

Sustainability Report

for the calendar year 2019

1 January 2019 to 31 December 2019

Deutsche
Konsum
REIT-AG



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1 Foreword of the Management Board

Dear shareholders and business partners,

Dear Sir or Madam,

Deutsche Konsum REIT-AG ("DKR") has recorded consistently strong, value-adding growth since commencing operations in 2014. The company now holds a real estate portfolio of retail properties for daily needs in 165 locations in Germany with a rental area of approx. 950,000 m², which currently generates annualised rents of approx. EUR 66 million and is valued at around EUR 850 million (as of 15 November 2020). On the stock exchange, DKR has now reached a market capitalisation of approx. EUR 550 million. The company employs more than 20 employees. In addition, around seven external employees (asset managers) are currently entrusted with the management of the properties.

The strong growth as well as the increasing importance of the company in property and capital markets has led to an obligation for us to assume increasing responsibility for sustainable corporate development. This first sustainability report ("ESG" report) is intended to demonstrate the way in which we fulfil this responsibility regarding environmental ("E"), social ("S") and corporate governance ("G") aspects.

As a long-term and defensively oriented owner of local supply properties, it is part of our DNA to act sustainably, both economically and ecologically, and to find a suitable balance between both objectives. In addition, we are committed to using the manpower and financial resources provided by our employees and shareholders in a responsible manner. In this respect, as the DKR Board of Management, we are committed to sustainable corporate management.

Broderstorf, December 2020,

With kind regards,

Rolf Elgeti
Chairman of the Board

Alexander Kroth
Member of the board

Christian Hellmuth
Member of the board

2 A sustainable business model

Deutsche Konsum REIT-AG, based in Broderstorf, is a REIT ("Real Estate Investment Trust") specialising in retail properties for daily use. The company's shares (ISIN DE000A14KRD3) are traded in the Prime Standard of the German Stock Exchange. The steadily growing retail portfolio is located exclusively in Germany and currently comprises 165 properties with a lettable area of more than 900,000 m².

The corporate strategy is long-term and defensive. It is based on sustainable portfolio management of retail properties for everyday consumer goods ("basic retail"). The focus is on good micro-locations in regional areas and medium sized cities across Germany, where market prices are more stable than in the major cities. By investing in real estate that is not of interest to large institutional and small private investors, DKR invests in a niche with an attractive risk/reward profile. As a result, it has so far been able to achieve annual initial returns of between 9% and 10%. The growing number of individual locations also results in an increasing risk diversification of the overall portfolio.

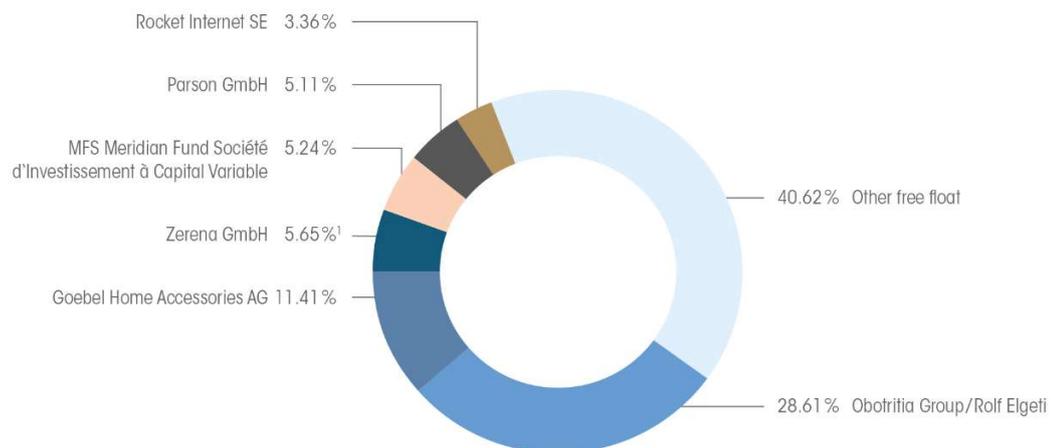
The company's main tenants include well-known and very creditworthy retailers from the food sector (approx. 45% of rental income), non-cyclical retail and non-cyclical other tenants (approx. 19%) as well as well-known DIY store chains (approx. 16%). Accordingly, we currently consider around 80% of rental income to be non-cyclical and therefore sustainable.

