

Sustainability Report 2016



Contents

02 Editorial

04 About this report

07 TLG IMMOBILIEN AG – QUALITY AND SERVICE

08 The company

16 Sustainability at TLG IMMOBILIEN

18 In dialogue with our stakeholders

21 Material topics

25 Governance and compliance

30 REVIEW: SOLID FOUNDATIONS

31 Economy and value creation: Sustainable growth and quality

39 Environment: Efficiency and resource preservation

44 Employees: Commitment and expertise

53 Outlook and targets

55 KEY FIGURES AND INFORMATION

56 Key figures

77 GRI Content Index

86 EPRA Sustainability Performance Measures

87 Contact

We have been implementing our growth strategy successfully since our IPO in 2014. However, we see successful corporate governance in the long term as more than just economic success, but rather also the embracing of our ecological and social responsibility.

In addition to our financial reports, we therefore publish annual sustainability reports documenting our progress. Our objective is clear: we want to heighten the long-term trust of our partners further.

Dear Shareholders,
Dear Business Partners and Tenants,
Dear Sir or Madam,

In recent years, TLG IMMOBILIEN has developed into a leading commercial real estate business in Germany. By acquiring properties and strategically refining our portfolio, we have created a solid basis on which we will be able to grow in value in future.

“Valuable growth” – with this motto we already clearly defined in our 2016 annual report how we want to continue growing in future. As an active portfolio manager with a long-term outlook, we do not measure our growth by the absolute size of our portfolio. Rather, we aim to preserve and increase the long-term value and profitability of our portfolio through high portfolio quality. And we can only achieve this if we continuously analyse and take into consideration developments that affect the long-term usability of the properties in our portfolio and potential acquisitions – especially given the current state of the markets. These include, for example, developments in society and the working world as well as issues relating to energy and the general regulatory conditions.

This approach enables us to ensure a responsible, sustainable usage concept for our portfolio. This way, we can maintain the long-term attractiveness of our properties and in turn the satisfaction of our tenants and ensure that our properties can be used efficiently throughout their life cycles.

However, our approach also makes it clear that we can only achieve our target of growing in value if we include social and ecological aspects proportionate to our strategic orientation and release transparent reports on our progress in this regard.

You are now reading our second sustainability report which we have prepared voluntarily in line with the new GRI Reporting Standards that were published in October 2016. This report represents our continuation down the path we took in 2016 as well as the gradual optimisation of last year’s appraisal of the situation.

We carried out a stakeholder survey in spring 2017 in order to actively involve our stakeholder groups in our reports. Our objective was to validate the materiality of the content in our reports and adapt it if necessary. The results of the survey have been incorporated into this report. We have also been able to expand our environmental indicators and improve our transparency in this field.



Peter Finkbeiner — Member of the Management Board

Niclas Karoff — Member of the Management Board

As a result, we have certainly taken another step towards our goal, although we have not yet reached it. We intend to refine our key figures steadily over the next few years and incorporate our sustainability strategy into our business processes.

We hope you enjoy reading this report!

Berlin, October 2017

Peter Finkbeiner
Member of the Management Board

Niclas Karoff
Member of the Management Board

— 102-14

ABOUT THIS REPORT

This, our second sustainability report, is another step along the path on which we set out in 2016 and builds on the review of the previous year. We want to show our stakeholder groups how we fulfil our social and ecological responsibility and tie it in with our core business in a sensible manner.

Content and structure of the report

This report paints a holistic portrait of the performance of our company on the basis of financial and non-financial information. The financial information includes information about our business model, our strategy and the course of business in 2016, including selected financial performance indicators. The non-financial information includes the social and ecological aspects of TLG IMMOBILIEN.

Thematically, this report focuses on economy and value creation and environment and personnel in which we report on sustainable corporate governance, customers and society, product responsibility, supply chain, environmental protection and our responsibility as an employer. The content of this report therefore reflects the key aspects over which TLG IMMOBILIEN has an influence with its business activities.

We are publishing this report on a voluntary basis as, due to our number of employees, we are not subject to the EU guidelines on methodology for reporting non-financial information.

Implementation of the new GRI Sustainability Reporting Standards

The disclosures in this report are based on the Sustainability Reporting Standards published by the Global Reporting Initiative (GRI) in October 2016. This report has been prepared in accordance with the Core option of the GRI standards. The Global Reporting Initiative has been notified of the application of the GRI standards and the publication of this report. — 102-54

In line with the GRI guidelines, TLG IMMOBILIEN prepares reports on the basis of the following five principles:

THE PRINCIPLE OF REGULARITY

The sustainability reports of TLG IMMOBILIEN are published annually. This report concerns the financial year from 1 January 2016 to 31 December 2016 and therefore follows on seamlessly from the Sustainability Report 2015 published in November 2016. — 102-50, 102-51, 102-52

THE PRINCIPLES OF COMPARABILITY AND TRANSPARENCY

The last report was based on the G4 Guidelines of the GRI. This is the first report to be prepared in line with the new GRI standards; it too has been prepared with the Core option and is supplemented by sector-specific information for Construction and Real Estate (CRESS).

We are also once again basing our report on the criteria of the German Sustainability Code (DNK), on the sustainability code of the German Property Federation (ZIA) and, with regard to environmental indicators, on the EPRA Best Practices Recommendations on Sustainability Reporting. Any deviations or new indicators compared to the previous year will be indicated as such.

The content of the report has not been audited by an independent third party. — 102-56

THE PRINCIPLES OF CLEAR CLASSIFICATION AND CONSOLIDATION (BOUNDARY OF THE REPORT)

Unless indicated otherwise, all of the information and performance indicators in this report concern the 2016 financial year. The personnel and consumption statistics encompass the entire TLG IMMOBILIEN Group. — 102-45

THE PRINCIPLES OF MATERIALITY AND STAKEHOLDER ORIENTATION

In order to determine the content of the report, we compiled the aspects of relevance to the sustainability of our business activities as part of our 2015 sustainability report. The aspects were selected on the basis of their materiality.

Last year we identified the stakeholders relevant to us so as to tailor our reports to our stakeholder groups. In early 2017 we had the selected material aspects validated and evaluated by means of a structured stakeholder survey. The results have been incorporated into this report. Consequently, our sustainability report addresses all of the aspects that are of particular relevance in the opinion of our stakeholders or our company – or both. — 102-46

TLG IMMOBILIEN AG – QUALITY AND SERVICE

- 08 The company
- 16 Sustainability at TLG IMMOBILIEN
- 18 In dialogue with our stakeholders
- 21 Material topics
- 25 Governance and compliance

The company

TLG IMMOBILIEN is one of the leading commercial real estate companies in Germany. We have been pursuing a strategy of steady growth since our IPO in 2014 and were once again able to implement it successfully in 2016. We have further optimised the quality of our portfolio through strategic acquisitions and disposals and rendered extensive services for our customers.

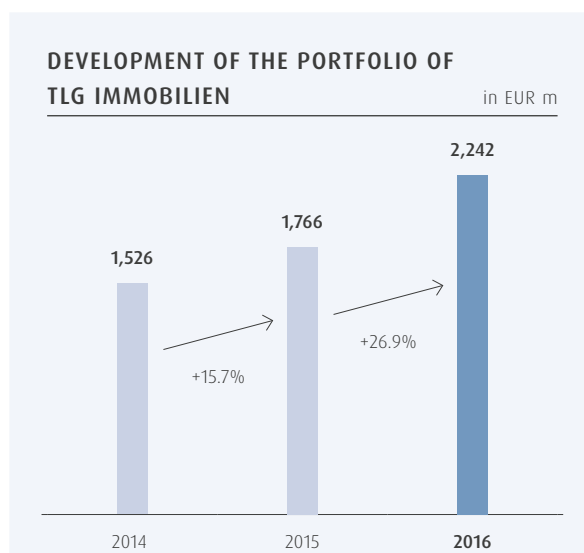
About the company

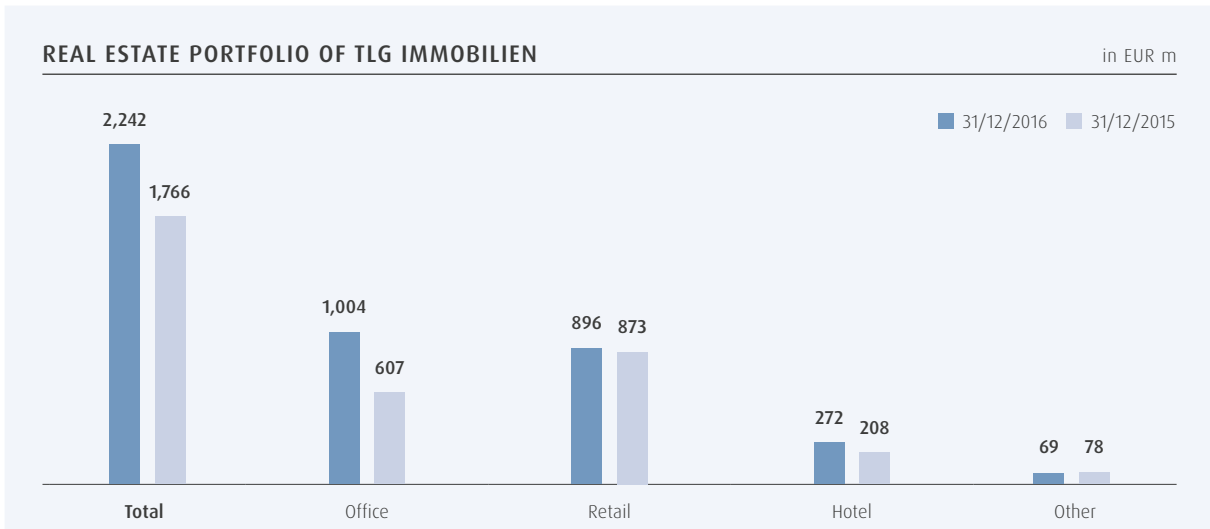
TLG IMMOBILIEN is an active portfolio manager and specialist in commercial real estate. Our core expertise is the long-term, sustainable leasing and management of office, retail and hotel properties. — 102-2

As at 31 December 2016, our portfolio contained high-quality office properties in Berlin, Dresden, Frankfurt/Main, Leipzig and Rostock. Our retail properties are in demographically stable or growing locations in highly frequented micro-locations in Germany. Additionally, as at 31 December 2016 our portfolio contained seven hotels in Berlin, Dresden, Leipzig and Rostock. TLG IMMOBILIEN operates exclusively in Germany. — 102-1, 102-4, 102-6

As at 31 December 2016, our property portfolio contained 404 properties (31/12/2015: 418) with a property value (IFRS) of EUR 2.242 bn (31/12/2015: EUR 1.766 bn). —102-7

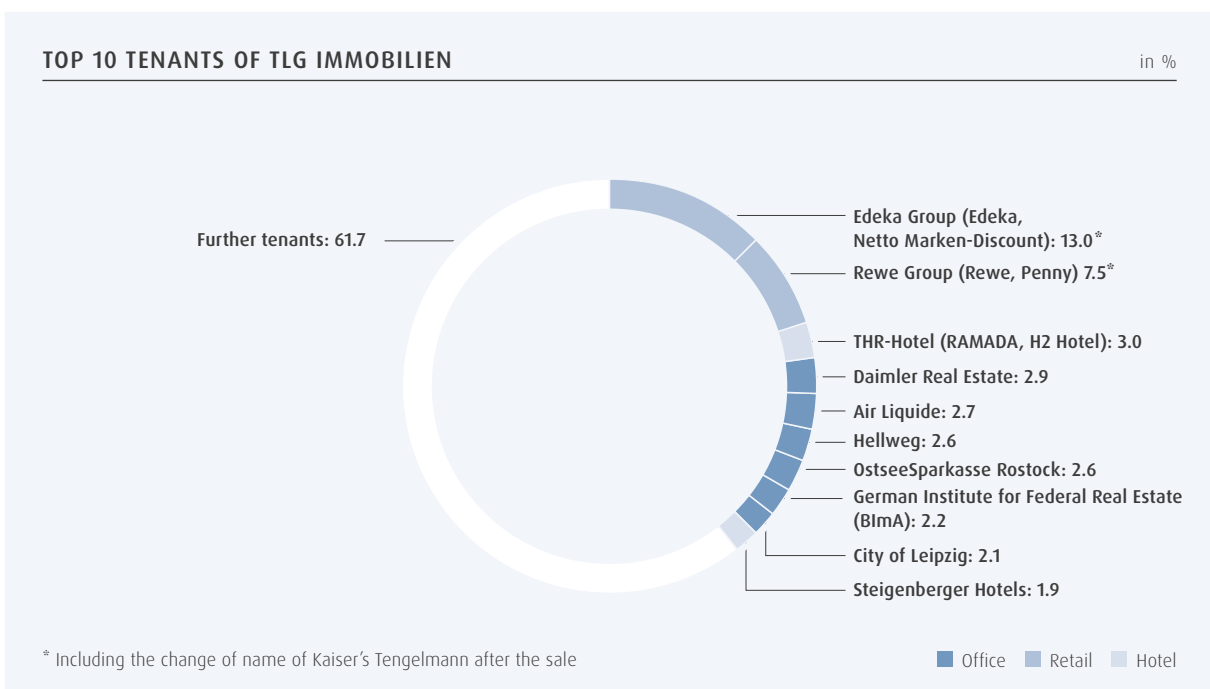
After the reporting date we announced our intention to take-over of WCM Beteiligungs- und Grundbesitz-AG (WCM AG) in May 2017 and now hold around 86% of the shares in the company. Through this transaction, we will add more attractive office and retail properties to our portfolio.





Our portfolio is distinguished by properties in good and excellent locations with many long-term rental/lease agreements. Our tenant structure comprises companies of various sizes from economically strong sectors as well as the public sector. In the office asset class, our customers include well-known private

companies and public institutions. Leading food retailers are the main tenants in our retail properties. Our inner-city hotel properties are leased for the long term to national and international hotel chains. — 102-2, 102-6



As at 31 December 2016, the average remaining term of the rental agreements in the portfolio was 6.1 years (31/12/2015: 6.5 years). Additionally, as at the reporting date we had a low vacancy rate of 3.8% (31/12/2015: 3.7%) and all of our buildings were in excellent structural condition.

For more portfolio information and key performance indicators. — [Economy and Value Creation on p. 31ff.](#)

CORPORATE STRUCTURE

The registered office of TLG IMMOBILIEN AG is at Hausvogtei-
platz 12, D-10117 Berlin. Essentially, the personnel in central
commercial positions work here. — 102-1, 102-3

In 2016, property management, i.e. the operational manage-
ment of properties on site and the support to our clients, was
largely the responsibility of the branches of TLG IMMOBILIEN
with offices in Berlin, Dresden, Erfurt, Leipzig and Rostock.
— 102-4

With regard to facility management, in 2016 we worked with
the companies WISAG and Gegenbauer in particular. — 102-9

CHANGES TO SIZE, STRUCTURE AND OWNERSHIP

— 102-10

As at 31 December 2016, TLG IMMOBILIEN held interests in
nine fully consolidated companies. Compared to 2015, six
companies were added to the portfolio of fully consolidated
companies. No companies were sold over the course of the
year.

We practise active portfolio management. In 2016 we
acquired 16 properties overall with a total investment volume
of EUR 443 m. In the financial year ended, the value of
our portfolio increased from EUR 1.8 bn to approximately
EUR 2.2 bn as at 31 December 2016. In the same period, we
were able to dispose of 40 non-strategic properties and
generate proceeds of EUR 32 m from the sales. On average,
the margin was more than 25% above the last carrying
amounts of the sold properties. The funds generated will
serve to finance future growth.

TLG IMMOBILIEN has been listed on the stock exchange since
2014 and its shares are traded on the SDAX. At the end of
2016, around 79.3% of its shares were in free float. The re-
maining shares were held strategically by the government of
Singapore (13.3%) and Welwel Investments Ltd. (7.3%).
There are no restrictions on voting rights. — **Annual Report
2016, p. 38ff.** — 102-5

In the final phase of its internal reorganisation, the number of
personnel of TLG IMMOBILIEN AG decreased from 112 to 111
as at the reporting date (-1), excluding trainees and those on
a leave of absence.

¹ The shareholder structure is based on the latest voting rights notifications as at 31 December 2016. Free float as defined by Deutsche Börse.

² Government of Singapore: Indirect shareholding as reported for 24 July 2015. The government of Singapore is the majority shareholder of GIC Private Limited which held all of the reported voting rights of the company as at the key date. On that date, the total number of voting rights was 61,302,326. The number of voting rights reported to the company by the government of Singapore for 24 July 2015 would correspond to 12.12% of the total number of voting rights as at 31 December 2016.

³ Welwel Investments Ltd.: Indirect shareholding of Welwel Investments Ltd. as at 14 November 2016. Welwel Investments Ltd. is the controlling company of ADAR Capital Partners Ltd. The shares are held by ADAR Macro Fund Ltd.

TLG IMMOBILIEN IN FIGURES (31/12/2016) — 102-7

Number of properties:

404

(31/12/2015: 418)

Property value:

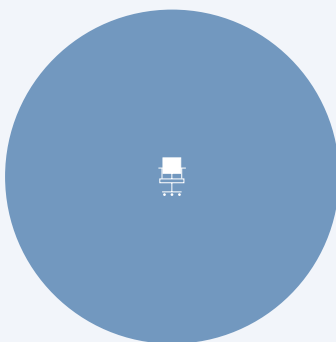
EUR 2,242 m

(31/12/2015: EUR 1,766 m)

of which other properties:

EUR 69 m

(31/12/2015: EUR 78 m)



of which office properties:

EUR 1,004 m

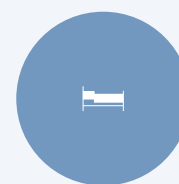
(31/12/2015: EUR 607 m)



of which retail properties:

EUR 896 m

(31/12/2015: EUR 873 m)



of which hotel properties:

EUR 272 m

(31/12/2015: EUR 208 m)

Lettable area in sqm:

1,418,975

(31/12/2015: 1,295,443)

Weighted average lease term (WALT)
in years:

6.1

(31/12/2015: 6.5)

EPRA Vacancy Rate in %:

3.8

(31/12/2015: 3.7)

Employees:

111

(31/12/2015: 112)

Further portfolio information and key performance figures — p. 33ff.

Other performance indicators — [Annual Report 2016, p. 61ff.](#)

BUSINESS MODEL, CORPORATE STRATEGY AND TARGETS — 102-2, 103-2

With excellent structural quality and sustainable rental income, our top-quality portfolio is the basis of our success. Our company renders its services with an experienced team of real estate specialists and highly qualified personnel with years of experience in real estate. We are supported by efficient, tenant-oriented processes.

Our business model and corporate strategy are based on the following principles with which we map the key stages of the property value creation chain:

- **Strategic portfolio management:** With our exceptional understanding of local markets and properties, we monitor the aspects relating to the value of our portfolio continuously and refine it strategically. Our strategic services are rendered centrally.
- **Asset and property management:** We cover key elements of the property value creation chain internally. Our individual branches bear a decentralised responsibility for the commercial management of our properties and maintaining tenant relations. They also coordinate technical services and facility management which is carried out by specialised service providers.
- **Acquisitions and disposals:** We use the opportunities to both grow and dispose of non-strategic properties for the best possible price resulting from our strong network. This enables us to generate additional income and optimise our existing portfolio.

The objective of TLG IMMOBILIEN is to increase the value of the company sustainably. The diversification of our portfolio across the office, retail and hotel asset classes is a decisive factor in the stable development of the income and value of our portfolio. Additionally, the number of creditworthy major tenants facilitates significant risk diversification, enabling our company to develop in a stable manner in the long term.

— **Annual Report 2016, p. 10ff.,**

— **Economy and Value Creation, from p. 31**

Our excellent tenant structure forms the basis on which we want to grow organically in the future. With a weighted average lease term (WALT) of between 5 and 5.4 years for office and retail properties and around 13 years for hotel properties, our future cash flows are secure.

At the same time, we aim to generate high profits from property management regularly and reliably in order to serve the interests of our investors, employees and business partners.

We have two strategies to achieve this:

1. Efficient management of our portfolio: Thanks to the well-coordinated, forward-looking interaction between the central roles in Berlin and the local branches, our properties are managed economically and our tenants supported with services. This enables us to generate attractive income on a regular basis.

2. Development of our high-quality property portfolio: We acquire office, retail and hotel properties in strategic locations with reliable income and potential for appreciation. Additionally, we invest in our portfolio continuously and develop it both commercially and technically. We are currently focusing on conversions and expansions in coordination with our tenants. We examine the development potential of selected central plots of land for the purposes of potential development projects. We utilise market cycles to dispose of non-strategic properties at the right moment and we reinvest the proceeds in our portfolio.

These measures combined are intended to increase both the quality and size of our portfolio throughout Germany. The growth rate of our portfolio is dependent on the investment opportunities that arise in the market and which we seize. There are no strategic aspects with regard to the distribution of the asset classes in our portfolio; it is the result of the opportunities that we are able to utilise.

We select properties to acquire and allocate properties to our portfolio based on clearly defined criteria. In particular, these include:

- the quality of the micro-location
- the infrastructural and demographic outlook of the location
- the structural quality of the property
- the tenant structure
- the potential income and value of the property
- the opportunities to manage the property in line with our strategy

Additionally, we pay close attention to the risk profile of each property. For example, before acquiring a property we examine whether or not it can meet a range of different usage requirements in order that we can remain flexible when we market it in the future. — 102-15

In 2017 we have so far acquired around 86% of the shares in WCM AG. In doing so, we therefore not only acquire a high-quality portfolio, but an entire company.

More information on the strategy — [Annual Report 2016, p. 8ff., p. 58f.](#)

MANAGEMENT — 103-2

The management system of TLG IMMOBILIEN is designed to ensure that the development of the fair value of the property

portfolio remains stable whilst supporting the strategy of the company.

The management systems of TLG IMMOBILIEN are centred on an annual integrated business plan with a planning horizon of three years. In particular, it factors in rental income, management, investments and disposals, administrative costs and finance. The results of the sub-plans are integrated into a consolidated earnings, asset and financial plan. Throughout the year, the management system is supported by monthly reports. We use regular progress reviews to ensure that we can identify and take steps to prevent potentially undesirable developments quickly. — 103-3

Main key performance figures — [Annual Report 2016, p. 68ff.](#)

KEY PERFORMANCE FIGURES

Main key performance indicators

Funds from Operations (FFO)

Net Loan to Value (Net LTV)

EPRA Net Asset Value (EPRA NAV)

Earnings and value drivers for the key performance indicators

Rental income

Weighted average lease term (WALT)

EPRA Vacancy Rate

Investments

The Management Board of TLG IMMOBILIEN is responsible for its management. It consisted of two people in the reporting year. The Management Board manages business on its own authority and develops the strategy of the Group. The strategy is implemented in close coordination with the Supervisory Board to which the Management Board often reports on the course of business, strategy, potential opportunities and risks. The Supervisory Board supports and monitors the activities of the Management Board. — 102-18

KEY PERFORMANCE INDICATORS OF TLG IMMOBILIEN

TLG IMMOBILIEN further improved the quality of its portfolio in 2016 through active portfolio management: following strategic acquisitions and disposals, including a range of smaller properties divided into smaller sections, the number of properties has decreased and the value of the portfolio has increased. At the same time, both operative and financial data have improved.

