



**esg report 2022.
executive summary.**

May 2023

sustainability. a matter for management.

We are, without doubt, at a turning point. This is true for our sector and also for global warming. 2022 was the second warmest year in Austria since the start of record-keeping. And UBM was, unfortunately, unable to deliver the same top results as in the past two crisis years. With after-tax earnings of 27 million euros, we generated an impressive plus but fell short of our expectations. However, our financial strength remains intact. We are in a position to drive our strategic transformation and become one of the leading timber construction developers in Europe. With timber construction, we are using the greatest lever available to us as a real estate developer to prevent CO₂ emissions. And that is good for our climate.

2023 also marks the 150th year of our founding. For more than 150 years, we have met the high transparency standards set by the Vienna Stock Exchange and have normally gone one step further. For example: The ESG report is audited by an independent chartered accountant, despite the fact that we are not even required to prepare a report.

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



Thomas G. Winkler
CEO, Chairman



Martin Löcker
COO



Patric Thate
CFO



Martina Maly-Gärtner
COO



ubm. at a glance.

focus.

- Residential and Office
- Major European cities
- *green. smart. and more.*

pipeline.

- €2.1 bn (proportional value over the next four years)
- More than 250,000m² of timber (hybrid) construction
- Around 90% of this total in Germany and Austria

stock exchange.

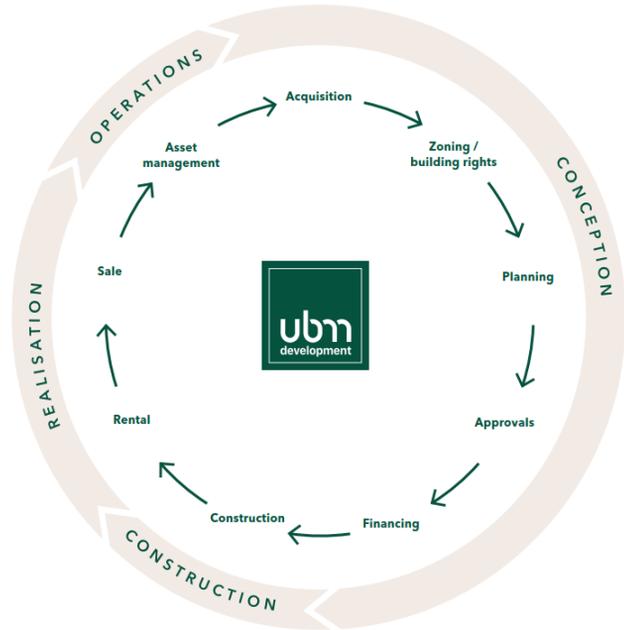
- Prime Market listing in Vienna guarantees maximum transparency
- Top management (Executive Committee) invested with €5m
- Ortner and Strauss syndicate as core shareholder with roughly 39%

track record.

- Reliable source of dividends
- Sustainable earnings over decades
- 150 years of corporate history

competence. along the entire value chain.

- UBM provides **all services** from a single source: market analysis, project development, planning and project management, financing, rental and sale.
- **Pure Play Developer:** UBM works with a wide variety of service providers and suppliers, like architects, building physicists, appraisers or structural engineers. Project realisation involves either a general contractor, individual companies or a combination of both.
- Selection of **business partners** based on experience from earlier business relationships, integrity and highest qualifications.



teamwork. clear responsibilities.

supervisory board.

UBM was one of the first listed companies in Austria to establish an **ESG committee**, which:

- reports each year to Annual General Meeting on major ESG factors & measures.
- oversees and supports actions in line with the ESG catalogue of measures.

management board.

The Management Board is responsible for the organisation of and compliance with sustainability issues. ESG key performance indicators will be integrated in management's variable **remuneration** over the medium term.

executive committee.

The Executive Committee as an **extended management body** meets six to eight times each year to evaluate market trends and ensure continuous calibration.