A professional asset and portfolio management of the properties adds additional value. The goal is to retain tenants while increasing the value of the properties over the long term.

At the same time, DKR is taking advantage of the currently very investor-friendly financing environment. Thus, as a rule refinancing individual retail property at very low interest rates. The cost of borrowing is currently on average 1.9% p.a. Other sources of financing include raising equity on the capital market and issuing secured as well as unsecured debt instruments.

The combination of the very simple and low-cost corporate structure and the advantages of the REIT status results in attractive and sustainable dividend distributions for shareholders.

DKR's shareholder structure is as follows and is characterised by a high degree of stability (30 September 2020):



As of 30 September 2020

¹ In relation to the total number of voting rights in the amount of 24,760,285 (voting rights announcement of 6 March 2017).

3 Sustainability as part of the corporate strategy

As a sustainably and responsibly operating real estate company, DKR has set itself the target to bring economic activity in line with ecological and social responsibility. DKR bases its sustainability activities on the national and international sustainability standards and guidelines of the Global Reporting Initiative (GRI), the European Real Estate Association (EPRA) and the Central Property Committee (ZIA). DKR also follows the recommendations of the Government Commission on the German Corporate Governance Code.

How the issue of sustainability is handled at DKR in relation to the individual "ESG" topics is shown below.

3.1 Environment "E"

Real estate portfolio

After the acquisition of purchased properties, existing supply contracts are reviewed to identify potential for savings and sustainability. An essential factor is the purchase of electricity. In many cases, the energy supply of the individual properties can be switched to an environmentally friendly electricity supplier with whom a framework agreement exists for the supply of sustainably produced electricity for the DKR portfolio. This switch of the energy supply to "green" electricity from renewable energy sources alone will thus already save a large proportion of CO₂ emissions.

Furthermore, a few of the properties on the portfolio use a part of their roof areas to operate photovoltaic systems. The CO₂-neutral electricity that is produced is either used directly by the tenants of the respective buildings or fed into the general power grid. Due to the strong growth of the real estate portfolio, the use of additional roof areas has great potential to increase the profitability of the buildings and reduce greenhouse gas emissions.

The EU Directive of 30 May 2018 on the energy performance of buildings contains points for the promotion of e-mobility. The current draft legislation from the federal government for the implementation of the EU directive in Germany stipulates that from 2025 a charging point for electric vehicles should be built for non-residential buildings (existing properties) with more than 20 parking places. Because DKR's retail properties are primarily accessed by car, the importance of e-mobility is growing for customers as well as landlords. Owners and landlords are making an indirect contribution to reducing greenhouse emissions by supporting e-mobility and installing e-charging points at retail properties of the DKR portfolio. At the same time, these sustainability features are a way of maintaining the attractiveness and sustainability of the retail locations, which is correspondingly important for the tenants.

In addition, the regulations of the strict Energy Saving Ordinance (EnEV) must be observed for any large-scale modernisation and revitalisation as well as for new constructions. This ensures a high degree of efficiency improvement in energy consumption. For example within the DKR portfolio, a newly built supermarket building in Bitterfeld has a Green Building certification.

Headquarters

DKR also uses a CO₂-neutral energy supply for the offices in its headquarters and energy-saving technologies, such as LED lighting and a modern, energy-efficient IT infrastructure. Furthermore, recycled paper is used for all printed matter, and multipage and duplex printing ensures the smallest possible print volume.

Additionally, business trips are reduced to a minimum and meetings are replaced by virtual conferences where possible. In addition, air travel will be replaced by climate-friendly train travel where possible. Employees are encouraged to use public transport for their way to work. A low-consumption pool vehicle is available for trips to property visits, which is used by several employees.