Further key figures — [Annual Report 2016, U2, p. 96](#) — 201-1, 201-3

ECONOMIC KEY FIGURES IN EUR K — 102-7, 201-1

	31/12/2016	31/12/2015	Change in %
Rental incomes	140,464	127,392	10.3
Net operating income from letting activities (NOI)	125,588	114,096	10.1
Funds from Operations	76,877	63,987	20.1
EPRA Net Asset Value	1,248,259	1,171,594	6.5
EPRA Net Asset Value per share in EUR	18.51	17.37	6.6
Property value	2,241,615	1,765,834	26.9
Equity ratio in %	43.1	48.4	-5.3 pp
Net Loan to Value in %	43.4	33.6	9.8 pp

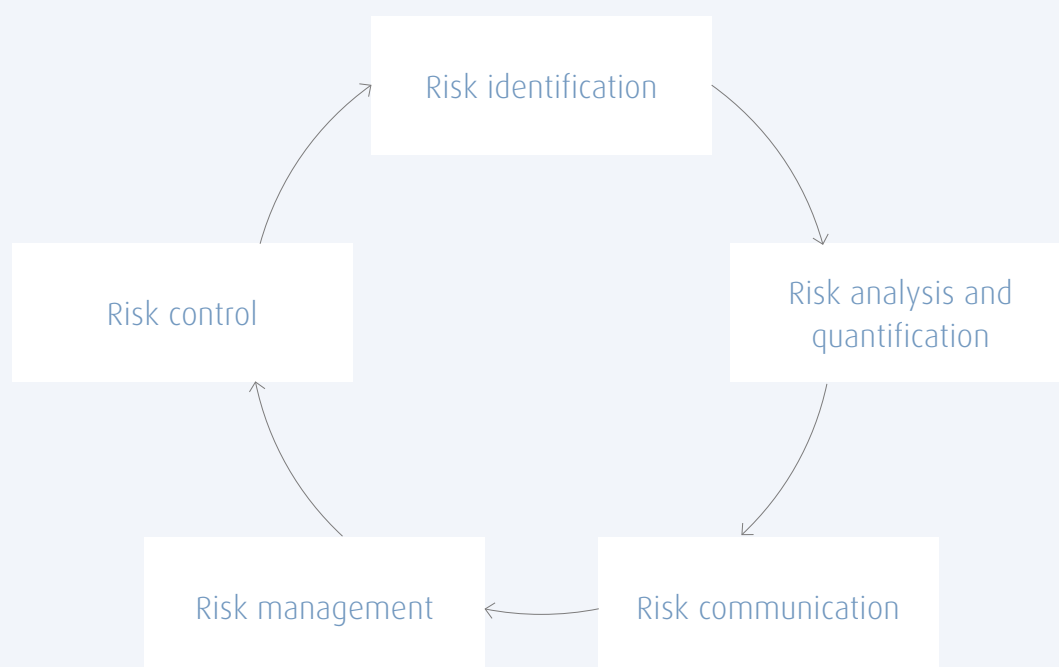
RISK MANAGEMENT — 102-11, 102-15

TLG IMMOBILIEN is exposed to constantly changing economic, technical, political, legal and societal conditions that could impede its achievement of its targets or the implementation of its long-term strategies. TLG IMMOBILIEN has an extensive risk management system in place to enable early detection, monitoring and assessment of the risks typical for the industry. The Management Board is responsible for this system from an organisational standpoint and its effectiveness is tested on a regular basis, with modifications made wherever

necessary. Once per year, early risk detection system is tested by an internal examiner and an external public auditor within the context of the annual audit.

The Management Board explains the risk situation in detail in its annual management reports. In 2016 the Management Board stated that “None of the risks threaten the portfolios of either the individual companies or the overall Group, neither individually nor in their entirety”.

— **Annual Report 2016, p. 72ff.**

RISK MANAGEMENT PROCESS**MEMBERSHIPS OF ASSOCIATIONS/
SUPPORT OF EXTERNAL INITIATIVES**

For some years, the level of professionalism of the real estate sector has been in a state of continuous improvement. Through the company’s membership in relevant organisations and industry associations, the management and employees of TLG IMMOBILIEN are actively helping with this process.

TLG IMMOBILIEN has been a member of the **European Public Real Estate Association (EPRA)** since November 2014. EPRA is a not-for-profit association based in Brussels and repre-

sents the interests of listed real estate companies in Europe. Our member of the Management Board, Peter Finkbeiner, is on the advisory committee of the association. In order to improve the comparability of real estate companies and better map the particularities in the real estate business, EPRA created standard measurements and reporting criteria alongside an extensive set of key performance figures that go beyond the IFRS. We use the financial and portfolio-related indicators of EPRA to manage our Group and publish the key figures in line with the Best Practices Recommendations of EPRA for the sake of transparency and comparability. Since the IPO, we have been working steadily to improve the

quality of the reports of TLG IMMOBILIEN. We have received the EPRA BRP Gold Award for our annual reports every year since 2014. Additionally, EPRA is working to continue to increase the level of professionalism of sustainability reports of companies in the sector. For example, the EPRA Best Practices Recommendations on Sustainability Reporting (sBPR) on which we base our reports also make a contribution. Our first report received the sBPR silver award. More information on EPRA is available at: www.epra.com. — 102-13

TLG IMMOBILIEN has been a member of the **German Property Federation (ZIA)** since 2011. Our Management Board member Niclas Karoff is the spokesperson of the ZIA's regional board East. The ZIA is one of the most significant advocacy groups of the real estate sector and its stated objective is to represent the interests of the real estate sector in all its diversity both comprehensively and consistently and in a way befitting its importance to the national economy. It considers itself the voice of the real estate sector and, with members including 25 associations, represents around 37,000 organisations in the sector. Moreover, the ZIA is particularly focused on sustainability in the real estate business. For this reason, in 2011 the ZIA published its first sustainability guidelines entitled "Sustainability – Code of Conduct, Reports and Compliance" which contains, among other things, a voluntary undertaking by the sector to which TLG IMMOBILIEN feels bound. The guidelines deal with various key aspects of sustainability such as reporting, sustainability analysis in the real estate sector and corporate responsibility. The guidelines categorise the sectors into clusters in order to pay equal attention to the various business aspects of companies in the sector. As a portfolio and property manager, TLG IMMOBILIEN belongs to the second cluster, "Operation and Renting". More information on the ZIA is available at: www.zia-deutschland.de/english. — 102-13

TLG IMMOBILIEN AG has been a member of the **Corporate Governance Initiative (ICG)** since May 2016. The ICG is a voluntary organisation which endeavours to contribute to the transparency and quality of corporate development and governance and to raise awareness of problems in the sector. This in turn is intended to increase the level of professionalism in the sector and improve its image accordingly. In joining the ICG, we have undertaken to uphold its Principles of Proper and Fair Management for Real Estate Business which revolve around aspects such as transparency, fairness, management in the interests of investors and/or clients, the avoidance or disclosure of conflicts of interest or the implementation of internal control and risk management systems. More information is available at www.immo-initiative.de/en. — 102-12

TLG IMMOBILIEN is also a member of numerous professional associations dedicated to research, education and advocacy on behalf of their members, including:

- BVBC Organ des Bundesverbandes der Bilanzbuchhalter und Controller e.V.
 - DGFP Deutsche Gesellschaft für Personalführung e.V.
 - DIIR Institut für Interne Revision
 - GDD Gesellschaft für Datenschutz und Datensicherung e.V.
 - Handelsverband Berlin-Brandenburg e.V.
 - Verband Deutscher Treasurer
- 102-13

Sustainability at TLG IMMOBILIEN

The issue of sustainability in the real estate sector is growing in relevance as public awareness of the use of resources is on the rise. Legislators and the capital markets are also making their requirements concerning transparency and documentation stricter. However, therein lies an opportunity for us to implement the various aspects strategically in order to secure the long-term success of our company.

Our understanding of sustainability

As an active portfolio manager, as at 31 December 2016 we managed more than 400 office, retail and hotel properties in Berlin, Dresden, Erfurt, Frankfurt/Main, Leipzig and Rostock, as well as highly frequented micro-locations. With our position as a leading commercial real estate specialist in Germany comes economic, social and ecological responsibility towards our various stakeholder groups which we intend to fulfil.

We believe that the only way to ensure the long-term success of our company is to integrate economic, ecological and social aspects in equal measure into our corporate strategy and to report on them transparently and on a regular basis. We are therefore in close contact with a range of stakeholders and factor their views, interests and requirements into our considerations and decisions. We also monitor, analyse and factor developments that will affect our company into our strategy.

These are mostly market trends and developments, yet can also be demographic change and the general regulatory conditions.

From an economic standpoint, our interest lies in long-term, stable economic development. This is the only way for us to fulfil our promises to our shareholders and tenants, not to mention our responsibility towards our employees and society. Moreover, an economically stable position enables us

to preserve the value of our property portfolio whilst optimising and expanding it. — p. 31ff.

Every property acquisition that we make as part of our growth strategy is a major decision. It is therefore all the more important that we act with care and responsibility in order to ensure that our investment pays off in the long term and helps our company to grow in value. Specifically, this means that before acquiring a property, we examine thoroughly whether the property will fit into our portfolio strategically. Our decision is based heavily on the long-term development of the location of the property as well as its structural condition, although securing sound financing as well as a successful and sustainable long-term rental and usage concept are also important. — p. 36ff.

As a commercial real estate specialist, our business model ties in with long-term planning horizons. The buildings should be able to meet the requirements of tenants for the next ten to 15 years. The terms of rental agreements can be long and the opportunities to sell non-strategic properties quickly and at short notice are limited. The decisions we make can affect our company for years and are often irreversible, or reversible only at great expense. Therefore, besides the economic aspects we factor in the social and ecological requirements into our corporate decisions and processes. In this context, the adherence to environmental, safety and social standards is a core element of our processes. We are also constantly looking into market trends and the development of, for example, digitisation, purchasing power and unemployment.

We analyse phenomena such as migration or the changing worlds of work and contemplate how they will affect our locations. This enables us to consider the risks and opportunities inherent in a decision carefully and implement a responsible, sustainable usage concept for our properties.

One key aspect of our success is the long-term satisfaction of our tenants. It is influenced not only by the location, condition and fittings of our properties, but also by the service we provide our tenants and our willingness to respond to their needs. We therefore cover key elements of the real estate value chain in-house. This is the reason for our decentralised structure: the staff in our regional branches are responsible for the commercial and technical management of the properties, serve as local representatives for our tenants and possess in-depth knowledge of our regions and their particularities. — p. 36ff.

We need committed, qualified employees to ensure that as a company we remain successful in the long term and able to provide our clients with optimal support. Consequently, our attractiveness as an employer is a high priority. For one, we are increasing our investments in personal development, training and maintaining health and effectiveness in order to attract suitable new employees and tie our current employees to us as top performers. — p. 48ff.

Through this concept we strive to integrate our approach to sustainability even deeper into our business processes and refine it gradually.

ANCHORING SUSTAINABILITY WITHIN THE COMPANY

The Management Board is directly responsible for the strategic aspects of the long-term development of our company. The Supervisory Board supports and monitors sustainability within the company. At their meetings, the members of the Supervisory Board are provided with detailed information on relevant issues and developments within the Group.

— 102-20

The realisation and implementation of the sustainable development of the company were driven by the people in charge of the Legal/HR/IT, Strategic Portfolio Management, Property Management, Accounting and Auditing departments of the company in 2016. As part of their everyday business, the people in charge and their members of staff ensure that measures agreed on are implemented by everyone and that targets are reached. They report to the Management Board on their current progress and results. The Investor Relations and Communications departments ensure that all relevant information is passed on to the shareholders and the general public. — 102-19

The departmental managers meet on a regular basis to prepare and generate the sustainability report. These meetings notwithstanding, where necessary they also meet in smaller groups. In the meetings, those involved address the agreement of measures and the level of progress towards targets and discuss matters, information and data relevant to the report. The Communications department is responsible for preparing the sustainability report. — 102-20

In dialogue with our stakeholders

As a large real estate company operating throughout Germany, we have relationships with numerous stakeholders. A dialogue with them is an important way for us to gauge their opinions, needs and requirements, derive options and develop specific measures. It also enables our shareholders to understand our decisions.

Our stakeholders

As a large real estate company, we have relationships with numerous different stakeholders by virtue of our business activities, our decisions and our actions. Our shareholder's acceptance of our business is crucial to our success. It is therefore important that we know the needs of each of our stakeholders and are able to factor them into our business processes and corporate decisions, as every decision we make has a different effect on our various stakeholders. Wherever possible, we strive to carry out our business activities with consideration for the various requirements and interests of all our stakeholders.

The groups of stakeholders relevant to us are a direct result of our business activities. Specifically, these groups include our shareholders and analysts, our tenants, employees, sellers and buyers of commercial properties as well as political and administrative representatives on a local, regional and national level. Other groups of stakeholders include other business partners such as banks, suppliers, service providers and the media. — 102-40, 102-42

The expectations of our shareholders and how we take them into consideration

As a listed company, we bear an extraordinary level of responsibility towards our **shareholders**. They are the owners of and investors in our company and want to know that their capital has been invested securely and lucratively. Only by generating positive returns in the long term can we fulfil our responsibilities and obligations reliably and let our shareholders share in our success. In addition to our investors, analysts are opinion leaders on the capital markets and important

partners to us. They expect us to implement our business model successfully, generate stable growth with reliable returns and prepare transparent reports on our activities. A continuous, open and constructive dialogue with investors and creditors such as banks is of great importance to TLG IMMOBILIEN. We supplement our annual and quarterly reports with live webcasts on report publications, teleconferences, investor presentations at market conferences and roadshows and by publishing press releases throughout the year, including ad-hoc announcements if necessary. We also update our shareholders thoroughly at our annual general meeting. We also publish studies such as 'Market forecast for 2020 - Berlin's office employees of tomorrow' and 'Büro-hochhäuser in Berlin' on multi-storey office buildings in Berlin. Throughout the year, investors, creditors and analysts can contact the Finance or Investor Relations departments to discuss any issues or questions they may have at any time. We also organise visitations of various properties and locations with investors and analysts. — 102-43, 102-44

STAKEHOLDER GROUPS



As an expert in commercial real estate, our **tenants** are another exceptionally important stakeholder group. We maintain healthy, direct and long-term relations with them which are reflected in long-term rental agreements with stable net rents and which influence the long-term success of our company enormously. Partnerships characterised by trust and regular exchange of views are very important to us. This is the only way to understand the needs of our tenants and develop tailored solutions for their problems. This is the reason why we stay in close contact with our tenants, mainly through the Property Management staff in our local branches, and hold regular meetings in person to discuss any issues.

Following the acquisition of four shopping centres, customers and all of the tenants in the centres were surveyed regarding their satisfaction with the property, the shopping experience, what they would like to see in future and what they thought of the management of the centres in December 2016. On average, 46% of the tenants responded to the survey and provided valuable insights into how to develop these significant retail locations. In doing so, TLG IMMOBILIEN gained the opportunity to learn more about various aspects of these new properties and incorporate its findings into their future development. — 102-43, 102-44, 103-3

Our **employees** are a key factor in the success of TLG IMMOBILIEN and are therefore of particular significance to our company. Their capability, loyalty and satisfaction help ensure that business operations are successful and that our growth strategy is implemented. Our employees in our branches possess extensive expertise and years of experience in our regional markets. This enables them to serve as reliable partners to our tenants, sellers and buyers of commercial properties and municipalities, and contribute significantly to the success of the company. The opinions of our employees are important to us, which is why we have been carrying out annual employee surveys since 2015. Numerous employee suggestions have already been implemented successfully since the first survey, for instance the introduction of a trust-based working hours model and home offices, a wider range of beverages and the installation of air-conditioning systems and a shower. The participation rate by employees in the last survey in November 2016 was even higher. Almost 90% of our staff provided us with their feedback, allowing us to produce representative results. We then derived specific areas of action from the information we gleaned, for example intensifying employee advancement. — p. 48f. —102-43, 102-44

Property buyers and sellers are also of great importance to us. As part of our growth strategy, we are always on the lookout for office, retail and even selected hotel properties that could be a high-quality addition to our portfolio. This way we can increase the value of our portfolio and consolidate our position in the market. Sellers expect streamlined decision-making processes, strong finance and reliable, reasoned actions from us. As part of the optimisation of our portfolio, we give buyers the opportunity to acquire properties that are no longer strategically relevant to us in order to generate additional finance for acquisitions. We work closely with the buyers throughout the transaction, supporting them with our expertise and knowledge of the buildings; we can ensure rapid decision-making processes this way. In our dealings with both groups of stakeholders, buyers and sellers, we prove reliable and upright partners. We honour our agreements and never lose sight of our objective: to complete projects promptly but carefully. — 102-43, 102-44

Politicians, especially on a municipal level, are an important partner to us with regard to the realisation of construction measures. In this regard we maintain a professional dialogue, for instance in the form of workshops, where both sides take the interests of residents, citizens and the general development of the city into consideration. TLG IMMOBILIEN does not make donations to political parties. — 102-43, 102-44, 415-1

We stay in close, regular contact with our **suppliers, service providers and banks** during the execution of agreements and the procurement of capital. At the moment this is predominantly needs-based, yet both sides are open to the idea of regular dialogue. — 102-43

The **media** wants us to be willing to divulge information and practise open communication – even if the subject might be unpleasant for our company. We carry out extensive press relations work, hold regular press conferences and interviews, and are available for interviews on technical issues. When crises or disruptions occur, we endeavour to open a dialogue and provide answers immediately. — 102-43, 102-44

Material topics

Last year we carried out our first review of sustainability within our company and defined aspects of relevance to our company and our activities. We then validated the aspects in a stakeholder survey.

Performance of a materiality analysis to validate the report content

We aim to paint a comprehensive portrait of our company, our activities and our contribution to sustainable development.

For our first report, we compiled all sustainability aspects relevant to our company and prioritised them in a multi-stage process. In this process we considered various sustainability standards and guidelines and conducted a benchmark analysis and interviews with in-house experts.

For this second sustainability report, we carried out a structured stakeholder survey in early 2017. Its purpose was to validate the aspects identified in the previous year. This report also represents a switch to the new GRI standards.

— 102-43

CHANGES COMPARED TO THE PREVIOUS YEAR

— 102-49

In the run-up to the stakeholder survey, we differentiated the subjects from the previous year even further in order to paint a more detailed picture of the views of our stakeholders on each subject. This will also give us the opportunity to refine the focus of our processes and reports. In this context, we have not limited ourselves to topics recommended by the GRI in its guidelines, but have also included other aspects that are of relevance to the future success of our company or that might even pose a risk unless managed carefully.

The result is a total of 23 topics that we have sorted into six main categories:

- **Sustainable management** encompasses long-term growth, the composition of our portfolio, compliance and corruption prevention, risk management and an open dialogue with the public. Risk management has been made separate in order to underline its significance to our company and to good, responsible corporate governance. Emphasis has been placed on an open dialogue with the public as we want to be a fair, open partner not only to our stakeholders, but also to residents, social institutions and the local economy, and because a dialogue with them is of great importance to us with regard to sustainable corporate governance.
- The **customers and society** category contains portfolio quality, tenant satisfaction and infrastructure development. In this context, we have renamed the section 'Nurturing of relationships with tenants' as 'Tenant satisfaction' and added a section on infrastructure development as both aspects contribute to the sustainable creation of value within our company and, alongside portfolio quality, serve as the basis for long-term customer relations.
- Befitting its significance, **product responsibility** is addressed separately and split into three sub-categories. It comprises portfolio maintenance, tenant health and safety and sustainable usage concepts.
- The aspects relating to the **supply chain** of the company are new additions here. We strive to map our entire value chain, which is why we have added social, labour and environmental standards in the supply chain to our assessment of sustainability.

- In terms of the **environment**, we have identified the aspects and categorised them into environmental protection within the company, environmental protection in the portfolio and environmental protection during conversion and construction work. We have renamed the previous aspects 'Energy efficiency' and 'Reduction of greenhouse gases in the portfolio' as these have the most significant effects.
- We have renamed 'Personnel and social commitment' as **Employees** and allocated the topics of education and training, health management and occupational safety, recruitment of highly qualified employees, co-determination and diversity and equal opportunities to this new sphere of action. We have added the topic of a work-life balance as it was shown to have grown in relevance by the employee survey.

GENERATION OF THE MATERIALITY MATRIX

We invited a total of 347 stakeholders to rate the relevance of each of the 23 topics to the commercial real estate sector. Additionally, they were asked to judge how important each topic is to TLG IMMOBILIEN. Finally, we asked them to describe any other important topics through open questions. 107 internal and external stakeholders participated in the survey,

which corresponds to a response rate of 31%. The stakeholders consisted of representatives of the financial and capital markets, buyers and sellers of commercial properties, media, tenants, employees of TLG IMMOBILIEN, suppliers, service providers, professional associations and initiatives. The stakeholders were chosen on the basis of their knowledge of the business activities of TLG IMMOBILIEN and their links with our company. — 102-40, 102-42, 102-43

After the survey, the results were evaluated from both an internal and external perspective and incorporated into a materiality matrix. — 102-46

The results of the survey show that even in its first report in 2016, TLG IMMOBILIEN concentrated on the right topics of sustainability. The stakeholders rated all of the aforementioned topics as highly to very highly relevant. TLG IMMOBILIEN will also examine the other topics rated as important by the stakeholders, for instance digitisation. — 102-46

We describe how we address the material topics and what related measures and concepts we are implementing in the section on our company as well as in the sections on economy and value creation, environment and employees.

