as they affect the air, water and soil.

However, in terms of space and time, the impacts on the environment extend far beyond the respective location and the lifespan of the property. Remarkable factors include the effects on the local economy, education and the demand for skilled labour, as well as employment and the related effect on income. The impacts that result at the level of society and the environment should therefore deliberately strengthen positive developments. Any negative influences should be minimised.

(102-12)

UBM recognises that there has been a sharp rise in demand for sustainably developed properties among all stakeholders and people with an interest in the company's environmental, societal and economic performance. At UBM sustainable property developments strive, among other aspects, to apply a careful approach to resources, starting with the careful use of land for building, energy usage, reducing water consumption, responsible sourcing, or sustainability on the road. In this regard UBM has set concrete goals that are anchored under the sustainability benchmarks. These benchmarks are described in greater detail in the real estate development chapter.

The need to uphold the requirements of sustainable construction is being enshrined both in law and as a focal point for investors. This has encouraged the company to keep on pursuing this issue intensively. Sustainability criteria are systematically considered even before the purchase of a plot; this is guaranteed in organisational terms by the staff unit "CSR and Green Building". To secure additional support on a project basis, UBM brings in external experts already in the initial development phase of projects.

Basic responsibility for managing and upholding sustainability issues lies with the Management Board. Compliance matters are the responsibility of the Management Board and are implemented by the legal department. More details are given in the compliance chapter. **(102-16, 102-18)**

real estate development.

The core business of UBM involves real estate development in the segments Hotel, Office and Residential. Property development is highly relevant from an environmental viewpoint as the foundations for the future impact of properties on their environment are laid here. UBM strives to live up this responsibility through environmental project development encompassing every aspect. Sustainable development requires a long-term structural shift with the goal of reducing environmental and resource consumption to a permanently sustainable level under consideration of economic feasibility. Here the company lays claim to playing a leading role, as the sustainability rating of all properties including commercial real estate already comes as standard at UBM. The consideration of sustainability criteria when developing residential construction projects should also be promoted in the future. To this end UBM has set concrete goals that are anchored in the sustainability benchmarks. These benchmarks should facilitate the more consistent implementation and objective evaluation of the measures (e.g. energy consumption, water efficiency, microclimate, sustainability on the road, or responsible sourcing).

Impacts and risks

Along the entire value chain, property developments can have many positive and negative impacts. The energy, water and raw materials required in the production of construction materials contribute in various ways to climate change including through the gases emitted. A significant influence on energy consumption in subsequent operations can be achieved already in the design phase by choosing suitable energy sources. Equally, the use of renewable energies can conserve environmental resources and reduce the formation of greenhouse gases. Other far-reaching effects on the environment come from incursions into the ecosystem, e.g. in the form of soil sealing, the destruction of open spaces, and the disruption of water cycles. Noise, waste and pollution can occur through construction works and site traffic and these can have a direct

impact on neighbouring communities. Another hazard lies in the risk of accidents on the construction site. This aspect is addressed more precisely in the staff chapter under occupational health and safety. In general the health and safety at work of every worker is a foremost issue, but adherence to social standards by all companies working on the construction is also a priority. In particular the exploitation of temporary workers or workers not paid in line with the collective bargaining agreements of the country of deployment represent a risk incurred, for example when hiring construction companies. In addition, anti-competitive behaviour and corruption pose a risk, especially in the construction industry, and are thereby accorded huge importance across the Group (see also chapter on compliance). However, property developments also bring economic and social benefits for the local area. These can include impacts on employment and income and with regard to hotel operations, for example, also the establishment of outdoor areas and quality of stays. **(102-15)**

Management approach

The culture of sustainability is a way of life at UBM – the responsible approach to resources is integrated into planning and work processes and is continuously developed. Clear structures and responsibilities have been firmly anchored in the company via the process landscape “Green Building” and play a decisive role in achieving the sustainability benchmarks. The goal of the sustainability benchmarks is to improve the sustainability performance of buildings. Here UBM sets concrete targets in the fields of energy (e.g. reducing CO₂, percentage of renewables), water efficiency, microclimate and biodiversity, transport and responsible sourcing. The focus is on the careful use of resources, i.e. on sufficiency. The “Green Building” process should involve pursuing the goal of the consistent, lifecycle-oriented design of buildings. This enables environmental impacts and the use of final resources to be kept to a minimum across every life phase of a building.

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For UBM sustainability means attention to detail. By upholding the sustainability criteria included in the building rating systems, the impacts and risks related to property developments are minimised. These efforts are also reflected in the number of certificates held.

The certification system of the German Sustainable Building Council (DGNB) is the most commonly used system for the sustainability evaluation of real estate in UBM's core markets of Germany and Austria. It facilitates comparisons of sustainable building performance by applying measurable criteria and thereby serves as a helpful form of orientation for designers, investors and end users. In addition to the DGNB quality seal, other common certification systems on the market include the American system LEED and the British system BREEAM. UBM

makes use of these systems in order to illustrate the performance of its properties in regard to environmental, economic and social criteria.

UBM is committed to playing a leading role in sustainable property development. For this reason UBM undertakes certification of all commercial properties, offices and hotel buildings. The certification for mixed-use sites is being promoted, as demand for mixed-use properties is growing in major urban areas.

In the years 2016 and 2017 13 of the 26 projects realised were subjected to a sustainability evaluation. Furthermore, 4 of the 13 properties assessed received double certification, DGNB/ÖGNI and LEED (table 1).

Projects realised and certification (table 1)

	2017	2016
Projects realised – all asset classes (number)	15	11
Hotel	3	2
Office	4	3
Residential	7	4
Mixed – Logistics/Office	1	2
Total GFA¹ (m²)	191,947	184,205
Certified GFA (%)	71.61%	73.63%
Certified GFA (m ²)	137,445	135,639
Non-certified GFA (m ²)	54,502	48,566
Certification (number)	7²	6²
DGNB	4	6 ³
LEED	4	2
BREEAM	1	0

¹ Space on projects that have been certified twice was only counted once in determining the GFA.

² The figures are based on the absolute number of the projects not taking into account double certification.

³ The Alexanderplatz residential quarter holds a preliminary certificate to date.

UBM Development AG is a member of both the German Sustainable Building Council as well as the Austrian Sustainable Building Council (ÖGNI). In addition UBM was involved in initiatives including the initiation of the system BREEAM new constructions Germany, which officially launched at the MIPIM, as well as the introduction of the ÖGNI usage profile for the new construction of office and administrative buildings 2017.

(102-12, 102-13)

A sustainable corporate strategy involves more than invoking certified projects. This is why the topics that have a high significance for UBM in the sustainability performance of a building are explored in more detail.

(EPRA 4.16)

Soil sealing and microclimate

The first two phases in the UBM value chain are represented by the acquisition or, respectively, the land purchase and the development with accompanying design and planning. The goal of UBM is to avoid the conversion of unspoilt or non-built-up areas as far as possible and to limit the soil sealing of non-built-up areas. The conscientious approach to soil and outdoor areas should thereby contribute to improving the microclimate and maintaining biodiversity.

UBM promotes Brownfield developments. This primarily involves developments on sites located in urban areas, which were previously used for industrial or commercial purposes. In view of their proximity to the city, these plots are generally already embedded in an existing infrastructure and UBM therefore sees an opportunity to contribute to conserving resources. On the one hand the advantages lie in reducing the additional use of sites for construction purposes and in limiting the soil sealing of non-built-up areas, on the other these developments often come with economic benefits. This management approach is reflected in the number of projects realised. In the years 2016 and 2017, 17 of the 26 projects were

realised as so-called Brownfield developments. Additional soil renewal measures were undertaken on 9 of these 17 projects. This thereby involved removing the contaminated soil, separating out the waste components, and treating them; the resulting fractions were sent for disposal.

On every project an evaluation is carried out regarding the possible greening of additional areas of the building to enhance the microclimate. In future there should be an even stronger focus on this, whereby supporting urban biodiversity is already taken into consideration on every development. This is achieved through designing the outdoor areas with native plants, greening rooftops with sedum sprouts for nectar-drinking insects or through the integration of homes for protected species, such as housing for bees and bats or insect hotels.

(304-2)

Energy and emissions

Real estate accounts for a significant share of total energy consumption and consequently for greenhouse gas emissions. The release of emissions into the air, water and soil is the cause of an array of environmental problems. This is why UBM's goal is to calculate the emissions and resource consumption over the entire lifecycle with the aid of Life-Cycle Assessments and evaluate it with the application of benchmarks. Through the inclusion of external auditors to determine the typical Life-Cycle Assessment figures for the construction and the specific values for energy-related effects and to communicate them to the design team in a differentiated manner, this issue is already anchored in the early design and planning phase. Life-Cycle Assessments also account for grey energy, which is used for the manufacture, transport, storage, sale and disposal of a construction product including consideration of all precursor products through to raw material extraction and the energy needed for all related production processes. This instrument should be incorporated into sustainability reporting. Life-Cycle

Assessments were produced in line with the systems of DGNB/ÖGNI for the recent property developments as a result of the building certification process. However, in future this integral planning approach should be used in all new-build commercial projects regardless of the certification system. In addition to this, an expansion to other asset classes is under evaluation.

Final energy demand is a decisive factor when calculating the Life-Cycle Assessment. It is possible to achieve a reduction in the energy needed through appropriate concept planning, such as for example supplying a building with daylight or the use of renewables. With this in mind, energy concepts are developed in the early planning phase and evaluated in both monetary and environmental terms. In addition to reducing the overall energy demand, the percentage of renewables should be increased. On the basis of the sustainability benchmarks, the goal is to have a value that is at least 25% below the level of the primary energy consumption of the respective comparative value of the Energy Savings Ordinance (EnEV). The use of renewable energies should also be promoted. The target is to

have a value of at least 15% lower than the value of the electricity demand stipulated in the Renewable Energy Act, which should be covered by renewable energy (table 2).