3.2 Social "S"

Health and Security

DKR guarantees occupational safety and ergonomic working conditions for its employees. To ensure this, regular workplace inspections are carried out by DEKRA. In addition, there are inspections and training courses regarding fire protection and first aid measures.

DKR also offers its employees additional benefits, such as group accident insurance for employees with 24-hours coverage for occupational, travel and leisure accidents. There is also extensive insurance coverage for the use of the pool car and provision of free drinks at the workplace.

Diversity

When recruiting personnel, DKR also pays attention to diversity and strives to achieve a balanced mix of suitable male and female applicants. Nevertheless, the decisive criteria for filling positions are qualification and suitability, irrespective of gender.

3.3 Governance "G"

DKR is guided by the latest recommendations of the German Corporate Governance Code ("GCGC") and, in accordance with Article 161 of the German Stock Corporation Act, issues annual declarations of conformity, which are accessible on the website. DKR also complies with a large proportion of the recommendations, as long as they can be applied meaningfully.

DKR strives to achieve the highest possible degree of transparency in its reporting. As a result, DKR shares have been listed voluntarily for over three years in the Prime Standard, the highest transparency level of Deutsche Börse AG. This includes the publication of regular annual and quarterly financial statements in German and English within the periods stipulated by the stock exchange regulations. In addition, DKR makes all relevant data for each individual property in its real estate portfolio available on its website on an ongoing basis.

Given its status as a REIT, DKR is also obliged to comply with the REIT criteria under the German REIT Act, which lays the foundations for sustainable investment, particularly in terms of free float, debt ratio and dividend distribution.

As an EPRA member, DKR supports EPRA's transparency and comparability initiative and publishes all relevant EPRA key figures in accordance with the guidelines. DKR has received two silver awards for the last three annual reports and most recently the gold award.

4 Sustainability reporting according to EPRA

The European Public Real Estate Association (EPRA) is a non-profit organisation that represents the interests of European listed real estate companies and Uses guidelines which promote uniform and easily comparable reporting. As an EPRA member, DKR feels obliged to prepare its sustainability report in accordance with the Best Practices Recommendations for Sustainability Reporting (EPRA sBPR) and to present the recommended key figures as comprehensively as possible. A verification and certification by third parties has not yet taken place.

The reporting is divided topically into the areas of environment ("E"), social affairs ("S") and governance ("G").

Reporting principles

4.1 Organisational Boundries

DKR has full operational control over all properties whose data is examined in this sustainability report.

4.2 Reporting period

Unless otherwise indicated, all data and information relate to the reporting period from 1 January 2019 to 31 December 2019 and the corresponding preceding reference year 2018.

4.3 Coverage

Environmental Performance Measures (real estate portfolio)

The consumption figures in this report relate fundamentally to all properties for which the transfer of benefits and burdens in favour of DKR had taken place by 31 December 2019. As of the reporting date, the portfolio for this sustainability report comprised 124 properties with a rental area of approx. 723,056 m² and a balance sheet value of approx. EUR 624 million.

The key figures were collected from the best possible data available. This includes mainly data on electricity, water and fuel consumption for which DKR is responsible as landlord and which often relates to the common areas in a building. On the other hand, due to insufficient data, it is not possible to provide information on the amount of waste and electricity consumption, which is explicitly attributed

to heating and cooling purposes. Furthermore, no information can be given on the tenants' respective electricity and water consumption. DKR does not have any data for this.

As a result, for the purpose of meaningful reporting only 84 properties are included here. With a total value of EUR 416 million and a usable space of 577,000 m², this selective portfolio represents around 67% of the value of the DKR overall portfolio. The key figures for the respective consumption type are as follows:

Coverage		Consumption	Number of assets with applicable data	Area (m ²) of the respective subportfolios	Share of rental space/data of the portfolio
Electricity (in kWh)	2018	3,689,492	45	368,465	65.57%
	2019	4,665,150	45	382,926	52.96%
Fuels (in kWh)	2018	16,466,645	51	389,047	69.23%
	2019	19,093,694	56	475,991	65.83%
Water (in m³)	2018	71,710	59	409,096	72.80%
	2019	83,713	70	518,678	71.73%

The calculation of greenhouse gas emissions is based on the data of those objects for which information on electricity and fuel consumption was available in the year under consideration. In 2019, a subportfolio consisting of 42 properties with a total area of 376,256 m² was reviewed. For the year 2018, corresponding consumption data was available for 43 properties with a total area of 365,686 m².