MATERIALITY MATRIX OF TLG IMMOBILIEN — 102-47



Sustainable management

- 1 Compliance and anti-corruption
- 2 Long-term growth
- 3 Open dialogue with the public
- 4 Risk management
- 5 Portfolio composition

Customers and society

- 6 Portfolio quality
- 7 Infrastructure development
- 8 Tenant satisfaction

Product responsibility

- 9 Portfolio preservation
- 10 Tenant health and safety
- 11 Sustainable usage concepts

Supply chain

- 12 Labour and social standards
- 13 Environmental standards

Environment

- 14 Environmental protection within the company
- 15 Energy efficiency and reduction of greenhouse gas emissions
- 16 Environmental protection in portfolios
- 17 Environmental protection during conversion and construction work

Employees

- 18 Training and education
- 19 Occupational health and safety
- 20 Recruitment and retention of employees
- 21 Co-determination
- 22 Diversity and equal opportunity
- 23 Work-life balance

MATERIAL TOPICS OF TLG IMMOBILIEN — 102-47, 103-1

Material topics according to the matrix	Material...			Topics according to the GRI standards	Page reference
	Inside the organisation	Outside the organisation			
	TLG IMMO-BILIEN/ Business processes	Supply chain	Tenants/ society		
Sustainable management					
Compliance and anti-corruption	x	x	x	Anti-corruption, Anti-competitive behaviour, Environmental compliance, Socio-economic compliance, Marketing and labelling	p. 26ff.
Long-term growth	x			Economic performance	p. 08f., p. 11, p. 12-13
Open dialogue with the public	x		x	Politics, Approach to stakeholder engagement — 102-42	p. 18 ff.
Risk management	x	x	x	Economic performance	p. 14
Portfolio composition	x			Economic performance	p. 31-32, p. 33ff.
Customers and society					
Portfolio quality	x		x	Not covered by GRI	p. 31f., p. 33ff.
Infrastructure development	x		x	Indirect economic impacts	p. 33, p. 36f.
Tenant satisfaction	x		x	Not covered by GRI	p. 19, p. 36f.
Product responsibility					
Portfolio preservation	x		x	Not covered by GRI	p. 37
Tenant health and safety	x		x	Customer health and safety	p. 38
Sustainable usage concepts	x			Not covered by GRI	p. 37
Supply chain					
Labour and social standards	x	x		Procurement practices, Supplier social assessment	p. 27, p. 28f.
Environmental standards	x	x		Procurement practices, Supplier environmental assessment	p. 27, p. 28f.
Environment					
Environmental protection within the company	x			Energy, Emissions, Water, Effluents and waste	p. 39f., p. 42f., p. 70f.
Energy efficiency and reduction of greenhouse gas emissions	x		x	Energy, Emissions	p. 39ff., p. 42f., p. 58ff., p. 70f.
Environmental protection in portfolios	x		x	Biodiversity, Water, Effluents and waste	p. 42, p. 43, p. 66ff., p. 71
Environmental protection during conversion and construction work	x	x	x	Water, Effluents and waste	p. 42
Employees					
Training and education	x			Training and education	p. 48f.
Occupational health and safety	x	x		Occupational health and safety	p. 49f.
Recruitment and retention of employees	x			Employment	p. 46f., p. 47f.
Co-determination	x			Labour/Management Relations, Freedom of association and collective bargaining	p. 48
Diversity and equal opportunities	x			Diversity and equal opportunity	p. 52
Work-life balance	x			Employment, Occupational health and safety	p. 51

Governance and Compliance

Responsible, transparent corporate governance is of great importance to TLG IMMOBILIEN. We feel bound to practise corporate governance and base everything we do on its principles.

Corporate governance: a benchmark and orientation for all departments

Good corporate governance – the responsible management and supervision of companies with a view to long-term value creation – is a key element of responsible management. Combined with upholding the principles of compliance, it strengthens the trust of our shareholders, customers, employees, business partners and the general public in our company.

Both the Management Board and the Supervisory Board of TLG IMMOBILIEN orient the management and supervision of the company consistently on national and international principles as well as strict internal regulations and guidelines.

— 102-18

TLG IMMOBILIEN is committed to upholding the principles and concepts of the German Corporate Governance Code (DCGK). These serve as a benchmark and orientation for all employees in everyday business and management. Every year, the Management Board and Supervisory Board express this significance by publishing a Declaration of Compliance with the CGC in accordance with Sec. 161 of the German Stock Corporation Act (AktG). This Declaration also contains a statement by the Management Board and Supervisory Board regarding the few deviations. — 103-2

Additionally, on behalf of the Supervisory Board the Management Board reports on corporate governance at TLG IMMOBILIEN in its declaration on corporate governance. The company publishes both declarations in its annual report as well as on its website.

More information is available at — [Annual Report 2016, p. 48ff.](#), www.tlg.eu → [Investor Relations](#) → [Corporate Governance](#) → [Declaration of Compliance](#)

The principles of responsible corporate governance are deeply rooted in the corporate culture of TLG IMMOBILIEN. The close coordination between risk management, the internal control system, compliance and the Auditing department ensures that the statutory regulations are adhered to and the audit committee verifies this adherence on a regular basis.

— 103-2

Good corporate governance goes far beyond simply meeting statutory requirements. It is equally important to us that we take the interests of shareholders into account, practise openness and transparency in communication with all groups of stakeholders and avoid conflicts of interests between boards and committees. Additionally, efficient collaboration between the Management Board and Supervisory Board is a key element of good corporate governance. — 103-2

TLG IMMOBILIEN AG has been a member of the Corporate Governance Initiative (Initiative Corporate Governance der deutschen Immobilienwirtschaft e. V.) (ICG) since May 2016 and shares its key principles and objectives. The Initiative supplements the principles of the DCGK with disclosures specific to real estate, helping to achieve even greater transparency as well as a better image and increased competitiveness for the real estate sector. — 102-12

MANAGEMENT BOARD AND SUPERVISORY BOARD

The Group is managed by a Management Board which carries out transactions on its own responsibility and develops the strategic orientation of the Group. As the managerial body of the Group, the Management Board is bound to the interests of the company. — 102-18

The Management Board of TLG IMMOBILIEN consisted of two people in the 2016 financial year. Each member of the Management Board is independently responsible for his own department and notifies the Management Board regularly of significant developments. The entire Management Board resolves on matters of particular significance, basic matters

of corporate policy and the strategy of the company. The divisions are divided between the members of the Management Board as set out in the rules of procedure for the Management Board, which also govern how the members work with one another. — 102-19

As a supervisory body, the Supervisory Board monitors the management and assists the Management Board with decisions of fundamental importance. In the 2016 financial year, the Supervisory Board consisted of six members appointed by the annual general meeting until one member, Alexander Heße, stood down as at 31 May 2016. The new member of the Supervisory Board, Frank D. Masuhr, was appointed by judicial order on 10 February 2017. The Supervisory Board of TLG IMMOBILIEN is not subject to co-determination. Unless individual matters have been assigned to its committees, the Supervisory Board carries out its duties in plenary sessions. In the reporting year, the following committees were formed within the Supervisory Board of TLG IMMOBILIEN: presidential and nomination committee, audit committee and the capital measures committee. The in-depth work of the committees supports the Supervisory Board in terms of facilitating a focused discussion and efficient decision-making. — 102-18, 102-22

ECONOMIC, ENVIRONMENTAL AND SOCIAL EXPERTISE OF THE MANAGEMENT BODIES

The members of the Management Board are appointed in accordance with the German Staffing Act (Stellbg). The main criteria are the specific knowledge and professional abilities that are to be expected in the fulfilment of the duties. Additionally, special focus is placed on managerial ability and organisational and social skills. Professional qualities and personal ability are the decisive factors to be elected to the Supervisory board. — 102-24

In particular, the members of the Supervisory Board are selected by virtue of their expertise, abilities and professional suitability. Overall, the objective of the Supervisory Board is to serve its purpose – to monitor and provide advice – optimally through the diversity of its members. In particular, indicators of diversity include internationality, varying horizons of experience and the proportion of women on the Supervisory Board. — 102-24

The members of the Supervisory Board are between 47 and 68 years of age. Of the members appointed by the annual general meeting, 16.67% are female. — 405-1

For more information on the composition and methods of the Management Board and Supervisory Board — **Annual Report 2016, p. 34ff., p. 48ff.**

Compliance and anti-corruption

We want to be a trustworthy partner in the eyes of our shareholders, customers, service providers and employees, as well as authorities and the general public. Compliance plays a major role in this regard and is therefore a high priority to us as it enables us to ensure responsible, transparent corporate governance. We see compliance as ensuring that all relevant legal and internal obligations, regulations and guidelines are adhered to. As a result, standards of conduct and values such as integrity, transparency and professionalism are key elements of our corporate culture and considered no less binding than legal regulations. At TLG IMMOBILIEN, compliance includes property-related compliance. — 103-2

THE COMPLIANCE MANAGEMENT SYSTEM OF TLG IMMOBILIEN — 103-2, 103-3

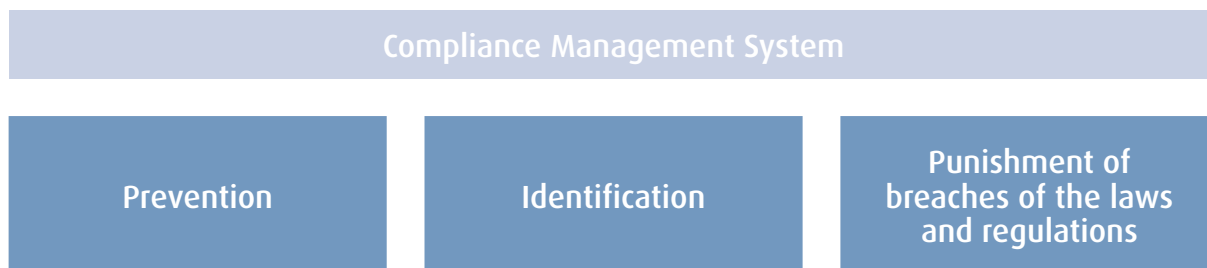
The compliance management system ensures that the laws and internal regulations are adhered to by all of our employees. The system is based on three pillars: the prevention, identification and sanctioning of breaches of the law and rules, for which we have developed an extensive range of measures. Additionally, the Management Board receives a compliance report once per year.

In organisational terms, the compliance management system consists of the members of the Management Board as Compliance Coordinators, the Compliance Officer of the company, the Capital Market Compliance Officer, the Compliance Working Group and the Compliance Officers of the units including departmental and branch managers.

Responsibilities within the company are defined clearly in order to anchor the concept of compliance in everyday work. Employees can consult a compliance officer or a capital market compliance officer at any time if they have questions about compliance or concerns about adherence to compliance regulations. Additionally, as the 'compliance officers of the business units', all departmental and branch managers are responsible for adherence to the guidelines within their spheres of responsibility. TLG IMMOBILIEN investigates all reports and suspected breaches of compliance. The internal process requires the Management Board and the Legal and Auditing departments to coordinate investigative measures and steps.

Suspected breaches of compliance are investigated internally by the Auditing department which then makes recommendations or proposes measures on the basis of its findings. A breach of compliance can lead to consequences under the employee's employment contract and even prosecution, with

misconduct being sanctioned appropriately. If necessary, an independent criminal lawyer will be consulted. A dedicated whistle-blower system is currently in the pipeline. However, even to date, full confidentiality of all information received is guaranteed.



CODE OF CONDUCT — 102-16

The Code of Conduct is a key element of our compliance management. It comprises numerous extensive systems of rules concerning adherence to the law and internal regulations.

The Code of Conduct describes how we perceive our responsibility as a company to operate ethically and legally and is an expression of our values. It focuses on fair treatment – especially the fair treatment of our investors, clients and business partners. —103-2

Our Code of Conduct includes guidelines on compliance, corruption and collaboration with business partners. For instance, guidelines on the compliance management system that describe the structure of the system, guidelines for the Compliance Work Group and a code of conduct are all in place in terms of compliance. The code of conduct also contains guidelines on procurement, capital market compliance, data protection, process manuals (e.g. for occupational safety, risk management and insider trading regulations) and works agreements. — 103-2

With regard to corruption, we have separate anti-corruption guidelines and an anti-corruption code of conduct. It contains strict rules and a zero-tolerance approach to bribery and corruption. This mainly encompasses the handling of monetary and non-monetary gifts or the granting or acceptance of other advantages to or from third parties. Additionally, our company has a dedicated anti-corruption officer whom our employees can contact at any time. No instances of corruption were discovered in 2016. — 103-3, 205-2, 205-3

Collaboration with business partners is governed primarily by our contractual documents. Our priority is to adhere to the German Anti-Money Laundering Act (GwG). We also collect the contact information of all of our business partners, carry out a credit check and check commercial register excerpts and legal status. These checks are carried out by the operating units that are in direct contact with each business partner. Key contacts also contain an integrity clause in which the parties undertake to take all necessary steps to prevent corruption, not to enter into any agreements that would limit competition and not to accept or provide any perks. The violation of these provisions will result in a fixed contractual penalty and the immediate termination of the contract.

We are also currently working on a code of conduct for our service providers. It is primarily intended to ensure adherence to German and international occupational protection laws, prevent illegal employment and take ecological aspects into consideration. We aim to implement this code of conduct initially as a guideline by the end of 2017. In the next phase, the code of conduct will be checked over the next few years.

REGULAR COMPLIANCE AND ANTI-CORRUPTION TRAINING — 205-2

Every two years, the employees of TLG IMMOBILIEN undergo compliance training courses. This includes anti-corruption training. External advisers specialising in various fields make sure that all aspects of compliance are covered. The most recent compliance training course for all employees and managers – 99 people in total – took place in November 2016.

The course addressed the following subjects:

1. **Compliance at TLG IMMOBILIEN:** The three pillars of compliance, the internal compliance organisation, points of contact for compliance, overview of the compliance regulations, practical cases
2. **Dealing with gifts, donations and advantages:** The nature of corruption, anti-corruption and practical cases
3. **Handling of confidential information:** insider information, insider trading law, blackout periods, publication deadlines, insider lists, practical cases of insider trading and fake president fraud

The next set of training is due to take place in 2018. All employees are expected to take part.

The Management Board submits regular, prompt and detailed reports on compliance within the company to the Supervisory Board. In certain cases, departmental managers also report on compliance in meetings with the Supervisory Board, for instance the internal auditor.

RESPONSIBLE MARKETING AND INSIDER TRADING

Following the IPO (initial public offering) of TLG IMMOBILIEN AG in 2014, all employees were trained in post-IPO compliance. Among other things, this training included insider trading. We make our personnel aware of compliance in the capital market with our Capital Market Compliance guideline and often integrate the issue into our compliance training courses, the most recent of which was held in November 2016. Additionally, TLG IMMOBILIEN notifies its employees of blackout periods, i.e. periods of time in which the employees of TLG IMMOBILIEN are not permitted to trade in shares of TLG IMMOBILIEN, by Intranet.

A standardised process, the company keeps insider lists in projects in which they are required by law. Employees and third parties are notified when they are added to an insider list.

Anti-trust/pro-competition procedures

TLG IMMOBILIEN follows all regulations on competition and treats any situation that is or might be relevant in terms of competition law with prudence and discretion. With regard to acquisitions, issues relating to competition are investigated thoroughly during the acquisition process, often by consulting the German competition authority, the Bundeskartellamt. There were no infringements against the regulations on competition in 2016. — 103-3, 206-1

A reliable partner

We place great value on integrity, not only with regard to adherence to the law and internal regulations. For us, integrity is a key benchmark by which we judge our business activities. We see integrity as keeping to our word at all times.

Supply chain and supplier management

In order to make good on our claim to be a fair, reliable partner and a responsible company, every process along the value chain is of great importance to TLG IMMOBILIEN; not only the internal ones. Therefore, it is equally important to us who we work with and how the partnership is shaped by responsibility and integrity.

SUPPLY CHAIN OF TLG IMMOBILIEN — 102-9, 103-3

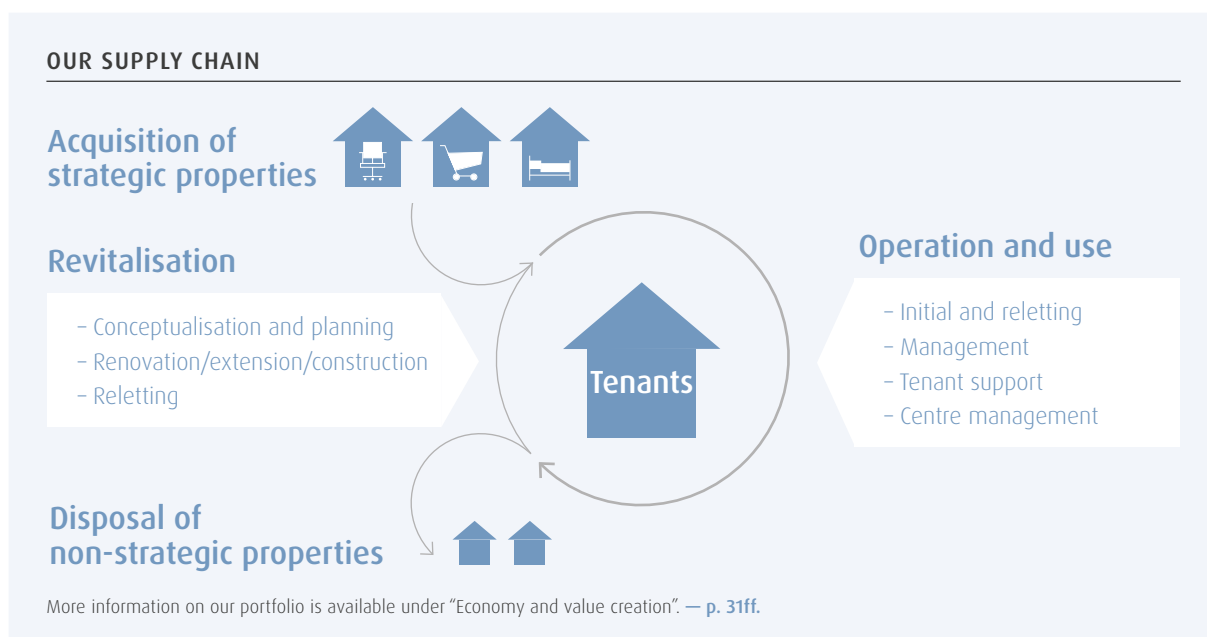
Our core duty is to manage our commercial properties. We also optimise our portfolio through strategic acquisitions and disposals of non-strategic properties. In order to carry out our core business, we require properties as well as the related asset, property, portfolio and transaction management, technical and facility management and assets for our own operations and administration such as vehicles, office equipment and supporting services including advice and valuations.

As we cover the essential stages of the value chain internally, we are able to preclude the majority of the risks that can arise with third-party service providers at the outset and ensure that guidelines, standards and regulations are adhered to. With regard to facility management, we have been working with the same service providers (WISAG and Gegenbauer) for many years. These service providers are supervised on site by our branches. We are also in close contact, which means that our business relationships are characterised by transparency and integrity.

When acquiring and disposing of properties, we use the opportunities provided to us by the market as a result of our good connections. Our relationships with many buyers and sellers have grown over a number of years and are characterised by trust and integrity.

When carrying out conversion and construction work requested by tenants or in order to help sell a property, we work with external planning and construction firms. We engage these companies by means of a structured tendering process that is subject to predefined value ceilings. Contracts

are awarded based on various criteria such as expected construction costs, the experience and references of the service providers and the capacity and availability of the service providers. The standard contractual agreement of TLG IMMOBILIEN is agreed with the final contractor along with the General Terms and Conditions of Contract. If subcontractors are involved by the contractor, they are subject to the same agreed standards. In all projects, TLG IMMOBILIEN monitors construction activities and progress continuously with its in-house technicians who are also present at the final acceptance of the projects. — 103-2, 103-3, 203-2



PROCUREMENT PRACTICES AND SUPPLIER MANAGEMENT — 103-2, 103-3

The individual departments within TLG IMMOBILIEN are responsible for their own procurements. TLG IMMOBILIEN obtains all its property related services in Germany. — 204-1

All purchases are subject to a Group-wide regulation that makes it mandatory to issue an invitation to tender for procurements in excess of EUR 4,000 (net) with a specific number of tenders to be obtained depending on the value bracket. For planned property-related services and other procurements in excess of EUR 1,000, contracts are always awarded in line with the principle of dual control; for amounts under EUR 1,000, an IT-based random sample procedure with value brackets is in place in order to uphold the principle of dual control for these individual requests, too. Adherence is coordinated and ensured by means of internal IT-based contract processing. Unscheduled procurements are subject to stricter requirements.

Collaboration with business partners is governed primarily by our contractual documents. We are also currently working on a code of conduct for our service providers. It is primarily intended to motivate service providers to meet economic, ecological and social standards in the same way as the internal guidelines of TLG IMMOBILIEN. In future, these guidelines can be converted into an obligation, potentially even in combination with regular audits. — p. 27

REVIEW: SOLID FOUN- DATIONS

- 31 Economy and value creation: growth and quality
- 39 The environment: efficiency and the conservation of resources
- 44 Employees: commitment and expertise
- 53 Outlook and targets

Economy and value creation: growth and quality

High-quality commercial properties in the centres of German cities are in demand like never before. TLG IMMOBILIEN has positioned itself well in this highly competitive market – in recent years we have strategically expanded our portfolio whilst preserving its high quality.

Our management approach – 103-2

With our business model, we are currently operating in an environment characterised by profound developments. For instance, the ongoing process of digitisation and the changing working world are making it necessary to adapt to these changes proactively in order to safeguard our economic success in the long term. As such, these developments are affecting our own business operations, not to mention the structuring of our properties and the question of which properties are suitable for acquisition. We therefore examine thoroughly what investments we can make to provide our tenants with additional value and if potential acquisitions will meet their future requirements in the long term or enable us to respond appropriately to changes.

Successful long-term corporate governance is our highest priority in order that we can grow in value in the long term. The vast market experience and knowledge of our employees as well as our clearly defined portfolio strategy make a significant contribution to the achievement of our targets. They guide the development of our portfolio and pave the way for us to grow. The question of product responsibility is also linked to our portfolio. We aim to utilise a property throughout its life cycle if at all possible; as such, we ensure that our portfolio is in good condition and can remain competitive in future.

Additionally, the satisfaction of our tenants contributes to our business success. By being close to our customers, we know what motivates them and we are familiar with their needs. This enables us to come to them with suggestions and work with them to develop ideas on how to realise their future plans together.

This strategy is consistent with the topics deemed material to our company by our stakeholders in the survey.

- Long-term growth
- Portfolio composition
- Portfolio quality
- Tenant satisfaction
- Infrastructure development
- Portfolio preservation
- Tenant health and safety
- Sustainable usage concepts

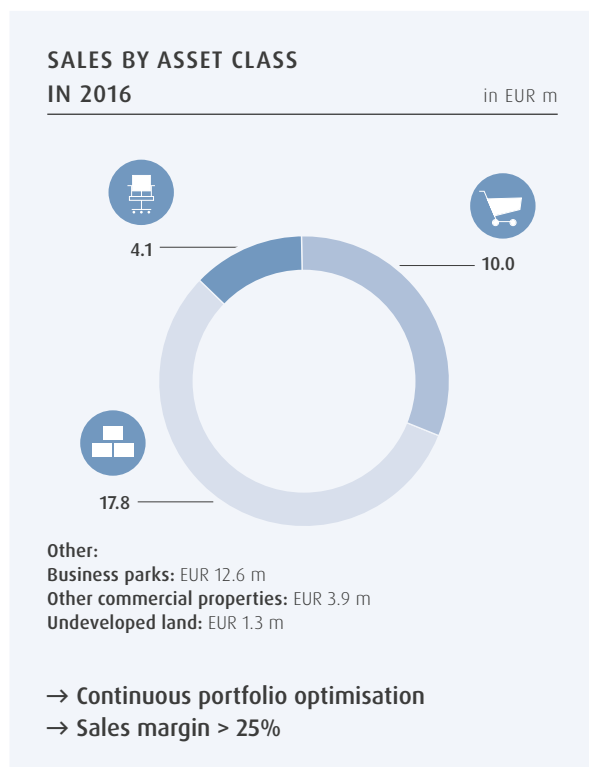
— 103-1

Risk management, compliance and anti-corruption, supply chain and dialogue with the public have been identified as material topics in connection with sustainable management focused on long-term success. These topics are addressed in the section on our company. — p. 14, p. 26ff., p. 28f., p. 18ff.

