

# Sustainability report



# Sustainability at Allreal

## Dear reader

Constructing and operating buildings and infrastructure account for roughly half of the raw materials needed in Switzerland, one third of the CO<sub>2</sub> emissions and over 80% of the waste. The high demand for properties and the associated construction activity are such that this situation will not change unless the parties involved act with commitment. That is why the way we build and how we manage our portfolio are so crucial.

As a real estate company with integrated development and construction expertise we are well aware of our responsibility. The goals set in our sustainability strategy include cutting carbon emissions and reducing our use of resources. For us, building in a way that is sustainable, like using recyclable construction materials and renewable sources of energy, is essential for long-term success. Last year we again devoted our attention to achieving our ambitious sustainability targets and further refining our strategy.

In the middle of the year we and eleven other large property developers signed up to the Circular Building Charter (Charta kreislaforientiertes Bauen). Our stated ambition by 2030 is to cut the use of non-renewable primary raw materials to 50% of total volume, rigorously log and significantly reduce indirect greenhouse gas emissions and improve the recyclability of renovation work and new builds.

Since 2023 we have also been represented on the board of the Sustainable Construction Network Switzerland (Netzwerk Nachhaltiges Bauen Schweiz). Once again we are leading the way in developing sustainable solutions and boosting the collaboration between the worlds of business, government, education, politics and academia.

We entered into a close dialogue with our stakeholders last year to bring greater focus to our key sustainability topics. The result is the latest matrix of material topics, which forms the basis for directing our sustainability efforts.

In April 2023 we issued our first green bond, raising CHF 150 million. Issuing a green bond is a logical consequence of implementing our sustainability strategy. We are using the capital generated to finance investments to improve energy efficiency and reduce greenhouse gas emissions in our portfolio.

**Ralph-Thomas Honegger**  
Chairman of the Board of Directors

**Stephan Widrig**  
CEO

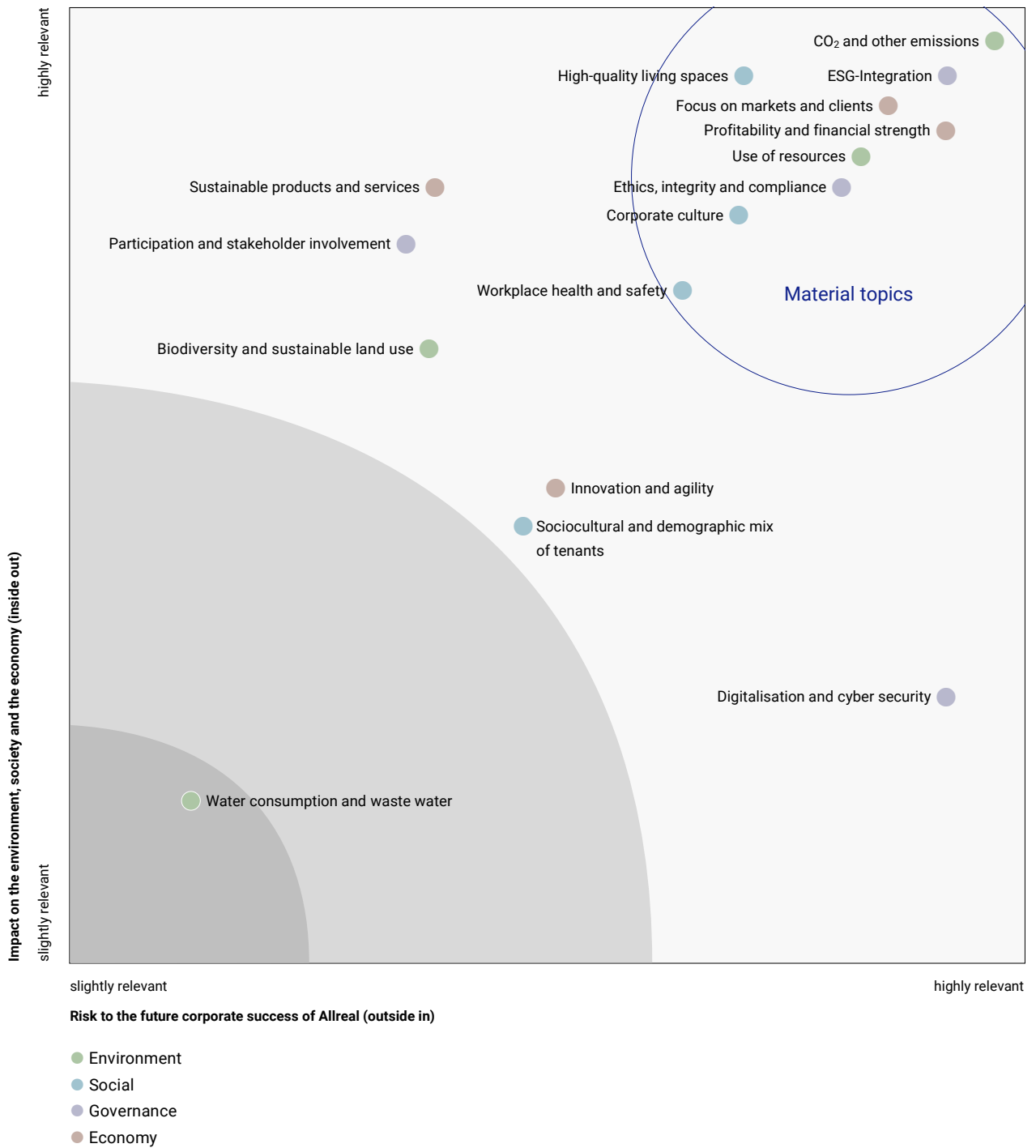
## **Stakeholder dialogue and key sustainability topics**

(GRI 3-1, 3-2)

The focus on markets and clients is a material topic for Allreal. That is why we keep up an active dialogue with stakeholders. This includes regular conversations at management level with authorities and customers, engaging in industry bodies, customer satisfaction surveys, employee surveys and training sessions on the Code of Conduct, and ongoing discussions with suppliers and contractors. Allreal is also in regular dialogue with investors and financial analysts and holds an analyst and media conference twice a year when the annual and half-year reports are published.

At the end of 2023 we launched a multi-level, systematic stakeholder dialogue to define and review the key sustainability topics. This was initially internal, with selected employees from all divisions and levels of seniority, then external, and included tenant representatives, suppliers and representatives from academia, civil society and the financial services industry. The aim was to become more familiar with stakeholders' challenges, needs and expectations as regards the key sustainability topics and pick up suggestions on how to develop and improve sustainability engagement at Allreal. A widely circulated written survey on the material topics was carried out at the same time. The topics raised were assessed and analysed for their relevance for Allreal and our stakeholders.

Taking account of the suggestions from the internal and external dialogue and the written survey, Allreal drew up the following materiality matrix:



Based on this matrix, Allreal defined the following key topics:

<b>Environment</b> – CO <sub>2</sub> and other emissions – Use of resources	<b>Social</b> – High-quality living spaces – Corporate culture – Workplace health and safety	<b>Governance</b> – ESG integration – Ethics, integrity and compliance	<b>Economy</b> – Profitability and financial strength – Focus on markets and clients
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

**Goals and goal achievement**

The Allreal sustainability strategy we issued in 2021 and reviewed in 2023 had 12 thematic focuses in the three dimensions of environmental, social and governance. It sets clear performance metrics with a time horizon of three years in each case and a CO<sub>2</sub> reduction path out to 2050.

Guiding principle	Allreal builds value		
Visions	...by being fully carbon-neutral	...by taking responsibility	...by having credible company management
Thematic areas	<b>Environment</b> – Carbon-neutrality by 2050 – Sustainable construction – Recyclable construction – Sustainable energy management	<b>Social</b> – Comprehensive workplace health and safety – Genuinely equal opportunities – High-quality living spaces – Data protection	<b>Governance</b> – Sustainability of company management – Recipient-friendly reporting – Simple remuneration with long-term elements – Appropriate composition of Board of Directors/Group Management

Under the Environment heading we want to achieve full carbon-neutrality across the whole portfolio of investment properties by 2050 and halve the share of fossil fuels in our energy consumption by 2030 from the base year of 2021. The company is also committed to sustainable and recyclable construction.