On account of the difficulties with collecting complete and consistent data for each individual property, caused by the strong portfolio growth in recent years, the change in consumption figures are presented on a like-for-like ("Lfl") basis. The determining key figures correspond to a portfolio composed in the same way on the respective reporting date. Portfolio changes due to acquisitions or sales within the reporting period are therefore not included in the analysis. The Lfl-portfolio therefore only includes those properties which were part of the portfolio both on the reporting date of 31 December 2018 and 31 December 2019 and for which all consumption figures for the corresponding reporting periods 2018 and 2019 are available.

The Lfl-portfolio is comprised of 28 properties with a cumulative rental space of 249,536 m² and a total market value of EUR 157.9 million, representing 34.5% of the rental space of DKR's total portfolio as of 31 December 2019.

Disclosure on own office

DKR's office and administrative areas are used under a sublease agreement with the Group company Obotritia Captial KGaA, based in Potsdam. In order to determine DKR's share of the total consumption of office space, a distribution key of 13% was determined based on rental space use, which DKR uses in proportion to the total area of the office premises. The data is mainly derived from the operating cost accounts for the rented offices.

Social Performance Figures

The performance figures were generated from evaluable internal data.

Governance

With reference to the key figures in this sustainability report, the information provided corresponds to the Corporate Governance Report and the declaration on Corporate Governance of DKR. Further details on this topic can be found in the corresponding annual report of DKR.

4.4 Use of standardised performance measures

In order to measure and present changes in efficiency in environmental indicators, DKR always calculates the respective consumption figures in relation to the rented space.

To calculate this the corresponding total consumption (in kWh or litres etc.) is divided by the rental space of the reporting portfolio.

Social indicators relate to statements regarding employee health and safety at work and are determined as follows:

- Injury rate = number of reported injuries / total number of working days
- Lost day rate = number of days lost (from three days) due to injuries on workplace / total number of working days
- Absentee rate = number of days absent due to illness / total number of working days

4.5 Estimations

All consumption data concerning water, fuel and electricity, data is available. This represents at least 50% of the DKR portfolio in the respective year. Therefore, a sufficient amount of data is available, hence why there is no need for estimates. The greenhouse gas emissions based on these consumption figures correspond to projections using the emission factors specified by the Federal Environment Agency ("Umweltbundesamt").

4.6 Segmental analysis

The real estate portfolio consists exclusively of retail properties with a variety of rental agreements comprised of the same retail chains and is therefore very homogeneous. For this reason, no segments were formed in this sustainability report.

5 EPRA sBPR performance measures and explanations

5.1 Environmental performance measures of DKR real estate portfolio

No.	EPRA Code	GRI	Indicators	Units of measures	2018	2019	% Change
Energy indicators							
4.1	Elec-Abs	302-1	Electricity	kWh	3,689,492	4,665,150	26.44%
4.2	Elec-LfL	302-1	Electricity	kWh	3,032,277	2,947,050	-2.81%
			Percentage of renewable sources	%	n/a	n/a	0%
4.5	Fuels-Abs	302-1	Fuels	kWh	18,583,321	21,243,724	12.52%
4.6	Fuels-LfL	302-1	Fuels	kWh	12,519,874	12,781,578	2.05%
			Percentage of renewable sources	%	n/a	n/a	0%
4.7	Energy-Int	CRE1	Energy intensity	kWh/m ² /a	39.64	35.83	-9.60%
4.8	GHG-Dir-Abs	305-1	Dir. GHG emissions	tCO ₂	3459.3	3108.3	-10.15%
4.9	GHG-Indir-Abs	305-2	Indir. GHG emissions	tCO ₂	2274.4	2428.3	6.77%
4.10	GHG-Int	CRE3	GHG emissions intensity	tCO ₂ /m ² /a	0.0157	0.0147	-6.15%
Water indicators							
4.11	Water-Abs	303-1	Water	m ³	71,710	83,713	14.34%
4.12	Water-LfL	303-1	Water	m ³	48,650	49,917	2.54%
4.13	Water-Int	CRE2	Water intensity	m ³ /m ² /a	0.12761	0.11578	-9.28%
Certifications							
4.16	Cert-Tot	CRE8	Certification	# Certificates	1	1	0%