Long-term growth – 103-2

As at our IPO, our growth strategy aimed to increase the portfolio value and therefore also the size of the portfolio of TLG IMMOBILIEN significantly in the medium term. In the first stage, we set ourselves the objective of increasing the value of our portfolio to EUR 2 bn by the end of 2017. We have surpassed this target prematurely – the value of the portfolio was EUR 2.2 bn as at 31 December 2016, which represents a growth in value of 26.9% compared to 31 December 2015. This was achieved through the acquisition of new properties and valuation gains due to the favourable conditions in the market. However, as part of our active portfolio management the disposal of non-strategic properties is also a key aspect

of our strategy. In 2016 we disposed of some smaller office and retail properties – for a margin in excess of 25% over the last carrying amounts of the properties – as well as other elements of our portfolio such as the remaining business parks and undeveloped plots of land that were more suitable for residential buildings. We reinvest the funds generated in strategic acquisitions.



Our presence on the stock exchange grants us attractive access to the equity market. We were able to make use of this new access in November 2015 already. Due to the successfully placed capital increase, TLG IMMOBILIEN AG accrued a total of EUR 100.7 m, which strengthened our equity capital base for continued growth. Another capital increase took place in early 2017 in which we generated gross proceeds of EUR 116.0 m.

Our company continues to pursue a defensive strategy with regard to finance, despite the low interest rates. With a net LTV of 43.4%, TLG IMMOBILIEN still had a conservative financing structure as at 31 December 2016. This helps us gain access to finance at attractive rates. At 43.1% as at the reporting date in 2016, our equity basis remains highly solid.

In order to preserve our high economic stability, our capital management system is extensive. Its purpose is to preserve our liquidity to continue operating, continue growing and pay our debts.

An eye on market development and trends

— 102-15, 103-2

As a specialist in commercial property, we are operating in a dynamic, highly competitive market. In order to defend our strong position and, most importantly, continue to grow, we have to know the ins and outs of the markets in which we operate. The local presence of our employees in our branches makes this a certainty. They possess in-depth market experience and serve as reliable contacts for our tenants with no obstructive bureaucracy.

The locations in which we are already present throughout Germany have been shown to provide us with good to excellent development opportunities. As a result, we can continue to pursue our strategy successfully through long-term portfolio decisions. The indicators we use in our evaluations include forecasts about the development of purchasing power, unemployment and urbanisation, as well as growing population and employee numbers through global migration alongside growing tourism in Germany due to the global political developments. Cities are therefore not only facing new requirements in terms of their housing industries, but their office, retail and hotel space must also be factored more into urban planning due to the growing demand for space.

We consider three trends to be particularly relevant: the digitisation of society, the constant developments in the property markets combined with the persistently low interest rates as well as national and international migration.

THE EFFECTS OF DIGITISATION — 203-1

High-speed internet is now indispensable for offices in the context of digitisation. Hotels and retail properties, too, are also increasingly in need of modern digital infrastructure. As a landlord, we feel obliged to guarantee a reliable service that is consistent with current standards and developments. This gives rise to important questions about future plans to invest in our portfolio and about potential acquisitions. We therefore examine what investments we can make to provide our tenants with IT infrastructure that will remain effective in the long term and to what extent potential acquisitions will be able to meet the digital requirements of the future.

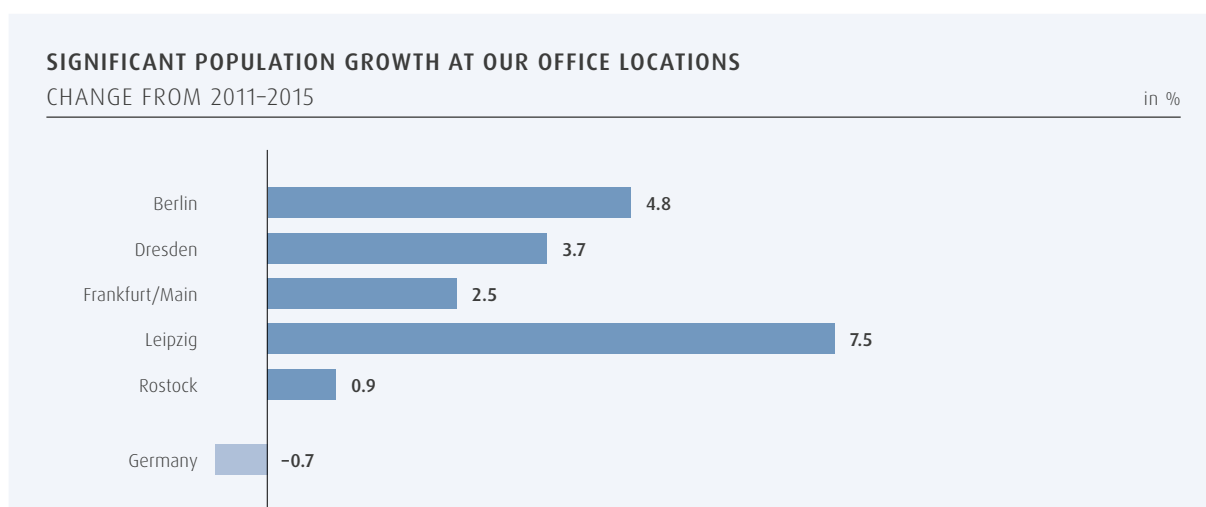
THE EFFECTS OF LOW INTEREST RATES

The capital markets environment has been volatile for a number of years. These circumstances tend to favour investments in property assets. Compared internationally, the property markets in Germany still have considerable potential according to experts. Another factor are the persistently and extraordinarily low interest rates that, in recent years, have resulted in considerable investments in the property market.

Nevertheless, we expect the government and central banks to raise interest rates to a level conducive to general stability in future.

THE EFFECTS OF POPULATION GROWTH

National and international migration to densely populated areas in Germany has intensified significantly in recent years. Not only is this exerting pressure on the residential market, but commercial lettable areas are also becoming increasingly scarce due to the strong demand, especially in major cities such as Berlin, Hamburg and Munich. In recent years, one solution to the problem of scarcity of space has been urban redensification. So far, politicians have been focused on residential buildings and less on other types of usage. We expect politicians to pay more attention to commercial real estate and to lend more political support to the resolution of issues relating to commercial real estate in the coming years. We are monitoring these developments in the property market very closely and analysing where there might be potential for risks or development.



A portfolio strategy as a basis for portfolio quality — 103-2

As an active portfolio manager, it is invaluable for our growth strategy and long-term success to be able to evaluate markets reliably. We therefore monitor and analyse market developments and trends, as well as their effects, closely and factor them into our strategic considerations.

Our portfolio strategy is the key element in our sustainable, profitable growth. It guides the management of our portfolio and our selection of attractive properties to acquire. In this context we focus on properties of high structural quality in outstanding locations that generate sustainable rental income. In particular, we concentrate on the office and retail asset classes, as well as on hotels with long-term leases to well-known operators in top central locations.

**PORTFOLIO DIVERSIFICATION GUARANTEES
LONG-TERM SUCCESS — 103-2, 103-3**

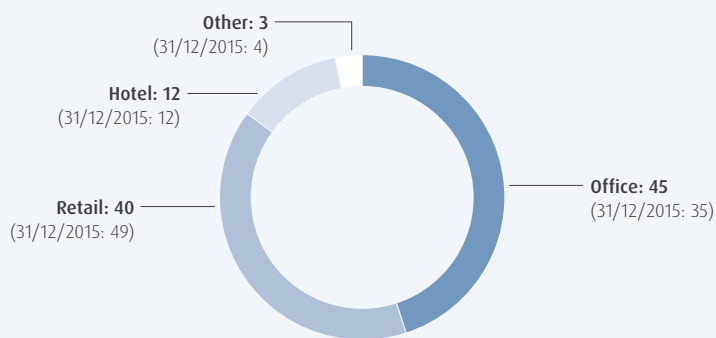
Portfolio diversification across three asset classes is a key aspect that distinguishes TLG IMMOBILIEN. At the end of 2016, the portfolio was divided by asset classes as follows: 45% office properties (2015: 35%), 40% retail properties (2015: 49%) and 12% hotels (2015: 12%). In regional terms, Frankfurt/Main accounted for 7% of the portfolio for the first time due to the entry of TLG IMMOBILIEN into the markets in western Germany. As before, the company is most strongly represented in Berlin (40%) with smaller percentages in Dresden, Leipzig, Rostock and other German locations. — 102-15

As at 31 December 2016, our office property portfolio was concentrated on Berlin, Frankfurt/Main, Dresden, Leipzig and Rostock. With the successful takeover of WCM AG, we will own properties in other promising major cities in Germany in future, including Düsseldorf and Hanover. With regard to the retail portfolio which is dominated by food retail properties, our position is more geographically widespread as the socio-economic data of the micro-location are of relevance here. The seven hotels as at the reporting date are in Berlin, Dresden, Leipzig and Rostock. — 102-4

PORTFOLIO BY ASSET CLASS

PROPERTY VALUE

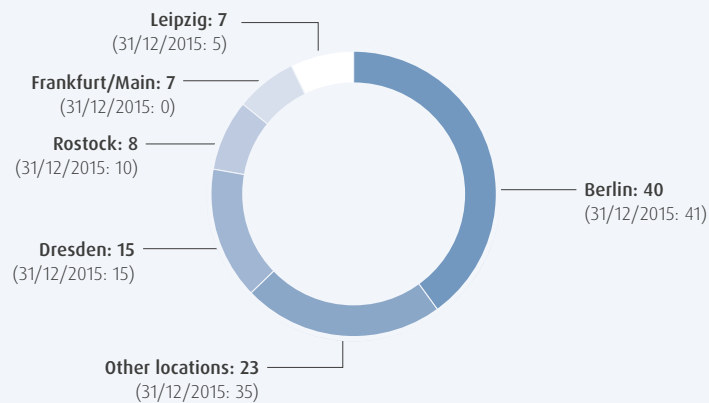
in %



PORTFOLIO BY LOCATION

PROPERTY VALUE

in %



Each asset class provides special advantages; combined, they contribute to the growth in the value of the company. For instance, office and retail properties are largely distinguished by their higher average in-place rental yield,

whereas hotel properties, with a WALT of around 13 years, enjoy exceptional long-term security for rental income. At the same time, the wide spread ensures a sustainable diversification of risk.

KEY PERFORMANCE INDICATORS OF TLG IMMOBILIEN — 103-3 FOR OFFICE PROPERTIES

	2016	2015	Change in %
Property value in EUR m	1,004.1	610.2	64.6
Units	60	52	15.4
Annualised in-place rent in EUR m	65.0	42.8	51.9
Rental yield in %	6.5	7.1	-0.6 pp.
EPRA Vacancy Rate in %	5.2	5.6	-0.4 pp.
WALT in years	5.0	5.1	2.0

FOR RETAIL PROPERTIES

	2016	2015	Change in %
Property value in EUR m	896.2	873.4	2.6
Units	278	278	0.0
Annualised in-place rent in EUR m	69.3	68.4	1.3
Rental yield in %	7.7	7.8	-0.1 pp.
EPRA Vacancy Rate in %	2.4	1.4	1 pp.
WALT in years	5.4	5.9	-8.5

FOR HOTEL PROPERTIES

	2016	2015	Change in %
Property value in EUR m	272.0	207.6	31.0
Units	7	5	40
Annualised in-place rent in EUR m	16.1	12.7	26.8
Rental yield in %	5.8	5.9	-0.1 pp.
EPRA Vacancy Rate in %	2.4	1.0	1.4 pp.
WALT in years	13.1	15.2	-13.8

More information — [Annual Report 2016, p. 8ff.](#)

STRATEGIC PORTFOLIO DEVELOPMENT THROUGH ACQUISITIONS AND DISPOSALS — 103-2

TLG IMMOBILIEN remained focused on developing its portfolio in the 2016 financial year. For example, TLG IMMOBILIEN added 16 properties worth EUR 436.9 m to its portfolio, mainly in the office asset class.

We decide whether to buy or sell a property or make other investments on the basis of strategic factors. These involve location and property-specific parameters as well as our opportunities to tap the potential of a property operationally and financially with our resources.

STRATEGIC FACTORS IN ACQUISITIONS AND DISPOSALS

LOCATION:

Purchasing power, demographic and infrastructural outlooks

ASSET MANAGEMENT:

Opportunities for strategic management and development

PROPERTY:

Structural condition, potential usage, occupancy rate

ECONOMIC RETURNS:

Potential income and value

Additionally, before we acquire a property we carry out an extensive inspection encompassing the assessment of technical, regulatory, environmental, health and security risks. — 102-15

More information — [Annual Report 2016, p. 18ff.](#)

Tenant satisfaction as a success factor

— 102-15, 103-2

TLG IMMOBILIEN traditionally maintains good long-term relationships with its tenants. This is reflected in long-term rental agreements with stable rental income. — [Annual Report 2016, p. 27](#)

TLG IMMOBILIEN had distinct regional networks by virtue of its branches. The staff in these branches in 2016. have solid market experience and close relations with a number of private and institutional market participants. Besides our local presence, property-related factors contribute to the satisfaction of our tenants.

THE CONTEMPORARY FITTINGS IN OUR PROPERTIES

As a provider of space, digitisation is forcing us to revisit our properties and space concepts in order to adapt them to the current developments in the working world and the needs of

tenants. In many younger companies in particular, the nine-to-five working day in a traditional single office has already been replaced by flexible office concepts; fixed workstations are often a thing of the past, having been replaced by desk sharing or home offices. Conference and meeting rooms are only reserved occasionally, with many meetings taking place in digital environments instead. Therefore, companies want to become more flexible with their room planning and share available space with other companies in the building. We are evaluating these trends and examining how we can incorporate these developments into our services.

THE EXCELLENT TRANSPORT CONNECTIONS OF OUR PROPERTIES

The location of our properties and their accessibility are also of great importance to our tenants and their customers. All of our office properties are in central locations and enjoy good connections to public transport and the road and rail networks. Our properties have parking spaces wherever possible. Means of chaining bicycles securely and charging electric vehicles are also becoming steadily more important. These options are already available in some of the underground car parks of our properties. Our retail locations also enjoy excellent transport connections: our shopping centres are easily accessible by public transport networks and of course by car. Under a partnership with Deutsche Bahn, our shopping centre in Bernau is even a park & ride facility for commuters

as it is situated next to the tram and regional train stations. All of our retail locations in more rural areas are easily accessible by car and bicycle and have a sufficient number of parking spaces.

TAPPING THE POTENTIAL FOR MORE SPACE

Furthermore, some land can potentially be developed with building expansions or new buildings to add more space, which would benefit the environment whilst increasing the result from rental and leasing activities of TLG IMMOBILIEN. Likewise, specific modernisation measures and renovations for tenants in the portfolio are improving customer satisfaction and tying tenants to properties for longer.

Product responsibility — 103-2

INVESTMENTS IN PORTFOLIO MAINTENANCE AS PART OF LIFE CYCLE ASSESSMENTS

As a real estate company with a long-term strategy, we aim to hold our properties throughout their entire life cycles if possible. We therefore carry out life cycle assessments as part of both acquisitions and investments in our portfolio.

Over the life of a property, portfolio investments influence its value significantly as the new level to which the property is raised through the investment affects the future cash flow, tenant satisfaction and improves its potential to be rented out.

Our company has been investing in its portfolio extensively since 1991, ensuring that relevant standards are met and that the properties are used in the long term. As a result, the current portfolio is in an excellent condition overall, and our volume of investments is in turn low at the moment. In the 2016 financial year, TLG IMMOBILIEN invested a total of EUR 18.5 m. Of this, EUR 6.3 m was invested mainly in structural expansions and construction work on former retail property sites. TLG IMMOBILIEN did not select any locations for new buildings in 2016; all conversion and construction work took place on land belonging to the portfolio.

The costs of renovations for tenants, especially in the office asset class, totalled EUR 6.9 m in 2016. Besides making properties more attractive to tenants, renovations for tenants improve the levels of comfort and well-being in our properties and are carried out in coordination with the tenant – in exchange for an increase in rent if carried out by TLG IMMOBILIEN – based on the wishes of the tenant. In most cases, these measures also include the installation of air conditioning systems or light and sun filters as well as floor plan adjustments designed increase the attractiveness of the

working areas whilst reducing the energy consumption of the building.

Naturally, during construction measures we work to minimise negative effects on the environment and surrounding area to the greatest possible extent — p. 42

Likewise, the conclusion of a rental agreement makes a significant contribution to the value of a property. This is because commercial rental agreements have long terms and therefore guarantee a continuous cash flow for a number of years. In the best-case scenario, investments in a property coincide with extensions of rental agreements and serve to increase the value of the property comprehensively.

SUSTAINABLE USAGE CONCEPTS — 103-2

As a rule, we strive to enter into the longest business relationships we can with our tenants and enable them to make optimal use of the property. This also means keeping an eye on the potential needs of our tenants. In office buildings, for example, this means being able to adapt floor plans flexibly and thus make lettable areas available for new usage concepts. Changing purchasing habits or consumer requirements cause the space requirements of retail companies to change, too and fluctuations in the economy or tourism affect the operation of hotels. We react to such influences with the necessary flexibility. — p. 32f.

As part of the structuring of our portfolio, we therefore monitor market developments and trends continuously and discuss how we can make our properties remain useful to our tenants in the future. The solutions derived from this benefit our tenants as well as our shareholders, who can profit from the satisfaction of our tenants and our long-term business relationships through increases in value and dividends.

In our everyday business with clients, this means:

- **Proximity to tenants:** We are close to our tenants with staff in local branches. This means that we are directly available and can find solutions for incidents arising at short notice personally.
- **Initiative:** We monitor the developments in local markets, evaluate the impact on our properties and tenants and provide them with our own case-specific recommendations.
- **Anticipation:** We contact our tenants before our rental agreements expire and ask them about their plans. This way, we can develop ideas quickly on how their projects can be brought to fruition even within the framework of our business relationship.

TENANT HEALTH AND SAFETY — 103-2

The health and safety of our tenants are of great importance to us. That is why we regularly invest in maintenance and repairs to our properties. We only use materials that are faultless and non-hazardous in this context. We adhere to the statutory regulations without exception. Comprehensive specifications are already in place for our service providers in the field of facility management, detailing how to handle cleaning agents and chemicals in an environmentally friendly way as part of general cleaning. By the end of 2017, we plan to draw up an extensive code of conduct for our service providers, covering economic as well as social and ecological aspects.

Properties have to be handed over to every new tenant – or buyer – in the best possible condition and with no potential hazards. With every change of tenant, the properties are examined for safety issues and health risks as part of a standardised acceptance process and any problems are resolved. We stand by this process even if we acquire a building and add it to our portfolio. It goes without saying that mandatory inspections, e.g. of gas systems, inspections of central hot water systems for bacteria, inspections of underground pipes and authorised inspections of technical systems are of course carried out on a regular basis. In doing so we can ensure that all fire prevention regulations are adhered to.

We routinely maintain the systems relevant to safety in our properties, e.g. smoke detectors and lifts, on a regular basis in order to ensure that they are functional. We also make sure that elements of the buildings themselves do not cause any extraordinary problems. If mould is discovered in a property, we remove it immediately and carry out a thorough investigation of its causes.

Due to the age structure of our properties, it might be necessary to remove asbestos during construction work. In this case, we make sure that all necessary steps are taken so that our clients and the general public are not put at risk and that the asbestos is removed safely. We adhere to the technical regulations on handling hazardous materials at all times.

When planning conversion or maintenance measures or extensive repair work, our highest priorities are durability and improving the well-being of the tenants. We also notify every tenant, including their direct neighbours, that will be affected by the construction work in advance. Not only do we make them aware of the scope and duration of the work, where necessary we enter into a dialogue with those affected with a view to minimising the inconveniences caused by the construction work, e.g. noise and dust, and finding solutions together. — 102-43, 102-44

In the reporting period we did not identify any major breaches of regulations or voluntary codes of conduct in connection with the effects of products and services on the health and safety of our tenants. — 416-2

FAVOURABLE RENTAL CONDITIONS FOR SOCIALLY ORIENTED COMPANIES — 413-1

We provide some of our socially oriented tenants with a discount on their rent in order to support their work. Additionally, non-political, charitable organisations such as food banks can use floor space in our shopping centres free of charge in order to make the general public aware of them and their work.

In addition, TLG IMMOBILIEN also supports the ‘good cause’ financially with donations to various charities. For instance, our employees supported the Deutsche Kinderkrebsnachsorge, a German organisation supporting children with cancer, heart conditions and cystic fibrosis, with their Christmas donations campaign. In the end, TLG IMMOBILIEN doubled the amount collected and a total of more than EUR 8,000 was donated.

The environment: efficiency and the conservation of resources

TLG IMMOBILIEN is a leading real estate specialist in Germany. We want to assume the responsibility for the environment and climate that comes with this status and make our contribution to the efficient use of resources and the reduction of greenhouse gas emissions.

Our management approach — 103-2

As a portfolio manager with a long-term strategy, the efficient, environmentally friendly management of our properties is an important aspect of our business activities. We have therefore appointed an internal environmental protection officer and engaged an external environmental protection coordinator to assist and advise us on all matters and subjects relating to the environment. In addition to expert advice, this coordinator provides annual training on current environmental issues for employees who need it. The environmental coordinator also keeps TLG IMMOBILIEN up to date on changes in laws, serves as the first point of contact for the internal environmental protection officer of the company and coordinates internal audits in order to adhere to basic environmental management processes within the company.

German properties account for around 40% of the total CO₂ emissions in Germany. We therefore strive to keep the energy consumption of the portfolio and greenhouse gas emissions as low as possible. However, the careful handling of water and waste also contributes to resource conservation.