## Environment

	Goal	Actions 2023	Performance metrics			Status	
			2022	2023	Target figure 2024		
	Carbon-neutrality by 2050 Allreal will halve the use of fossil fuels in by 2030 and be carbon-neutral by 2050	<ul style="list-style-type: none"> <li>Renovation project at Birnensdorferstrasse/Weststrasse started</li> <li>Properties in western Switzerland included for the reduction path</li> <li>Continue to partial offset CO<sub>2</sub> emissions by buying certificates</li> </ul>	Share of fossil fuels generating electricity for investment properties <sup>3</sup>	59%	58%	<59%	on track ☺
			Number of tonnes of CO <sub>2</sub> emissions partially offset by buying certificates <sup>3</sup>	8000 ton-	6,000 tonnes	< 4,000 tonnes	planned ○
	Sustainable construction Allreal encourages sustainable building projects and takes climate risks and biodiversity into account	<ul style="list-style-type: none"> <li>Allreal label strategy approved</li> <li>First SNBS site certification for Baarermatte started</li> <li>Allreal takes a seat on the board of the NNBS</li> <li>Internal workshop on sustainable construction held</li> <li>LEED Platinum project at Bellerivestrasse 36 completed with green roof terrace</li> </ul>	Percentage of space in investment properties with certification/sustainability label <sup>2</sup>	40%	41.4%	>42%	planned ○
			Number of own-developed projects with intensive greenery on roof or façades <sup>2</sup>	1	2	2	on track ☺
	Recyclable construction Allreal wants to steadily reduce the resources used to realise new builds	<ul style="list-style-type: none"> <li>Founding member of the Circular Building Charter with a seat on the executive committee</li> <li>Strategy to encourage recyclable construction approved</li> </ul>	Number of training sessions on raising awareness of the value of materials in the Realisation department <sup>1</sup>	0	1	1	on track ☺
			Number of disposal plans requested by the Realisation division that are optimised by material <sup>2</sup>	0	1	>4	planned ○
	Sustainable energy management Allreal uses sustainable energy management	<ul style="list-style-type: none"> <li>Digital consumption recording started, roll-out of first automated measurements in the properties</li> <li>Added more PV systems with 3,319 kW peak output in 2023</li> </ul>	Percentage of space in investment properties where consumption is recorded <sup>3</sup>	23%	42%	>80%	planned ○
			Installed kWp output of PV systems in investment properties <sup>3</sup>	137	3456	>5,500	planned ○
			Share of parking spaces in residential properties with electric charging point <sup>3</sup>	20%	20%	>25%	planned ○
			Energy consumption per square metre (kWh/m <sup>2</sup> /a) <sup>1</sup>	84.5	76	<77	on track ☺

1 Target figure per year  
 2 Cumulative target figure to end 2024  
 3 Target figure as at 31 December 2024

The focus areas in the Social category are aimed at creating a pleasant and safe working environment for staff and working on processes to create high-quality living spaces.





## Social

	Goal	Actions 2023	Performance metrics			Status	
			2022	2023	Target figure 2024		
 <b>Workplace health and safety</b>	Allreal values workplace health and safety	- Safety rules checked in unannounced site audits	- Number of unannounced site audits conducted <sup>1</sup>	12	14	>10	on track ☑
		- Information on the findings from the audits used in internal training sessions	- Safety risks as a percentage of all shortcomings identified in site audits <sup>1</sup>	8%	8.8%	<5%	planned ○
		- Staff trained on internal safety organisation	- Number of reports to the external specialist centre for bullying and harassment <sup>1</sup>	0	0	0	on track ☑
		- Maintain collaboration with external specialist centre for bullying and harassment					
 <b>Genuinely equal opportunities</b>	Allreal promotes equal opportunities and ongoing employee training	- Continue HR strategy actively promoting work-life balance	- Number of hours of training per employee <sup>1</sup>	28.6	28.5	>25	on track ☑
		- Continue career development and active promotion of training sessions	- Percentage of the workforce working part-time <sup>3</sup>	18%	18%	>25%	not on track ○
		- Further develop corporate culture and values	- Number of equal-pay studies showing positive confirmation <sup>2</sup>	0	0	1	planned ○
			- Number of people from Athletes Network doing internships at Allreal <sup>1</sup>	2	0	2	planned ○
 <b>High-quality living spaces</b>	Allreal designs high-quality projects and cooperates actively with external stakeholders	- Finalise living space evaluation template and add one member to the external advisory board	- Number of project meetings held by the living space advisory board <sup>1</sup>	2	2	>2	planned ○
		- Two project reviews carried out	- Number of surveys on tenant satisfaction, the rental offering and management <sup>3</sup>	1	1	2	planned ○
 <b>Data protection</b>	Allreal ensures a high level of data protection by using the latest IT architecture	- IT penetration tests and cyber risk analysis for real estate portfolio carried out by external specialists - Data protection training given to all Allreal employees	- Number of IT penetration tests carried out externally <sup>1</sup> - Number of staff training sessions on data security and/or data protection carried out <sup>3</sup>	1 0	1 1	1 2	on track ☑ planned ○

- 1 Target figure per year
- 2 Cumulative target figure to end 2024
- 3 Target figure as at 31 December 2024

Good management is at the heart of the Governance section. This covers the appropriate composition of company bodies, the remuneration system and reporting.

## Governance

	Goal	Actions 2023	Performance metrics			Status
			2022	2023	Target figure 2024	
 Sustainability in company management	Sustainability is firmly embedded in senior management at Allreal	- Internal training sessions on ESG held for Group Management	5	4	>6	planned ○
		- Stakeholder dialogue held with representatives from Board of Directors and Group Management	0	8	>8	on track ☑
 Recipient-friendly reporting	Allreal announces every year the extent to which the ESG strategy has been achieved and has the sustainability metrics audited from 2023 onwards	- Reporting uses limited assurance	0	1	2	on track ☑
		- CO <sub>2</sub> emissions reported under the GHG Protocol. Factors adjusted. - Internal and external stakeholder dialogue held, plus written survey	0	2	2	on track ☑
 Simple remuneration with long-term elements	Allreal takes sustainability factors into account in the remuneration of Group Management and selected individuals	- Each member of Group Management has individual ESG targets that affect their function bonus	100%	90%	80%	planned ○
		- Average extent to which Group Management achieves ESG targets <sup>1</sup> - Percentage of the workforce with ESG performance metrics in their target agreements <sup>3</sup>	2%	2%	>20%	not on track ⚠
 Appropriate composition of Board of Directors/Group Management	Allreal is keen to increase the share of women on the Board of Directors and in Group Management	- Share of women on the Board <sup>3</sup>	25%	25%	>25%	not on track ⚠
		- Share of women in Group Management <sup>3</sup>	0%	0%	>0%	not on track ⚠

1 Target figure per year

2 Cumulative target figure to end 2024

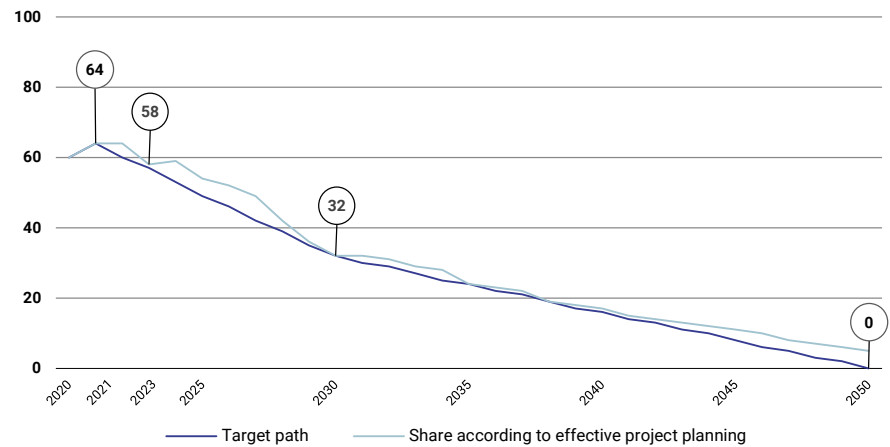
3 Target figure as at 31 December 2024



### CO<sub>2</sub> reduction path

A focus in the Environment section is achieving carbon-neutrality by 2050. An important intermediate goal is to reduce the share of fossil fuels by 50% by 2030 (from 64% fossil fuels in 2021 to 32%).