The total calculated energy consumption in table 2 shows the expected annual energy consumption of the properties developed. The values for the final energy demand stated in the energy performance certificate were used to determine the sizes. If, as was the case with the Hyatt Regency in Amsterdam, no final energy demand value was available, then the primary energy demand was applied. In order to determine the CO₂ emissions, the levels stated in the energy performance certificate, whose disclosure is not obligatory by law, were primarily used. Wherever no data were available, in each case the latest disclosures on specific CO₂ emissions by type of supply as provided by the Agency for Renewable Energy (www.foederal-erneuerbar.de/landesinfo/bundesland) were used in the calculations. For the Pegaz property in Poland the two other Polish projects were used for the estimates as the result of a lack of available data.

Energy consumption (table 2)

(302-3, 305-3, 305-4; EPRA 4.7/4.8)

	2017	2016
Total calculated energy consumption (kWh)	18,391,365	15,978,712
GFA of the property developments (m ²)	191,947	184,205
Energy intensity (kWh/m ²)	96	87
Indirect GHG emissions (Scope 3) (t)	5,018	5,008
Intensity of total GHG emissions (kg/m ²)	26	27
Plot area (m ²)	62,121	124,811

Water consumption

The goal of reducing drinking water demand and wastewater generated has been specified in the attempt to conserve resources, along with avoiding disruption to the natural water cycle.

To this end, the production of a water concept is demanded by the specialist planners already in the pre-design phase. This means that the use of water-saving fittings or the installation of systems that use rainwater or greywater have to be evaluated in terms of cost/benefit aspects and incorporated based on the results. Furthermore, the feasibility of reducing water and thereby also wastewater is examined parallel to various fit-out elements, e.g. floor coverings and the building shell, for example the percentage of glass used or planting green roofs (extensive or intensive).

Sustainable mobility

The application or utilisation of the existing infrastructure for transport as well as encouraging the acceptance of new modes of transport such as electric cars, electric bikes, electric scooters, rental systems etc., are an important part of environmental traffic planning. UBM intends to enhance the user-friendliness of its buildings and thereby support access to alternatives to the car. Measures are required here in relation to user flexibility and user comfort.

This is why UBM is striving, among other things, to create parking places for different transport aids, install charging stations (at least providing for e-charging stations to be installed later on) and raise awareness by providing access to information on public transport.

Responsible sourcing

Another goal with the UBM property developments is the use of products in buildings and the related outdoor facilities that take into account the environmental and social effects on the supply chain. This applies in particular to the choice of construction productions and their sourcing.

Already in the course of design and planning and then later in the tender, award and finally construction phases, the use of tropical, subtropical and boreal woods should be avoided on principle and preference should be given wherever possible to native or Central European woods. When using natural stone in the future, care should be taken to prove that it has not been produced using child labour or forced labour (ILO conventions apply). Adherence to recognised ecological and social standards is monitored using the templates of trade and FSC/PEFC certificates, delivery notes and CE markings and certificates.

Health of the end users

Testing the materials used in terms of environmental construction aspects is mandatory in fulfilling one's responsibility to the building's users and the investors.

In developed economies the majority of the population spend most of their time indoors. The health-giving properties of buildings thereby have a major impact on people. A phenomenon mentioned nowadays in this regard is the so-called sick building syndrome. A healthy interior climate not only promotes good health, but also leads to increased performance. For this reason on new-build projects certified under DGNB/ÖGNI, UBM only accepts the use of construction materials and materials that meet the highest quality standards (quality

level 4). This stringent approach to environmental construction, e.g. choosing construction products for interiors that are low in odours and emissions and with low ambient air concentrations of volatile and odour-active substances, pave the way for good air quality. The percentage of volatile organic compounds (VOC), an indicator of air quality, is measured by external and accredited test centres. An expansion of the construction product management and the interior air quality measurements to include the previously uncertified asset segment Residential was already realised on the urban quarter Quartier Belvedere Central (QBC). Group-wide implementation of UBM's construction product management will be expedited. **(102-11)**

Supplier management

Potential risks also exist in the project realisation phase of property developments along the entire supplier chain. The focus on sustainable criteria within the service chain of business partners thereby represents an opportunity for UBM on the one hand to impart the values of the company and impose them on the business partner and on the other hand to mitigate risks.

Sustainability requirements, such as for example minimising the risks to the local environment through appropriate prod-

uct selection or sustainable materials sourcing, are already firmly embedded in the tender documents. UBM believes this approach to be a first important step towards incorporating suppliers into the efforts to promote sustainability. That said, arrangements still need to be put in place along the supply chain in order to ensure adherence.

In the years 2016 and 2017 UBM tied the evaluation and selection of suppliers to sustainability criteria on certain projects in the course of certification. In a subsequent step, the focus when awarding tenders is not only on the best-bidder principles, but also on the sustainability performance of the individual business partners. These were determined on the basis of various indicators and evaluated accordingly. All suppliers had to provide information on issues including the environment, social and employee affairs, human rights, combating corruption etc.

UBM intends to evaluate the implementation of this approach in more detail and on every project regardless of location and asset class. The primary goal for 2018 should be evaluating the introduction of sustainability criteria for business partners on commercial developments in Germany and Austria (in line with the specifications of the certification requirements).

Disabled access

For UBM the consideration of demographic shifts (e.g. people living longer) and the concomitant alignment of projects is an essential factor. This applies to the Residential and Office sectors and is especially true for the Hotel segment.

Humankind is changing; it is getting older and placing different usage demands on buildings. UBM wants to do justice to this shift through its developments. Disabled access is often taken merely to mean "accessible by wheelchair". However this description is too limited in its scope and does not cover the modern understanding of so-called "barrier-free" construction.

UBM is committed to optimising structures in such a way that the buildings are accessible to all people, regardless of whether they have a disability or not, and regardless of their age, and that these buildings can be accessed and used in the usual way without any special obstacles and fundamentally autonomously, i.e. without third-party assistance. The independent certification using the system of the German Sustainable Building Council substantiates these efforts. Under this system, failure to meet the disabled access criteria means that certification will not be granted. On its most recent hotels, UBM fulfilled the minimum requirements specified in the system, which at the same time reflect the legal stipulations, in line with its stated goals. In future the application of "barrier-free" construction criteria should be expanded and the so-called "three-senses principle" should also be accommodated at the technical level.

Climate change and buildings

The impacts on the environment have already been addressed in more detail in the individual subtopics. However, the issue of climate change also has multifaceted consequences on the way that people live and work. Direct and indirect consequences have already come to light. The real estate sector must also adapt the design of building analogue to the advance of climate change.

Related issues here include the action field for summer suitability and incidents related to flooding and heavy rain, as well as the action fields for low heating loads and the provision of CO₂-neutral energy. This results in many challenges that call on everyone involved in the design and planning process in equal measure. And there is an array of potential solutions of this kind. In recent years UBM has already been focused on counteracting the rise in interior temperatures in hotels through the use of sun-protection glazing and the careful selection of materials for the interior. A value of 20% below the maximum permissible solar gain value (Szul) was achieved on all DGNB-certified buildings.

Provision of energy that is more CO₂-neutral is already assessed on all commercial projects through the use of energy concepts. Should the location allow for renewables, then these are preferred. One aspect that is increasingly attracting attention, partly through media reporting, is the increase in the frequency and severity of heavy rainfall events. According to data from the Federal Environment Agency for 2014 to 2016,

across Austria 14.7 hectares of soil were sealed per day – the equivalent of 24 football pitches. Surfaces are built up, concreted, asphalted, plastered over or sealed in a different way. This incurs the loss of important soil functions, particularly water permeability and soil fertility. Therefore increased precipitation levels and the consistent prevention of water leakage in buildings have to be considered right from the design and planning phase. Technical features to address this can include non-return valves in places with greater exposure to infiltration ditches and low thresholds.

As a project developer, UBM not only looks to the future and how to shape it, it also asks the question of how properties that were realised long ago can now be operated in a more environmentally friendly manner. Some of the answers can be found in the following chapter.

projects realised.



2016

- 01 **Holiday Inn Express Munich City West** | Munich
- 02 **Holiday Inn Gateway Gardens** | Frankfurt
- 03 **Poleczki Businesspark** | Warsaw
- 04 **Trikot** | Munich
- 05 **Twin Yards** | Munich
- 06 **Riedberg Central Living** | Frankfurt
- 07 **Wohnquartier Alexanderplatz** | Berlin
- 08 **Aighof** | Salzburg
- 09 **Kahngasse** | Graz





2017

- 01 Hyatt Regency | Amsterdam
- 02 Holiday Inn Klosterstraße | Berlin
- 03 Kotlarska 11 | Krakow
- 04 Pegaz Times | Wroclaw
- 05 Poleczki Businesspark B2 + B3 | Warsaw
- 06 QBC 3 | Vienna
- 07 QBC 5 | Vienna
- 08 EURO PLAZA | Vienna
- 09 MySky | Vienna
- 10 Dorfschmiede | St. Johann
- 11 Seevillen | Neusiedlersee
- 12 Höhenstraße | Vienna
- 13 Schützenwirt | Thaur
- 14 Seefeld | Tirol

standing assets.

The firm integration in the corporate philosophy of considerations regarding the environment and sustainability is extremely important for UBM, as the resources available should be used sparingly in light of their natural regenerative capacity. This is why reducing energy, establishing a waste management system and creating a sustainable traffic and transport infrastructure are all on the agenda. **(102-16)**

The following chapter looks at standing assets, which UBM rents out, as well as properties rented by UBM. Together with the assets found in the portfolio of subsidiaries – Office, Retail, Residential – the standing portfolio of UBM consisted of 35 properties as of 31 December 2016. Following the sale of properties in Austria, the Czech Republic, Poland and Romania, there were a total of 21 properties in the standing portfolio as of 31 December 2017. The corporate sites of UBM, consisting of 15 offices in total, are located in major Austrian, Germany and Polish cities, as well as in Prague and Amsterdam. All of the office space is rented. **(102-4)**

Impacts and risks

The further development of sustainability assessments for standing assets shows that this sector is increasingly attracting interest. Buildings in the portfolio are among the largest energy consumers (heating, lighting, warm water). Energy consumed when operating real estate has irrevocable consequences for climate change. Here there is enormous potential in revitalising the way energy and water are consumed. Causes and interdependencies should be consistently evaluated. Buildings must be adaptable with regard to climate change and the related environmental impacts, e.g. the occurrence of heavy rainfall events. Flooding can endanger buildings in ways that include parts being submerged under water.