Energy and greenhouse gas emissions

The significant increase in absolute consumption in electricity consumption (Elec-Abs) and fuel consumption (Fuels-Abs) is mainly the result of strong purchase-related company and portfolio growth. Accordingly, the real estate portfolio grew by more than 160,000 m² rental space in the 2019 reporting year. It should be mentioned that the vacancy rate of the DKR portfolio in fiscal year 2018/2019 increased by around 0.3% year-on-year. The fact that consumption within individual properties fluctuates considerably year-on-year is due in most cases to the fact that the leases in the corresponding multi-tenant properties have changed between the two reporting dates.

The energy efficiency of the portfolio improved significantly during the reporting period, with an average of 4 kWh per m² less consumed in 2019 than in 2018, a decrease of 9.6%. While fuel consumption within the Lfl-portfolio increased slightly from 2018 to 2019 (2.05%), electricity consumption decreased by 2.81%.

To calculate the direct CO₂ emissions resulting from the heat generation in the individual objects, the emission factors for natural gas and heating oil (light), which are shown by the Federal Environment Agency, were used. This showed a direct CO₂ emission of 3,108 tons of CO₂ for the objects considered in 2019, which corresponds to a decrease of 10.15% compared to the previous year (3,459 tCO₂).

Indirect CO₂ emissions result from the electricity consumption of the sub-portfolio and the amount of heat purchased via district heating. Converting the total electricity consumption of the 42 properties in the sub-portfolio (4,588,191 kWh in 2019) into CO₂ emissions, results in CO₂ emissions of 1,840 tons. The 43 properties considered in 2018 caused CO₂ emissions of 1,706 tons. For the conversion of the consumption data, CO₂ conversion factors published by the Federal Environmental Agency for the electricity mix in Germany of 401 g per kWh of electricity (2018: 468 g/kWh) were used. During the period under review, only one property was heated via district heating, which led to CO₂ emissions of 588 tCO₂ in 2019 (2018: 567 tCO₂).

For the considered sub-portfolio in 2019, using the previously mentioned data, a CO₂ emission of 14.7 kgCO₂ per m² usable floor space (GHG-Int) was calculated. In comparison, this resulted in a 6.15% reduction in CO₂ efficiency compared to the previous year (15.7 kgCO₂/m²).

Water

The water consumption (Water-Abs) of the entire portfolio increased by 14.34% in the period under review, which is on account of the extensive portfolio growth. The absolute water consumption of the LfL-portfolio also increased slightly by 2.54% in 2019. Water efficiency improved significantly in 2019, with 9.28% less water being used per m² of floor space. A further differentiation of water sources, as described in the EPRA Guidelines, cannot be made.

Waste

A wastage report (in t) at portfolio level is not possible, due to the unknown filling level of the invoiced garbage cans, neither for DKR's collection nor for the collection of the lessees' waste garbage cans. Since paper and recycling waste is sometimes disposed of free of charge or without the corresponding receipts, this is also not shown.

Certifications

For the new construction of the REWE store in Bitterfeld there is a green building certificate in gold from the DGNB. The property was already certified in 2016.