A woman with long dark hair and glasses, wearing a pink and white checkered short-sleeved shirt and blue pants, is leaning over and petting a golden retriever dog. The dog is wearing a colorful braided collar with blue, yellow, and green strands. The background is slightly blurred, showing an outdoor or semi-outdoor setting with other people in the distance.

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

**UBM &
Sustainability**

esg. anchored in our strategy.

green.

- Our claim: **leading timber construction developer** in Europe
- Timber construction: **not a choice** but an imperative

smart.

- Setting a **UBM Standard**: buyers know what they are getting
- Sustainability is the **driver**, technology is the **enabler**

and more.

- We deliver **a story**, not only a building
- Look and feel for **distinctive products** and higher sustainability

green.



Design & Construction



Energy



Building Operations

smart.



User Services



Technology & Data



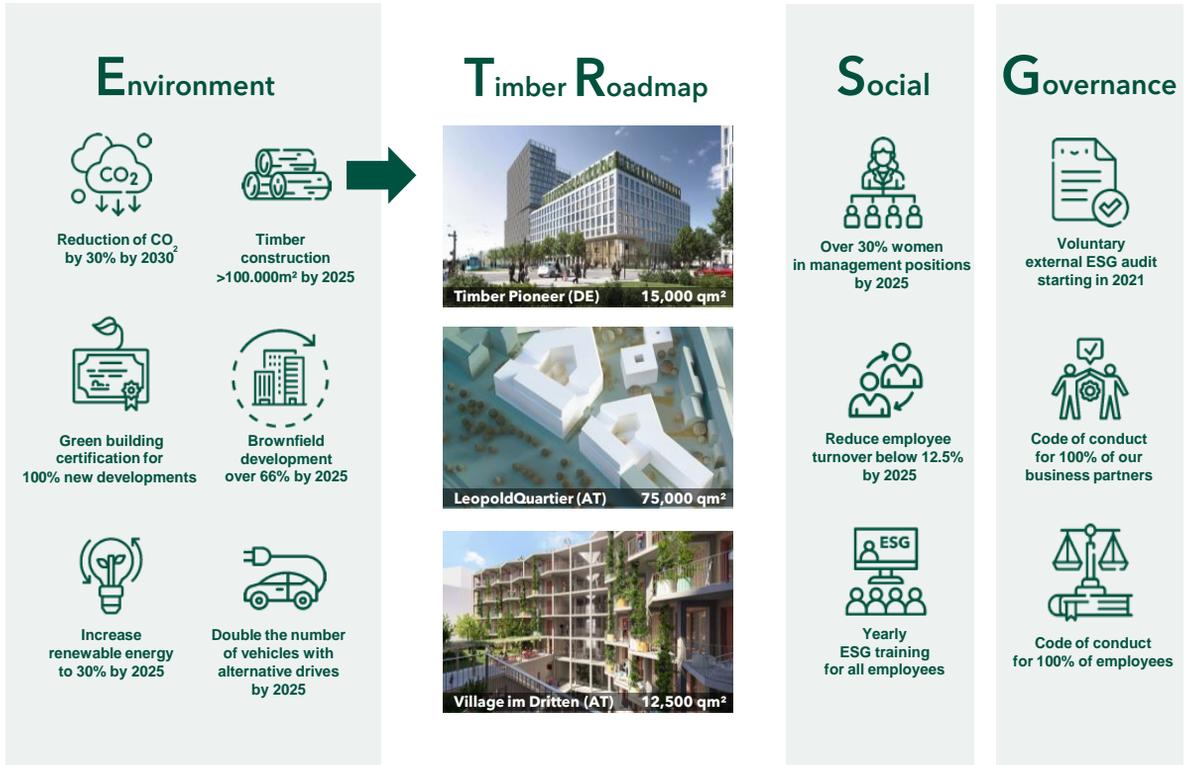
Mobility

more.



Look & Feel

clear direction. consistent implementation.



fundamental principles.

sustainable development goals.