**CO<sub>2</sub> reduction path**  
 Percentage of fossil fuels in the investment properties portfolio



To reach the ambitious goals in the reduction path, we have set clear rules for renovating and building new investment properties, with thresholds for permissible greenhouse gas emissions (Section Label strategy). We follow the Sustainable Construction Switzerland standard (SNBS) for this.

The reduction path is calculated based on the assumption that district heating will continue to be partly based on fossil fuels in future. If district heating can be fully decarbonised more quickly, the CO<sub>2</sub> reduction goals can be achieved correspondingly faster.

Allreal offsets some of its CO<sub>2</sub> emissions. In 2023 roughly 6,000 tonnes of CO<sub>2</sub> were offset by climate projects certified to recognised standards such as the Gold Standard or the Verified Carbon Standard (VCS).

### Contribution to sustainable development goals

In 2015 the member states of the United Nations approved the 2030 Agenda for Sustainable Development. At the heart of this agenda are the 17 Sustainable Development Goals (SDGs), with 169 sub-goals. These are to be achieved globally and by all UN members by 2030. Allreal contributes to achieving several of these goals by its business activities and sustainability strategy.

The guiding principle for Allreal is derived from the business model: "Sustainable Cities and Communities".

#### Guiding principle



#### Other topics are:

Climate and energy



Encouraging the circular economy



Allreal as an attractive and safe employer



# Environment

When it comes to the environment the main topics and associated goals are reducing CO<sub>2</sub> and other emissions and cutting the use of resources. The guidelines are set out in the Circular Building Charter and the label strategy. Responsibility for implementation lies with the Development, Realisation and Real Estate divisions, with advice and support from the sustainability unit. Since 2023 Allreal has been represented on the board of the Sustainable Construction Network Switzerland (NNBS). This underscores the Allreal commitment to developing sustainable solutions and collaboration between the worlds of business, government, education, politics and academia.

## Diverse engagement

During the reporting year 14 photovoltaic installations with a peak output of 3,319 kW went into operation. Previously installed systems together generated 878 MWh of renewable electricity in the calendar year. We also further boosted the share of renewable energy in the portfolio and are encouraging heating systems that use renewable energy sources in new build and renovation projects. In e-mobility, no additional charging points were installed in 2023, as those put in last year have not yet all been let.

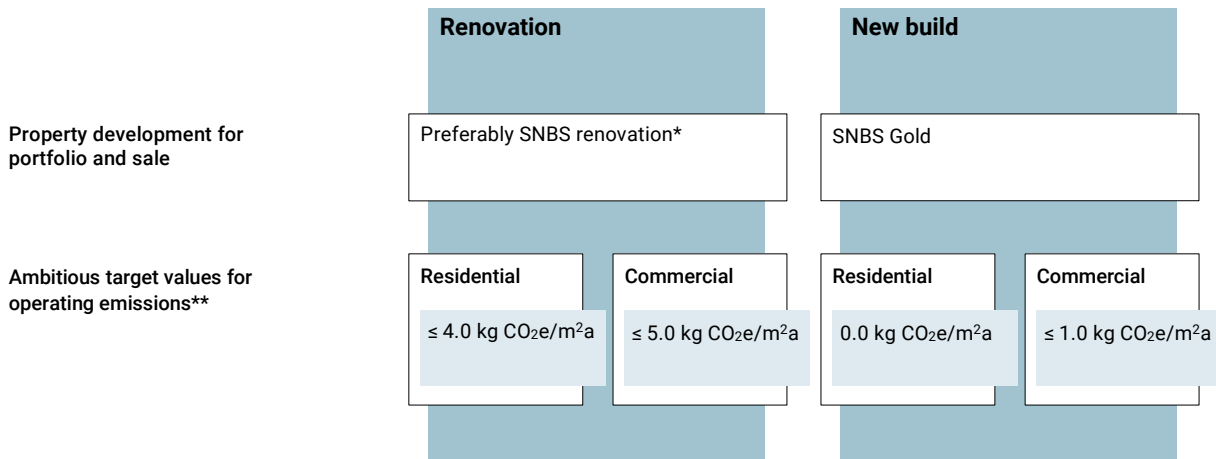
Value-enhancing investments of around CHF 60 million in renewable energy sources and energy efficiency measures in German-speaking Switzerland are planned out to 2030 to achieve the CO<sub>2</sub> reduction path. The expansion of the portfolio in French-speaking Switzerland following an acquisition in 2021 has made additional capital expenditure of around CHF 5 million necessary to renovate the properties in that part of the country. By 2030, a total of around CHF 65 million will have been invested in value-enhancing renewable energy sources and energy efficiency measures.

In April 2023 Allreal issued its first green bond, raising CHF 150 million. These funds were used in full in 2023 to build and renovate properties to a high standard of sustainability and to install photovoltaic systems. Thanks in part to measures like this, it looks likely that the target of halving the share of fossil fuels to 32% by 2030 can be achieved. The reduction path is on track at present, with a 58% share of fossil fuels in 2023.

By signing the Circular Building Charter Allreal is committed to the shared ambition of cutting the use of non-recyclable primary raw materials to 50% of the total volume, logging and significantly reducing indirect greenhouse gas emissions and measuring and improving the recyclability of renovation work and new builds, by 2030. Read more in the online report on the topic of [circular construction](#).

### Label strategy

To reach the ambitious goals under the reduction path, Allreal has set clear rules for renovation and building new properties. We follow the Sustainable Construction Switzerland standard (SNBS) for this. All new builds are completed and certified to SNBS Gold. This includes ambitious thresholds for permissible greenhouse gas emissions, when under construction and in operation. To date the focus as far as energy is concerned has mainly been on the energy used in operation (replacing heating systems, improving insulation, etc.); now emissions during construction and when manufacturing the building materials are also considered, making the methodology more comprehensive. Grey energy captures all the processes across the lifecycle of a building or component; it includes manufacturing, replacement investment and disposal, taking the depreciation periods of individual components into account.



\* If not feasible, then alternatives such as Minergie ECO or BREEAM in Use

\*\* Threshold and target values calculated according to SIA 390/1, SIA 2032, KBOB

## Energy consumption and CO<sub>2</sub> emissions

(GRI 302-1, 302-3, 305-1–4)

Allreal is committed to keeping energy consumption and the associated greenhouse gas emissions low and steadily reducing them. Apart from the structure of a building and its operation, environmental conditions affect the use of heating (and hence energy) in the winter.

The energy consumption shown in this report covers all investment properties owned by Allreal as at 31 December 2023. Buildings that were sold or not rented out during the reporting period owing to complete renovations or refurbishments are not included. Where buildings were transferred to the portfolio of investment properties during the reporting period, these are included in the energy figures for the first time if consumption data is available for at least 12 months. As a result, the rentable area of properties with an energy evaluation may be less than the total rentable area shown in the Annual Report. In 2023 a total of 800,460 m<sup>2</sup> of rentable area was included in the energy figures.

The components of energy consumption are as follows:

- Primary energy demand for room heating and electrical energy for heat pump systems
- Electrical energy used in the common areas and in general infrastructure, such as stairwells, corridors, lifts, cooling systems and ventilation systems
- Electricity used by tenants is not shown

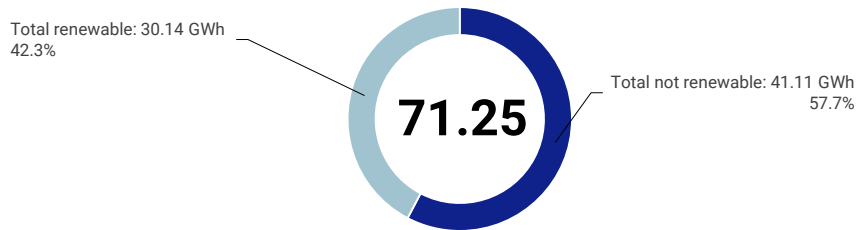
The following changes from the previous year should be mentioned in the methodology used to measure energy consumption and CO<sub>2</sub> figures:

- The portfolio acquired in French-speaking Switzerland in 2021 is now fully covered in the data, so the rentable area has risen.
- From this year on, Allreal uses the internationally recognised Greenhouse Gas Protocol to measure greenhouse gas emissions. Allreal includes Scopes 1 (direct emissions), 2 (indirect emissions) and 3.3 (fuel and energy-related emissions). Electricity used by tenants is not currently shown.
- Since 2023 we have also been reporting which property is connected to which district heating network in a different way. This is because the different district heating providers use different sources of heat and hence generate more or fewer CO<sub>2</sub> emissions. The data for 2022 and 2021 have been restated using this methodology to make it possible to provide accurate and comparable information (the market-based approach). The figures for previous years shown in this report are therefore not identical to the ones which appeared in previous reports.