ENERGY EFFICIENCY AND RESOURCE CONSERVATION IN THE PORTFOLIO

The majority of the energy consumption and CO₂ emissions in our buildings is attributable to our tenants. Structural measures can only influence energy consumption to a certain extent; we ensure that our portfolio is always in good condition. As a rule, we carry out all maintenance measures, conversion and construction work in line with the relevant

standards and strive to improve the energy efficiency of buildings wherever economically prudent. This way, we reduce their impact on the environment – wherever possible – whilst ensuring that our properties remain attractive and available for rent in the long term. As part of technical maintenance in the common parts and vacant areas for which we are responsible, we always consider green technology such as lighting, heating or ventilation.

In 2016, we added our first properties with sustainability certificates to our portfolio. Two recently acquired office properties in Frankfurt/Main are BREEAM-certified (Building Research Establishment Environmental Assessment Methodology). Another office property that has received an LEED Gold certification was acquired in Frankfurt/Main in 2017.

The electricity and heat consumption habits of our tenants are largely beyond our direct control. However, we intend to issue our tenants with an information sheet on this and other subjects by the end of 2017 in order to raise their awareness of the importance of saving energy and conserving resources again. In accordance with the statutory regulations, tenant meter readings are taken either from sub-meters or directly from the utility company. Nevertheless, we strive to obtain readings from our tenants directly in order to gain a more accurate overview of the energy consumption of our portfolio. Therefore, in July 2017 we wrote to 24 tenants initially who use 111 properties in the portfolio of TLG IMMOBILIEN and who deal with their utility companies directly to invite them to provide us with their electricity, heat, water and wastewater consumption statistics from 2015 and 2016 for

the purpose of an aggregated evaluation. The findings are presented in the section on key figures. — p. 56ff.

In a further step, it would even be conceivable for us to contact all other tenants in connection with their electricity consumption.

As a recently listed company, we have not made as much progress with environmental action as we would like. Nevertheless, it is important to us to illustrate the energy consumption of our portfolio in figures wherever possible and make disclosures on the energy efficiency and emissions of our properties. We plan to refine and expand these key figures over the next few years. In doing so, we aim to achieve transparency with regard to energy consumption and usage in our company, optimise our energy consumption and cut our energy costs, and in doing so contribute to the reduction of greenhouse gas emissions whilst securing our long-term competitiveness.

ENERGY EFFICIENCY AND RESOURCE CONSERVATION IN BUSINESS OPERATIONS

Our business operations focus on reducing the consumption of electricity, heat energy and fuel in order to keep our emissions to a minimum. The proportion of energy consumption and CO₂ emissions attributable to TLG IMMOBILIEN is very low relative to the energy consumption of its portfolio, yet this is where we are able to make the greatest difference.

In an energy audit in accordance with DIN EN 16247-1, we collected a wide range of data on our own energy consumption in our office properties which were then verified and refined through on-site inspections. The energy sources in question were electricity, heat, diesel and gas. Potential means of saving energy were derived from the analysis, evaluated and presented to the managers in a report. The proposed measures are currently being examined by the company. We have already initiated the replacement of some lightbulbs with more efficient LED lights. In 2016, we also initiated and contractually regulated a transition to green energy for our business operations and the common and vacant areas of our entire portfolio. We will transition our electricity supply gradually from 2017 onwards.

In order that we are able to better identify and manage our options in terms of influencing environmental protection and to make it clear where the greatest impacts are being made, we have differentiated the environmental aspects of the previous year to an even greater extent. The material topics that were validated by the stakeholder survey are as follows:

- Energy efficiency and reduction of greenhouse gas emissions in the portfolio
- Environmental protection in the portfolio
- Environmental protection during conversion and construction work
- Environmental protection within the company — 103-1

Energy efficiency and reduction of greenhouse gases in our portfolio — 103-2

THE ENERGY CONSUMPTION OF OUR PORTFOLIO

An analysis of the energy consumption of our buildings on the basis of their energy performance certificates last year showed that, overall, the energy consumption of our buildings is at a good level. In the context of the energy consumption of our properties, we regularly consider whether further investments in the energy efficiency of our properties would be economically prudent both for us and for our tenants and would lead to significantly higher value in terms of climate protection.

In 2014, the ZIA criticised the increased stringency of the German Energy Saving Regulation (EnEV) and noted that considerable investments, many of which would take decades to pay off, were required to improve the energy efficiency of office properties. Additionally, it warned that regulatory standards in Germany are already so high that it is very difficult for companies to exceed them. A study carried out on behalf of the German Energy Agency (dena) in 2017 takes a similar position and concludes that office and administrative buildings still have significant energy-saving potential, yet the economic criteria and investment barriers are major obstacles preventing improvements in energy efficiency. Additionally, criteria relating to energy efficiency are still not the decisive factor in the acquisition and the sale of office property. At the same time, it is very difficult for a property owner to anticipate the effect an investment in energy-saving measures will actually have on the value of a building.

Weighing up the economic and ecological aspects, we do not currently consider investments in improving the energy efficiency of our properties a reasonable way of increasing the value of our portfolio. It goes without saying that we monitor the situation closely and evaluate the benefits of potential investments regularly.

The installation of energy-saving LED bulbs is now par for the course as part of construction and conversion measures. Additionally, in 2016, during the construction of a discounter following a demolition, an energy-saving heat recovery system was installed in the refrigerator and freezer sections.

ENERGY CONSUMPTION AND INTENSITY OF OUR PROPERTIES — 103-3

The total energy consumption of our assessed properties is 106,791,228 kWh (2015: 109,326,553 kWh). This comprises the electricity consumption in the common parts and vacant areas as well as the heat energy consumption in the common parts, vacant and tenant-occupied areas in the section of our portfolio for which TLG IMMOBILIEN, as the owner, purchases the energy and charges tenants in the property for it with sub-meters on the one hand (portfolio section A), and the energy consumption (electricity and heat) in the section of the portfolio in which the tenants organise and pay for their energy supply for all areas straight from the utility companies on the other. This applies predominantly to properties with just one tenant or a few major tenants (portfolio section B).

— see distribution portfolio sections A and B: p. 58 — 302-2

Furthermore, as in the previous year, we carried out a like-for-like analysis of our portfolio. The like-for-like analysis only involves properties that were in the portfolio in both reference periods (2015/2016). This way we can rule out potential effects from acquisitions and disposals and make the data more informative. On a like-for-like basis, the total energy consumption of the analysed properties was 87,036,473 kWh (2015: 82,994,408 kWh).

The consumption values can be better compared using the energy intensity of our analysed properties as we use this indicator to report the annual energy consumption per square metre of space. However, the intensity key figure is influenced by a number of factors during the period under review, including the usage type of the building, the number of users in the building and the weather. Due to the heterogeneity of our portfolio, therefore, the energy intensity can only be compared year-on-year and not across asset classes.

We have therefore foregone presenting energy intensities across all asset classes and have instead presented the intensities separately by energy type and asset class:

ENERGY INTENSITY ACCORDING TO ASSET CLASS (PORTFOLIO SECTION B)* — 302-3, CRE1

Key figure	Unit of measurement	Absolute		Like-for-like	
		2016	2015	2016	2015
Office	kWh/sqm	61	59	61	59
Retail	kWh/sqm	221	226	228	227
Other	kWh/sqm	359	355	359	355

* As the common parts and vacant areas of portfolio section A corresponding to the electricity consumption cannot currently be determined, the energy intensity from electricity consumption for the analysed asset classes can only be determined for portfolio section B.

HEAT ENERGY INTENSITY ACCORDING TO ASSET CLASS (PORTFOLIO SECTION A AND B) — 302-3, CRE1

Key figure	Unit of measurement	Absolute		Like-for-like	
		2016	2015	2016	2015
Office	kWh/sqm	65	88	83	79
Retail	kWh/sqm	56	46	41	39
Other	kWh/sqm	122	84	127	110

You can find a detailed breakdown of the consumption statistics, calculation methods and assessed areas on p. 59.

GREENHOUSE GAS EMISSIONS IN OUR PORTFOLIO — 103-3

As the emissions from energy consumption that either occurs in rented areas and properties and is allocated and charged to the tenants by means of sub-meters or is purchased by the tenants from a utility company directly, cannot be attributed directly to the business activities of TLG IMMOBILIEN, we present the emissions in our portfolio as indirect emissions, i.e. scope 3 emissions, that are downstream of our business activities.

The total indirect emissions (scope 3) were 35,795 metric tonnes CO₂ in 2016 (2015: 36,483 metric tonnes CO₂) and consist of the emissions from electricity consumption totalling 25,985 metric tonnes CO₂ (2015: 25,606 metric tonnes CO₂) and the emissions from heat consumption totalling 9,810 metric tonnes CO₂ (2015: 10,877 metric tonnes CO₂). — 305-3

On a like-for-like basis, the scope 3 emissions were 30,543 metric tonnes CO₂ (2015: 29,553 metric tonnes CO₂) and consist of the emissions from electricity consumption totalling 24,181 metric tonnes CO₂ (2015: 23,358 metric tonnes CO₂) and the emissions from heat consumption totalling 6,363 metric tonnes CO₂ (2015: 6,194 metric tonnes CO₂).

You can find a detailed breakdown of the emissions, calculation methods and assessed areas on [p. 64](#).

Resource conservation and environmental protection in our portfolio

WATER CONSUMPTION IN OUR PROPERTIES

Even though water shortages do not affect Germany directly, we feel obliged to use this resource sparingly and save as much water as possible. This also applies to our portfolio. However, as water consumption in our portfolio is largely the responsibility of the property users – our tenants – it is not possible for us to lower it comprehensively. Nevertheless, we intend to attempt to effect a reduction in water consumption through communicative measures such as an information sheet that will be generated by late 2017.

The water for our properties is obtained exclusively from public utilities. — 303-1

The total water consumption of the properties in our analysis (portfolio sections A and B) was 346,870 m³ (2015: 276,819 m³). — 303-1

On a like-for-like basis, the total water consumption was 224,551 m³ in 2016 and 222,303 m³ in 2015.

Our asset classes cannot be compared against one another directly in terms of water intensity either. However, as the differences are not as considerable as with energy consumption, we have reported the water intensity of the properties in all assessed asset classes. This was 0.34 m³/sqm/year (2015: 0.28 m³/sqm/year). — CRE2

On a like-for-like basis, the water intensity was 0.33 m³/sqm/year in 2016 and 0.32 m³/sqm/year in 2015.

A more detailed breakdown of water intensities by assessed asset class is available on [p. 66](#).

Effluents from our properties flow directly into the public sewers and are processed in sewage treatment plants in line with the statutory regulations before being returned to the water cycle. — 306-1

For a detailed breakdown of the occurrence of effluents and the effluent intensities of our analysed properties (portfolio sections A and B), please see [p. 66](#).

As we operate exclusively in Germany, we adhere to both national and European water protection laws.

BIODIVERSITY

Although biodiversity is not managed separately at TLG IMMOBILIEN, we are aware if our properties are situated in or adjacent to a nature reserve. Where necessary, we implement suitable measures to protect or compensate for the natural habitats. At the moment, TLG IMMOBILIEN has no operational sites in protected areas.

Environmental protection during construction and conversion work — 103-2

As the rate of construction activity is currently extremely low, environmental protection during construction and conversion measures is still of little relevance to TLG IMMOBILIEN. However, by including this aspect in this report we want to demonstrate that we are aware of the potential effects and that it will become increasingly relevant as construction activities accelerate.

Even in the planning phase of construction and conversion projects, we intend to structure space efficiently and examine means of improving energy efficiency. However, waste and effluent management also plays an important role on a building site. Used building materials are therefore disposed of properly and the statutory regulations that apply to them are adhered to without exception. Additionally, we ensure that the materials used do not pollute the water and remain non-hazardous throughout their life cycles.

Operational climate and environmental protection

ENERGY CONSUMPTION AND EFFICIENCY OF OUR BUSINESS OPERATIONS — 103-2, 103-3

We urge our employees to save energy, heat and fuel in their everyday work whenever possible, e.g. by putting their computers to sleep when they leave the office, adjusting the office lights in favour of natural light, thorough (yet temporary) office ventilation instead of windows that are slightly ajar and driving company cars in a way that improves fuel economy. Almost all personal vehicles are subject to a maximum CO₂ limit of 169g/100km. Since 2015, all of our

data centres have been co-sharing with a data centre service provider which runs entirely on green electricity.

Since 2015, we have replaced individual printers at every desk with modern centrally-located and environmentally friendly ("Blauer Engel" certified) large printers.

During the preparation of this report, only a few statements of consumption for 2016 were available to us for our owner-occupied space; therefore, the consumption statistics cannot currently be compared with those from 2015. As at the preparation of the report, the total ascertainable energy consumption of the business operations of TLG IMMOBILIEN was 519,254 kWh in 2016 (2015: 976,556 kWh). This comprises the electricity and heat consumption of our owner-occupied office areas and the fuel consumption of our fleet of vehicles. — 302-1

For the reasons given above, the energy intensity cannot currently be determined reliably. — p. 70

In the reporting year, TLG IMMOBILIEN measured an energy consumption from fuels of 302,920 kWh for its fleet of vehicles (2015: 304,181 kWh). The fuel consumption is primarily due to the decentralised structure of our company; journeys are unavoidable, especially for employees in operative fields who travel to visit tenants, potential properties and buyers. However, we do urge our employees to handle as much as possible by phone. The fact that our fuel consumption remained constant in 2016 and did not increase further shows that our employees are putting this into practice. — 302-1

In 2016, the proportion of business trips decreased to 783 in total, which represents approximately seven business trips per employee (2015: 895; eight business trips per employee). A large percentage of the business trips are made using public transport (rail travel). Fleet vehicles are available for short business trips in the surrounding area.

TLG IMMOBILIEN also takes other steps to keep its fuel consumption as low as possible: more than half of its employees (approx. 68%) use the company ticket provided by TLG IMMOBILIEN for local public transport (in Berlin and Dresden). We are currently working to introduce car2Go models so that our employees have the flexibility to choose between certain mobile options to suit a given occasion and the vehicle fleet can potentially comprise fewer pool vehicles. The model is currently being trialled in a pilot phase. For example, these mobile options will include electric scooters. TLG IMMOBILIEN intends to test an electric vehicle when it moves to purchase new pool vehicles.

CO₂ EMISSIONS OF OUR BUSINESS OPERATIONS

— 103-3

The energy consumption of our business operations produces direct emissions (scope 1) from our vehicle fleet and indirect emissions (scope 2) from the electricity consumption of our business premises. As we cannot currently break down consumed heat energy by energy type for our business operations, we have opted not to report the emissions from our heat consumption.

The total ascertainable direct emissions for 2016 were 80.3 metric tonnes CO₂ (2015: 80.5 metric tonnes CO₂), or 78.4 metric tonnes CO₂ (2016) and 74.5 metric tonnes CO₂ (2015) on a like-for-like basis. — 305-1

The total ascertainable indirect emissions were 99.5 metric tonnes CO₂ (2016) and 158.8 metric tonnes CO₂ (2015). — 305-2

The indirect emissions represent an intensity of 0.02 metric tonnes CO₂/sqm for 2016 (2015: 0.02 metric tonnes CO₂/sqm) — 305-4

You can find a detailed breakdown of the emissions, calculation methods and assessed areas on p. 70.

WATER CONSUMPTION

Even in our business operations, we endeavour to make our employees consciously avoid wasting water.

The water for our owner-occupied office space is obtained exclusively from public utilities. For the total water consumption in our owner-occupied office space and the water intensity, please see the key figures — p. 71.

All effluents flow into the public sewers and are processed in public sewage treatment plants in line with the statutory regulations before being returned to the water cycle. — 306-1

Employees: commitment and expertise

The experience, skills and expertise of our employees enable us to maintain and expand our position in the market. We want to fulfil our responsibility as an employer and provide them with a working environment in which they can feel comfortable and develop.

Our management approach — 103-2

The success of our strategy and the achievement of our targets are largely dependent on the skills, motivation and commitment of our employees. Our growth strategy requires continuous development of both the company as a whole and of its staff. This gives rise to new challenges for which TLG IMMOBILIEN has to be prepared, for instance in terms of education and training, yet also with regard to employee recruitment and retention.

At the same time, the requirements of employees are also changing. For example, the attractiveness of an employer is more important now than ever before. A good working environment, the benefits a company offers its employees besides their normal salaries, opportunities for education and training that give employees the chance to develop professionally and personally, health and fitness programmes and models, that enable employees to reconcile their professional and private lives optimally, are of considerable relevance in this context. TLG IMMOBILIEN therefore has two objectives: to retain its current employees and top performers and to recruit suitable new staff.

These two objectives have given rise to topics that are material to TLG IMMOBILIEN in terms of employees and social commitment:

- Recruitment of highly qualified employees
- Training and education
- Occupational health and safety
- Work-life balance
- Diversity and equal opportunities
- Co-determination — 103-1

Personnel management is very important at TLG IMMOBILIEN in light of our growth strategy. Every employee must have the opportunity to apply their skills and expertise and actively help shape the future of the company. To this end, TLG IMMOBILIEN is in need of skilled, highly qualified and motivated workforce. The personnel management system of TLG IMMOBILIEN therefore focuses on the recruitment and development of new, qualified employees as well as on the structured education, training and retention of our existing employees.

In the coming years, TLG IMMOBILIEN will also focus on retaining outstanding employees and those with high potential. We will therefore implement a business programme designed to support and challenge top performers in 2017. Additionally, we will invest more heavily in university marketing in order to identify high-potential candidates during their studies, incorporate them into TLG IMMOBILIEN as student trainees and recruit them into key positions if they fit in well.

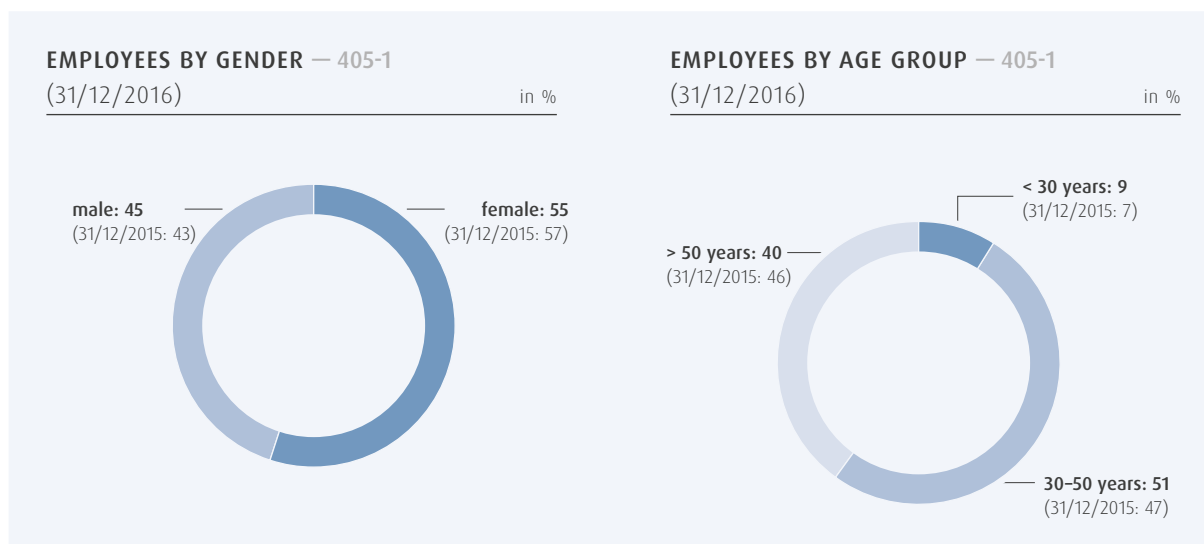
Furthermore, the long-term health and effectiveness of our employees are of great importance. We have therefore implemented a comprehensive health management system designed to prevent health problems alongside health initiatives and training courses. We also give our employees the opportunity to reconcile their professional and private lives.

In our company, we value and encourage independence as well as flexibility and expert knowledge. We believe that an unprejudiced working environment characterised by fairness and equal opportunities is a prerequisite for this. We therefore promote diversity within the company and combat prejudice and all types of discrimination with determination.

Personnel structure of TLG IMMOBILIEN

At the end of 2016, 111 employees (excluding trainees and those on a leave of absence) were employed by TLG IMMOBILIEN (31/12/2015: 112). The ratio of male to female employees at TLG IMMOBILIEN has been balanced for years. At the end of 2016, 55% of our employees were female (2015: 57%). The age structure of the company is also

balanced: 51% of employees are between 30 and 50 years of age (2015: 47%), 40% are over 50 years of age (2015: 46%) and 9% are under 30 years of age (2015: 6%). The average age of our employees is 45. Compared to the previous year, the percentage of 30 to 50-year-olds increased and the percentage of over-50s decreased due to the recruitment of new staff. — 102-7, 102-8, 405-1



Around half of our employees work in our branches and the other half work in our headquarters in Berlin. We practise the same personnel management approach for our operative division as for our central division.

Few services are provided by external contractual partners and are agreed through individual labour and service agreements. We strive to keep the proportion of contract workers to a minimum and, where possible, fill vacant positions with our own staff. As at 31 December 2016, just one contract worker was working at TLG IMMOBILIEN. Additionally, we employ freelance employees and consultants as part of specific projects. We are currently working on a code of conduct for service providers that will cover ecological aspects as well as labour standards. It is due to be completed in 2017.

— 102-8

A shared mission statement — 102-16

We can only achieve our corporate targets and implement our growth strategy successfully if we have a shared understanding of how we want to do so. Our mission statement serves as an important source of orientation and motivation in our everyday business. Besides our mission to become the leading provider of commercial properties in Germany, it encompasses five main areas of action – quality and performance, customers and markets, development, contribution to society and respectful conduct – and serves as the basis of our everyday activities.

OUR MISSION STATEMENT

LEADING PROVIDER OF COMMERCIAL REAL ESTATE IN GERMANY

**WE SUCCEED THROUGH QUALITY AND SERVICE**

- With careful decisions and quick, efficient actions
- With clear, ambitious targets by which we want to be judged
- With exceptional results
- By assuming responsibility and embracing entrepreneurship

WE UNDERSTAND OUR CUSTOMERS AND MARKETS

- By monitoring trends and developments and working proactively
- By maintaining a regional presence
- As a developer of tailored solutions
- As a reliable long-term partner

WE ARE ALWAYS DEVELOPING

- By reflecting on our work
- By continuously optimising our processes and eliminating activities that do not create value
- By identifying and supporting the potential of our employees

WE MAKE A POSITIVE CONTRIBUTION TO SOCIETY

- By using resources responsibly and making sustainable decisions
- By continuously preserving the structural quality and energy efficiency of our properties
- By maintaining an open, transparent dialogue
- By adhering to rules and regulations

WE ALWAYS SHOW RESPECT

- By communicating clearly and exchanging opinions openly
- Through fairness, integrity and mutual recognition
- By acknowledging good work

Attraction of employees

In order to pave the way for the implementation of our growth strategy with regard to our personnel, a key element of our personnel management system is to attract the right people for the right positions. At the same time, however, TLG IMMOBILIEN is being affected by the general lack of specialists which we want to counter strategically. We are therefore reliant on successor management and systematic employee development. Wherever possible, we fill vacant managerial positions from within our own ranks: anyone, who is skilled and committed enough, can assume a lot of responsibility quickly and take charge of projects in our company.