As the value chain is brought full circle, it ends with the demolition of a building, which in turn involves the use of resources. Consequently, the longevity and recyclability of the materials must be considered right from the design and planning phase.

People live and work in properties and have an impact on the environment just as buildings do. Users consume resources and produce waste and this is why a shift in consciousness is needed at the level of society. The building's performance must serve as the basis for sustainable use. If new modes of transport are provided at existing locations, these could be used in the same way as public transport.

UBM is more than aware of the Herculean task that it faces with standing assets in relation to the environmental impact of energy and emissions as well as the changing society. This is why in the coming years UBM will employ a responsible approach to the different environmental, social and economic demands related to standing assets. **(102-15)**

Management approach

UBM is making progress in its goal of increasing awareness of environmental aspects also for standing assets. In 2017 for example, the ISO 14001 certification was renewed for UBM Development AG, UBM Bohemia, UBM Polska and Strauss & Partner. Furthermore, the redrafting of the law on energy services (EDL-G), which initially led to the performance of energy audits at the properties owned by UBM, now addresses an organisation's internal energy streams.

On the basis of the findings of these audits, the building's weak points in terms of energy have been and will be shown; the proposed measures are subsequently implemented on a priority

reliability.durability.sustainability.

basis. All internal processes are adjusted to the individual property and its specific location-related factors in order to optimally fulfil the environmental and economic needs of energy supply and consumption and to enhance and retain the value of the buildings.

The implementation of an energy management system in line with DIN EN ISO 50001 is planned. This will allow UBM to meet and exceed the statutory requirements that only require an energy audit once every four years, as ISO 50001 calls for an annual assessment. This should sharpen the focus on reducing environmental impacts.

Finally, the asset manager together with the facility manager working on site is responsible for implementing the measures under application of the findings of the energy audit. This should ensure that any optimisation of operations in future does not only address classic criteria such as quality, costs and time, but also incorporates aspects of sustainability.

UBM also sees an opportunity to be proactive in its dialogue with its end users, the tenants. All new rental agreements should consist of so-called green lease agreements, which include a focus on sustainable criteria. In this way the tenant partners can also contribute to protecting the environment.

Approach to resources

The focus of environmental activities often lies in the new construction, whereby the question of whether the technical systems will run efficiently in the standing asset often takes

a back seat. There is therefore huge potential for savings with regard to standing assets – in terms of both costs and resources. UBM is thereby evaluating the framework for ongoing operations and determining the steps necessary.

Energy and emissions

The role of energy management is to optimise the provision, distribution and use of energy. The goal is to continuously reduce energy consumption and thereby also the CO₂ emissions and resources consumed in standing assets. The degree of environmental impact is not only tied to the energy efficiency of the building, but also to the sustainable use of the property, i.e. the approach to the available resources. This is why UBM plans to develop targets and measures, such as the choice of energy provider or switching over to renewable energy supply, or replacing the lighting with LED lamps. In addition, communication initiatives to raise awareness of the issue of saving energy among tenants should be expanded.

As individual user behaviour is not within the direct sphere of influence of UBM, control measures here are limited to notices or user handbooks, similar to guides for guests in the hotel sector. To this end, an initiative to sensitize people to the issue of a better approach to energy and energy savings potential has already been started in 2018.

The energy consumption of the fully consolidated standing assets and of the offices rented by the Group has been recorded for this report (table 3).

Standing Assets

Group offices KPIs (table 3)

(302-1, 302-3, 305-1, 305-2, 305-4)

	2017	2016
Total energy consumption (kWh)	643,866	612,929
GFA of the buildings (m ²)	6,024	6,073
Energy intensity (kWh/m ²)	107	102
Direct and indirect GHG emissions (Scope 1/Scope 2) (t)	239	224
Direct GHG emissions (Scope 1) (t)	5	6
Intensity of the GHG emissions (kg/m ²)	40	37

The information on the amount of energy consumed and the intensity could not currently be ascertained for the subsidiaries Münchner Grund and ALBA as the statements of the running costs are not available. The energy consumption for district heating and cooling in 2017 was estimated for the UBM holding company (the estimate was based on the 2016 consumption and the number of employees). The value from the year 2016 was used to determine the value of the electricity consumption in 2017 for the Premium Plaza property, as no more recent disclosures were available at the end of March (table 4).

The emission factors for determining the greenhouse gas emissions at the Group offices and standing assets came from the following sources, as long as not indicated otherwise on the receipts of energy companies. For properties in Austria the conversion factors of the Austrian Federal Environmental Agency were applied for 2017, in Germany data was used from the GEMIS database of the International Institute for Sustainability Analysis and Strategy (IINAS), as was the European Life Cycle Database 3.2 in Poland, the Czech Republic and Romania.

Standing assets KPIs (table 4)

(302-1, 302-3, 305-1, 305-2, 305-4)

	2017	2016
Total energy consumption (kWh)	39,844,402	53,690,365
Natural gas	3,120,921	6,626,605
Electricity	25,676,017	36,456,728
District heating	11,046,563	10,605,978
GFA of the buildings (m ²)	342,861	311,795
Energy intensity (kWh/m ²)	116	172
Indirect GHG emissions (Scope 2) (t)	26,946	30,044
Intensity GHG emissions (kg/m ²)	81	101

Water consumption

Water is one of the most valuable resources in existence. This is why UBM has already in 2018 implemented various measures to reduce water consumption both in standing assets and in the Group offices.

The subjective behaviour of employees and tenants can only be influenced to a very limited degree. This is why the approach is being implemented analogue to the reduction of energy consumption. Control measures in the form of user handbooks and notices were already introduced in 2018. These should continuously sensitize all users to the issues. Furthermore, at technical level, all installed fittings are being assessed for possible replacement with water-saving fittings as a reduction measure (see table 5).

100% of the water consumed came from the public water supply network.

The office space of the individual business sites is rented. As the charges for consumption at Group offices are gener-

ally paid at flat rates for operating costs, only limited data are available. As a result of this, only sites that could deliver reliable data were used in determining the water consumption. The Vienna headquarters (Group headquarters) was not included in the reporting, leading to a reduction in the GFA of the Group offices from 6,073m² to 2,806m² (2016) and from 6,024m² to 2,757m² (2017). Water consumption rose in 2017 as the result of a new office in Wroclaw starting operations.

The same applies to certain standing assets. The consumption is directly charged to the tenants by the water operators and can therefore not be reliably determined. The value from the year 2016 was used for the disclosure of water consumption at the Premium Plaza property for 2017, as no more recent disclosures were available at the end of March. The only values in terms of the reported size of the gross floor area related to properties for which the water consumption could be determined. This meant that the multi-storey car park PVA and the Brehmstraße parking lot were not included. This led to a reduction in the GFA from 311,795m² to 286,672m² (2016) and from 342,861m² to 317,737m² (2017).

Water consumption KPIs (table 5)

(303-1, ERPA 4.13)

	2017	2016
Water consumption in Group offices (l)	1,562,874	1,253,312
GFA of the buildings (m ²)	2,757	2,805
Water intensity (l/m ²)	567	446
Water consumption in standing assets (l)	59,465,756	56,543,058
GFA of the buildings (m ²)	317,737	286,671
Water intensity (l/m ²)	187	197

Managing recyclable materials

The waste generated from properties has significant environmental and economic consequences. Various legal specifications have to be upheld when managing recyclable materials. As UBM is active in a total of eight countries and therefore different laws apply, the superordinate task is to reduce the waste generated and to put in place the requisite basic framework for achieving this.

In 2018 an analysis of the status quo in regard to waste separation is being carried out for different properties, as unimpeded material cycles are indispensable for the environmentally sound management of operations. Possible measures for

optimisation are then determined, such as the provision of additional containers to allow for the complete separation of waste. The overriding goal is to produce limited amounts of waste requiring disposal. The basis for this comes from raising awareness of users and employees. Independently, the expansion of output data collection is being promoted (table 6).

Waste disposal is covered by flat rate charges for operating costs at many of the Group offices and the standing assets; otherwise it is directly settled with the tenants. Figures for recyclable materials were not applied in this report as the figure could only be gleaned from three sites. No hazardous waste was generated in the period under review.

Recyclable materials at standing assets (m³) (table 6)

(306-2)

	2017	2016
Total	86,078	152,798
Paper	25,280	50,733
Plastics	8,433	13,245
Glass	1,592	1,754
Residual waste	50,774	87,066

Standing Assets



01 Palais Hansen Kempinski | Vienna
02 Intercontinental | Warsaw
03 Holiday Inn Klosterstraße | Berlin



hotel operations.

In the last 25 years UBM has developed more than 50 hotels. Since 2016 UBM hotels Management GmbH has bundled the operating hotel knowhow of the Group and brought together all of the hotel leasing operations under a single roof. UBM serves as a leaseholder of 14 hotels that were developed by the UBM Group. For these hotels, management agreements have been concluded with international hotel chains who take care of ongoing hotel operations.

Impacts and risks

Substantial positive impacts on society and the economy can be seen in the hotel sector, such as job creation in the hotel or among external suppliers and service providers. This is generated for example when outsourcing housekeeping to a cleaning service or purchasing regional products. Providing sustainable modes of transport such as bikes for hire or information on public transport can have a positive impact on the environment. **(203-2)**

However, the positive effects – especially in the tourism industry – also come with negative ones. Through its high consumption of resources, the hotel business has a major impact on the environment. Hotels are commonly the most energy and resource-intensive of all commercial buildings. Risks can occur in relation to protecting the guests, for example the hygienic preparation of food and drinks or in maintaining the building's water quality. Depending on the hotel concept, large quantities of recyclable material can be generated in the form of foodstuffs, residual waste and also plastics fractions (amenities). Another area that has emerged as becoming ever more important through the stakeholder dialogues is data protection and/or loss of data. Technical breaches or hacking gives rise to the risk that the internal information or private data of guests is manipulated, stolen or deleted. This should be prevented through customised management systems. As in every area of the supply chain, in the hotel sector there is

also finally a danger of corruption, for example in the billing process. This aspect should be excluded through established standard operating procedures. **(102-15)**

Management approach

UBM can only indirectly control the impacts and risks from hotel operations, although it is well aware of the potential consequences. By selecting renowned international brands as hotel managers, the company safeguards the implementation of the respective standards. In this way, the project partners draw on diverse management systems, including those that are aligned to sustainable operations management, such as the "GREEN ENGAGE" system of the IHG chain for example. Under this system the hotels have a choice of 200 green solutions on hand to reduce electricity and water consumption, produce less waste, and thereby work in a more environmentally sound manner.