Total energy consumption fell 2.8% in 2023 from the previous year to 71.25 GWh. Energy intensity was 89.0 kWh/m<sup>2</sup> of rentable space, compared to 94.8 kWh/m<sup>2</sup> the previous year. This is mainly due to the mild winter, which resulted in a year-on-year decline in heating degree days.

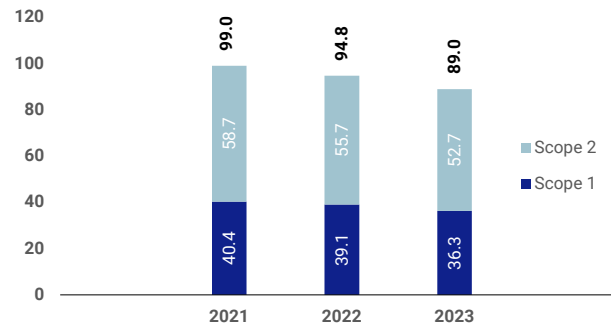
For more details on the methodology and data, please see the Appendix.

**Proportion of renewable energy**  
in GWh

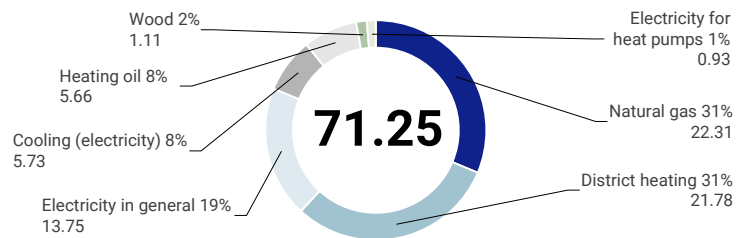


Residential and commercial properties with a total rentable area of 800,460m<sup>2</sup>.

**Energy intensity**  
in kWh/m<sup>2</sup> of rentable area



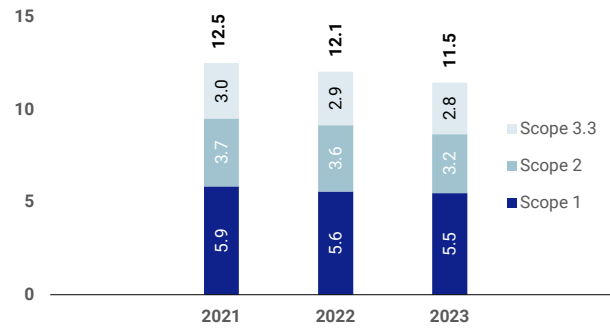
**Overall energy consumption by source**  
in GWh



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**Greenhouse gas emissions**

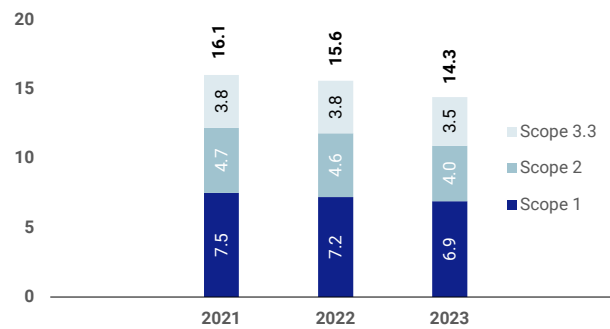
Scope 1, Scope 2 (market-based) and Scope 3.3, in 1,000t CO<sub>2</sub> equivalent



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**Greenhouse gas emissions**

Scope 1, Scope 2 (market-based) and Scope 3.3, in kg CO<sub>2</sub> equivalent/m<sup>2</sup> of rentable area



**Energy monitoring**

To improve energy efficiency you have to know exactly how much energy and media are being used. Last year we started digitalising the data collection, as a way of improving data quality. Now the consumption figures can be processed directly in specially designed software. The improved data basis will allow us to design targeted measures in future to increase energy efficiency.

# Social

The Social heading covers both corporate culture and workplace health and safety. In terms of society, the focus is on high-quality living spaces as a key topic. The corporate culture is shaped by all employees. Shared values were defined in a participative process and are lived out by the whole workforce. When it comes to workplace health and safety, the Realisation division takes the lead. The Development, Realisation and Real Estate divisions work together and with expert support from an external board and from the sustainability unit to create high-quality living spaces.

We set great store by labour relations that are fair, long-term oriented and based on a partnership. This is apparent from an average length of service that is high by sector standards. Efficient, capable and motivated employees are crucially important for successful long-term business activity. Allreal pays all employees a fair market salary regardless of gender and the nature of their employment, and also offers above-average social and monetary ancillary benefits. The company encourages ongoing education and training and equal pay and offers a system of agile working.

Last year we defined our values in a participative process: professional, entrepreneurial, human. These shape our culture and guide our behaviour. They reflect our mission and how we treat each other. And they stand for an attitude that makes for our shared success.

## **Workplace health and safety**

(GRI 403-5, 403-9)

Workplace safety is a top priority for Allreal, with a particular focus on construction sites. Project and site managers support and monitor contractors in planning and implementing all measures to prevent accidents. The Allreal quality management system provides them with various aids such as checklists and regulations for this purpose.

They also ensure the visitors to construction sites are given safety equipment and briefed on the safety rules.

In office locations, the company medical service responds rapidly to provide first aid in cases of emergency. All employees who work on building sites or in the company medical service are given annual training on different safety issues so they are able to perform these tasks as well as possible. Since the system of safety audit monitoring was introduced in 2016, we have halved the number of significant safety issues logged in each audit.

During the course of the year under review, the individuals responsible for workplace health and safety conducted a total of 14 unannounced site audits and recorded their findings. Safety risks were identified in 8.8% of all shortcomings. Together with the site managers, the necessary measures were put in place immediately to remedy these risks. The points raised were covered again in internal training sessions the following year to increase awareness.

There were no fatal or serious accidents on Allreal building sites in 2023. All in all, three people employed by Allreal or freelancers suffered minor injuries during



working hours, equivalent to 1.3% of the workforce or 1.3 incidents per 200,000 hours worked. Read more about our [occupational safety measures](#) in the online report.

### **High-quality living spaces**

Allreal builds high-quality living spaces people enjoy living and working in. They include an attractive external design with greenery, semi-public spaces and covered parking, especially for sustainable mobility (bike parking places and charging infrastructure for electromobility).

As part of our sustainability strategy, in December 2022 we set up the living space advisory board. This assesses Allreal projects in terms of social issues, as a way of contributing to achieving the goals under the sustainability strategy. The focus of the advisory board is on looking at the way living space is designed, and in particular on making qualitative statements on the design of public and semi-public spaces. In addition to reviewing completed projects, it also issues recommendations on future ones. These are reflected when studies are put out to tender, for example. The advisory board consists of two Allreal representatives (the CEO and the Head of Sustainability) and two external members. It is chaired by one of the external members.

During the reporting year the two sites Dietlimoos in Adliswil ZH and Grünhof in Zurich were scrutinised. The evaluation template was made tighter and simpler as a result of the experience gathered on the site visits (read more in [our story](#)).

### **Staff development**

(GRI 404-1, 404-2)

Allreal attaches great importance to ongoing internal and external employee training and education and covers a large share of the costs incurred. The company makes time available during working hours. This way we ensure that employees are up to date with their skills and in a position to do their job well. Training may involve short courses or longer programmes at master, bachelor, certificate of advanced studies or federal diploma level. An introductory pre- and onboarding is available online for new joiners, to give them an overview of organisational structure and processes.