5.2 Environmental performance measures of headquarters

Regarding the environmental performance measures of the headquarters in August-Bebel-Straße 68 in 14482 Potsdam (office use), the following indicators can be presented:

EPRA-Code	Indicators	Units of measures	2018	2019	% Change
Energy indicators					
Elec	Electricity	kWh	1,169.61	1,353.22	15.70%
	Percentage of renewable energies	%	100%	100%	0.00%
Energy-Int	Energy intensity	kWh/m ² /year	13.27	15.35	15.70%
GHG-Indir-Abs	Direct GHG emissions	tCO ₂	0.5474	0.5426	-0.87%
Waste indicators					
Waste-Abs	Total weight of waste	t	283.92	283.92	0.00%

Compared to the previous year, the electricity consumption increased by 15.7%. This was mainly due to the increase in the number of employees, which accompanied the growth in the real estate portfolio. In both years, 100% green electricity was purchased from Stadtwerke Potsdam. The corresponding consumption data was taken from the consumption billing of the entire office space and allocated to DKR on a pro rata basis.

Due to the lack of better measurability, the amount of waste produced was calculated from the operating costs statement, resulting in a roughly constant waste quantity of around 284 kg per year for DKR.

5.3 Social performance measures

No.	EPRA Code	GRI	Indicators	Units of measures	2018	2019	% Change		
Diversity									
5.1	Diversity-Emp	405-1	Gender diversity of employees	in % male/female employee	Supervisory Board	total	4	5	25%
						thereof male	100%	100%	0%
					Management Board	total	3	3	0%
						thereof male	100%	100%	0%
				Employees	total	14	19	0%	
					thereof male	93%	95%	0%	
5.2	Diversity-Pay	405-2	Pay-Ratio	Ratio of basic salary and remuneration	Supervisory Board	n/a	n/a	0%	
					Management Board	n/a	n/a	0%	
					Employees	n/a	n/a	-	
Employees									
5.3	Emp-Training	404-1	Employee training	Average number of hours	Hours per year	6	17	183%	
5.4	Emp-Dev	404-3	Employee performance appraisals	Percentage of employees, who have received a performance appraisal	in %	100%	100%	0%	
5.5	Emp-Turnover	401-1	Employee turnover and retention	Turnover rate	New hires	Number of employees	5	9	80%
						in %	36%	47%	33%
					Turnover	Number of employees	4	4	0%
						in %	29%	21%	-26%
Health and safety									
5.6	H&S-Emp	403-2	Employee health and safety	Injury, lost day and absentee rate	Absentee rate	4%	13%	200%	
					Injury rate	0	0	0%	
					Lost day rate	0	0	0%	
					Work-related fatality	0	0	0%	
5.7	H&S-Asset	416-1	Asset health and safety assessments	in %	100%	100%	0%		
5.8	H&S-Comp	416-2	Asset health and safety compliance	Number of incidents of non-compliance with health and safety standards	0	0	0%		
Community engagement									
5.9	Comty-Eng	413-1	Community engagement, impact assessments and development programs	in %	Local community involvement programs	0	0	0%	

Diversity

The Supervisory Board of DKR was expanded by one person in 2019 to a total of 5 members. In both periods under review, the Board of Management still consists of 3 persons.

The performance indicator Diversity-Pay is not very significant due to the relatively small number of employees and the lack of management structures below the Board of Management. However, it is a fundamental principle that all employees are paid regardless of gender based solely on their qualifications and suitability.

The payments of the members of the Supervisory Board is not performance-related and is based on the functions of the members on the committee. The ratio of basic compensation to performance-related compensation at Management Board level largely complies with the recommendations of the GCGC and, depending on the degree of target achievement for the variable compensation components, amounts to at least 49% and 51% fixed/variable respectively. The compensation of the members of the Supervisory Board and Management Board of the Company can be found in the compensation report in the Annual Financial Statements of DKR.

Education and training

External speakers are invited, and seminars are organized to further educate and promote the employees. Further training relates to topics such as data protection, the Money Laundering Act, insurance and operational safety measures, as well as to topics relating to the operating business, such as building fire protection. In addition, coaching sessions are held to identify and promote the individual strengths and weaknesses of employees. This is also done for the members of the Executive Board.

Additionally, each employee receives an annual feedback meeting. A specific performance assessment based on predetermined criteria or performance measures has not yet been carried out.