UBM is committed to the United Nations SDGs to make a direct contribution to the UN Agenda 2030. The following have been identified as focus goals where the company can make a direct contribution:



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



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



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



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



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



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



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

stakeholder inclusion.

Regular contact with our **internal and external** stakeholders and their active inclusion in our business activities is an essential part of what we do – above all, because we have an influence on many areas of life as a project developer.

We include significant stakeholder groups through

- early information,
- participation and
- co-determination

in planning and development processes.

This gives neighbouring residents an opportunity to explain their **needs and interests and influence results.**

This practice has been embedded in the process landscape as UBM's standard since 2021.



green strategy. green financing.

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

++ Volumen aufgrund der enormen Nachfrage kurzfristig von € 125 Millionen auf € 150 Millionen erhöht ++ Böcher dennoch nach nur zwei Stunden vorzeitig geschlossen ++ „Strategische Ausrichtung vom Bond-Markt eindrucksvoll bestätigt“

UBM Development
 UBM Development entwickelt Immobilien für Europa, Mexiko, Brasilien und Asien. Der strategische Fokus liegt auf Green Building und Smart Office in Großstädten wie Wien, Berlin, München oder Prag. Die Aktien notieren im breiten Markt der Wiener Börse, wodurch höchste Transparenzstandards gewährleistet sind. Die disziplinierte Eigenkapital sowie konservative Risikominimierung machen das Unternehmen ein Ziel für einen erfolgreichen Anlagenspezialisten.

Danke für Ihr Vertrauen!

Werbung

radical reorientation.

- a total of **€250 million** linked to **ESG rating**:

	Senior bond	Hybrid bond
Volume	€150m	€100m
Coupon	3.125%	5.5%
Term	2021-2026	unlimited maturity
ESG-link	☑	☑

- ESG-link:** failure to reach a specific ESG rating threshold will increase the repayment amount by 10 (senior bond) or 15 (hybrid bond) basis points.
- Represented in the **ESG Segment** by the Vienna Stock Exchange.
- Over **50%** of total converted to **green financing**
- Strong demand** on the **debt capital market**

green finance. framework.



Commitment to **integrate sustainability** in our **future finance instruments** (green bonds, green loans etc.).

Net proceeds exclusively for projects with clear **environmental benefits** (green buildings, renewable energy).

BEST MARKET PRACTICE

✓ Second Party Opinion (SPO) provided by ISS ESG

ISS CORPORATE SOLUTIONS

✓ Aligned with ICMA Green Bond Principles 2021 and the LMA Green Loan Principles 2023

Green Loan Principles
The Green Bond Principles

✓ Based on EU Taxonomy Regulation

EU TAXONOMY

best in class. esg ratings.

Corporate ESG Performance
RATED BY ISS ESG Prime

Prime

CDP
DISCLOSURE INSIGHT ACTION
B

ecovadis
2021 Sustainability Rating
Platinum

EthiFinance
2022
Gold

VONIX
INDEX MEMBER 22x23
Member

Real estate and construction (current ISS ranking ¹)	
UBM Development AG	B-
PORR AG	C+
alstria office REIT-AG	C+
Vonovia SE	C
Hochtief AG	C
CA Immobilien Anlagen AG	C
LEG Immobilien AG	C
Deutsche Wohnen SE	C
Instone Real Estate Group AG	C-
Bauer AG	C-
IMMOFINANZ AG	C-
Strabag SE	C-
TAG Immobilien AG	C-
DIC Asset AG	D+
S IMMO AG	D+
Coreo AG	D

¹ Source: ISS ESG ORBIT, Real estate and construction, Germany and Austria, May 2023

memberships.

UBM is an **active member** and **supporter** of various organisations and branch associations to pursue the vision of a sustainable and inclusive economy and reinforce an intensive stakeholder dialogue.