If we are unable to fill vacant positions with suitable employees from our own workforce, we recruit top performers and highly promising recruits from outside our company. Our recruitment measures range from traditional advertisements in online portals to the careers section of our website to the consultation of specialised recruitment agencies. We are working to develop a university marketing concept for the future. Our employees also serve as multipliers. If an employee refers an applicant who is successful, that employee will receive a bonus.

In addition to our direct recruitment measures, we maintain a positive public image by communicating our values and referring to our development and career opportunities as well as to our attractiveness as an employer due to our streamlined structures, flat hierarchies and our wide range of social benefits.

It remains our objective to further professionalise our existing personnel work. We already use smart software in our recruitment processes to document the entire selection process internally – from the receipt of the application to the recruitment of the applicant – digitally, transparently and with consideration for resources and the relevant data protection regulations. Even when they first come into contact with TLG IMMOBILIEN, applicants see a modern, contemporary application platform with constructive communication that will inspire them to work within the company. Additionally, from 2017 applicants will gain even more insights into the working world of TLG IMMOBILIEN when we publish photographs of the real world of work, various employee benefits and our corporate values on our website, www.tlg.eu. These and similar ideas will ensure that TLG IMMOBILIEN recruits applicants who meet the criteria in the best possible way despite competition for talent and the pressure exerted by demographic change.

Employee retention and satisfaction

Once we find the right employees, retention and long-term collaboration become priorities for us. This is reflected by the high number of permanent employment contracts in our company, with 95.5% of our employees being permanent.

— 102-8

In 2016 the fluctuation rate was 2.7%, adjusted for the reductions in the number of personnel due to restructuring, retirement and the expiry of temporary contracts (2015: 7%).

— 401-1

Our employee retention measures are also supported by a wide range of social benefits such as pensions, accident insurance and job tickets, numerous training opportunities, a good work-life balance (see the sections on health and a work-life balance) and the option to work independently.—

401-2

SERVICE

The average length of service is 14 years, demonstrating that we are able to retain our employees in the long term and that they feel bound to TLG IMMOBILIEN.

LENGTH OF SERVICE (NUMBER OF EMPLOYEES IN %)

	31/12/2016	31/12/2015
Up to 2 years	20	21
Between 2 and 5 years	14	6
Between 5 and 10 years	8	13
More than 10 years	69	72

EXECUTION OF AN EMPLOYEE SURVEY

— 102-43, 102-44

In 2015 we carried out our first employee survey to gauge the satisfaction of our employees and determine their main opinions. We derived specific areas of action from the results. In 2016 our employees worked through these in working groups in order to make TLG IMMOBILIEN more attractive together. Various changes were then implemented, for example the introduction of home offices and trust-based working hours. The second survey was carried out in late 2016. The participation rate was higher than in the previous year: almost 90% of employees provided feedback on TLG IMMOBILIEN as an employer (2015: 82%). The surveys enable us to identify requirements and room for improvement that will help us in our recruitment processes as well as to retain top performers and talented employees even more effectively. Additionally, regular surveys and the derivation of measures from them show our employees that they are important to us and are involved. Not only does this nurture our relationship with our employees, it also ties them to the company and boosts our attractiveness as an employer.

For example, the expansion of personnel development is one of the fields requiring action highlighted by the survey in 2016. We are currently introducing the business programme 'Fit for Growth' to encourage and challenge employees with exceptional potential to assume greater responsibility and an excellent performance record. We are also augmenting our internal training programme with the slogan 'Colleagues Train Colleagues'. In addition to providing feedback through the survey, employees were able to contribute to the various areas requiring action in departmental workshops. Other channels of communication with our employees include regular departmental meetings and managerial meetings, as well as casual summer and Christmas celebrations which all central and decentralised units attend to exchange ideas and opinions.

EMPLOYEE RIGHTS

The content of the employment contracts of the majority of our employees (94%) is governed by labour-management agreements. Additionally, 57% of our employees are protected by a collective wage agreement. — 102-41, — p. 52

The internal works council with which we work together constructively also protects employee rights and represents their interests. We notify our employees promptly and always within the mandatory statutory periods of significant changes within our company. — 103-2, 402-1

Training and education — 103-2

Education is of great significance in every department in order to encourage our employees to help shape our company in line with our strategy and qualify them optimally to meet the requirements of each of their jobs. The qualification of our employees does not end with their orientation periods. One key objective of our personnel management system is to promote the individual strengths and abilities of our employees throughout their careers. In this context, we also help our employees to undergo the advanced training they want. TLG IMMOBILIEN embraces all aspects of its core value; expertise.

Consequently, education will also continue to play a major role. In future, trainees will be recruited in an increasingly needs-based fashion with a view to filling potential vacancies resulting from retirement or other personnel fluctuations permanently with our own staff. — 404-2

TRAINEE PROGRAMMES

As a company with a clear growth strategy, we invest in the education of the next generation of staff. We provide numerous attractive options for new recruits such as integrated degree programmes. We also offer internships and practical activities that give young people the opportunity to build up some experience and get to know our company.

The main criteria in the selection of our trainees are qualifications, personality, willingness to work as well as flexibility and the ability to work as part of a team.

Our students receive a regularly alternating series of theoretical education at university and practical learning in various departments of the company. This combination enables the students to build up a wealth of experience in the company during their studies and even take charge of some projects independently. TLG IMMOBILIEN currently offers business

management courses focusing on the real estate sector and controlling.

As at 31 December 2016, five people had completed an integrated degree programme (31/12/2015: 6). In future we will also take an increasingly needs-based approach to our investments in initial professional training.

EMPLOYEE DEVELOPMENT AND QUALIFICATION

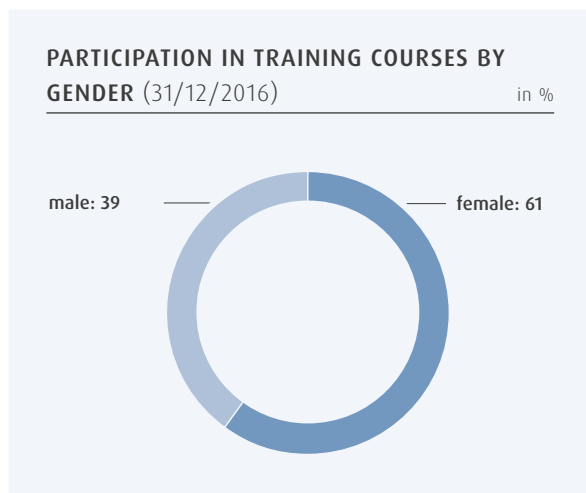
The systematic promotion and qualification of employees is a central pillar of our systematic personnel development as constant learning is a prerequisite for the long-term development of the company. This applies to up-and-coming employees and experienced employees in equal measure. We therefore offer our employees a wide range of tailored internal and external training measures and, where possible, provide them with time and money to help them reach their personal education and training targets. Our property management staff in particular receive regular internal group training on commercial tenancy law, the responsibility of operators and other specialised legal matters. If support is required with particular programs (e.g. Outlook or Excel), it is also provided through internal training courses for groups of employees or individual training sessions. — 404-2

We also support our employees with our 'Colleagues Train Colleagues' programme. In this programme, our employees develop extensive expertise in related fields through training courses. Likewise, Web-based training courses in the use of company software are provided by our employees. — 404-2

Last year, our employees profited in particular from offers specifically tailored to suit their areas of work and expertise. The majority were covered by the internal training programme. Certain internal training measures, such as on compliance and data protection, in which our employees participate regularly are provided every two years or more. The last compliance training course was in November 2016. In 2016, the average number of hours of training per employee was 8.1 hours per annum (2015: 3.5 hours per annum), of which 4.5 hours were attributable to internal training courses. — 404-1

Of the total number of hours of training (548 hours), 61% were spent by female employees. The number of hours of training per female employee was therefore around nine hours per annum compared to around seven hours per annum per male employee. — 404-1

In 2016, we continued to support individual employees with particularly long-term, extra-occupational measures. Not only do we support our staff by making sure that their working hours accommodate such measures, we also involve ourselves in them financially. Five of our employees are currently studying on extra-occupational courses with a view to obtaining additional property-specific qualifications.



Besides the training on offer, we hold regular management meetings with the Management Board. All of the managers of the company attend these meetings to discuss issues relating to the corporate and management culture, strategy or special individual topics in one day. Additionally, the managers have the opportunity to pose questions directly to the Management Board at these meetings.

As part of the structural change of our company, a reconciliation of interests and a redundancy payments scheme have been in place since 2011. Employees affected by our reduction of the number of our personnel have the option to switch to a transfer company for one year; we offer anyone, who does not make use of this option and terminates their contract by means of a dissolution contract or termination, outplacement advice and training courses designed to consolidate their knowledge and qualify them for the job market. — 404-2

We have launched another employee advancement project in 2017. The business programme 'Fit for Growth' is centred on employees with outstanding potential and performance records. Those participating in the programme remain in control of their own development and are meant to prove themselves through their work and commitment in the

programme. The programme is based on the definition of a management skill set determined by external experts through individual interviews. Potential is highlighted and set out in a potential plan in order that everyone involved can agree on a development goal that the participant has to meet over the next two years. — 404-2

DEVELOPMENT THROUGH REGULAR DISCUSSIONS WITH PERSONNEL

Regular discussions with employees make a significant contribution to the individual development of employees: performance reviews are held twice a year with all employees and managers. These help to define key personal focal points and arrange support measures in the form of education and training courses. Additionally, the interviewers and employees set achievable targets designed to boost the employee's motivation and give them the opportunity to make an active, noticeable contribution to the success of the company. At the same time, employees have the opportunity to discuss any issues or needs they might have in a fixed meeting with their manager and identify and tap any potential for improvement. — 404-3

Occupational health and safety — 103-2

Only healthy, motivated employees perform well. We therefore take occupational health and safety very seriously. Our priority is prevention. As the activities of TLG IMMOBILIEN revolve exclusively around office work and property management, occupational health and safety are closely intertwined in our company. Our goal is to minimise illness-related absences, avoid accidents at work and maintain the full health and capability of our employees.

We provide our employees with a range of occupational health measures such as consultations with the company medical officer, flu vaccinations, eye tests, ergonomic advice and occupational safety inspections of the workplace. If recommended by a medical professional, we provide our employees with adjustable desks in order to prevent back problems. In 2016, 53% of our employees made use of the services of our company medical officer.

Under our integration management system, if an employee is frequently absent, we will ask the employee – who is free to involve a member of the works council – if there is any extraordinary stress in connection with the workplace and if so, how it can be dealt with.

ORGANISATION WITHIN THE COMPANY

Employees have been named and experts engaged to serve in the necessary occupational health and safety roles. For example, we have signed a contract with occupational health clinics in order to provide professional medical support through qualified company physicians and a contract with an external service provider in order to provide our employees with professional occupational safety support. We have also formed an internal Occupational Safety Committee which is responsible for all employees, consisting of the officer of the client, representatives of the works council, the company physician, the occupational safety expert and safety officers. The health and safety officers of TLG IMMOBILIEN also meet at regular intervals.

Our implementation of occupational health and safety is based on the relevant requirements set out in laws, regulations and ordinances. These include the currently applicable laws that must be on display at all times, the corresponding occupational safety instructions, our occupational safety handbook, fire safety regulations and other tips, e.g. on exercises to do at the workplace, that all employees can access on the Intranet. Everyone involved works together closely in order to implement occupational health and safety. Employees can consult them for expert support in relation to occupational health and safety.

With regard to conduct in emergencies, there are numerous notice boards at every location describing first aid measures and what to do in the event of a fire. Our first-aiders also receive annual training from the mutual insurance association and carry first aid kits. Every branch has a defibrillator in an easily accessible location for everyone.

The effectiveness of the occupational safety measures is checked on a regular basis. All employees are trained in occupational health and safety regularly. Additionally, employees are made aware of documentation and information on the Intranet and notice boards. — 103-3

HEALTH SERVICES AND OCCUPATIONAL SAFETY MEASURES OF TLG IMMOBILIEN

The health services and occupational safety measures apply to all employees of TLG IMMOBILIEN and include the following:

- Annual occupational safety inspections for workstations with screens
- Flu vaccinations
- Eye tests
- Return-to-work and re-integration interviews following extended illnesses
- Protection against noise with noise insulation, separate printer areas and headsets
- Protection against excessive heat through air conditioning, window film and cooling/ventilation systems
- Use of coolers for drinking water
- Ergonomic workstations consistent with the requirements of the association German Social Accident Insurance (DGUV)
- Use of user-friendly, state-of-the-art software
- Performance of occupational safety inspections

ACCIDENT AND ILLNESS STATISTICS

There were a total of three occupational accidents at TLG IMMOBILIEN in 2016 (2015: four). This is equivalent to 0.003 accidents per 1,000 people (2015: 0.004). The number of occupational accidents per one million hours worked is 13 (2015: 17). Most of the accidents were falls. The occupational accidents resulted in 15 lost workdays (18 days in 2015) and a lost workday rate of 0.06. In total, there were 1,177 days of absence due to illness (2015: 1,149 days). This is equivalent to a rate of 4.6 days of absence per employee (2015: 4.1 days). No employee in the company is subject to a high rate or risk of illness on the grounds of their profession. As in previous years, there were no fatal occupational accidents in 2016.

— 403-2, 403-3

Work-life balance

Besides our occupational health and safety measures, we offer our employees numerous ways to balance their professional and private lives. This aims to prevent excessive work and in turn avoid accidents or deterioration in quality, whilst also enabling employees to continue working for our company if, for instance, their family situation changes.

Therefore, wherever possible we offer our employees flexible or partially flexible working hours as well as part-time models that help them reconcile their professional and private lives. We currently employ a total of three part-time employees. The low number of part-time employees is due to the flexible working hours system that applies to all employees. For our employees, flexitime starts at 7 a.m. and ends at 8 p.m. and our semi-annual flexitime framework

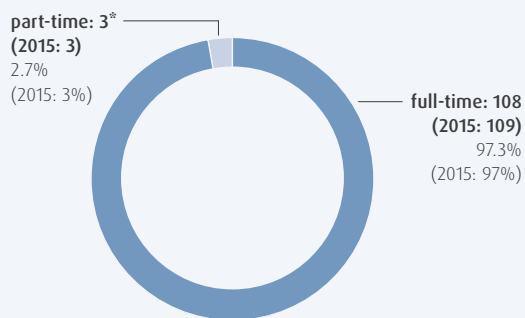
ranges from -20 to +60 hours. The hours worked by employees are logged and flex days can be taken upon consultation. These regulations allow our employees to balance their private interests with full-time employment, which boosts their satisfaction and performance and in turn our attractiveness as an employer. Additionally, we will introduce a trust-based working hours option for employees not covered by collective wage agreements in 2017.

Additionally, we will introduce an optional home office model for all employees in 2017 as another way for them to balance their professional and private lives.

In 2016, three employees, all of whom were male, took parental leave (2015: three). Every single employee who took parental leave returned to work. — 401-3

EMPLOYEES BY CONTRACT TYPE

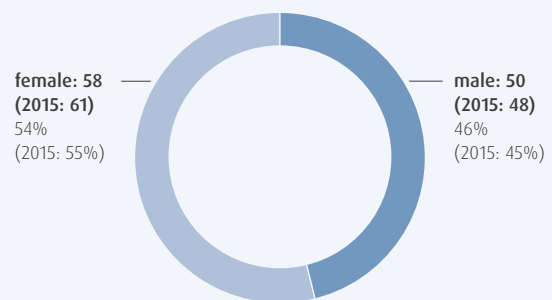
(31/12/2016) — 102-8



*The three employees who work for us part-time are female.

FULL-TIME EMPLOYEES BY GENDER

(31/12/2016) — 102-8



Diversity and equal opportunities — 103-2

Diversity in our workforce involves various approaches, views and ways of thinking. This helps create a working environment characterised by ideas and constructive dialogue. We strongly believe that diversity has a positive effect on our company and activities and strengthens our culture.

SIGNING OF THE DIVERSITY CHARTER — 102-12

We signed the Diversity Charter in 2017 in order to make our position on diversity and equal opportunities public.

In doing so, we have undertaken to

- Nurture a corporate culture characterised by mutual respect and recognition for every individual: we create the conditions for superiors and members of staff alike to recognise, share and embrace these values. Managers and superiors bear a special responsibility in this regard.
- Examine our personnel processes and ensure that they benefit the diverse skills and talents of all employees as well as our own standards.
- Recognise the diversity of society within and outside of our organisation, recognise its potential and utilise it to the benefit of the company or institution.
- Ensure that the implementation of the Charter becomes a matter of conversation within the company and with the general public.
- Report publicly on our activities and progress in promoting diversity and recognition every year.
- Make our employees aware of diversity and involve them in the implementation of the Charter.

NON-DISCRIMINATION IS OF GREAT IMPORTANCE WITHIN THE COMPANY— 103-2, 103-3

All employees of TLG Immobilien are valued equally. We employ and promote our employees on the basis of their abilities, expertise, social skills and the work they do within the company, regardless of their gender, ethnicity or social background or religion.

At TLG Immobilien, it goes without saying that the German General Act on Equal Treatment (AGG) must be adhered to without exception. No instances of discrimination were discovered in 2016 (2015: 0). — 406-1

In accordance with the Gesetz für die gleichberechtigte Teilhabe von Frauen und Männern an Führungspositionen in der Privatwirtschaft und im öffentlichen Dienst, the German act on equal participation of women and men in executive positions in the private and the public sector, which entered into

force on 1 May 2015, in its meeting on 25 September 2015 the Supervisory Board of TLG Immobilien set a target proportion of 16.67% for women on the Supervisory Board and a target proportion of 0% for women on the Management Board. The Management Board set the minimum proportion of women on the first management level below the Management Board at 11.11% and the minimum proportion of women on the second management level below the Management Board at 30%. At 11.11% and 40.0% respectively, these proportions were adhered to in 2016. — 405-1

For information on the composition of the governance bodies and the Management Board please see **p. 83f. of our Annual Report 2016.**

The majority of the employees of TLG Immobilien (57%) are subject to an internal master wage agreement between TLG Immobilien, the General Economic Association (AWB), the German Public Services, Transport and Traffic Union (ÖTV) and the German Salaried Employees' Union (DAG). Employees who are covered by a collective wage agreement are remunerated in line with that agreement. These employees and even some employees not covered by a collective wage agreement (38%) are also subject to labour-management agreements, some of which supplement the collective agreements. For example, the variable remuneration of all employees is governed in a standardised labour management agreement. Only executives are exempt from the collective wage agreement and the labour-management agreement. As a rule, the basic salaries of men and women are equal. — 405-2

Outlook and targets

We see sustainability reports less as reflections of what we have achieved in the previous year and more as reflections of our progress towards our targets: they show us what we have done already and allow us to identify room for improvement. We want to tap this potential with clear targets.

SUSTAINABILITY TARGETS

Target	Planned implementation:
Development and gradual anchoring of our approach to sustainability in our business processes	Ongoing
Carry out another focused stakeholder survey as part of a materiality analysis	Spring 2019
Development and expansion of the IT landscape, taking the collection of necessary sustainability data into consideration	2018
Refine and expand sustainability reporting in terms of the requirements of established standards such as GRI standards and the EPRA Best Practice Recommendations on Sustainability Reporting	Ongoing
Code of conduct for suppliers and service providers with a view to ensuring adherence to economic, social and ecological aspects	End of 2017

ECONOMY AND VALUE-CREATION TARGETS — 103-2

Target	Planned implementation:
Increase FFO to between EUR 90 m and EUR 92 m	End of 2017
Identify suitable potential acquisitions for us to implement our growth strategy	Ongoing
Acquire the majority of the shares in WCM AG Integrate WCM permanently	October 2017 Ongoing
Regular portfolio transactions designed to optimise and refine it	Ongoing
Continue to nurture tenant relations and extend rental agreements	Ongoing
Introduction of a whistle-blower system for suspected bribery and corruption	October 2017

ENVIRONMENTAL TARGETS — 103-2

Target	Planned implementation:
Supply the common parts and vacant areas in our properties, as well as our management, with green electricity	End of 2017
Gradually involve our tenants in documenting consumption in tenant areas	Mid 2017, then ongoing
Raise tenant awareness of conserving resources on an everyday basis	End of 2017

EMPLOYEE AND SOCIAL TARGETS — 103-2

Target	Planned implementation:
Improve our attractiveness as an employer and increase employee retention	Ongoing
Nurture the next generation of our staff in a strained job market	Ongoing
Carry out an employee survey in order to identify necessary measures or issues and, where necessary, take appropriate steps	End of 2017

KEY FIGURES AND INFOR- MATION

- 56 Key figures
- 77 GRI Content Index
- 87 EPRA Sustainability Performance Measures

Key figures

This section contains other relevant GRI and EPRA environmental and employee key sustainability figures. We have concentrated them in this section as supplementary information so as not to disrupt the flow of the main sections.

Key environmental figures

OUR PORTFOLIO

In order to collect our consumption indicators, we examined our entire portfolio consisting of 404 properties with a total lettable area of 1,418,975 sqm (in 2016) and 418 properties with a total lettable area of 1,295,443 sqm (in 2015). Each of these portfolios contains the properties that were in the portfolio as at 31 December of that year.

The hotel properties were not factored into the calculation of key figures as their consumption values cannot be determined accurately due to the property-specific billing methods resulting from their mixed usage as hotels with office or retail sections.

The asset classes in the portfolio break down as follows:

DISTRIBUTION OF ASSET CLASSES IN THE PORTFOLIO

Asset class	2016				2015*				Like-for-like 2015/2016			
	Share of the portfolio				Share of the portfolio				Share of the portfolio			
	Absolute	in %	in sqm	in %	Absolute	in %	in sqm	in %	Absolute	in %	in sqm	in %
Office	59	15	603,644	43	51	12	406,876	31	47	13	397,933	35
Retail	279	69	611,772	43	278	67	602,891	47	271	72	577,126	50
Hotel	7	2	109,482	8	5	1	75,852	6	5	1	75,852	7
Other	59	14	94,077	6	84	20	209,824	16	54	14	94,077	8
Total	404	100	1,418,975	100	418	100	1,295,443	100	377	100	1,144,988	100

* Values adjusted by missing consumption values in the previous year.

We cluster our portfolio in line with the table above, but we do not consider the number of properties below by asset class as the absolute number of the properties provides no information about their size. We believe that considering space per asset class is more informative and therefore more relevant, and this information is presented below as such.