Allreal employees underwent an average of 28.5 hours of training in 2023. The company invested a total of CHF 386,061 on this. This is equivalent to an average of CHF 1,609 per employee.

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**Training**

Hours per employee 2023

# 28.5

To be able to deliver a good performance, you have to have sufficient rest. All employees at Allreal enjoy at least five weeks of leave. An attractive annual working time model also affords staff the flexibility to plan their own time. Allreal gives all employees with an office job the chance to work from home. With these measures the company helps to promote a better work-life balance.

Employees receive a special gift for every five years of service in the form of shares, annual leave allowance or a lump-sum payment. For employees in German-speaking Switzerland Allreal also has its own pension fund, which offers attractive benefits and has an above-average cover ratio. In 2023, the employees of Allreal Romandie SA were given new employment contracts with terms closely based on those of Allreal Generalunternehmung AG. At the same they also received a considerably improved insurance solution for their occupational pensions.

Allreal offers staff who do not use a private car and take public transport a free annual season ticket for the entire public transport network in the canton of Zurich, or equivalent alternatives for Geneva, Bern and Basel.

**Employment**

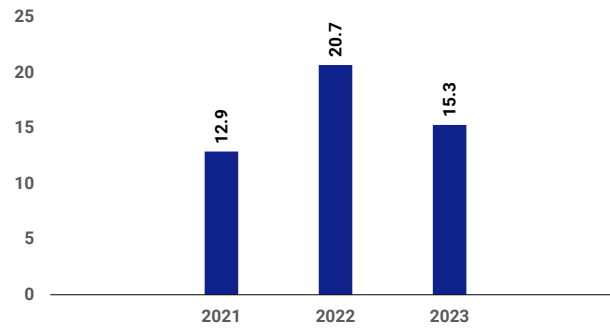
(GRI 2-7, 404-3, 405-1)

All Allreal employees receive an annual evaluation of their performance combined with target setting for the following year. This standardised process is supported by a specially developed digital solution.

On 31 December 2023 the headcount stood at 240 employees, equivalent to 228 full-time equivalents. For us it goes without saying that all company benefits are offered to all employees, regardless of whether they work full time or part time. In addition, as at 31 December 2023 there were four freelancers working for Allreal, equal to 2.7 full-time equivalents. The share of women is 32.1%. This has been steadily increased in recent years and should continue to do so in the years to come. Women made up 25% of the Board of Directors in the reporting year.

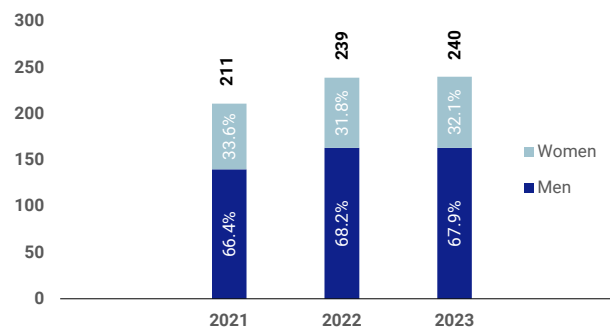
The turnover rate at Allreal in the reporting year was 15.3%, a decline of 5.4 percentage points from the previous year.

**Turnover rate**  
(in %)

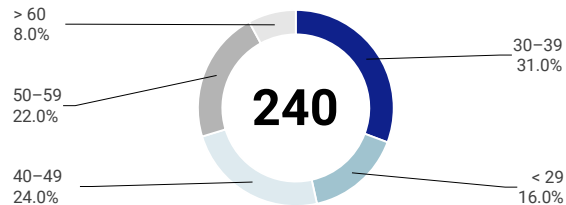


The figure shown here has been calculated using a methodology that is more detailed than the GRI turnover rate (GRI 401-1b). The two figures are therefore not identical.

**Number of employees**  
Employees by gender



**Employee age structure 2023**  
percentage share



For more details on the data, please see the Appendix.

# Governance

When it comes to Governance, the key topics are ESG integration and ethics, integrity and compliance. The fundamental principles of collaboration for Allreal are laid down in the Code of Conduct. They include the following points: acting and behaving lawfully and with integrity, non-discrimination, data protection and confidentiality, workplace health and safety and protecting the environment. These topics are dealt with in the company by the internal auditor and HR; data protection is handled by the IT department. All employees share equal responsibility for implementation. Regular training sessions are held on the various topics. ESG integration takes place across the group and at all levels of seniority, directed overall by the sustainability unit.

## **Embedding sustainability in the organisational structure**

(GRI 2-13, 2-17)

Sustainability is embedded in the strategy and corporate culture of Allreal. Ultimate responsibility lies with the Board of Directors, but it affects all business activities and requires the commitment of all employees. The Board of Directors decides Allreal's sustainability strategy and goals and monitors how they are developed and implemented. The Board is informed about sustainability issues at least once a year. It discusses and approves the annual sustainability reporting and the key topics. In addition, it was involved in the stakeholder dialogue and the materiality analysis. By doing so it gathered and absorbed the knowledge and suggestions from representatives of business, civil society and academia. The sustainability unit reports directly to the CEO. Working groups and committees are set up for special tasks and projects.

For the green bond an ESG Committee was established comprising the CEO, the CFO, the Head of Real Estate and the Head of Sustainability. The committee is responsible for selecting and evaluating suitable financing projects within the Green Bond Framework and oversees the allocation of funds and their impact on sustainability targets being achieved.

The living space advisory board is made up of the CEO, the Head of Sustainability and two external specialists. It assesses the impact of our projects in terms of social topics and, in particular, makes qualitative suggestions on the design of public and semi-public spaces.

As well as being embedded in the organisational structure and integrated across the group, sustainability topics are increasingly being integrated in training sessions as well as processes and procedures. Several courses were held in 2023, reaching roughly 20% of employees. The suggestions and needs raised by employees in the internal dialogue on key sustainability topics will be incorporated into future action plans and strategies. In 2023, various guidelines were also issued or revised, such as the label strategy, a concept paper on resource efficiency, the guidelines on high-quality living spaces and the conditions for the works contract.

## **New Data Protection Act**

On 1 September 2023 the fully revised Data Protection Act came into effect. This affects Allreal mainly in connection with buying, selling and managing properties, and also in Human Resources. We provided information on the forthcoming

changes in good time and held several training events to ensure that all employees have the necessary knowledge.

### **Integrated quality management**

Allreal has a comprehensive and standardised quality and cost management system that is implemented consistently and updated regularly. The web-based database "Processes at Allreal for Quality" (PAQ) defines standards and processes, and provides all employees with tools such as regulations, templates and examples for their day-to-day work.

### **Procurement**

As a total and general contractor, Allreal is liable for any failure to comply with minimum wage laws or the statutory working conditions offered by both contractors and all of their subcontractors. The high cost and time pressures so prevalent in the construction sector give rise to a degree of risk of violations of labour and social security provisions. These not only involve quality risks, but also liability and reputation risks. We strongly condemn illegal labour and wage dumping, and oblige all contractors to adhere strictly to the applicable provisions.

We did not note any violations on our construction sites in 2023. We took a range of actions to further minimise the risk of violations of the Posted Workers Act, including strict contract terms, an ID requirement for construction workers and access checks on large construction sites. Allreal has developed the Quali-construct programme – a collaborative model in which it works in very close partnership with selected companies that are known for their excellent track record in terms of quality, cost-effectiveness, credit rating and innovative capacity. As at the end of 2023 a total of 50 companies in 16 employment categories had joined the programme. Individual company affiliations to Qualiconstruct are reviewed annually.

We have also been working with the information system Informationssystem Allianz Bau (ISAB), which involves collaboration between employers and employees, since 2020. This data-based electronic platform is supported by the major social partners in the construction and renovation sectors and maximises transparency surrounding compliance with minimum working conditions. ISAB membership is an important criterion for us when awarding tenders.

Allreal operates solely in Switzerland and complies with the Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour. Work contracts specify that companies engaged by Allreal are likewise responsible for meeting their due diligence obligations under the Swiss Code of Obligations.