A measurement and monitoring system was developed in recent years in order to ensure the sustainable management of hotels and it has been installed in almost every hotel. Through targeted monitoring, it has been possible to precisely monitor the building services departments of UBM and the processes of its operators. The energy and monitoring system is described in more detail in the energy consumption and emissions chapter. Furthermore, in the years 2012 to 2014 a comprehensive energy savings project was conducted with the hotels, whereby different technical and operational measures were evaluated and implemented (with the involvement of the hotel manager). In addition, at least two hotels are subjected to a detailed energy audit annually.

Although the hotel's own quality checks and internal emblems (e.g. Green Engage at IHG) as well as third-party certificates (Green Globe, Green Key, etc.) are very strictly upheld and therefore additional checks are hardly necessary, UBM

service.brand.quality.

regularly conducts a more detailed investigation and evaluation. In this regard annual inspections are held with the owners, sometimes unannounced. Furthermore, mandatory stipulations have led to the organisation of additional measures such as evacuation drills or inspections by fire safety officers. Apart from this, random inspections of issues such as adherence to working hours are carried out. On top of this, employee safety issues are realised in cooperation with the operating partners such as IHG.

In addition, monthly reports on financial and non-financial changes are produced. These also specify information on employee fluctuation, support measures or training in regard to data protection. A significant factor here is paying attention to guest commentaries, for example on social media platforms and the operators' own review platforms. Finally, the operator has to conduct regular self-audits or third-party checks. Through the use of this wide range of measures, UBM attempts to effectively monitor the societal and social impacts and risks of hotels.



Approach to resources

With a view to sustainable corporate management, UBM has set itself the goal of keeping the environmental impacts that occur over the lifecycle of a property as low as possible. This holds true in particular for the goals to reduce energy and water consumption, the decrease in waste, and the preferential use of materials that are less harmful to the environment.

Energy consumption and emissions

One of the most important instruments for sustainable operations management is the energy monitoring system individually tailored to every property. With the aid of the measurement and monitoring system it is possible to oversee the technical systems relevant for operations and consumption once a building becomes operational and thereby potentially optimise operations. In addition, an energy and material flow management system (e.g. electricity, heat, water) is installed with automatic data display and storage. The data are sent to a central web server where they are transferred to a knowledge management system and evaluated. The measurement results and consumption data of the property are compared with the data from other hotels/properties. Medium values as well as upper and lower limits are calculated from the large number of consumption figures. Key indicators such as the building's floor area, the number of rooms and the occupancy rate are taken into consideration in the comparisons. However, the comparison of the consumption data also fulfils a monitoring purpose. This enables leaks in water, heating or gas distribution systems to be uncovered along with uneconomical operating conditions or procedures of individual operating systems (e.g. the operating hours of ventilation systems) or unfavourable conditions for electricity and district heating (e.g. limits on the peak load, minimum purchase requirement).

In addition to determining the status quo of energy supply and consumption, measures on the agenda for 2018 include ascertaining potential for the optimisation of running costs. An investigation of the product groups from cleaning products as well as their evaluation in terms of environmental, social and economic impacts has been initiated (table 7).

The emission factors for determining the greenhouse gas emissions come from the following sources. For properties in Austria the conversion factors of the Austrian Federal Environmental Agency were applied for 2017, in Germany data was used from the GEMIS database of the International Institute for Sustainability Analysis and Strategy (IINAS), as was the European Life Cycle Database 3.2 in Poland, the Czech Republic and Romania.

In 2016 19.3% and in 2017 22.5% of energy consumed came from electricity from renewables. Total consumption rose by 11.2%; this was caused by the opening of an additional hotel, the Holiday Inn Express in Berlin.

Water consumption

A hotel uses around 170 litres of water per guest per day; in luxurious hotels this can rise to more than double this value. On average, the cost of water per guest per day is around €2.40. And this is even before the cost of warm water heating is included. Reducing the water consumed in the hotel sector is thereby not only desirable from an environmental viewpoint, but also represents an economic factor.

In the hotels developed in the years 2016 and 2017 the use of water-saving fittings and regulation of the flow volume is already a technical standard and forms one of the internal sustainability benchmarks of UBM. The goal is to uncover additional potential for savings in the course of the energy audits and to implement them following a comprehensive cost-benefit analysis (table 8).

100% of the water consumed came from the public water supply network. The decrease in water intensity resulted from the measurement and monitoring system installed at the Holiday

Hotel operations KPIs¹ (table 7)

(302-1, 302-3, 305-1, 305-4; EPRA 4.7 and 4.8)

	2017	2016
Total energy consumption of hotel operations (kWh)	24,768,367	22,477,638
Electricity	9,099,867	8,115,817
Electricity from renewables	2,048,466	1,566,555
District heating	7,090,330	5,799,601
Natural gas	8,578,170	8,562,220
Energy intensity (kWh/overnight)	39	49
Indirect and direct GHG emissions (Scope 1/2) (t)	6,818	6,388
Overnights (number)	629,004	458,563
Intensity of GHG emissions (kg/overnight)	11	14

¹ Based on eight fully consolidated hotels

Water consumption¹ (table 8)

(303-1, EPRA 4.13)

	2017	2016
Total water consumption (l)	105,978,630	85,293,820
Water intensity (l/overnight)	168	186

¹ Based on eight fully consolidated hotels

Inn Munich Westpark in 2017. Factors making comparisons more difficult include the fact that the Holiday Inn Express Munich City West was opened in September 2016 and the Holiday Inn Express in Berlin started operations in 2017. Thereby a direct meaningful comparison will only be possible in the 2018 reporting period, when both hotels can report over a constant period.

Recyclables in hotel operations

The efforts to reduce environmental impacts also include the reduction of waste. The hotel managers of the individual accommodation providers work with public companies for the disposal of glass, paper, oil, plastics, residual waste and cooking oil.

The data evaluation showed that additional initiatives should be developed and implemented in this area already in the next year. For example, facilities should be provided so that the sep-

aration of the different recyclable fractions – paper, plastics and residual waste – is not only possible in the guest rooms, but also on the trolley of the housekeeping staff. From UBM’s viewpoint the changeover from amenities in the guest bathrooms to refillable soap, shower gel and shampoo dispensers also offers potential for reducing waste. The hotel properties developed in 2017 already use this refillable system.

The fact that waste is generated from hotel operations is unavoidable. But improvement measures such as disposal logistics can be initiated that will have both economic and environmental impacts. This is why from 2018 an assessment of the disposal logistics processes will take place in the course of the energy audits. This should result in economic goals such as reducing logistics costs, for example, as well as environmental goals such as conserving natural resources and minimising emissions (table 9).

Waste KPIs (m³)¹ (table 9)

(306-2)

	2017	2016
Total	6,347	5,436
Paper	1,822	1,620
Plastics	1,467	1,445
Glass	172	140
Residual waste	2,657	2,030
Organic waste	173	154
Cooking oil	9	8
Miscellaneous	47	39

¹ Based on eight fully consolidated hotels

Hotel Operations

The data on waste generated from the Holiday Inn Westpark were only available as a total amount. This data (172m³ in 2016 and 146m³ in 2017) was assigned to residual waste. No hazardous waste was generated in either of the reporting years (table 10).

Nevertheless, resource consumption is not only tied to buildings or technical systems themselves. In addition to the processes that take place behind the scenes, it is very important to involve the guests in sustainability initiatives. There are many efforts underway that can only be realised through the engagement and willingness of the guests. This is why a detailed guest guide was produced for the Holiday Inn Express Munich West, which opened in September 2016; the guide promotes a proactive contribution to reducing waste, environmental pollution and emissions. Activities, such as

those for example that inform the guests of the use of public transport, not only increase the visibility of the sustainability programme, but also empower guests to take independent action on sustainability. This conscientious behaviour is strengthened by a small sign of appreciation from the hotel (e.g. in the form of a voucher) for foregoing a daily change of laundry and/or towels as well as the daily cleaning service.

Another step towards sustainable operations management is training staff in behaviour that conserves resources and protects the environment. The importance of this issue is already reflected at management level and has an impact on the remuneration system of the hotel operator, whose management fee is based on the economic success of the hotel. This guarantees that the hotel operator pays the requisite attention to reducing energy consumption.

Waste intensity¹ (table 10)

	2017	2016
Waste intensity (m³/overnight)	0.010	0.012
Overnights (number)	629,004	458,563
Waste generated (m ³)	6,347	5,436

¹ Based on fully consolidated hotels

Hotel Operations



01 Holiday Inn Frankfurt Alte Oper | Frankfurt
02 Holiday Inn Warsaw City Center | Warsaw
03 Leuchtenbergring | Munich
04 Radisson Blu | Krakow
05 Holiday Inn Express Munich City West | Munich

staff.



Highly motivated and well-trained staff are a decisive success factor for UBM. The approximately 750 employees (309 development and 439 hotel) play a key role in the company's success. UBM is aware of its high responsibility to the workforce and creates an appropriate framework for a good working environment. The goal is to provide a motivating workplace that promotes good health and offers individual opportunities for development.

Impacts and risks

Potential risks in relation to staff vary depending on the sector. For example, in the field of employee health there is a higher risk in property development given that the danger of accidents on a construction site is higher than in asset man-

agement. Therefore increased attention here should be paid to upholding occupational health and safety standards and to creating fair working standards. Hotel operations also come with hazards in regard to occupational safety. In the hotel sector socio-cultural aspects are also relevant in addition to occupational safety issues. The potential for conflicts can arise when heterogeneous groups of people come together. This can apply, for example, to dealings with colleagues as well as the contact with guests. (102-15)

Management approach

UBM promotes qualifications, motivation and diversity within the company. The company thereby proactively and sustainably advocates for a workplace that promotes good health and

diversity.opportunities.development.

is free of discrimination as well as for a culture in which all employees enjoy mutual recognition and appreciation. The company treats all of its employees equally – without differentiating by gender, social background, sexual orientation, nationality, religion or age. Decisive action is taken against any form of discrimination. UBM sees diversity and equal opportunities in the company as an asset. As a company that operates internationally, UBM profits from the highly diverse team of employees and their input.