Our actions are based on the ten principles of the UN Global Compact, a “network of the future” which UBM joined in 2021



Member of the corporate platform respACT (Austrian Council for Sustainable Development)



Active role in the Association of Austrian Project Developers (VÖPE)



Member of the Austrian Sustainable Building Council (ÖGNI)



Official supporter of the Task Force on Climate-related Financial Disclosures (TCFD) since 2021



Member of the Institute for Corporate Governance (ICG) since 2019, contribution to the ICG's social impact investment initiative



Active participation and membership in the interest group “IG-Lebenszyklus Bau”

A young child with light brown hair and blue eyes is the central focus, looking directly at the camera. The child is wearing a grey and white striped t-shirt with a white name tag that says "EDGAR" in blue letters. The child's right hand is raised, palm facing forward, as if reaching out or stopping someone. The background is a blurred indoor space with other people, including a person in a blue polo shirt and another in a white shirt. The lighting is bright and natural, suggesting an indoor setting with large windows.

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

**UBM &
Environment**

timber construction. our greatest lever.

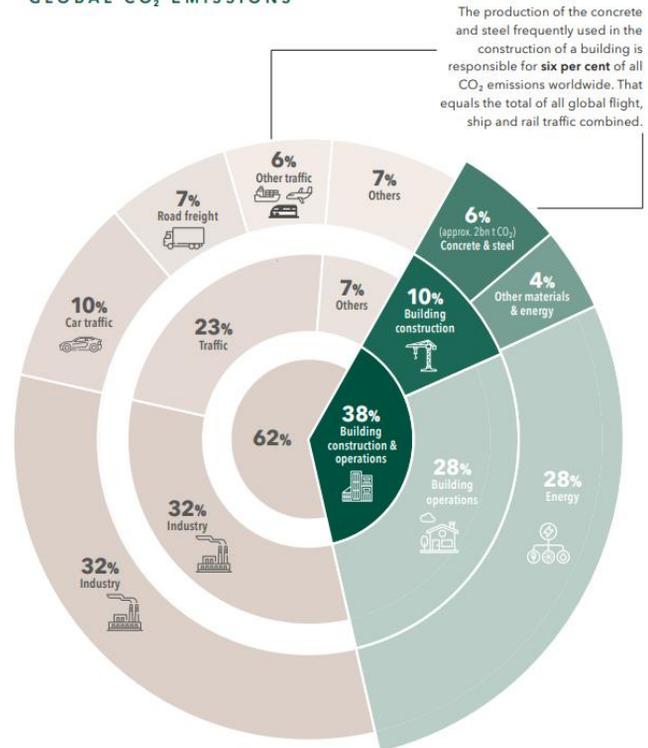
The real estate and construction industry is, from the global viewpoint, the most **CO₂- and energy-intensive** sector.

As a real estate developer, the selection of the **materials** used in building construction is clearly the most effective leverage for reducing the CO₂ footprint.

It therefore goes without saying that ecological aspects play a key role in **all our decisions**.

Our focus on *green building*, our commitment to **timber construction**, and **renewable energies** and **energy efficiency** are an expression of this conviction.

GLOBAL CO₂ EMISSIONS



timber remains in the cycle.

From tree to house ...

1. Tree: A tree stores an average of 10 kg CO₂ per year.

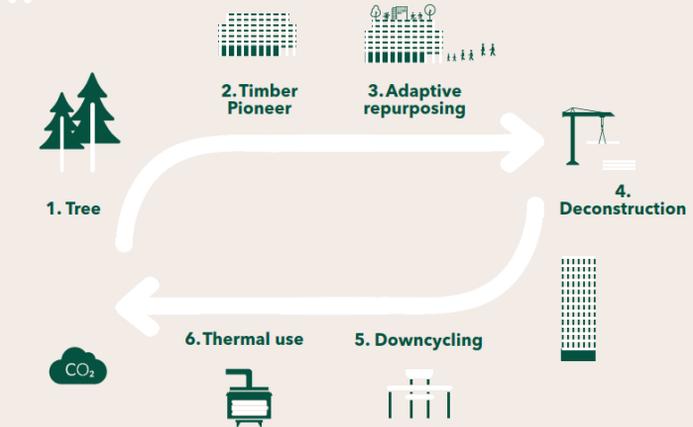
2. Timber Pioneer: 1,800 cubic metres of timber are being used for the office building. This means that around 1,800t CO₂ are stored in the prefabricated parts.