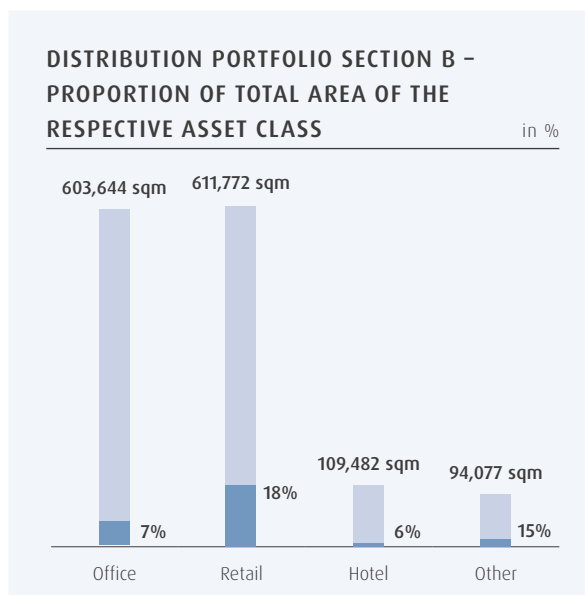
COLLECTION, ANALYSIS AND EVALUATION OF DATA

When we collect, analyse and evaluate data, we generally strive to collect as much of the available data as possible. However, we were unable or only partially able to collect data for some of our properties.

One reason for this is that as of the preparation of this report, we have not yet received all statements of consumption for 2016. As we wish to avoid estimates and extrapolation, we have only published consumption statistics for 2016 for the properties for which we had the end-of-year consumption statements for one or more usage types at the point this report was being prepared (portfolio section A). The consumption statistics for 2016 will be adjusted retroactively in the next report to factor in the outstanding consumption values. Consequently, we have adjusted the consumption statistics for 2015 retroactively in this report. For the sake of improved clarity and transparency, each table indicates what data were used in the calculations and what percentage of the portfolio is therefore represented.

On the other hand, we have no end-of-year consumption statements for some of our properties, as they are used by only one tenant or a few major tenants, who pay their bills to the utility companies directly. In order to document these consumption data too, we have contacted the tenants and asked them to share their consumption data with us for the first time for this report. Of our total portfolio, we have identified 139 properties (portfolio section B), in which the tenants pay their bills to the utility companies directly. In July 2017, 24 tenants who use a total of 111 of these 139 properties were asked to share their electricity, heat, water and effluent statistics for 2015 and 2016 with TLG IMMOBILIEN. These properties included five office properties, one hotel and one other property. The remaining contracts all concern food retail properties. Just one food discounter is already a tenant in 59 properties. The tenants in the remaining 28 properties were not contacted for administrative reasons or because the properties have since been sold. We received details on at

least one consumption type for at least one year for 89 properties (13% of the total area of our portfolio). However, TLG IMMOBILIEN is unable to verify whether the shared data are accurate.



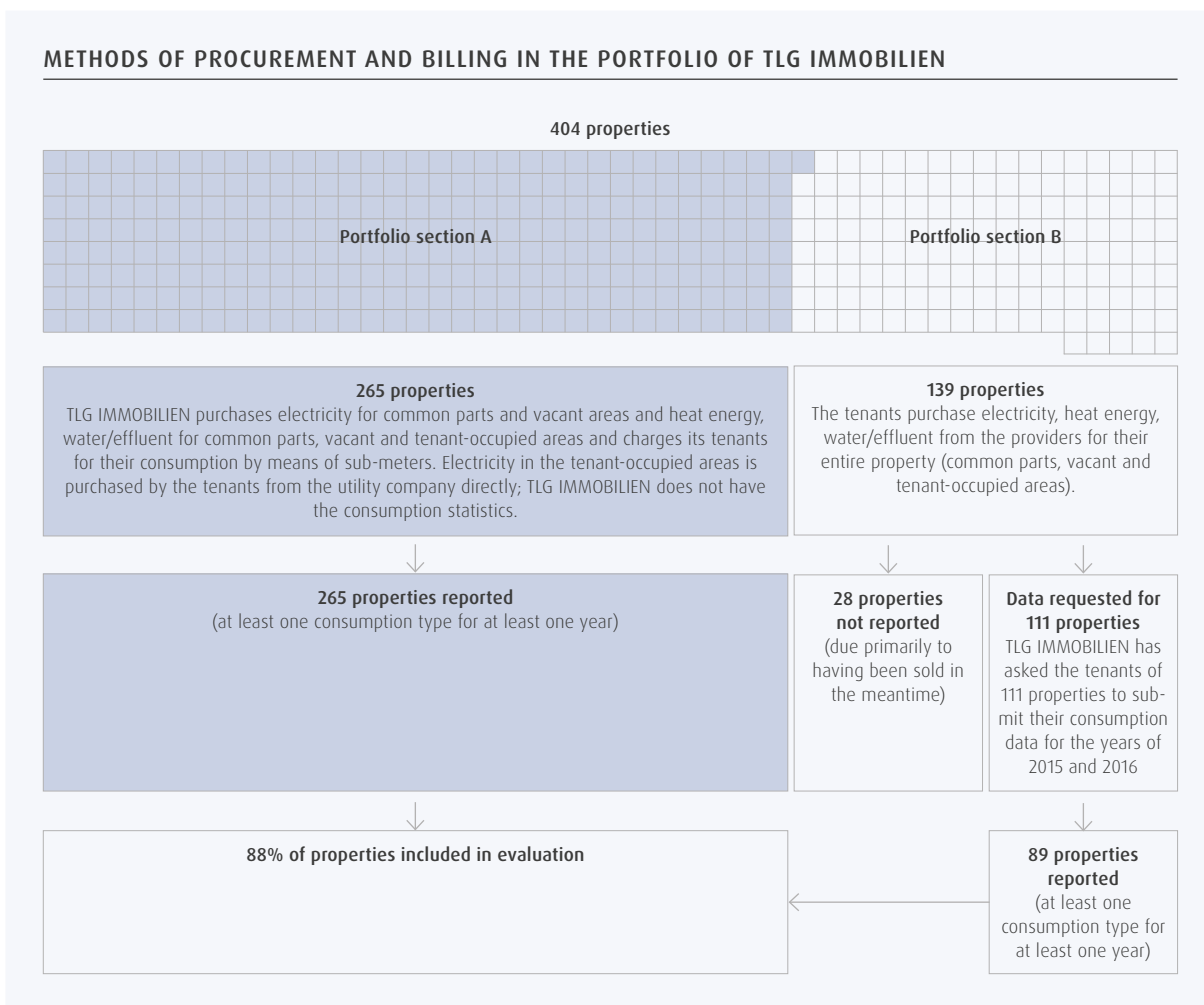
When evaluating and calculating the consumption data, we do not make any methodical adjustments in order to neutralise effects that might result from changes in the vacancy rates of the portfolio, the age of the building or external influences such as weather.

LIKE-FOR-LIKE COMPARISON

In addition to our general examination of both portfolio sections, we have carried out a like-for-like comparison of our properties for 2015 and 2016. The like-for-like analysis only involves properties that were in the portfolio in both reference periods (377 properties). This compensates for any possible effects of acquisitions and sales during the period under review.

CONSUMPTION OF OUR BUSINESS OPERATIONS

In accordance with the GRI Standards, we report the consumption of our owner-occupied office space and vehicle fleet separately. In doing so, we have taken data for 2015 and 2016 into account wherever possible. — p. 70ff.



Key energy consumption figures of our properties

The energy consumption in our portfolio documented for this report consists of two parts:

On the one hand, electricity consumption in common parts and vacant areas and heat energy consumption in the common parts, vacant and tenant-occupied areas in some of our properties. Here, TLG IMMOBILIEN, the owner, purchases the energy and charges tenants in the property for it with sub-meters (portfolio section A).

On the other hand, energy consumption (electricity and heat) in the section of the portfolio in which the tenants organise and pay for their energy supply for all areas straight to the utility companies. This applies predominantly to properties with just one tenant or a few major tenants (portfolio section B). — see [distribution portfolio sections A and B: p. 58](#)

The following table illustrates the total electricity consumption from the common parts and vacant areas of portfolio section A and the common parts, vacant and tenant-occupied

areas of portfolio section B, as well as the total heat energy from the common parts, vacant and tenant-occupied areas of portfolio section A and of portfolio section B.

ELECTRICITY AND HEAT ENERGY (ALL ANALYSED ASSET CLASSES*)

Key figures	Unit of measurement	Absolute				Like-for-like		
		2016	2015**	EPRA sBPR	GRI Standards	2016	2015**	EPRA sBPR
Electricity								
Total electricity consumption	kWh	49,308,296	47,951,694			45,883,463	43,741,403	
of which common parts and vacant areas in portfolio section A	kWh	16,543,162	16,896,532	Elec-Abs		14,657,654	12,863,666	Elec-LfL
of which common parts, vacant and tenant-occupied areas in portfolio section B	kWh	32,765,134	31,055,162			31,225,809	30,877,737	
Heat energy								
Total heat energy***	kWh	57,482,932	61,374,859		302-2	41,153,010	39,253,005	
of which common parts, vacant and tenant-occupied areas in portfolio section A	kWh	47,485,096	52,214,608			31,500,921	30,161,241	
of which district heating	kWh	28,224,782	39,009,124	DH&C-Abs		20,079,501	19,567,120	DH&C-LfL
of which natural gas	kWh	15,877,784	11,351,284			11,421,420	10,594,121	
of which fuel oil	kWh	3,382,530	1,854,200	Fuels-Abs		0	0	Fuels-LfL
of which common parts, vacant and tenant-occupied areas in portfolio section B	kWh	9,997,836	9,160,251			9,652,089	9,091,764	

* Excl. hotel

** The figures for 2015 have been adjusted retroactively.

*** A breakdown of heat energy consumed by energy source is currently only available for the consumption purchased, distributed and billed by TLG IMMOBILIEN.

Below we present our energy consumption by energy type as well as by portfolio sections A and B and asset class.

ELECTRICITY CONSUMPTION IN OUR PROPERTIES

It is most difficult to determine the electricity consumption per property:

For one, this is because we can only document the electricity consumption in common parts and vacant areas of properties with multiple tenants as this electricity is purchased from

TLG IMMOBILIEN and some of it is allocated to the tenants (portfolio section A). Generally speaking, with regard to the lettable areas in properties with just one tenant or a few major tenants, our tenants enter into their own supply contracts. Prior to preparing this report, we obtained electricity consumption data from some of the tenants in portfolio section B and can present them below for the first time. — see [distribution portfolio sections A and B: p. 58](#)

On the other hand, the challenge is that our tenant structure and in turn the electricity consumption is highly heterogeneous: our tenants range from traditional office users to GPs and retail companies and hotel leaseholders. The varying uses of the buildings can influence the consumption statistics significantly, e.g. retail space with refrigeration systems and in-store bakery have significantly higher levels of energy consumption than commercial areas with a high proportion of storage space. As a result, the consumption levels of our asset classes cannot be compared with one another, either

within one class or across different classes, and even within them a comparison is difficult due to the varying uses of the buildings. We have therefore not extrapolated the available statistics for the entire portfolio.

We have derived the following electricity consumption levels for each asset class from the consumption statistics derived from the end-of-year consumption statements and the consumption statistics we obtained from our tenants:

ELECTRICITY CONSUMPTION – OFFICE ASSET CLASS

Key figures	Unit of measurement	Absolute				Like-for-like			
		2016	2015*	EPRA sBPR	GRI Standards	2016	2015*	EPRA sBPR	
Portfolio section A	Electricity consumption**	kWh	12,845,004	10,981,364	Elec-Abs	302-2	11,076,993	10,696,857	Elec-LfL
	Electricity consumption	kWh	2,740,604	2,642,511			2,740,604	2,642,511	
Portfolio section B	Useful area assessed	sqm	44,709	44,709			44,709		
	Proportion of office space in the portfolio	%	7%	11%	Energy-Int	302-3	11%		
	Electricity intensity	kWh/sqm/year	61	59			61	59	
A+B total	Electricity consumption	kWh	15,585,608	13,623,875	Elec-Abs	302-2	13,817,597	13,339,368	Elec-LfL

* The figures for 2015 have been adjusted retroactively.

** As the common parts and vacant areas relevant to electricity consumption cannot be determined separately, their energy intensity cannot be calculated at this time.

ELECTRICITY CONSUMPTION – RETAIL ASSET CLASS

Key figures	Unit of measurement	Absolute				Like-for-like			
		2016	2015*	EPRA sBPR	GRI Standards	2016	2015*	EPRA sBPR	
Portfolio section A	Electricity consumption**	kWh	3,657,451	2,275,285	Elec-Abs	302-2	3,552,465	2,138,586	Elec-LfL
	Electricity consumption	kWh	24,316,820	22,766,481			22,777,495	22,589,056	
Portfolio section B	Useful area assessed	sqm	110,142	100,753			99,716		
	Proportion of retail space in the portfolio	%	18%	17%	Energy-Int	302-3	17%		
	Electricity intensity	kWh/sqm/year	221	226			228	227	
A+B total	Electricity consumption	kWh	27,974,271	25,041,766	Elec-Abs	302-2	26,329,960	24,727,642	Elec-LfL

* The figures for 2015 have been adjusted retroactively.

** As the common parts and vacant areas relevant to electricity consumption cannot be determined separately, their energy intensity cannot be calculated at this time.

ELECTRICITY CONSUMPTION – OTHER ASSET CLASS

	Key figures	Unit of measurement	Absolute				Like-for-like		
			2016	2015*	EPRA sBPR	GRI Standards	2016	2015*	EPRA sBPR
Portfolio section A	Electricity consumption**	kWh	40,707	3,639,883	Elec-Abs	302-2	28,196	28,223	Elec-LfL
	Electricity consumption	kWh	5,707,710	5,646,170			5,707,710	5,646,170	
Portfolio section B	Useful area assessed	sqm	15,884	15,884			15,884		
	Proportion of other space in the portfolio	%	17%	8%	Energy-Int	302-3	17%		
	Electricity intensity	kWh/sqm/year	359	355			359	355	
A+B total	Electricity consumption	kWh	5,748,417	9,286,053	Elec-Abs	302-2	5,735,906	5,674,393	Elec-LfL

* The figures for 2015 have been adjusted retroactively.

** As the common parts and vacant areas relevant to electricity consumption cannot be determined separately, their energy intensity cannot be calculated at this time.

HEAT CONSUMPTION IN OUR PROPERTIES

For some of our properties, TLG IMMOBILIEN purchases heat energy for common parts, vacant and tenant-occupied areas and allocates it to its tenants with sub-meters. We use the statements of consumption from the utility companies to collect and evaluate the data (portfolio section A). For the rest of our properties, the tenants purchase their own heat

energy from the utility companies. These are properties with only one tenant or a few major tenants who pay their bills to the utility companies directly. Prior to preparing this report, we contacted the tenants in question and obtained heat energy consumption data from some of them and can present the data below for the first time (portfolio section B). — see distribution portfolio sections A and B: p. 58

HEAT CONSUMPTION – OFFICE ASSET CLASS

	Key figures	Unit of measurement	Absolute				Like-for-like		
			2016	2015*	EPRA sBPR	GRI Standards	2016	2015*	EPRA sBPR
Portfolio section A	Heat consumption of properties	kWh	28,791,847	28,923,862			19,965,947	19,216,407	
	of which district heating	kWh	18,632,937	22,107,607	DH&C-Abs	302-2	12,583,583	12,400,152	DH&C-LfL
	of which natural gas	kWh	10,158,910	6,816,255	Fuels-Abs		7,382,364	6,816,255	Fuels-LfL
	Useful area assessed	sqm	444,798	314,669			231,014		
	Proportion of office space in the portfolio	%	74%	77%			58%		
	Heating energy intensity	kWh/sqm/year	65	92	Energy-Int	302-3	86	83	
Portfolio section B	Heat consumption of properties	kWh	2,815,967	2,603,123			2,815,967	2,603,123	
	of which district heating	kWh	N/A	N/A		302-2	N/A	N/A	
	of which natural gas	kWh	N/A	N/A			N/A	N/A	
	Useful area assessed	sqm	44,709	44,709			44,709		
	Proportion of office space in the portfolio	%	7%	11%			11%		
	Heating energy intensity	kWh/sqm/year	63	58	Energy-Int	302-3	63	58	
A+B total	Heat consumption of properties	kWh	31,607,814	31,526,985			22,781,914	21,819,530	
	of which district heating	kWh	18,632,937	22,107,607	DH&C-Abs	302-2	12,583,583	12,400,152	DH&C-LfL
	of which natural gas	kWh	10,158,910	6,816,255	Fuels-Abs		7,382,364	6,816,255	Fuels-LfL
	Useful area assessed	sqm	489,507	359,378			275,723		
	Proportion of office space in the portfolio	%	81%	88%			69%		
	Heating energy intensity	kWh/sqm/year	65	88	Energy-Int	302-3	83	79	

* The figures for 2015 have been adjusted retroactively.

HEAT CONSUMPTION – RETAIL ASSET CLASS

Key figures	Unit of measurement	Absolute				Like-for-like			
		2016	2015*	EPRA sBPR	GRI Standards	2016	2015*	EPRA sBPR	
Portfolio section A	Heat consumption of properties	kWh	17,590,530	13,983,770			10,722,818	10,323,715	
	of which district heating	kWh	9,090,005	8,042,251	DH&C-Abs	302-2	7,284,641	6,993,559	DH&C-LfL
	of which natural gas	kWh	5,117,995	4,087,319	Fuels-Abs		3,438,177	3,330,156	Fuels-LfL
	of which fuel oil	kWh	3,382,530	1,854,200		0	0		
	Useful area assessed	sqm	306,624	312,206			290,786		
	Proportion of retail space in the portfolio	%	50%	52%			50%		
	Heating energy intensity	kWh/sqm/year	57	45	Energy-Int	302-3	37	36	
Portfolio section B	Heat consumption of properties	kWh	5,113,654	4,689,616			4,767,907	4,621,129	
	of which district heating	kWh	N/A	N/A		302-2	N/A	N/A	
	of which natural gas	kWh	N/A	N/A			N/A	N/A	
	of which fuel oil	kWh	N/A	N/A			N/A	N/A	
	Useful area assessed	sqm	95,511	91,577			90,540		
	Proportion of retail space in the portfolio	%	16%	15%			16%		
	Heating energy intensity	kWh/sqm/year	54	51	Energy-Int	302-3	53	51	
A+B total	Heat consumption of properties	kWh	22,704,184	18,673,386			15,490,725	14,944,844	DH&C-LfL
	of which district heating	kWh	9,090,005	8,042,251	DH&C-Abs	302-2	7,284,641	6,993,559	Fuels-LfL
	of which natural gas	kWh	5,117,995	4,087,319	Fuels-Abs		3,438,177	3,330,156	
	of which fuel oil	kWh	3,382,530	1,854,200		0	0		
	Useful area assessed	sqm	402,135	403,783			381,326		
	Proportion of retail space in the portfolio	%	66%	67%			66%		
	Heating energy intensity	kWh/sqm/year	56	46	Energy-Int	302-3	41	39	

* The figures for 2015 have been adjusted retroactively.

HEAT CONSUMPTION – OTHER ASSET CLASS

	Key figures	Unit of measurement	Absolute				Like-for-like		
			2016	2015*	EPRA sBPR	GRI Standards	2016	2015*	EPRA sBPR
Portfolio section A	Heat consumption of properties	kWh	1,102,719	9,306,976			812,156	621,119	
	of which district heating	kWh	501,840	8,859,266	Fuels-Abs	302-2	211,277	173,409	Fuels-LfL
	of which natural gas	kWh	600,879	447,710			600,879	447,710	
	Useful area assessed	sqm	10,204	117,919			6,832		
	Proportion of other space in the portfolio	%	11%	56%			7%		
	Heating energy intensity	kWh/sqm/year	108	79	Energy-Int	302-3	119	91	
Portfolio section B	Heat consumption of properties	kWh	2,068,215	1,867,512			2,068,215	1,867,512	
	of which district heating	kWh	N/A	N/A		302-2	N/A	N/A	
	of which natural gas	kWh	N/A	N/A			N/A	N/A	
	Useful area assessed	sqm	15,884	15,884			15,884		
	Proportion of other space in the portfolio	%	17%	8%			17%		
	Heating energy intensity	kWh/sqm/year	130	118	Energy-Int	302-3	130	118	
A+B total	Heat consumption of properties	kWh	3,170,934	11,174,488			2,880,371	2,488,631	
	of which district heating	kWh	501,840	8,859,266	Fuels-Abs	302-2	211,277	173,409	Fuels-LfL
	of which natural gas	kWh	600,879	447,710			600,879	447,710	
	Useful area assessed	sqm	26,088	133,803			22,716		
	Proportion of other space in the portfolio	%	28%	64%			24%		
	Heating energy intensity	kWh/sqm/year	122	84	Energy-Int	302-3	127	110	

* The figures for 2015 have been adjusted retroactively.

THE CO₂ EMISSIONS OF OUR PROPERTIES

We are currently able to report on the CO₂ for electricity consumption in the common parts and vacant areas in portfolio section A and for electricity consumption in the common parts, vacant and tenant-occupied areas in portfolio section B. — see distribution portfolio sections A and B: p. 58

As we are currently only able to break down consumed heat energy by energy source for portfolio section A, the emis-

sions from the consumption of heat energy can only be calculated for this section of the portfolio.

All emissions resulting from energy consumption in our rented properties are disclosed as scope 3 emissions in accordance with the GRI Guidelines and as indirect emissions in accordance with the EPRA Best Practices Recommendations on Sustainability Reporting as the emissions are the result of the energy consumption of the tenants.