Equal opportunities in the workplace are an equally high priority for UBM. Under the gender equality policy there are no salary differences between men and women performing the same tasks and with sufficient qualifications and experience. The company is working hard on increasing the percentage of women. In job advertisements for technical positions UBM already addresses women specifically. 15 women hold leading positions, whereby the percentage has risen steadily in recent years. Furthermore, the company offers a Group-wide flexitime system in order to promote the balance between work and family life. UBM sees

value added in employing staff of different ages and promotes the exchange between young and old (buddy principle).

Legal requirements are upheld by UBM and its subsidiaries regarding the remuneration of all employees.

Facts and figures

As of year-end 2017 UBM employed a total of 748 staff members in eight countries, of which 361 were men and 387 women. Every individual contributes to the company's success.

A look at the age structure shows a well-balanced distribution. In the hotel sector, young staff aged between 20 and 30 predominate. In the overall Group, the highest percentage of employees have an average age of 30 to 40 years. 22.4% of the employees have taken the opportunity to work part-time. Women account for 82.2% of the part-time workers (table 11).

Employees by type of employment and gender (table 11)

	2017	2016
Total employees	748	716
Female employees	387	372
Male employees	361	344
Total full-time	641	635
Female full-time	302	302
Male full-time	339	333
Total part-time	107	81
Female part-time	88	70
Male part-time	19	11

Staff

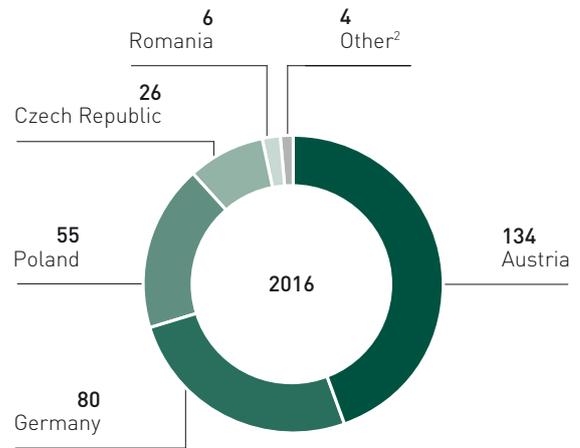
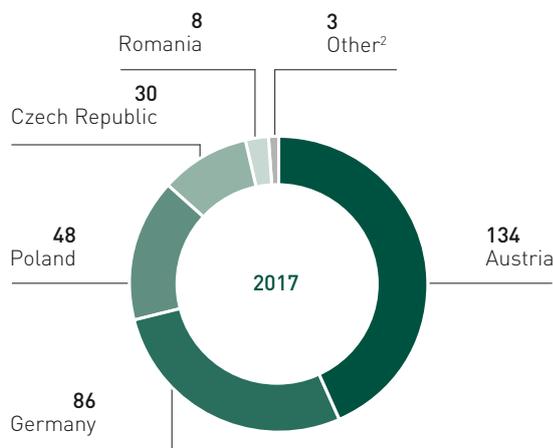
The 748 employees were divided as follows between the two business fields of development and hotel operations:

Employees by business segment (table 12)	(102-8)	
	2017	2016
Development	309	309
Female employees	140	145
Male employees	169	164
Hotel operations	439	407
Female employees	247	227
Male employees	192	180

Development age groups (table 13)		
	2017	2016
Total development employees	309	309
Employees aged between 20–30	39	34
Employees aged between 30–40	91	91
Employees aged between 40–50	104	115
Employees aged > 50	75	69

Hotel operations age groups (table 14)		
	2017	2016
Total hotel operations employees	439	407
Employees aged between 20–30	205	184
Employees aged between 30–40	154	150
Employees aged between 40–50	58	53
Employees aged > 50	22	20

Development employees by country¹



¹ The country-specific breakdown of employees in the hotel sector can be found in the appendix.
² Bulgaria, Hungary, the Netherlands

Enhancing competencies (further education and training)

One core component of staff development is the introduction of a performance review for every employee – regardless of their employment category – in the form of an annual staff appraisal. In the course of this meeting, managers and employees have the chance to reflect together on the previous period and then set further objectives for the next year. The performance review is recorded in a written document. **(404-3)**

The UBM personnel strategy proactively offers further development opportunities, while the independent development of employees is promoted and supported at the same time. The company itself offers a range including training in skills

acquisition and foreign languages, as well as on the topics of work methods, soft skills, time and conflict management approaches in addition to entrepreneurial thinking and behaviour. There is a focus on promoting a stronger culture of responsibility. Through seminars employees should be encouraged to embrace challenges and responsibilities, make decisions, and engage in open communication.

Diverse further education measures can be found in an internal training catalogue or employees can attend courses from external providers. At present only training sessions booked via an internal platform are centrally recorded. In 2018 the Group-wide recording of further education parameters should be expanded to include various parameters such as the type and length in days or hours, or the number of sessions.

Occupational health and safety

UBM is committed to ensuring that the health of its employees is not negatively affected through their work in the company and that they have a strong feeling of wellbeing. This also applies to the design of the new Group headquarters, which boasts different indoor and outdoor zones. Furthermore, adherence to occupational health and safety standards is a basic prerequisite.

The safety of its staff is a top priority for UBM. This is why creating a safe work environment is essential. A particular risk for staff is posed on the construction sites of real estate developments. This is why the task of repeated inspections regarding occupational safety has been handed over to an external coordinator for health and safety. This should be a neutral way to ensure adherence to the Construction Work Coordination Act.

In the hotel sector UBM contractually obliges the hotel operators to run the hotel in line with legal requirements. These include upholding safety and fire regulations as well as providing an occupational health practitioner. The operator is legally required to document accidents at work. Protection for employees should be optimised in 2018 through the introduction of a Group-wide work and safety committee.

Healthy employees are an invaluable asset for any company and various measures have been initiated at UBM to this end. In addition to securing healthy jobs, this also involves proactive prevention projects. Included here are offers to promote good health such as company sports or the chance to participate in various running events in Vienna as a member of the "UBM express". Participating in events such as these should not only promote good health, but also the team spirit within the company. In addition the company provides an annual subsidy for membership of a fitness studio. **(102-11)**

In 2016 and 2017 there were no provisions for issues related to occupational health and safety (table 15).

The increase in accidents and the consequent accident rate can be explained by the new construction and modernisation measures in a hotel in Germany. 10 of the 14 accidents are assigned to the hotel sector, which is being expanded in terms of ongoing operations and redesigned completely in terms of guests as well as in the public sector. By mixing construction sites and hotel operations, employees were exposed to a higher risk. The severity of the injuries was kept within limits thanks to a health and safety protection plan. However, negligence led to slight leg injuries caused by stumbling for example. The accident rate stood at 1.67 in 2016 and 21.94 in 2017. The lost days were counted on the basis of the time-recording system from the first day of sick leave. No fatalities were reported.

Occupational health and safety KPIs (table 15)

(403-2)

	2017	2016
Sick days	7,507¹	6,602¹
Development	2,134	2,302
Hotel operations	5,373	4,300
Hours worked	1,067,428	1,025,492
Development	429,380	426,774
Hotel operations	638,048	598,718
Accidents	14²	1²
Development	n.a.	n.a.
Hotel operations	14	1
Accident rate (hotel operations)	21.94³	1.67³

¹ Sick days and lost days of work are counted as calendar days – whereby hotel operations take place 24 hours a day for 365 days.

² No information is available for the development sector.

³ The system of "Return on sustainability system" is used for calculating the accident rate – a method developed by the Institute of Applied Research Berlin with various Berlin universities.

Remuneration

UBM places a high value on guaranteeing social working conditions, which includes paying appropriate remuneration. The collective bargaining agreement serves as a foundation for this. The contracts with all employees from the development sector are based on the collective bargaining agreement for employees working for property managers. In the hotel sector around half of the staff are employed under collective bargaining agreements. An exact determination of the status quo will

be produced in 2018. Capable, healthy employees also need time to recuperate. This is why a great deal of value is placed on limiting working hours and respecting vacation time. Flexible models of working hours with full-time, part-time or flexitime models increase the health and social comfort for staff.

Finally, UBM refers to its Code of Conduct, in which upholding human rights is firmly embedded. This should thereby encourage a fair and pleasant working requirement. More details are given in the compliance chapter. **(102-41)**

compliance.

Responsible and transparent management is a top priority for UBM – it serves to safeguard the company's success and reputation long-term. The application of compliance management should ensure the seamless adherence to legal stipulations. As a complement to this, UBM has drawn up rules of behaviour for impeccable and exemplary conduct through various internal guidelines and a Code of Ethics. In addition, comprehensive compliance guidelines should prevent rule breaking in the company.

Impacts and risks

The most serious compliance risk for UBM in the field of corruption lies primarily in the awarding of projects. At this point in time there are many people involved in the decision-making process. The lawful inspection of the tender is thereby a top priority. As a comparison, the risks in the asset management sector are relatively modest as they mainly relate to the field of activity of the broker. In hotel operations UBM is also exposed to a certain risk of corruption, primarily relating to the areas of purchasing and accounting. An additional compliance risk lies in respecting human rights, particularly non-adherence to paying the minimum wage. This mainly affects the deployment of outside personnel on construction sites. Moreover there is a danger that certain labour standards are not upheld or that there is discrimination in the workplace. **(102-15)**

Anti-corruption and competitive behaviour

UBM has introduced numerous measures to prevent corruption and raise staff awareness of potential hazards in this regard. Every employee commits to uphold the company's Code of Ethics. This states that transparent and fair market behaviour is a top priority for UBM. Also anchored therein is that it is strictly forbidden for employees to indirectly offer and

accept any benefits if they would thereby influence business transactions in an improper way. Employees are trained by the compliance department when they join the company. The Management Board has additionally called for the compliance department to develop regular training sessions on different legal areas in order to raise awareness among staff of possible potential hazards. At least once a year e-Learning sessions are held on various legal aspects (most recently data security and competition law) and are mandatory for all employees. Training is also being provided for employees in the hotel sector on the issue of data security. Data protection is a top priority for UBM, whereby the confidential handling and protection of personal data is self-evident.