Employee turnover

In 2019, a total of 9 new employees were hired (+80%), mainly in response to DKR's growing portfolio and business volume.

In addition to permanent employees, DKR's staff consists of interns and student trainees, which explains the fluctuation during the reviewed period.

There were no work-related deaths, absences or injuries in either of the two reporting years. In 2019, there was an absence rate of approx. 13% due to illness. In 2018, the rate was around 4%. Due to the small number of employees, changes amongst individual employees have a very strong impact on the key figures.

Health and safety

All existing properties in the DKR portfolio are regularly inspected for potential health or safety risks in accordance with legal requirements. All properties meet the relevant standards in terms of fire and elevator safety, indoor air quality and asbestos protection.

DKR has no reported incidents of non-compliance with regulations affecting health and safety at the reporting date.

5.4 Governance

No.	EPRA Code	GRI	Indicators	2018	2019
Governance					
			Number of Management Board members	3	3
			Number of Supervisory Board members	4	5
6.1	Gov-Board	102-22	Average term of office in Governance Body	Member of Management Board	3.0 years*
				Member of Supervisory Board	3.4 years*
			Management/Supervisory Board members with competence in environmental and social issues	0	0
6.2	Gov-Select	102-24	Selection and appointment procedure of the members of the Supervisory Board	All Supervisory Board members are elected by the shareholders at the Annual General Meeting. (For further information please see the Annual Report [page 8 ff.])	
6.3	Gov-Col	102-25	Procedure for the regulation of conflicts of interest	Conflicts of interest of members of the Management Board and Supervisory Board must be disclosed to the Supervisory Board without delay. In financial year 2018/2019 there were no conflicts identified.	

* The average term of office refers to the period from the date of taking up office until the reference date 31 December 2019.

DKR is committed to good corporate governance as a central element of corporate management. The Management Board and Supervisory Board manage and lead the company based on compliance with the law and extensive adherence to generally recognized standards and recommendations. These are based on the values of competence, transparency and sustainability.

The Board of Management and the Supervisory Board support the German Corporate Governance Code and the objectives it pursues. For the benefit of the Company, the Executive Board and Supervisory Board work closely together to ensure responsible management and control of the Company through good corporate governance. An essential element of corporate governance is the separation of management and control. This is achieved by a clear division of responsibilities between the executive Management Board and the Supervisory Board. In addition, the Annual General Meeting is a further body that allows the shareholders to participate in fundamental decisions.

DKR's main business objective is also to create, maintain and strengthen the trust of tenants, business partners, shareholders and other capital market participants. At DKR, corporate governance means not only compliance with the law and the Articles of Association, but also adherence to internal instructions and voluntary commitments in order to implement the values, principles and rules of responsible management in daily operations.

This also includes responsible risk management in order to adequately and systematically counter the risks DKR is exposed to. A comprehensive process has been introduced to enable management to identify, evaluate and control risks and opportunities in a timely manner. In this way, adverse developments and events become transparent at an early stage and can be analysed and managed in a targeted manner.

6 Perspective

Regarding the decrease of the ecological footprint ("E"), DKR will mainly focus on the following objectives in the next two years:

- Accelerated planning and construction of currently around 150 planned e-charging stations for electric vehicles at existing properties. To achieve this DKR is cooperating with EnBW as an experienced partner. Implementation of these measures is expected to begin in calendar year 2020.
- Promotion and installation of additional photovoltaic systems on the roofs of the properties in the real estate portfolio. A joint project with an innovative start-up company in this field is also in operation. Several locations have already been identified and their technical and economic feasibility is currently being reviewed. Following this the installations can take place.
- Further optimization of the power supply of the entire portfolio and purchasing proportionately more electricity from renewable energies. This can be achieved through cooperation with an energy consulting company, which continuously checks the possibilities for a sustainable improvement of this position. According to initial calculations, up to 25% of energy costs can be saved annually. Furthermore, the conversion to eco-certified electricity and gas tariffs makes it possible to reduce the CO₂ emissions of the real estate portfolio by about 8,000 tons of CO₂ per year.
- DKR's finance department is also investigating the extent to which green financing can be sensibly applied at DKR.