During the reporting period 99.5% of work by project volume was placed with companies and suppliers based in Switzerland.

Allreal site managers, who are deployed on-site and present for the entire construction period, monitor and manage compliance with standards and laws as well as the quality of execution. The company's own service organisation ensures that any defects that occur after the building has been handed over are rectified in a fast and straightforward way. A specially developed online platform is available to

those responsible for administering corrective action. Systematically recording the defects also guarantees that any clusters of defects are discovered and precluded in future as early as the planning stage.

### **Customer surveys**

Once construction work is complete, both customers who have purchased residential property from Allreal and a selection of building owners of third-party projects are given the opportunity to evaluate us and make specific suggestions for improvement using a standardised questionnaire. Of the eight questionnaires sent out in 2023, five were returned. In the overall assessment, 20% of developers of third-party projects were "very satisfied" with Allreal and the remaining 80% were "satisfied". Allreal did not hand over any new apartments to buyers in the reporting year.

Every two years the Allreal operational management team conducts a representative customer survey of residential and commercial tenants. The results provide additional valuable tips on further improving portfolio management, building management and operational management services. The next survey will be held in 2024.

### **Code of Conduct**

(GRI 2-24, 205)

The Code of Conduct, which is binding for the entire Allreal Group, outlines the business conduct expected of employees and business partners and defines the guidelines that must be respected and followed with no exceptions or limitations. It also specifies the sanctions in the event of violations. Our activity is based on taking personal responsibility for observing ethical standards and strictly complying with all legislation relevant to the company.

The Code of Conduct came into force in 2018 and defines the following corruption risks as material: the award of planning and sub-contracting services, the award of property management and facility management contracts, the acquisition of development properties, the acquisition of GC/TC contracts and the purchase/sale of investment properties. All new employees are informed of the Code of Conduct. On the instructions of the Board of Directors and Group Management, all employees also receive annual compulsory training on a specific issue covered in the Code of Conduct. During the reporting year the focus was on the topic of bribery and corruption. You can find the [Code of Conduct](#) on our website.

### **Whistleblower hotline and continuous improvement**

(GRI 2-16, 2-27, 406, 418)

Employees and third parties who discover or suspect violations of applicable laws or the Code of Conduct are able to report these to a whistleblower hotline. Reports can be made using the online form on the Allreal intranet and the company website. Use of a third-party provider ensures whistleblowers always remain anonymous and information is kept confidential. The hotline ensures whistleblowers do not suffer any negative consequences from making contact.

One incident was reported in 2023. As no violation of the Code of Conduct could be determined it was not followed up and the case was closed.

In addition to the existing whistleblower hotline, Allreal also works with the [Swiss centre addressing bullying and harassment](#). The centre is on hand to advise employees and members of Group Management who are concerned about signs of bullying, sexual harassment and discrimination in the workplace, with anonymity maintained at all times. The last training session on this issue took place in autumn 2021. During the reporting period, there were no reports of bullying, sexual harassment or discrimination in the workplace.

No violations of the protection of customer data or freedom from discrimination were reported in 2023. Neither was Allreal sanctioned or fined in the reporting period for failing to comply with social and economic legislation and regulations or failing to comply with environmental laws.

Group Management sends a standardised report to the Board every quarter on relevant events that could potentially negatively affect Allreal's business relationships or operating business.

Allreal employees can submit ideas and suggestions for improvement in an online form as a way of ensuring continuous improvement of working processes. Group Management assesses the feasibility of the suggestions collected and provides an update on the latest status of proposals every six months.

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### GRI content index 2023

Allreal Holding AG has reported in accordance with the GRI Standards for the period 01.01.2023 – 31.12.2023.

GRI 1: Foundation 2021

No applicable sector standards available

GRI Standard	Disclosure	Text/location	
<b>General disclosures</b>			
<b>GRI 2: General Disclosures 2021</b>	2-1	Organisational details	a. Allreal Holding AG b. Annual Report 2023 – Corporate Governance c. Legal HQ: CH-6340 Baar Operational HQ: CH-8152 Glattpark d. Switzerland
	2-2	Entities included in the organization's sustainability reporting	a Allreal Romandie SA, Allreal Generalunternehmung AG, Allreal Home AG, Allreal Office AG, Allreal Toni AG, Allreal West AG b No differences c All entities are treated the same
	2-3	Reporting period, frequency and contact point	a. Calendar year, annual (the reporting period for energy data is 01.06.2022 – 31.07.2023; the reporting period for all other information is 01.01.2023 – 31.12.2023) b. Calendar year, annual c. 27 February 2024 d. David Guthörl
<b>GRI 2: General Disclosures 2021</b>	2-4	Restatements of information	a.i. Reason: in 2023 a different method was used to measure energy and CO <sub>2</sub> data (the GHG Protocol instead of KBOB). a.ii. The energy and CO <sub>2</sub> data for 2021 and 2022 were restated using the new methodology to maintain comparability
	2-5	External assurance	a. The Audit and Risk Committee was involved in drafting the specifications and the contract for the external audit. b. EY limited assurance (Appendix Sustainability Report 2023)
	2-6	Activities, value chain and other business relationships	a. Annual Report 2023 – Business model and strategy b. Annual Report 2023 – Business model and strategy c. No other relevant business relationships d. No material changes
	2-7	Employees	Sustainability Report 2023 – Employment
	2-8	Workers who are not employees	Sustainability Report 2023 – Employment
	2-9	Governance structure and composition	Annual Report 2023 – Organisation
	2-10	Nomination and selection of the highest governance body	a. Annual Report 2023 – Articles of Association and Corporate Governance b. Annual Report 2023 – Corporate Governance
	2-11	Chair of the highest governance body	Annual Report 2023 – Organisation
2-12	Role of the highest governance body in overseeing the management of impacts	a. Annual Report 2023 – Corporate Governance Report and Organisational Regulations b. Annual Report 2023 – Corporate Governance c. Annual Report 2023 – Corporate Governance Report and Organisational Regulations, Sustainability Report 2023 – Governance	

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GRI Standard	Disclosure	Text/location	
	2-13	Delegation of responsibility for managing impacts	Sustainability Report 2023 – Embedding sustainability in the organisational structure
	2-14	Role of the highest governance body in sustainability reporting	Annual Report 2023 – Corporate Governance, Sustainability Report 2023 – Embedding sustainability in the organisational structure
	2-15	Conflicts of interest	Annual Report 2023 – Corporate Governance
	2-16	Communication of critical concerns	Sustainability Report 2023 – Whistleblower hotline and continuous improvement
	2-17	Collective knowledge of the highest governance body	Sustainability Report 2023 – Embedding sustainability in the organisational structure
	2-18	Evaluation of the performance of the highest governance body	Annual Report 2023 – Corporate Governance
	2-19	Remuneration policies	Annual Report 2023 – Compensation report
	2-20	Process to determine remuneration	a. Annual Report 2023 – Compensation report b. Minutes of the annual general meeting
	2-21	Annual total compensation ratio	Annual Report 2023 – Compensation report
	2-22	Statement on sustainable development strategy	Sustainability Report 2023 – Sustainability at Allreal
	2-23	Policy commitments	Code of Conduct of 9 December 2021: <a href="http://allreal.ch/en/company/code-of-conduct">allreal.ch/en/company/code-of-conduct</a>
	2-24	Embedding policy commitments	Sustainability Report 2023 – Code of Conduct Sustainability Report 2023 – Whistleblower hotline and continuous improvement
	2-25	Process to remediate negative impacts	Sustainability Report 2023 – Code of Conduct Sustainability Report 2023 – Whistleblower hotline and continuous improvement
	2-26	Mechanisms for seeking advice and raising concerns	Sustainability Report 2023 – Whistleblower hotline and continuous improvement
	2-27	Compliance with laws and regulations	Sustainability Report 2023 – Governance
	2-28	Membership of associations	– Avenir Suisse – Verband Immobilien Schweiz – Verein Minergie – Charta Kreislaufforientiertes Bauen – öbu Verband für nachhaltiges Wirtschaften – Netzwerk Nachhaltiges Bauen Schweiz
	2-29	Approach to stakeholder engagement	Sustainability Report 2023 – Stakeholder dialogue and key sustainability topics
	2-30	Collective bargaining agreements	0% of employees covered by collective agreements
<b>Material topics</b>			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Sustainability Report 2023 – Stakeholder dialogue and key sustainability topics
	3-2	List of material topics	Sustainability Report 2023 – Stakeholder dialogue and key sustainability topics
<b>Economic performance</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Annual Report 2023 - Financial report
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Annual Report 2023 – Consolidated financial statements
	201-3	Defined benefit plan obligations and other retirement plans	Annual Report 2023 – Notes to the consolidated financial statements
<b>Procurement practices</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Sustainability Report 2023 – Governance
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Sustainability Report 2023 – Procurement