The company is currently planning special measures for hotel staff to facilitate anti-corruption training for this employee group in 2018. Furthermore UBM has set the goal for 2018/2019 of producing additional guidelines on tender awards, money laundering, conflicts of interest and contract review.

Employees with access to confidential information additionally have to guarantee in writing that they will keep the sensitive information confidential. In addition to the regular e-Learning sessions, people in the so-called confidentiality spheres will also attend special training sessions once a year. The introduction of an internal and external whistleblower system should additionally protect the company from improper behaviour. Any trading in financial instruments issued by UBM itself (such as shares or bonds) by members of the Management Board, Supervisory Board and other managers is published in the form of directors' dealings announcements. These serve to oversee purchase behaviour on the stock market. In general, with the aid of e-Learning, employees are encouraged to report any breaches or anomalies to the legal department. The Supervisory Board does not receive any additional training.

ethics.fairness.safety.

Alongside its own staff, UBM also includes external suppliers in various confidentiality spheres. In 2017 this applied to 105 external persons. 24 persons were included in multiple ad hoc confidentiality spheres. These were established on a temporary basis for highly confidential projects and applied to the group of people affected. Upon conclusion of the project the confidentiality sphere was once again disbanded.

In 2017 there were 48 persons in permanent confidentiality spheres. This applied in particular to people who deal with especially sensitive information on a daily basis. 33 people were therefore included in both permanent and ad hoc confidentiality spheres.

UBM thereby fulfils the regulations of the Market Abuse Regulation and the Austrian Stock Exchange Act.

Any legal proceedings are handled by the company's legal department (table 16).

Respect for human rights

In order to ensure that no human rights violations occur in the company, UBM has firmly anchored this aspect in its Code of Ethics. As stated therein, "UBM does not tolerate any form of discrimination and promotes equal opportunities and equal treatment, regardless of skin colour, nationality, social background, any disabilities, sexual orientation, political or religious convictions, gender or age. The personal dignity, the private sphere and the personal rights of every individual are respected and sacrosanct. Degrading treatment of the workforce, for example through physical abuse, sexual harassment or similar shall not be tolerated". The issue of respecting human rights is not presented in detail here as it was not classified as material when prioritising topics. Every employee is obligated to uphold the aforementioned code. No training is currently conducted in this area. A structured inspection of adherence is not carried out, although all employees are instructed to report any breaches to the company. In 2016 and 2017 there were no internal reports of any possible violation of human rights. **(EPRA 102-17)**

Compliance KPIs (table 16)

(205-3, 206-1)

	2017	2016
Instances of corruption (number)	0	0
Legal proceedings for anti-competitive behaviour (number)	0	0
Costs for court cases and financial penalties (€)	0	0
Provisions for court cases and financial penalties (€)	0	0

appendix.

About the report

2017 is the first business year for which UBM Development has published a Sustainability Report. It is aligned to the guidelines of the Global Reporting Initiative (GRI), the international guidelines for sustainability reporting, and fulfils the legal requirements pursuant to Section 243b of the Austrian Commercial Code in conjunction with Section 267a of the Austrian Commercial Code (Austrian Act to Improve Sustainability and Diversity). The report conforms to the Core option of the GRI standards 2016. All of the information cited in the report relates to the UBM Group unless otherwise indicated.

The goal of this Sustainability Report is to secure transparency, facilitate comparisons of UBM's sustainability activities with those of other property developers, and inform the interests of all persons and stakeholders with an interest in the environmental social and economic performance of UBM. The Sustainability Report will be published annually from 2018. The evaluation and audit of the first UBM Sustainability Report was conducted internally.

Goals and measures 2018–2020

Topic	Goals	Measures
General		
Professionalising the CSR management and strategy	Expand and further develop the management approaches as well as the Group-wide anchoring of the sustainability strategy	More comprehensive stakeholder dialogue, expert interviews, surveys etc. Integrate the Green Building process
Data management	Expand, optimise and extend the internal reporting and monitoring system	Further consolidation of the sub-indicators for the most material sustainability topics Status quo determination of data sources and data goals
Real estate development		
Standing assets and new builds	Expand building certifications	Exclusively develop certified projects in the Office asset class Evaluate the expansion of building certification to residential properties and standing assets
Implementing the UBM sustainability benchmarks	<p>Improve the sustainability performance of buildings – for all assets in regard to the areas:</p> <p>Energy:</p> <ul style="list-style-type: none"> ■ Reduce the percentage of CO₂ ■ Construction and usage ■ Increase the use of renewables – as a percentage of total energy – in construction and exploitation <p>Water efficiency:</p> <ul style="list-style-type: none"> ■ Reduce water consumption <p>Microclimate and biodiversity</p> <p>Traffic and transport:</p> <ul style="list-style-type: none"> ■ Passenger transport (public/not public) <p>Responsible sourcing</p>	<p>Create benchmarks and target value attainment:</p> <ul style="list-style-type: none"> ■ LCA and LCC valuations along the performance phases 2, 4, 5 and 9 ■ Water concepts with a focus on infiltration, the use of greywater and/or rainwater and minimising fresh water consumption ■ Evaluation using the values determined on water consumption indicators ■ Conscientious rooftop design ■ Focus on designing outdoor areas with regard to biodiversity ■ Limit soil sealing ■ Increase the number of bicycle parking spaces ■ Integrate new forms of transport ■ Focus on raw materials: the use of regional construction materials, particularly wood/timber products, natural stone and cork
Environmental construction materials and materials	Survey the product groups and volumes for predefined main groups	Introduce the measurement of environmental impacts on selected property developments > Lifecycle Assessment

Appendix

Topic	Goals	Measures
Standing assets/Group offices		
Energy management	Targeted optimisation of the energy usage and cost cutting	Establish an energy management system – ISO 50001
Waste management	Increase resource efficiency	Survey the installation area
	Reduce amounts of recyclables and operating costs	Introduce a sustainable waste management system
Hotel operations		
Resource consumption	Raise awareness on a better approach to energy as well as potential savings during the cycle of a property	Create information opportunities for a better approach to resources (energy, water and waste) for ■ guests ■ staff
	Evaluation of savings potential during the cycle of a property	Expand and install the energy and monitoring system
Staff		
Staff satisfaction	Increase staff satisfaction and optimise process flaws (360° process)	Continue the dialogue with employees and the identification of measures
Staff qualifications	Expansion of training offers	Individual further education and training measures
Compliance		
Preventing corruption	Realise and implement the anti-corruption guidelines in the Group processes	Oversee the implementation Ongoing employee training on the issue of preventing corruption using an e-Learning tool
Data protection	Realise and implement the anti-corruption guidelines in the Group processes	Oversee the implementation

Our material sustainability topics in relation to the issues in the Austrian Act to Improve Sustainability and Diversity:

Issues pursuant to the Austrian Act to Improve Sustainability and Diversity	Material sustainability topics
Environmental issues	Energy consumption
	Waste
	Recyclability & longevity of materials
	Biodiversity & soil sealing
	Water consumption
	Adapting to climate change
Social issues	Health & safety of the end users
	Data protection
Respecting human rights	Impacts on the local economy
Combating corruption & bribery	Labour conditions
Staff issues	Corruption & anti-competitive behaviour
	Occupational health & safety of staff
	Staff further education & training

Certificates 2016/2017



Arena Boulevard,
Berlin, DE (2016)¹
Trikot Office,
Munich, DE (2016)¹
Campus Zalando BT A,
Berlin, DE (2016)²
Campus Zalando BT B,
Berlin, DE (2016)²
Holiday Inn EiffestraÙe,
Hamburg, DE (2016)²
Super 8 EiffestraÙe,
Hamburg, DE (2016)²
Holiday Inn
Gateway Gardens,
Frankfurt, DE (2017)¹
Holiday Inn Express
KlosterstraÙe,
Berlin, DE (2017)¹
MySky,
Vienna, AT (2016)³
QBC 6.1,
Vienna, AT (2016)³
QBC 6.2,
Vienna, AT (2016)³



Twin Yards,
Munich, DE (2016)¹
EURO PLAZA 6,
Vienna, AT (2016)²
QBC 5,
Vienna, AT (2017)¹
Hafenallee Super 8,
Mainz, DE (2016)³
QBC 1+2,
Vienna, AT (2017)²
QBC 3,
Vienna, AT (2016)¹
QBC 4,
Vienna, AT (2016)¹
Holiday Inn Express
Am Hirschgarten,
Munich, DE (2017)¹



Poleczki Business Park
Buildings B2+B3,
Warsaw, PL (2016)¹
Pegaz Times II,
Wroclaw, PL (2017)¹
Kotlarska 11 Offices,
Krakow, PL (2017)¹
Holiday Inn
Gateway Gardens,
Frankfurt, DE (2017)¹
Leuchtenbergring,
Munich, DE (2016)³
MySky, Vienna, AT (2016)³
QBC 1–5, Vienna, AT (2016)³
Holiday Inn
Warsaw City Centre,
Warsaw, PL (2016)³
Poleczki Business Park
Buildings C2+D
Warsaw, PL (2016)¹
Mogilska Offices,
Krakow, PL (2016)³
Hotel, Gdansk, PL (2016)³