3. Adaptive repurposing: The building is designed to span several generations of use, and it can also be repurposed.

4. Deconstruction: The skeleton design allows Timber Pioneer to be deconstructed. The supports and beams made of glued laminated timber can be reused as building material for a new real estate project.

5. Downcycling: If the timber cannot be used as a building material after it has been deconstructed a second time, the next step is downcycling. The timber construction parts can be used for making furniture or in the production of chipboard.

6. Thermal use: The cycle is complete when the wood is composted or used thermally. Carbon



stored in the wood is released back into the atmosphere as CO₂. If the tree had remained in a forest, this would have happened much sooner.

... and back again.

> 250,000m² in timber.



status. environmental goals.



Project development:

	2022	PIPELINE*
 >100.000 m² in timber hybrid by 2025	Quality gate: timber hybrid construction	>250 Tm ²
 -30% CO₂ intensity by 2030 (basis 2019)	+25%	> -25%
 100% green building certification for new developments	46%; mandatory element for new developments	~ 100%
 >66% brownfield developments by 2025 (cumulative)	71%	~ 75%

consequent implementation.

* Pipeline 2023-2026

status. environmental goals.



Corporate locations:

		2022
	30% share of renewable energy in energy carriers by 2025	24%, energy audits, ISO certification
	+200% number of vehicles with alternative drives by 2025 (basis 2021)	+194%
	-25% reduction of CO₂ in air travel by 2025 (basis 2019)	-50%, travel guideline

consequent implementation.

status. environmental goals.



Standing assets:

	2022
 30% share of renewable energy in energy carriers by 2025	50%
 Building management systems at all standing assets	work in progress
 -30% CO₂ intensity by 2030 (basis 2020)	-46%

consequent implementation.

read more on ubm's environmental initiatives in the esg report 2022.

Energy efficiency, renewable energies & CO₂ emissions

- Timber construction
- Smart building
- Green building certificates
- Renewable energy
- Building management systems
- Alternative drive vehicles
- User and travel guidelines

Recyclability & durability of building materials

- Lifecycle assessments
- Cradle-to-cradle approach:



Ground sealing, climate change adjustments and biodiversity

- Focus on brownfield developments
- Roof and facade greening

Refurbishment and revitalisation

- Focus on refurbishments and revitalization due to resource-conserving benefits

Healthy building materials & the quality of life

- Most appropriate quality level for building certification
- Timber

Water and wastewater utilisation and waste in building operations

- Green & Clean Hotel Katowice
- Waste management solutions



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

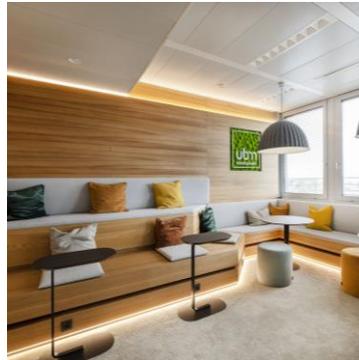
**UBM &
Social**

new work at ubm.

long week / short week.

- Clear competitive advantage in the "war for talents" through **differentiation**
- Highly attractive: **26 additional days off** per year, improved work-life balance
- Perfect **strategic fit** for office developer
- Strengthens our **community**
- **Clear, simple rules** and easy to plan
- Additional two **home office** days per month

modern work environment.



community and involvement.