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<b>Anti-corruption</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Sustainability Report 2023 – Governance
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Sustainability Report 2023 – Code of Conduct
	205-2	Communication and training about anti-corruption policies and procedures	Sustainability Report 2023 – Code of Conduct
	205-3	Confirmed incidents of corruption and actions taken	Sustainability Report 2023 – Code of Conduct
<b>Energy</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Sustainability Report 2023 – Environment
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Sustainability Report 2023 – Energy consumption and CO <sub>2</sub> emissions
	302-3	Energy intensity	Sustainability Report 2023 – Energy consumption and CO <sub>2</sub> emissions
<b>Emissions</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Sustainability Report 2023 – Environment
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Sustainability Report 2023 – Energy consumption and CO <sub>2</sub> emissions
	305-2	Energy indirect (Scope 2) GHG emissions	Sustainability Report 2023 – Energy consumption and CO <sub>2</sub> emissions
	305-3	Other indirect (Scope 3) GHG emissions	Sustainability Report 2023 – Energy consumption and CO <sub>2</sub> emissions
	305-4	GHG emissions intensity	Sustainability Report 2023 – Energy consumption and CO <sub>2</sub> emissions
<b>Employment</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Sustainability Report 2023 – Social
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Sustainability Report 2023 – Employment
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Sustainability Report 2023 – Employment. All benefits are provided to all employees, regardless of whether they work full time or part time.
<b>Workplace health and safety</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Sustainability Report 2023 – Social
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Sustainability Report 2023 – Workplace health and safety
	403-2	Hazard identification, risk assessment, and incident investigation	Sustainability Report 2023 – Workplace health and safety
	403-5	Worker training on occupational health and safety	Sustainability Report 2023 – Workplace health and safety
	403-8	Workers covered by an occupational health and safety management system	Sustainability Report 2023 – Workplace health and safety
	403-9	Work-related injuries	Sustainability Report 2023 – Workplace health and safety
<b>Training and education</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Sustainability Report 2023 – Social

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<b>GRI Standard</b>		<b>Disclosure</b>	<b>Text/location</b>
<b>GRI 404: Training and Education 2016</b>	404-1	Average hours of training per year per employee	Sustainability Report 2023 – Employee development
	404-2	Programs for upgrading employee skills and transition assistance programs	Sustainability Report 2023 – Employee development
	404-3	Percentage of employees receiving regular performance and career development reviews	Sustainability Report 2023 – Employment
<b>Diversity and Equal Opportunity</b>			
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	Sustainability Report 2023 – Social
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1	Diversity of governance bodies and employees	Annual Report 2023 – Organisation
<b>Non-discrimination</b>			
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	Sustainability Report 2023 – Governance
<b>GRI 406: Non-discrimination 2016</b>	406-1	Incidents of discrimination and corrective actions taken	Sustainability Report 2023 – Whistleblower hotline and continuous improvement
<b>Customer privacy</b>			
<b>GRI 3: Material Topics 2021</b>	3-3	Management of material topics	Sustainability Report 2023 – Governance
<b>GRI 418: Customer Privacy 2016</b>	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Sustainability Report 2023 – Whistleblower hotline and continuous improvement

## Methodology

### Methodology for measuring energy consumption

- The components of energy consumption are as follows:
  - Primary energy demand for room heating and electrical energy for heat pump systems
  - Electrical energy used in the common areas and in general infrastructure, such as stairwells, corridors, lifts, cooling systems and ventilation systems
  - Electricity used by tenants is not shown
- The energy consumption shown in this report covers all investment properties owned by Allreal in the financial year as at 31 December. Properties that were not rented out during the reporting period owing to complete renovations or refurbishments are not included. Where buildings were transferred to the portfolio of investment properties during the reporting period, these are included in the energy figures for the first time if consumption data is available for at least 12 months. As a result, the rentable area of properties with an energy evaluation may be less than the total rentable area shown in the Annual Report. In 2023 a total of 800,460m<sup>2</sup> of rentable area was included in the energy figures.
- At present, energy consumption is collected via the calculation of incidental costs. These cover different periods that do not always exactly match the energy year (from July of the previous year to June of the current year). So where data for the reporting year are incomplete or missing, they are projected using the accumulated temperature difference (atd) method for the previous year's data to fill in the gaps.
- The CO2MPASS simulation tool is used to make estimates when consumption data is missing. The tool uses a thermal model based on the standards of the SIA (the Swiss Society of Engineers and Architects), taking input data on the building in question (location, age, energy reference area, building envelope, heating system, etc.). A final manual plausibility check improves the quality of this data further.

### Methodology for measuring CO<sub>2</sub> data

- Allreal calculates CO<sub>2</sub> emissions using the internationally recognised GHG Protocol. Allreal includes Scopes 1 (direct emissions), 2 (indirect emissions) and 3.3 (fuel and energy-related emissions). Electricity used by tenants is not currently shown.
- The source Allreal uses for emission factors for Scopes 1, 2 and 3 is data from intep.<sup>1</sup>
- The consolidation approach used by Allreal is based on operational control.

<sup>1</sup> <https://intep.com/projekte/emissionsfaktoren-fuer-den-gebaeudesektor/>

The methodology used to measure energy consumption and CO<sub>2</sub> emissions differs from the previous year in the following ways:

- The portfolio of properties acquired in French-speaking Switzerland in 2021 is now fully covered in the data, so the rentable area has risen.
- Allreal calculates CO<sub>2</sub> emissions using the internationally recognised GHG Protocol and no longer applies the method of the KBOB.
- Since 2023 we have also been reporting which property is connected to which district heating network in a different way. This is because the different district heating providers use different sources of heat and hence generate more or fewer CO<sub>2</sub> emissions. The data for 2022 and 2021 have been restated using this methodology to make it possible to provide accurate and comparable information (the market-based approach). The figures for previous years shown in this report are therefore not identical to the ones which appeared in previous reports.

#### Employee data

GRI 401: New employee hires and employee turnover

GRI 401-1a: Total number and rate of new employee hires during the reporting period, by age group, gender and region

Gender	Number of new employees	
Female	19	
Male	21	
<b>Total</b>	<b>40</b>	

Age group	Number of new employees	Rate in %
< 29	14	35.0
30–39	11	27.5
40–49	9	22.5
50–59	6	15.0
> 60	0	0
<b>Total</b>	<b>40</b>	<b>16.7</b>

Region	Number of new employees	
German-speaking Switzerland	30	
French-speaking Switzerland	10	
<b>Total</b>	<b>40</b>	

GRI 401-1b: Total number and rate of employee turnover during the reporting period, by age group, gender and region

Gender	Number of employee turnover
Female	18
Male	26
<b>Total</b>	<b>44</b>

Age group	Number of employee turnover	Rate in %
< 29	7	15.9%
30–39	13	29.5%
40–49	11	25.0%
50–59	9	20.5%
> 60	4	9.1%
<b>Total</b>	<b>44</b>	<b>18.3%</b>

Region	Number of employee turnover
German-speaking Switzerland	30
French-speaking Switzerland	14
<b>Total</b>	<b>44</b>

GRI 404-1 Average hours of training per year per employee<sup>1</sup>

Gender	Number of employees	Total hours of training and education	Avg. number of hours per employee
Female	43	2,250.28	29.2
Male	83	4,597.86	28.2
<b>Total</b>	<b>126</b>	<b>6,848.14</b>	<b>28.5</b>

Employee category	Number of employees	Total hours of training and education	Avg. number of hours per employee
Management	1	17.20	3.4
Management Team	8	324.20	14.1
Employees	117	6,506.74	30.7
<b>Total</b>	<b>126</b>	<b>6,848.14</b>	<b>28.5</b>

<sup>1</sup> 126 out of 240 employees completed training. The average number of hours was calculated across all 240.