Arena Boulevard,
Berlin, DE (2016)¹



Hyatt Regency,
Amsterdam, NL (2017)¹

¹ Certified
² Preliminary certification
³ Certification pending

GRI content index

GRI Standard	GRI Standard Title	Sub-items are not listed	Pages in report	Comments/reasons for omission	
GRI 101 Basics 2016					
GRI 102 General standard disclosures 2016					
GRI 102	General disclosures	102-1	Name of the organisation	4, 6	
GRI 102	General disclosures	102-2	Activities, brands, products, and services	4, 6	
GRI 102	General disclosures	102-3	Headquarters	7	
GRI 102	General disclosures	102-4	Location of operations	7, 24	
GRI 102	General disclosures	102-5	Ownership and legal form	8	
GRI 102	General disclosures	102-6	Markets served	4, 6	
GRI 102	General disclosures	102-7	Scale of the organisation	7, 8	
GRI 102	General disclosures	102-8	Information on employees	38	
GRI 102	General disclosures	102-9	Supply chain	5	
GRI 102	General disclosures	102-10	Significant changes to the organisation and its supply chain	7	
GRI 102	General disclosures	102-11	Precautionary principle or approach	19, 40	
GRI 102	General disclosures	102-12	External initiatives	12, 16	
GRI 102	General disclosures	102-13	Membership of associations	16	
GRI 102	General disclosures	102-14	Statement from the senior decision-maker	3	
GRI 102	General disclosures	102-15	Key impacts, risks and opportunities	14, 24, 30, 36, 42	No Core disclosure
GRI 102	General disclosures	102-16	Values, principles, standards and norms of behaviour	13, 24	
GRI 102	General disclosures	102-17	Mechanisms for advice and concerns about ethics	43	No Core disclosure
GRI 102	General disclosures	102-18	Governance structure	13	
GRI 102	General disclosures	102-40	List of stakeholder groups	10	
GRI 102	General disclosures	102-41	Collective bargaining agreements		
GRI 102	General disclosures	102-42	Identifying and selecting stakeholders	10	
GRI 102	General disclosures	102-43	Approach to stakeholder engagement	10	
GRI 102	General disclosures	102-44	Key topics and concerns raised	11	
GRI 102	General disclosures	102-45	Entities included in the consolidated financial statements		See Annual Report from p. 134

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GRI Standard	GRI Standard Title		Sub-items are not listed	Pages in report	Comments/reasons for omission
GRI 102	General disclosures	102-46	Defining report content and topic Boundaries	11	
GRI 102	General disclosures	102-47	List of material topics	9	
GRI 102	General disclosures	102-48	Restatements of information		1 st edition, thereby no restatements
GRI 102	General disclosures	102-49	Changes in reporting		1 st edition, thereby no restatements
GRI 102	General disclosures	102-50	Reporting period	44	
GRI 102	General disclosures	102-51	Date of most recent report	44	1 st edition
GRI 102	General disclosures	102-52	Reporting cycle	44	
GRI 102	General disclosures	102-53	Contact point for questions regarding the report	62	
GRI 102	General disclosures	102-54	Claims of reporting in accordance with the GRI standards	44	
GRI 102	General disclosures	102-55	GRI content index	52	
GRI 102	General disclosures	102-56	External assurance		The evaluation has currently been conducted internally.

GRI 200 Economic performance 2016

GRI 203 Indirect economic impacts 2016

GRI 103	Management approach	103-1	Explanation of the material topic and its Boundary		
GRI 103	Management approach	103-2	The management approach and its components		
GRI 103	Management approach	103-3	Evaluation of the management approach		
GRI 203	Indirect economic impacts	203-2	Material indirect economic impacts	30	

GRI 205 Anti-corruption 2016

GRI 103	Management approach	103-1	Explanation of the material topic and its Boundary		
GRI 103	Management approach	103-2	The management approach and its components		
GRI 103	Management approach	103-3	Evaluation of the management approach		
GRI 205	Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures		
GRI 205	Anti-corruption	205-3	Confirmed incidents of corruption and actions taken	43	

GRI 206 Anti-competitive behaviour 2016

GRI 103	Management approach	103-1	Explanation of the material topic and its Boundary		
GRI 103	Management approach	103-2	The management approach and its components		

Appendix

GRI Standard	GRI Standard Title		Sub-items are not listed	Pages in report	Comments/reasons for omission
GRI 103	Management approach	103-3	Evaluation of the management approach		
GRI 206	Anti-competitive behaviour	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	43	

GRI 300 Environmental topics 2016

GRI 301 Materials 2016

GRI 103	Management approach	103-1	Explanation of the material topic and its Boundary		
GRI 103	Management approach	103-2	The management approach and its components		
GRI 103	Management approach	103-3	Evaluation of the management approach		
GRI 103	Materials	301-1	Materials used by weight or volume		The information required is currently only available for DGNB-certified projects and is not shown in this report as it is not possible to make comparisons with the other properties developed. ¹

GRI 302 Energy 2016

GRI 103	Management approach	103-1	Explanation of the material topic and its Boundary		
GRI 103	Management approach	103-2	The management approach and its components		
GRI 103	Management approach	103-3	Evaluation of the management approach		
GRI 302	Energy	302-1	Energy consumption within the organization	17, 26	The information required could not be provided for the subsidiaries Münchner Grund Immobilien Bauträger GmbH and ALBA. The energy consumed for district heating and cooling in 2017 was estimated for the UBM holding company (the estimate was based on the 2016 consumption and the number of employees). ¹
GRI 302	Energy	302-2	Energy consumption outside of the organization		The information required could not be provided for the subsidiaries Münchner Grund Immobilien Bauträger GmbH and ALBA. The energy consumed for district heating and cooling in 2017 was estimated for the UBM holding company (the estimate was based on the 2016 consumption and the number of employees). ¹

¹ An approach to data collection will be developed by the time of the next report in 2018.

Appendix

GRI Standard	GRI Standard Title		Sub-items are not listed	Pages in report	Comments/reasons for omission
GRI 302	Energy	302-3/ EPRA 4.7	Energy intensity	17, 26, 32	The information required could not be provided for the subsidiaries Münchner Grund Immobilien Bauträger GmbH and ALBA. The energy consumed for district heating and cooling in 2017 was estimated for the UBM holding company (the estimate was based on the 2016 consumption and the number of employees). ¹
GRI 303 Water 2016					
GRI 103	Management approach	103-1	Explanation of the material topic and its Boundary		
GRI 103	Management approach	103-2	The management approach and its components		
GRI 103	Management approach	103-3	Evaluation of the management approach		
GRI 303	Water	303-1 EPRA 4.13	Water withdrawal by source	27, 33	As a result of the materiality analysis the information required for this report relates exclusively to the hotel operations segment. By the next report an approach will be developed for gathering data on every asset class.
GRI 304 Biodiversity 2016					
GRI 103	Management approach	103-1	Explanation of the material topic and its Boundary		
GRI 103	Management approach	103-2	The management approach and its components		
GRI 103	Management approach	103-3	Evaluation of the management approach		
GRI 304	Biodiversity	304-2	Significant impacts of activities, products, and services on biodiversity	16	Information relates to the non-built-up and built-up plots of land
GRI 305 Emissions 2016					
GRI 103	Management approach	103-1	Explanation of the material topic and its Boundary		
GRI 103	Management approach	103-2	The management approach and its components		
GRI 103	Management approach	103-3	Evaluation of the management approach		

¹ An approach to data collection will be developed by the time of the next report in 2018.

Appendix

GRI Standard	GRI Standard Title	Sub-items are not listed	Pages in report	Comments/reasons for omission	
GRI 305	Emissions	305-1	Direct (Scope 1) GHG emissions	32, 26	<p>The emission factors for determining the GHG emissions came from different sources:</p> <p>Hotel operations</p> <ul style="list-style-type: none"> ■ Values from final statements ■ Agency for renewable energy (district heating in Germany) ■ GEMIS database of the International Institute for Sustainability Analysis and Strategy/IINAS (gas in Germany) ■ European Life Cycle Database 3.2 (electricity and district heating in Poland) <p>Standing assets/Group offices</p> <ul style="list-style-type: none"> ■ Austria > conversion factors of the Austrian Federal Environmental Agency for 2017 ■ GEMIS database of the International Institute for Sustainability Analysis and Strategy /IINAS (gas in Germany) ■ European Life Cycle Database 3.2 (electricity, natural gas and district heating in Poland, the Czech Republic and Romania) <p>The information required could not be provided for the subsidiaries Münchner Grund Immobilien Bauträger GmbH and ALBA. The energy consumed for district heating and cooling in 2017 was estimated for the UBM holding company (the estimate was based on the 2016 consumption and the number of employees).¹</p>
GRI 305	Emissions	305-2	Energy indirect (Scope 2) GHG emissions	32, 26	<p>The emission factors for determining the GHG emissions came from different sources:</p> <p>Hotel operations</p> <ul style="list-style-type: none"> ■ Values from final statements ■ Agency for renewable energy (district heating in Germany) ■ GEMIS database of the International Institute for Sustainability Analysis and Strategy/IINAS (gas in Germany) ■ European Life Cycle Database 3.2 (electricity and district heating in Poland) <p>Standing assets/Group offices</p> <ul style="list-style-type: none"> ■ Austria > conversion factors of the Austrian Federal Environmental Agency for 2017 ■ GEMIS database of the International Institute for Sustainability Analysis and Strategy /IINAS (gas in Germany) ■ European Life Cycle Database 3.2 (electricity, natural gas and district heating in Poland, the Czech Republic and Romania) <p>The information required could not be provided for the subsidiaries Münchner Grund Immobilien Bauträger GmbH and ALBA. The energy consumed for district heating and cooling in 2017 was estimated for the UBM holding company (the estimate was based on the 2016 consumption and the number of employees).¹</p>

¹ An approach to data collection will be developed by the time of the next report in 2018.

Appendix

GRI Standard	GRI Standard Title		Sub-items are not listed	Pages in report	Comments/reasons for omission
GRI 305	Emissions	305-4	GHG emissions intensity	26, 32	EPRA 4.8
	Certification	EPRA 4.16		15	No GRI indicator
GRI 306 Effluents and waste 2016					
GRI 103	Management approach	103-1	Explanation of the material topic and its Boundary		
GRI 103	Management approach	103-2	The management approach and its components		
GRI 103	Management approach	103-3	Evaluation of the management approach		
GRI 306	Effluents and waste 2016	306-2	Waste by type and disposal method	28, 33	
GRI 400 Social topics 2016					
GRI 401 Employment 2016					
GRI 103	Management approach	103-1	Explanation of the material topic and its Boundary		
GRI 103	Management approach	103-2	The management approach and its components		
GRI 103	Management approach	103-3	Evaluation of the management approach		
GRI 401	Employment	401-1	New employee hires and employee turnover		Information from country companies could not be verified for the SR 2017. ¹
GRI 403 Occupational health and safety 2016					
GRI 103	Management approach	103-1	Explanation of the material topic and its Boundary		
GRI 103	Management approach	103-2	The management approach and its components		
GRI 103	Management approach	103-3	Evaluation of the management approach		
GRI 403	Occupational health and safety	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism and number of work-related fatalities	41	The lost days were shown on the basis of the time-recording system. Confidentiality restrictions for accidents at work: information on type of injury serves to determine measures and has not been published for reasons of confidentiality. ²

¹ An approach to data collection will be developed by the time of the next report in 2018.