Green thinking is an attitude. We see it as a sustainable, corporate-wide learning process. It covers UBM's **training and educational programmes** like the Climate Impact Day or *green.* and *smart.* trips as well as our **“UBM Day”**, which is held every two years and has since grown to cover nearly two days.

UBM day.



welcome day.



family day.



one breakfast.



learn, act, connect. ubm climate day.



who?
100% of UBM employees in all offices

why?
Strengthening awareness for sustainability & climate protection



learn.

Expert presentations on climate protection, emissions and waste



act.

Strategic importance for UBM
Implementation of ESG at UBM



connect.

Team activities
Online quiz

social commitment.



social days for good purposes.

With the UBM Social Day, we also gave our employees an extra **day off** in **support of a good cause** during 2022.

They supported, among others, clean-up campaigns, the “Berliner Tafel”, the children’s organisation “Die Arche” and the Caritas charity.



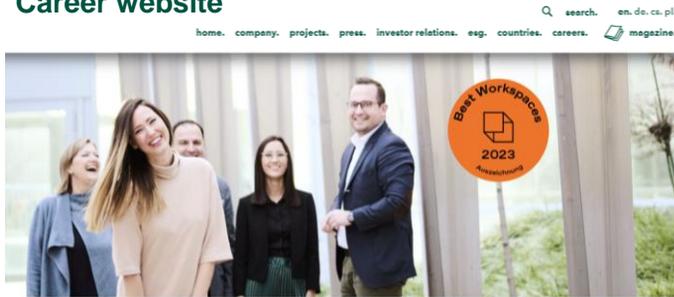
€25,000 for make-a-wish foundation.

UBM continued its long-standing tradition and waived gifts for business partners and employees at Christmas 2022.

Instead, UBM supported the valuable work of the Make-A-Wish Foundation with a **donation** of €25,000 in 2022.

employer branding.

Career website



Structured application and onboarding



Employee insights



LinkedIn job postings



Monthly HR news



status. social goals.



		2022
	<12.5% employee turnover by 2025	15.6%
	>30% women in management positions by 2025	25%
	50% women in the total workforce	49%
	+25% training hours per employee (basis 2020) by 2025	+18%
	Annual ESG awareness training for all employees	100%
	0 work accidents	0

consequent implementation.

read more on ubm's social initiatives in the esg report 2022.

Attractive employer & training and education

- Flexible working time model
- Attractive remuneration
- Individual, requirements-oriented training measures
- Career website, online presence
- Structured onboarding process
- Job and skills profiles

Diversity and equal opportunity

- Preference given to women when qualifications & experience are equal
- Encourage employment of staff with different ages and experience (buddy principle)

Health and safety

- Integrated management system (ISO45001)
- Occupational physicians, occupational safety specialists
- Ergonomic workplaces, sports activities

Architecture, quarter development & diversity

- Sustainability certificates
- Aesthetic
- Absence of pollutants
- Indoor climate
- Acoustics
- Accessibility

Infrastructure and mobility

- Charging facilities for electric cars and e-bike batteries
- Car sharing
- E-bike hire stations
- Bicycle infrastructure

Customer orientation and awareness raising

- Involvement of relevant stakeholder groups: early information, participation and co-determination rights

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

In addition to the environment and social issues, good governance has come to play a greater role in the perception and valuation of companies.

UBM & Governance



ethical and legal compliance.

ethics code.