## GRI 405-1 Diversity of governance bodies and employees

### GRI 405-1 a. Percentage of people on the governance body

Gender	Number	Share in %
Female	2	25
Male	6	75
<b>Total</b>	<b>8</b>	<b>100</b>

Age structure	Number	Share in %
< 29	0	0
30–39	0	0
40–49	1	13
50–59	2	25
> 60	5	63
<b>Total</b>	<b>8</b>	<b>100</b>

Region	Number	Share in %
German-speaking Switzerland	6	75
French-speaking Switzerland	2	25
<b>Total</b>	<b>8</b>	<b>100</b>

### GRI 405-1 b. Percentage of employees per employee category

Gender	Number	Share in %
Female	77	32.1
Male	163	67.9
<b>Total</b>	<b>240</b>	<b>100</b>

Age structure	Number	Share in %
< 29	38	16
30–39	75	31
40–49	57	24
50–59	52	22
> 60	18	8
<b>Total</b>	<b>240</b>	<b>100</b>

Region	Number	Share in %
German-speaking Switzerland	197	82.1
French-speaking Switzerland	43	17.9
<b>Total</b>	<b>240</b>	<b>100</b>



## Energy data

### Reida<sup>1</sup>

Basic data		2023	2022
Cover ratio <sup>2</sup>		100%	100%
ERA (m <sup>2</sup> )		928 473	867 698
RS (m <sup>2</sup> )		800 460	773 130
<b>Energy consumption [MWh]</b>	<b>Share 2023</b>	<b>2023</b>	<b>2022</b>
<b>Total energy consumption</b>	<b>100.0%</b>	<b>71 251</b>	<b>73 309</b>
<b>Non-renewable energy sources</b>	<b>57.7%</b>	<b>41 115</b>	<b>43 264</b>
Heating oil	7.9%	5 658	3 793
Natural gas	31.3%	22 306	25 365
District heating (non-renewable)	18.2%	12 943	13 925
Electricity (non-renewable)	0.3%	209	181
<b>Renewable energy sources</b>	<b>42.3%</b>	<b>30 135</b>	<b>30 045</b>
District heating (renewable)	12.4%	8 835	10 756
Electricity (renewable)	28.3%	20 194	18 179
Wood	1.6%	1 106	1 110
<b>Heat source [MWh]</b>	<b>Share 2023</b>	<b>2023</b>	<b>2022</b>
Heating oil	10.9%	5 658	3 793
Natural gas	43.1%	22 306	25 365
Biogas	0.0%	0	0
Electricity for heat pumps	1.8%	926	952
Wood	2.1%	1 106	1 110
District heating (renewable)	17.1%	8 835	10 756
District heating (non-renewable)	25.0%	12 943	13 925
<b>Total heat sources</b>	<b>100.0%</b>	<b>51 773</b>	<b>55 901</b>

### AMAS | Reida<sup>1</sup>

	GHG		KBOB 2022 <sup>1</sup>	
	2023	2022	2023	2022
<b>Energy intensity [kWh/m<sup>2</sup> ERA]</b>	<b>76.0</b>	<b>84.5</b>	<b>76.0</b>	<b>84.5</b>
Renewable share	42.3%	41.0%	42.3%	41.0%
Non-renewable share	57.7%	59.0%	57.7%	59.0%
<b>CO<sub>2</sub> intensity [kgCO<sub>2</sub>e/m<sup>2</sup> ERA]</b>	<b>12.2</b>	<b>13.9</b>	<b>10.0</b>	<b>11.2</b>
Scope 1 [kgCO <sub>2</sub> e/m <sup>2</sup> ERA]	5.9	6.4	5.9	6.4
Scope 2 (market-based) [kgCO <sub>2</sub> e/m <sup>2</sup> ERA]	3.4	4.1	1.6	1.9
Scope 3.3 [kgCO <sub>2</sub> e/m <sup>2</sup> ERA]	3.0	3.3	2.6	2.9

1 The REIDA calculation uses the emission factors from KBOB 2022. As a result, emissions from district heating powered by incineration are considerably lower in Scope 2 and Scope 3.3 under REIDA compared to the GHG Protocol. Our REIDA calculation is not climate adjusted, so it is equivalent to the real consumption figures and not suitable as a benchmark.

2 The cover ratio refers to the composition of the portfolio as at 31.12.2023. It shows the percentage of properties in the total portfolio for which energy consumption data are collected.

#### Glossary:

Real Estate Investment Data Association (REIDA)

Asset Management Association Switzerland (AMAS)

Energy reference area (ERA)

Rentable space (RS)

Koordinationsgremium der Bauorgane des Bundes [Coordination Conference of Federal Construction Agencies] (KBOB)

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**Water data**

	2023	2022
<b>Water consumption total [m<sup>3</sup>]</b>	<b>411,997</b>	<b>394,316</b>
Water consumption intensity [m <sup>3</sup> /m <sup>2</sup> rentable space]	0.515	0.510

To the Board of Directors of  
**Allreal Holding AG, Baar**

Zurich, 27 February 2024

## Independent Assurance Report on selected sustainability KPIs in the Sustainability Report

We have been engaged to perform a limited assurance engagement (the engagement) on the following metrics disclosed in Allreal Holding AG's (the Company's) Sustainability Report 2023 (the report) marked with a "☑" (the KPIs) for the reporting period from 1 January 2023 to 31 December 2023:

- ▶ Energy consumption and CO<sub>2</sub> emissions (GRI 302-1, 302-3, 305-1-4)
- ▶ Workplace health and safety (GRI 403-5, 403-9)
- ▶ Staff development (GRI 404-1, 404-2)
- ▶ Employment (GRI 2-7, 404-3, 405-1)
- ▶ Employee data (GRI 401-1, 401-2, 404-1, 405-1)

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the report, and accordingly, we do not express a conclusion on this information.



### Applicable criteria

The Company defined as applicable criteria (applicable criteria):

- ▶ Global Reporting Initiative Sustainability Reporting Standards (GRI Standards).

A summary of the standards is presented on the GRI homepage. We believe that these criteria are a suitable basis for our limited assurance engagement.



### Responsibility of the Board of Directors

The Board of Directors is responsible for the selection of the applicable criteria and for the preparation and presentation, in all material respects, of the disclosed KPIs in accordance with the applicable criteria. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation of the KPIs that are free from material misstatement, whether due to fraud or error.



### Independence and quality control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



### **Our responsibility**

Our responsibility is to express a conclusion on the above mentioned KPIs based on the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the KPIs in the report are free from material misstatement, whether due to fraud or error.



### **Summary of work performed**

Based on risk and materiality considerations we have undertaken procedures to obtain sufficient evidence. The procedures selected depend on the practitioner's judgment. This includes the assessment of the risks of material misstatements in the above mentioned KPIs. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in scope than, for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

The Greenhouse Gas (GHG) quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs. Additionally, GHG procedures are subject to estimation (or measurement) uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

Our limited assurance procedures included, amongst others, the following work:

- ▶ Assessment of the suitability of the underlying criteria and their consistent application
- ▶ Interviews with relevant personnel to understand the business and reporting process, including the sustainability strategy, principles and management
- ▶ Interviews with the Company's key personnel to understand the sustainability reporting system during the reporting period, including the process for collecting, collating and reporting the KPIs
- ▶ Checking that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the applicable criteria
- ▶ Analytical review procedures to support the reasonableness of the data
- ▶ Identifying and testing assumptions supporting calculations
- ▶ Testing, on a sample basis, underlying source information to check the accuracy of the data

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.



### **Conclusion**

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the KPIs for the reporting period from 1 January 2023 to 31 December 2023 have not been prepared, in all material respects, in accordance with the applicable criteria.

Ernst & Young AG



Tobias Meyer  
(Qualified Signature)

Executive in charge



Claude-Aline Dubi  
(Qualified Signature)

Manager