Relating to social issues ("S"), DKR added a female member to the Supervisory Board after the reporting date at the Annual General Meeting on March 5, 2020.

Regarding governance issues ("G"), DKR is currently working on reviewing and aligning the remuneration systems for the Board of Management and Supervisory Board in accordance with the requirements of the new Corporate Governance Code (2019).

Appendix

Environmental performance measures of the DKR real estate portfolio

No.	EPRA Code	GRI	Indicators	Units of measures	2018	2019	% Change
Energy indicators							
4.1	Elec-Abs	302-1	Electricity	kWh	3,689,492	4,665,150	26.44%
4.2	Elec-LfL	302-1	Electricity	kWh	3,032,277	2,947,050	-2.81%
			Percentage of renewable sources	%	n/a	n/a	0%
4.3	DH&C-Abs	302-1	District heating and cooling	kWh	n/a	n/a	-
4.4	DH&C-LfL	302-1	District heating and cooling	kWh	-	-	-
			Percentage of renewable sources	%	n/a	n/a	0%
4.5	Fuels-Abs	302-1	Fuels	kWh	18,583,321	21,243,724	12.52%
4.6	Fuels-LfL	302-1	Fuels	kWh	12,519,874	12,781,578	2.05%
			Percentage of renewable sources	%	n/a	n/a	0%
4.7	Energy-Int	CRE1	Energy intensity	kWh/m ² /a	39.64	35.83	-9.60%
4.8	GHG-Dir-Abs	305-1	Dir. GHG emissions	t CO ₂	3459.3	3108.3	-10.15%
4.9	GHG-Indir-Abs	305-2	Indir. GHG emissions	t CO ₂	2274.4	2428.3	6.77%
4.10	GHG-Int	CRE3	GHG emission intensity	tCO ₂ /m ² /a	0.0157	0.0147	-6.15%
Water indicators							
4.11	Water-Abs	303-1	Water	m ³	71,710	83,713	14.34%
4.12	Water-LfL	303-1	Water	m ³	48,650	49,917	2.54%
4.13	Water-Int	CRE2	Water intensity	m ³ /m ² /a	0.12761	0.11578	-9.28%
Waste indications							
4.14	Waste-Abs	306-2	Weight of waste	t	n/a	n/a	-
4.15	Waste-LfL	306-2	Weight of waste	t	n/a	n/a	-
Certifications							
4.16	Cert-Tot	CRE8	Certification	# Certificates	1	1	0%

Environmental indicators of the headquarters

EPRA Code	Indicators	Units of measures	2018	2019	% Change
Energy indicators					
Elec	Electricity	kWh	1,169.61	1,353.22	15.70%
	Percentage of renewable energies	%	100%	100%	0.00%
DH&C	District heating and cooling	kWh	n/a	n/a	-
	Percentage of renewable energies	%	n/a	n/a	-
Fuels-Abs	Fuels	tCO2	n/a.	n/a	-
Energy-Int	Energy intensity	kWh/m ²	13.27	15.35	15.70%
	Heating and cooling	%	n/a.	n/a.	-
GHG-Dir-Abs	Dir. GHG emissions	tCO2	n/a	n/a.	-
GHG-Indir-Abs	Indir. GHG emissions	tCO2	0.5474	0.5426	-0.87%
GHG-Int	GHG emission intensity	tCO2/m ²	n/a	n/a	-
Water indicators					
Water-Abs	Water	m ³	n/a.	n/a	-
	Thereof hot water	m ³	n/a	n/a	-
Water-Int	Water intensity	m ³ /m ² /a	n/a	n/a	-
Waste indicators					
Waste-Abs	Total weight of waste	t	283.92	283.92	0.00%
Certifications					
Cert-Tot	Certification	# Certificates	0	0	0.00%

Social and governance related indicators

The social and governance related indicators are listed altogether in Section 5.3 (p.11) as well as Section 5.4 (p.13) and are therefore no longer shown here.