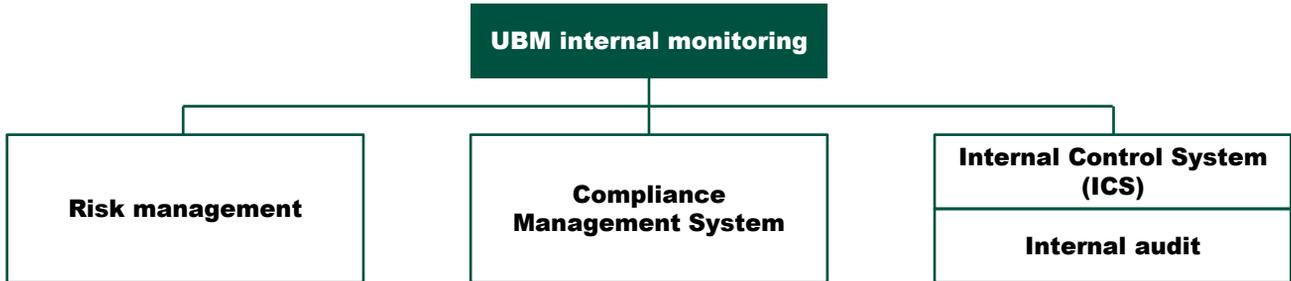
- Agreed in writing with **all employees** in their national language since 2021

code of conduct for business partners.

- Applies to all **business partners** from an order volume of € 20,000
- Central **filing system** for the signed codes of conduct implemented
- 9 most important suppliers **reviewed**

- **Regularly adapted** to reflect developments in the regulatory environment and ethical values
- Based on **national & international laws and agreements**
- **Topics covered:**
 - bribery and corruption,
 - fair competition,
 - fundamental and human rights,
 - compliance with economic sanctions,
 - working conditions,
 - occupational safety and health,
 - environmental protection,
 - prevention of money laundering,
 - capital market compliance,
 - data protection.

compliance principles. consequent implementation.



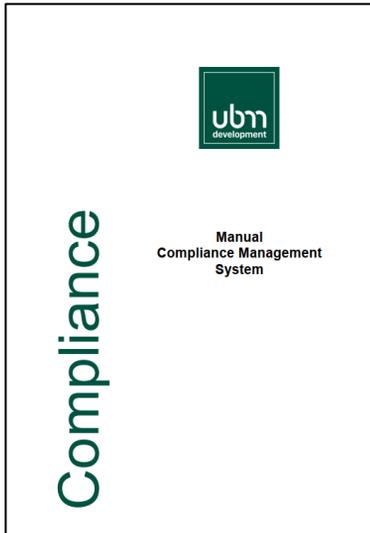
Goals:

- 🎯 Monitor compliance with business policies & goals
- 🎯 Safeguard UBM's assets
- 🎯 Guarantee reliability of accounting & reporting
- 🎯 Monitor compliance with legal requirements
- 🎯 Maintain effectiveness & efficiency of business processes
- 🎯 Ensure the efficient use of resources and cost savings

risk management.



compliance management system.



- **Whistleblower system**

Reports of (potential) irregularities and violations can be submitted by external and internal via email or a whistleblower system anonymously

- **Internal guidelines & work instructions:**



Cartel & competition law



Anti-corruption



Issuer compliance



Signatures



Prevention of money laundering and terrorism financing



Data Maintenance 360°



Conflicts of interest



Prevention and handling of discrimination



Data protection



etc.

status. governance goals.



		2022
	Voluntary external audit of ESG Report	audit (limited assurance)
	KYC reviews of business partners	>200 reviews
	Code of conduct for all employees	100%
	Employee training on issuer compliance & anti-money laundering	162 training sessions
	ISO 9001 certification	~100% of employees covered
	No legal actions for anti-competitive behaviour	0

consequent implementation.

read more on ubm's governance initiatives in the esg report 2022.