² An approach to Group-wide data collection will be developed by the time of the next report in 2018 for further indicators of the standard 403.

Appendix

GRI Standard	GRI Standard Title	Sub-items are not listed	Pages in report	Comments/reasons for omission
GRI 404 Training and education 2016				
GRI 103	Management approach	103-1	Explanation of the material topic and its Boundary	
GRI 103	Management approach	103-2	The management approach and its components	
GRI 103	Management approach	103-3	Evaluation of the management approach	
GRI 404	Training and education	404-3	Percentage of employees receiving regular performance and career development review	39 Information from country companies could not be verified for the SR 2017. An approach to data collection will be developed by the time of the next report.

collection of key performance indicators.

Real estate development KPIs

Energy consumption, emissions and water consumption

	2017	2016
Total calculated energy consumption (kWh)	18,391,365	15,978,712
GFA of the property developments (m ²)	191,947	184,205
Energy intensity (kWh/m ²)	96	87
Other indirect GHG emissions (Scope 3) (t)	5,018	5,008
Intensity of GHG emissions (kg/m ²)	26	27
Total calculated water consumption (l)	131,071,030	115,513,584
Water intensity (usage unit)	13,583	8,078

Projects realised and certification

	2017	2016
Projects realised – all asset classes (number)	15	11
Hotel	3	2
Office	4	3
Residential	7	4
Mixed – Logistics/Office	1	2
GFA of the properties (m²)	191,947	184,205
Certified GFA (%)	71.61	73.63
Certified GFA (m ²)	137,445	135,639
Non-certified GFA (m ²)	54,502	48,566
Certification – Labels (number)	9	8
DGNB	4	6
LEED	4	2
BREEAM	1	0

Soil sealing

	2017	2016
Developments realised	15	11
Brownfield developments (number)	10	7
Greenfield developments (number)	5	4
Plot area of all developments (m ²)	62,121	124,811
Greenfield developments (m ²)	34,315	98,149
Brownfield developments (m ²)	27,806	26,662
Soil replaced (m ²)	31,757	22,528

Group offices KPIs**Energy consumption and emissions**

	2017	2016
Locations included (number)	6	5
GFA of locations included (m ²)	6,024	6,073
Electricity (kWh)	210,076	201,263
Electricity from renewables (kWh)	41,280	53,292
District heating (kWh)	296,126	280,098
District cooling (kWh)	117,960	117,118
Natural gas (kWh)	19,705	21,450
Total energy consumption (kWh)	643,866	619,929
Energy intensity (kWh/m ²)	107	102
Indirect and direct GHG emissions (Scope 1/2) (t)	239	224
Direct GHG emissions (Scope 1) (t)	5	6
Indirect GHG emissions (Scope 2) (t)	234	219
Intensity of GHG emissions (kg/m ²)	40	37

Water consumption

	2017	2016
Total water consumption (l)	1,562,874	1,253,312
GFA of the locations included (m ²)	2,757	2,805
Water intensity (l/m ²)	567	446

Standing assets KPIs

Energy consumption and emissions

	2017	2016
Properties (number)	21	35
GFA of all properties (m ²)	342,861	311,795
Electricity (kWh)	25,676,919	36,457,782
Electricity from renewables (kWh)	363,578	8,263,534
District heating (kWh)	11,046,563	10,605,978
Natural gas (kWh)	3,120,921	6,626,605
Total energy consumption (kWh)	39,844,402	53,690,365
Energy intensity (kWh/m ²)	116	172
Direct GHG emissions (Scope 1) (t)	720	1,543
Indirect GHG emissions (Scope 2) (t)	26,946	30,044
Indirect and direct GHG emissions (Scope 1/2) (t)	27,666	31,587
Intensity of GHG emissions (kWh/m ²)	81	101

Water consumption

	2017	2016
Total water consumption (l)	59,465,796	56,543,058
GFA of the locations included (m ²)	317,737	286,671
Water intensity (l/m ²)	187	197

Waste KPIs (m³)

	2017	2016
Total non-hazardous waste	86,078	152,798
Paper	25,280	50,733
Plastics	8,433	13,245
Glass	1,592	1,754
Residual waste	50,774	87,066
Total hazardous waste	0	0

Hotel operations KPIs**General disclosures**

	2017	2016
Rooms (number)	1,655	1,469
Overnights (number)	629,004	458,563

Water consumption

	2017	2016
Total water consumption (l)	105,978,630	85,293,820
Water intensity per overnight (l/overnight)	168	186

Waste KPIs (m³)

	2017	2016
Total non-hazardous waste	6,347	5,436
Paper	1,822	1,620
Plastics	1,467	1,445
Glass	172	140
Residual waste	2,657	2,030
Organic waste	173	154
Cooking oil	9	8
Miscellaneous	47	39
Total hazardous waste	0	0
Waste intensity (m ³ /overnight)	0.010	0.012

Energy consumption and emissions

	2017	2016
Electricity (kWh)	9,099,867	8,115,817
Electricity from renewables (kWh)	2,048,466	1,566,555
District heating (kWh)	7,090,330	5,799,601
Natural gas (kWh)	8,578,170	8,562,220
Total energy consumption (kWh)	24,768,367	22,477,638
Energy intensity per overnight (kWh/overnight)	39	49
Direct GHG emissions (Scope 1) (t)	214	214
Indirect GHG emissions (Scope 2) (t)	6,818	6,388
Indirect and direct GHG emissions (Scope 1/2) (t)	7,032	6,602
Intensity of GHG emissions (kg/overnight)	11	14
GFA of the hotels (m ²)	101,838	94,878

Staff KPIs**Employees by type of employment and gender**

	2017	2016
Total employees	748	716
Female employees	387	372
Male employees	361	344
Total full-time	641	635
Female full-time	302	302
Male full-time	339	333
Total part-time	107	81
Female part-time	88	70
Male part-time	19	11

Employees by business segment

	2017	2016
Development	309	309
Female employees	140	145
Male employees	169	164
Hotel operations	439	407
Female employees	247	227
Male employees	192	180

Development and hotel operations age groups

	2017	2016
Employees aged between 20–30	244	218
Employees aged between 30–40	245	241
Employees aged between 40–50	162	168
Employees aged > 50	97	89

Development age groups

	2017	2016
Employees aged between 20–30	39	34
Employees aged between 30–40	91	91
Employees aged between 40–50	104	115
Employees aged > 50	75	69

Collection of Key Performance Indicators

Hotel operations age groups

	2017	2016
Employees aged between 20–30	205	184
Employees aged between 30–40	154	150
Employees aged between 40–50	58	53
Employees aged > 50	22	20

Occupational health and safety

	2017	2016
Sick days	7,507¹	6,602¹
Development	2,134	2,302
Hotel operations	5,373	4,300
Hours worked	1,067,428	1,025,492
Development	429,380	426,774
Hotel operations	638,048	598,718
Accidents	14²	1²
Development	n.a.	n.a.
Hotel operations	14	1
Accident rate (hotel operations)	21.94³	1.67³

¹ Sick days and lost days of work are counted as calendar days – whereby hotel operations take place 24 hours a day for 365 days.

² No information is available for the development sector.

³ The system of "Return on sustainability system" is used for calculating the accident rate – a method developed by the Institute of Applied Research Berlin with various Berlin universities.

Employees by country – development

	2017	2016
Austria	134	138
Germany	86	80
Poland	48	55
Czech Republic	30	26
Romania	8	6
Other (Bulgaria, Hungary, Netherlands)	3	4

Employees by country – hotel operations

	2017	2016
Netherlands	84	62
Germany	207	174
Poland	148	171

glossary.

Abiotic factors	Abiotic factors are the non-living parts of the environment that impact living organisms, e.g. climate and soil factors
Biodiversity	The variety and variability of life in relation to ecosystems, species and genetics
Boreal woods	Timber from the northern vegetation zone
BREEAM	Building Research Establishment Environmental Assessment Methodology
Brownfield development	Developments on land previously used for industrial purposes that has subsequently become vacant; the soil may be contaminated
DGNB	German Sustainable Building Council
Energy demand	The amount of energy available to a user after losses through conversion and transmission and actually consumed by him/her
EnEV	Energy Savings Ordinance (Energiesparverordnung)
Equity ratio	The ratio between the equity and total assets as of the reporting date
FSC/PEFC certificate	Quality seal for wood and paper from well-managed forests
GEMIS	Global Emission Model for Integrated Systems
GFA	Gross floor area
GHG emissions	Greenhouse gas emissions
Greenfield development	Developments on non-built-up areas, e.g. a piece of land such as a forest, meadow or fields that have not previously been developed
Green leases	Rental agreements with recommendations for the sustainable use and management of properties
GRI	Global Reporting Initiative
ILO	International Labour Organisation of the United Nations
ISO 14001	International standard for environmental management
kWh	Kilowatt hour
LEED	Leadership in Energy and Environmental Design
Life Cycle Assessments	Systematic analysis of the environmental impacts of products over their entire lifecycle
NaDiVeG	Austrian Act to Improve Sustainability and Diversity (Nachhaltigkeits- und Diversitätsverbesserungsgesetz)
Net debt	Non-current and current bonds plus non-current and current financial liabilities minus cash and cash equivalents
ÖGNI	Austrian Sustainable Building Council
Primary energy consumption	Results from the final energy consumption and losses that occur when producing final energy from primary energy
Responsible sourcing	Responsible procurement of resources
Sedum sprouts	Living cuttings and shoots of the sedum plant, which are sown for extensive rooftop greening on substrate or soil
Sick Building Syndrome	Illnesses that occur in connection with staying in a building
Sustainability benchmarks	The goals set by the company for sustainable construction
Total Output	Total revenue from fully consolidated companies and those accounted for under the equity method as well as sales proceeds from share deals (corresponding to the interest held by UBM)

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Every care has been taken in the compilation of this Sustainability Report as of 31 December 2017 to ensure the accuracy and completeness of information in all sections. Round-off, typesetting and printing errors cannot, however, be completely ruled out.

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