Corporate governance & compliance

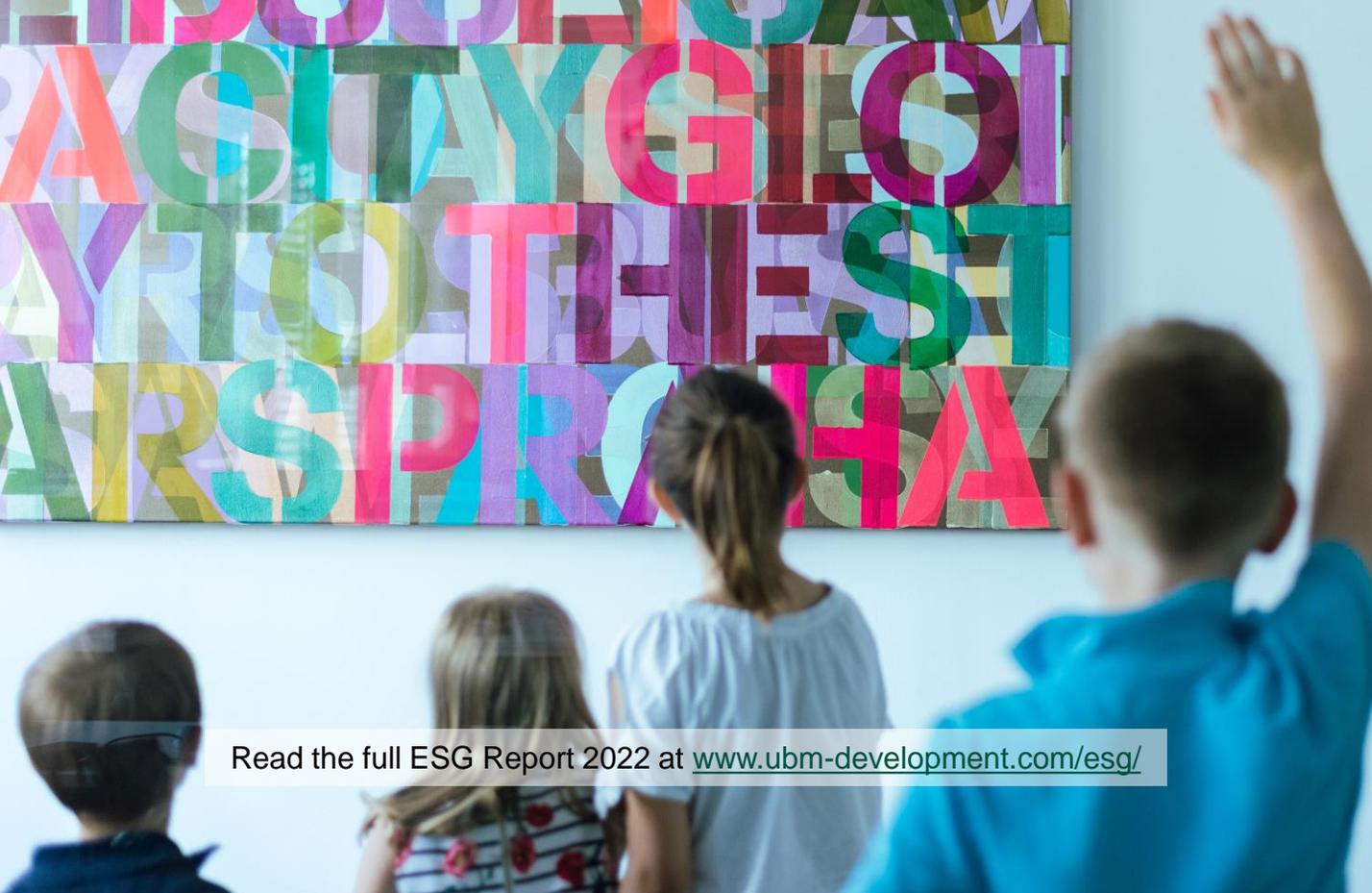
- Compliance management system, internal controls, internal audit
- Internal guidelines & instructions
- Whistleblowing system
- Binding ethics code
- Compliance trainings
- KYC review of business partners
- Supervisory Board self-evaluation

Sustainable procurement & regional added value

- Binding code of conduct for suppliers
- Preferred selection of regional business partners
- Procurement guideline

Innovation & technologies

- *green. smart. and more.* initiative
- newBM: latest software & IT equipment
- Smart Building Innovation Foundation



Read the full ESG Report 2022 at www.ubm-development.com/esg/