INDIRECT CO₂ EMISSIONS (SCOPE 3 – ALL ANALYSED ASSET CLASSES*)

Key figures	Unit of measurement	Absolute				Like-for-like		
		2016	2015**	EPRA sBPR	GRI Standards	2016	2015**	EPRA sBPR
CO₂ emissions (scope 3)								
Total indirect emissions	Metric tonnes CO ₂	35,794.5	36,482.7			30,543.1	29,552	
Total from electricity consumption	Metric tonnes CO ₂	25,985.4	25,606.2			24,180.5	23,357.9	
of which from electricity consumption in common parts and vacant areas in portfolio section A	Metric tonnes CO ₂	8,718.2	9,023.7		GHG-Indir-Abs	7,725.0	6,869.2	GHG-Indir-Lfl
of which from electricity consumption in common parts, vacant and tenant-occupied areas in portfolio section B	Metric tonnes CO ₂	17,267.2	16,583.5			16,456.0	16,488.7	
Total from heat energy	Metric tonnes CO ₂	9,809.1	10,876.5			6,362.6	6,194.1	
of which from heat energy in common parts, vacant and tenant-occupied areas in portfolio section A	Metric tonnes CO ₂	9,809.1	10,876.5		GHG-Indir-Abs	6,362.6	6,194.1	
of which district heating	Metric tonnes CO ₂	5,712.7	8,098.2			4,064.1	4,062.1	GHG-Indir-Lfl
of which natural gas	Metric tonnes CO ₂	3,195.3	2,284.3		GHG-Indir-Abs	2,298.5	2,132	
of which fuel oil	Metric tonnes CO ₂	901.1	494.0			N/A	N/A	
CO ₂ intensity (from heat energy)	Metric tonnes CO ₂ /sqm	0.01	0.01		GHG-Int	0.01	0.01	

* Excl. hotel

** The figures for 2015 have been adjusted retroactively.

Sources of the emission factors 2015 and 2016:

Natural gas and fuel oil: German Federal Environment Agency (UBA) 2017; Tabellarische Aufstellung der abgeleiteten Emissionsfaktoren für CO₂; Energie & Industrieprozesse 2016; greenhouse gases included: CO₂

Electricity mix Germany: German Federal Environment Agency (UBA) 2017; Strom- und Wärmeversorgung in Zahlen; greenhouse gases included: CO₂

District heating: UK Department of Energy and Climate Change; Conversion factors 2016 - Full set (for advanced users); greenhouse gases included: CO₂

District heating: UK Department of Energy and Climate Change; Conversion factors 2015 - Full set (for advanced users); greenhouse gases included: CO₂

Key water consumption and effluent figures for our properties

WATER CONSUMPTION AND OCCURRENCE OF EFFLUENTS (ALL ANALYSED ASSET CLASSES*)

Key figures	Unit of measurement	Absolute				Like-for-like		
		2016	2015**	EPRA sBPR	GRI Standards	2016	2015**	EPRA sBPR
Water consumption								
Total water usage	m ³	346,870	276,819			224,551	222,303	
of which common parts, vacant and tenant-occupied areas in portfolio section A	m ³	310,576	242,838	Water-Abs	303-1	188,709	188,953	Water-LfL
of which common parts, vacant and tenant-occupied areas in portfolio section B	m ³	36,294	33,981			35,842	33,350	
Water intensity	m ³ /sqm/year	0.34	0.28	Water-Int	CRE2	0.33	0.32	Water-Int
Useful area assessed	sqm	1,013,782	989,253			684,468	684,468	
Proportion of space	%	71%	76%			60%	60%	
Occurrence of effluents								
Total wastewater discharge***	m ³	287,157	306,713			214,850	206,935	
of which common parts, vacant and tenant-occupied areas in portfolio section A	m ³	254,666	276,921		306-1	182,784	177,657	
of which common parts, vacant and tenant-occupied areas in portfolio section B	m ³	32,491	29,792			32,066	29,278	
Effluents intensity	m ³ /sqm/year	0.29	0.31			0.32	0.31	
Useful area assessed	sqm	997,460	979,520			666,150	666,150	
Proportion of space	%	70%	76%			58%	58%	

* Excl. hotel

** The figures for 2015 have been adjusted retroactively.

*** All effluents are transported to the public sewer system.

WATER CONSUMPTION AND OCCURRENCE OF EFFLUENTS IN OUR PROPERTIES

For the majority of its portfolio, TLG IMMOBILIEN purchases the water and then bills its tenants based on their usage. We have therefore been able to record and evaluate the water consumption in the common parts, vacant and tenant-occupied areas to which the consumption was allocated for a section of our portfolio (portfolio section A) using the statements of consumption from the utility companies that were

in our possession. In some of our properties, the tenants purchase the water for their common parts, vacant and tenant-occupied areas from the utility companies independently. These are properties with only one tenant or a few major tenants who pay their bills to the utility companies directly. Prior to preparing this report, we obtained water consumption data from some of these tenants and can present them below for the first time (portfolio section B). — see [distribution portfolio sections A and B: p. 58](#)

WATER CONSUMPTION AND OCCURRENCE OF EFFLUENTS – OFFICE ASSET CLASS

	Key figures	Unit of measurement	Absolute			Like-for-like			
			2016	2015*	EPRA sBPR	GRI Standards	2016	2015*	EPRA sBPR
Portfolio section A	Water consumption of properties	m ³	131,499	112,606	Water-Abs	303-1	105,745	97,540	Water-LfL
	Useful area assessed	sqm	456,157	321,373			283,334		
	Proportion of office space in the portfolio	%	76%	79%			71%		
	Water intensity	m ³ /sqm/year	0.29	0.35	Water-Int	CRE2	0.37	0.34	
	Occurrence of effluents in our properties	m ³	121,221	106,469		306-1	96,526	91,403	
	Useful area assessed	sqm	436,415	310,836			272,797		
	Proportion of office space in the portfolio	%	72%	76%			69%		
	Effluents intensity	m ³ /sqm/year	0.28	0.34			0.35	0.34	
Portfolio section B	Water consumption of properties	m ³	10,101	9,316	Water-Abs	303-1	10,101	9,316	Water-LfL
	Useful area assessed	sqm	44,709	44,709			44,709		
	Proportion of office space in the portfolio	%	7%	11%			11%		
	Water intensity	m ³ /sqm/year	0.23	0.21	Water-Int	CRE2	0.23	0.21	
	Occurrence of effluents in our properties	m ³	6,095	4,727		306-1	6,095	4,727	
	Useful area assessed	sqm	25,239	25,239			25,239		
	Proportion of office space in the portfolio	%	4%	6%			6%		
	Effluents intensity	m ³ /sqm/year	0.24	0.19			0.24	0.19	
A+B total	Water consumption of properties	m ³	141,600	121,922	Water-Abs	303-1	115,846	106,856	Water-LfL
	Useful area assessed	sqm	500,866	366,082			328,043		
	Proportion of office space in the portfolio	%	83%	90%			82%		
	Water intensity	m ³ /sqm/year	0.28	0.33	Water-Int	CRE2	0.35	0.33	
	Occurrence of effluents in our properties	m ³	127,316	111,196		306-1	102,621	96,130	
	Useful area assessed	sqm	461,654	336,075			298,036		
	Proportion of office space in the portfolio	%	76%	83%			75%		
	Effluents intensity	m ³ /sqm/year	0.28	0.33			0.34	0.32	

* The figures for 2015 have been adjusted retroactively.

WATER CONSUMPTION AND OCCURRENCE OF EFFLUENTS – RETAIL ASSET CLASS

Key figures	Unit of measurement	Absolute				Like-for-like			
		2016	2015*	EPRA sBPR	GRI Standards	2016	2015*	EPRA sBPR	
Portfolio section A	Water consumption of properties	m ³	175,136	115,367	Water-Abs	303-1	80,543	88,965	Water-Lfl
	Useful area assessed	sqm	392,378	382,370			243,373		
	Proportion of retail space in the portfolio	%	64%	63%			42%		
	Water intensity	m ³ /sqm/year	0.45	0.30	Water-Int	CRE2	0.33	0.37	
	Occurrence of effluents in our properties	m ³	124,541	150,723		306-1	79,314	78,569	
	Useful area assessed	sqm	402,375	388,533			249,038		
	Proportion of retail space in the portfolio	%	66%	64%			43%		
	Effluents intensity	m ³ /sqm/year	0.31	0.39			0.32	0.32	
Portfolio section B	Water consumption of properties	m ³	19,081	17,996	Water-Abs	303-1	18,629	17,365	Water-Lfl
	Useful area assessed	sqm	91,512	90,114			87,398		
	Proportion of retail space in the portfolio	%	15%	15%			15%		
	Water intensity	m ³ /sqm/year	0.21	0.20	Water-Int	CRE2	0.21	0.20	
	Occurrence of effluents in our properties	m ³	19,284	18,396		306-1	18,859	17,882	
	Useful area assessed	sqm	91,512	90,114			88,328		
	Proportion of retail space in the portfolio	%	15%	15%			15%		
	Effluents intensity	m ³ /sqm/year	0.21	0.20			0.21	0.20	
A+B total	Water consumption of properties	m ³	194,217	133,363	Water-Abs	303-1	99,172	106,330	Water-Lfl
	Useful area assessed	sqm	483,890	472,484			330,771		
	Proportion of retail space in the portfolio	%	79%	78%			57%		
	Water intensity	m ³ /sqm/year	0.40	0.28	Water-Int	CRE2	0,30	0,32	
	Occurrence of effluents in our properties	m ³	143,825	169,119		306-1	98,173	96,451	
	Useful area assessed	sqm	493,887	478,647			337,366		
	Proportion of retail space in the portfolio	%	81%	79%			58%		
	Effluents intensity	m ³ /sqm/year	0.29	0.35			0.29	0.29	

* The figures for 2015 have been adjusted retroactively.

WATER CONSUMPTION AND OCCURRENCE OF EFFLUENTS – OTHER ASSET CLASS

	Key figures	Unit of measurement	Absolute			Like-for-like			
			2016	2015*	EPRA sBPR	GRI Standards	2016	2015*	EPRA sBPR
Portfolio section A	Water consumption of properties	m ³	3,941	14,865	Water-Abs	303-1	2,421	2,448	Water-LfL
	Useful area assessed	sqm	13,142	134,803			9,770		
	Proportion of other space in the portfolio	%	14%	64%			10%		
	Water intensity	m ³ /sqm/year	0.30	0.11	Water-Int	CRE2	0.25	0.25	
	Occurrence of effluents in our properties	m ³	8,904	19,729		306-1	6,944	7,685	
	Useful area assessed	sqm	26,035	148,914			14,864		
	Proportion of other space in the portfolio	%	28%	71%			16%		
	Effluents intensity	m ³ /sqm/year	0.34	0.13			0.47	0.52	
Portfolio section B	Water consumption of properties	m ³	7,112	6,669	Water-Abs	303-1	7,112	6,669	Water-LfL
	Useful area assessed	sqm	15,884	15,884			15,884		
	Proportion of other space in the portfolio	%	17%	8%			17%		
	Water intensity	m ³ /sqm/year	0.45	0.42	Water-Int	CRE2	0.45	0.20	
	Occurrence of effluents in our properties	m ³	7,112	6,669		306-1	7,112	17,882	
	Useful area assessed	sqm	15,884	15,884			15,884		
	Proportion of other space in the portfolio	%	17%	8%			17%		
	Effluents intensity	m ³ /sqm/year	0.45	0.42			0.45	0.42	
A+B total	Water consumption of properties	m ³	11,053	21,534	Water-Abs	303-1	9,533	9,117	Water-LfL
	Useful area assessed	sqm	29,026	150,687			25,654		
	Proportion of other space in the portfolio	%	31%	72%			27%		
	Water intensity	m ³ /sqm/year	0.38	0.14	Water-Int	CRE2	0.37	0.36	
	Occurrence of effluents in our properties	m ³	16,016	26,398		306-1	14,056	14,354	
	Useful area assessed	sqm	41,919	164,798			30,748		
	Proportion of other space in the portfolio	%	45%	79%			33%		
	Effluents intensity	m ³ /sqm/year	0.38	0.16			0.46	0.47	

* The figures for 2015 have been adjusted retroactively.

KEY ENERGY CONSUMPTION FIGURES OF THE BUSINESS OPERATIONS OF TLG IMMOBILIEN

Even if our volume of owner-occupied space (2016: 4,490 sqm; 2015: 6,199 sqm) and the impact of TLG IMMOBILIEN on the environment are very small relative to our portfolio, it is important that we record and disclose the key energy and

resource consumption figures for our owner-occupied space and for our fleet of vehicles. We strive to achieve transparency with regard to the consumption of our business operations and in doing so to identify any reasons for increased consumption and, where possible, counteract them.

ENERGY CONSUMPTION OF THE BUSINESS OPERATIONS OF TLG IMMOBILIEN

Key figures	Unit of measurement	Absolute				Like-for-like		
		2016	2015*	EPRA sBPR	GRI Standards	2016	2015*	EPRA sBPR
Total fuel consumption***	kWh	302,920	304,181			296,123	281,517	
of which petrol	kWh	14,052	5,600	Fuels-Abs	302-1	8,833	5,600	Fuels-Lfl
of which diesel	kWh	288,868	298,581			287,290	275,917	
Total indirect energy	kWh	216,334	688,670					
Total electricity consumption	kWh	186,014	297,194	Elec-Abs	302-1			
Total heat energy****	kWh	30,320	391,476	DH&C-Abs				
Total energy consumption	kWh	519,254	992,851		302-1			
Intensity key figures								
Electricity intensity	kWh/sqm/year	44	48	Energy-Int	302-3, CRE1			
Useful area assessed	sqm	4,187	6,039					
Share of the total commercial space	%	93	97					
Heating energy intensity	kWh/sqm/year	66	63	Energy-Int				
Useful area assessed	sqm	462	5,723					
Share of the total commercial space**	%	10	92					
Fuel intensity	kWh/employee/year	2,729	2,716	Energy-Int	302-3			

* The figures for 2015 have been adjusted retroactively.

** Only some consumption statements for our owner-occupied space were available for 2016 when the report was being prepared.

*** The fuel consumption only concerns the vehicle fleet of TLG IMMOBILIEN.

**** A breakdown of heat energy consumed by energy source is currently unavailable.

CO₂ EMISSIONS OF THE BUSINESS OPERATIONS OF TLG IMMOBILIEN

Key figures	Unit of measurement	Absolute				Like-for-like		
		2016**	2015*	EPRA sBPR	GRI Standards	2016	2015*	EPRA sBPR
CO₂ emissions (scope 1)								
Total direct CO ₂ emissions ***	Metric tonnes CO ₂	158.7	80.9			78.8	74.5	
of which petrol	Metric tonnes CO ₂	158.7	1.4	GHG-Dir-Abs	305-1	2.3	1.4	GHG-Dir-LfL
of which diesel	Metric tonnes CO ₂	0.03	79.5			76.5	73.1	
CO₂ emissions (scope 2)								
Total indirect CO ₂ emissions****	Metric tonnes CO ₂	98.0	158.7	GHG-Indir-Abs	305-2			
of which total electricity consumption	Metric tonnes CO ₂	98.0	158.7					
Intensity of CO ₂ emissions	Metric tonnes CO ₂ /sqm	0.02	0.03	GHG-Int	305-4, CRE3			

* The figures for 2015 have been adjusted retroactively.

** Only some consumption statements for our owner-occupied space from which CO₂ statistics could be derived were available for 2016 when the report was being prepared.

*** The direct CO₂ emissions only concern the vehicle fleet of TLG IMMOBILIEN and were calculated using the fuel consumption in litres.

**** The indirect CO₂ emissions concern the headquarters and branches of TLG IMMOBILIEN.

Sources of the emission factors 2015 and 2016:

Petrol and diesel: German Federal Environment Agency (UBA) 2017; Tabellarische Aufstellung der abgeleiteten Emissionsfaktoren für CO₂: Energie & Industrieprozesse 2016; greenhouse gases included: CO₂

Electricity mix Germany: German Federal Environment Agency (UBA) 2017; Strom- und Wärmeversorgung in Zahlen; greenhouse gases included: CO₂

WATER CONSUMPTION AND OCCURRENCE OF EFFLUENTS IN THE BUSINESS OPERATIONS OF TLG IMMOBILIEN

Key figures	Unit of measurement	Absolute			
		2016	2015*	EPRA sBPR	GRI Standards
Total water usage	m ³	44	1,571	Water-Abs	303-1
Useful area assessed	sqm	269	5,772		
Share of the total commercial space**	%	6	93		
Water intensity	m ³ /sqm	0.16	0.25	Water-Int	CRE2
Water intensity	m ³ /employee	-	14.0		
Total wastewater discharge***	m ³	44	1,571		306-1

* The figures for 2015 have been adjusted retroactively.

** Only factors in the consumption statements received so far. The statistics for 2016 are therefore preliminary and can only be calculated accurately next year.

*** All effluents are transported to the public sewer system.

Key employee figures

**TOTAL NUMBER OF EMPLOYEES
(EXCLUDING TRAINEES, THOSE ON A LEAVE OF ABSENCE AND TEMPORARY STAFF)**

		31/12/2016	31/12/2015	GRI Standards
Total number of employees	Number	111	112	
of whom female	Number %	61 55	64 57	
Employees in headquarters	Number	56	56	
of whom female	Number %	28 50	28 50	102-7, 102-8
Employees in North branches	Number	32	28	
of whom female	Number %	18 56	16 57	
Employees in South branches	Number	23	28	
of whom female	Number %	15 65	20 71	

Leased workers were hired at times in 2016 as required by the volume of work. As they were only employed temporarily, they have not been included in the key employee figures.

The number of employees of TLG IMMOBILIEN is not subject to seasonal influences. TLG IMMOBILIEN operates exclusively in Germany.

**TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT AND GENDER
(EXCLUDING TRAINEES, THOSE ON A LEAVE OF ABSENCE AND TEMPORARY STAFF)**

		31/12/2016	31/12/2015	GRI Standards
Total number of employees		111	112	
Employees with permanent contracts	Number %	106 95	106 95	
of whom female	Number %	59 56	61 58	102-8
Employees with temporary contracts	Number %	5 5	6 5	
of whom female	Number %	2 40	3 60	

The figures are not broken down by region as we are only active in Germany.

TOTAL NUMBER OF PERMANENT EMPLOYEES BY EMPLOYMENT TYPE AND GENDER

		31/12/2016	31/12/2015	GRI Standards
Total number of employees		111	112	
Full-time employees	Number %	108 97	109 97	
of whom female	Number %	58 54	61 56	102-8
Part-time employees	Number %	3 3	3 3	
of whom female	Number %	3 100	3 100	

The company had three marginal employees as at 31 December 2016, two of whom were female. Three marginal employees were employed in 2015. The figures are not broken down by region as we are only active in Germany.

EMPLOYEES BY AGE GROUP

		31/12/2016	31/12/2015	GRI Standards
Employees 50 years of age or older	Number %	44 40	52 46	
of whom in the headquarters	Number %	25 57	28 25	
of whom in North branches	Number %	11 25	12 11	
of whom in South branches	Number %	8 18	12 11	
Employees between 30 and 50 years of age	Number %	57 51	53 47	
of whom in the headquarters	Number %	28 49	26 23	405-1
of whom in North branches	Number %	17 30	14 13	
of whom in South branches	Number %	12 21	13 12	
Employees under 30 years of age	Number %	10 9	7 6	
of whom in the headquarters	Number %	3 33	2 2	
of whom in North branches	Number %	4 34	2 2	
of whom in South branches	Number %	3 33	3 3	

TLG IMMOBILIEN operates exclusively in Germany.

EMPLOYEES BY AGE AND EMPLOYEE CATEGORY

	31/12/2016	31/12/2015	GRI Standards
Employee level 1 (Management Board)	2	2	
of whom 50 years of age or older	0	0	
of whom 30-49 years of age	2	2	
of whom under 30 years of age	0	0	
Employee level 2 (senior management)	9	9	
of whom 50 years of age or older	3	2	
of whom 30-49 years of age	6	6	
of whom under 30 years of age	0	1	405-1
Employee level 3 (general management)	17	15	
of whom 50 years of age or older	8	9	
of whom 30-49 years of age	9	6	
of whom under 30 years of age	0	0	
Employee level 4 (employees)	83	86	
of whom 50 years of age or older	40	41	
of whom 30-49 years of age	33	39	
of whom under 30 years of age	10	6	

PERSONNEL FLUCTUATION

	2016	2015	GRI Standards
Newly recruited employees	15	16	
Employees who have left TLG IMMOBILIEN	18	14	401-1
Average headcount	110.3	111.5	
Fluctuation rate	2.7 %	7 %	

* Fluctuation rate adjusted for staff cuts due to restructuring measures, retirements and termination of temporary contracts. The figures are not broken down by region as TLG IMMOBILIEN is only active in Germany.

EMPLOYEES ON PARENTAL LEAVE

	31/12/2016	31/12/2015	GRI Standards
Total number of employees on parental leave	3	3	
of whom female	0	2	401-3

At TLG IMMOBILIEN, the return rate of employees is extremely high; almost every employee who takes parental leave comes back to us.

RATIO OF THE ANNUAL SALARY OF THE HIGHEST-EARNING EMPLOYEE TO THE TOTAL AVERAGE ANNUAL SALARY OF THE OTHER EMPLOYEES

	2016	2015	GRI Standards
Annual salary of the highest-earning employee*	300 EUR k	300 EUR k	
Total average annual salary of the other employees**	58.8 EUR k	56.9 EUR k	102-38
Ratio	5:1	5:1	

* Only the fixed annual salaries of the Management Board have been factored into the calculation. The salaries of both members of the Management Board are equal. For more information, see the Remuneration Report on page 83 of the Annual Report 2016.

** the average annual salary of the employees (excl. Management Board) has been extrapolated. Included in this calculation are all fixed gross salary components (basic salary, experience-based allowances, individual performance bonuses, voluntary allowances for employees not covered by collective wage agreements, compensation allowances, holiday pay and Christmas allowances).

AVERAGE ANNUAL NUMBER OF HOURS OF TRAINING AND EDUCATION BY GENDER

	2016	2015	GRI Standards	EPRA sBPR
Total number of hours of training and education by gender	548	N/A		
of which hours of training and education per female employee	9	N/A	404-1	Emp-Training
of which hours of training and education per male employee	7	N/A		

The data have not yet been collected in this format for 2015. At the moment, TLG IMMOBILIEN does not break down the hours of training and education by employee category. For more information, see p. 47.

OCCUPATIONAL SAFETY

	2016	2015	GRI Standards	EPRA sBPR
Number of occupational accidents*	3	4		
Number of occupational accidents per 1,000 people	27.35	36.25		
Number of occupational accidents per million working hours	13	17	403-2	H&S-Emp
Lost workday rate**	0.06	0.07		
Absence rate**	4.6	4.5		
Fatal occupational accidents	0	0		

* Most of the occupational accidents were falls.

** The calculation was based on 254 working days per calendar year.

COMPOSITION OF THE MANAGEMENT

	31/12/2016	31/12/2015	GRI Standards	EPRA sBPR
Supervisory Board members	6	6		
of whom female	1	1		
of whom female (in %)	16.67	16.67		
Management Board members	2	2		
of whom female	0	0		
of whom female (in %)	0	0		
Employees in senior management	9	9	405-1	Diversity-Emp
of whom female	1	1		
of whom female (in %)	11.1	11.1		
Employees in general management	17	15		
of whom female	9	9		
of whom female (in %)	53	60		

COMPOSITION OF THE GOVERNANCE BODY

	31/12/2016	31/12/2015	GRI Standards	EPRA sBPR
Supervisory Board members*	6	6		
of whom independent members	6	6	102-22	Gov-Board

* The average tenure of the Supervisory Board members is 29.08 months (with seven members incl. members who have left).

GRI Content Index – 102-55

In the GRI Content Index we report on at least one associated indicator for every issue that has been identified as material in order to make our performance in this area transparent.

GRI Standard No.	GRI Standard Titel	No.	Brief description of the indicator	Page	Omissions
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GRI 101: Reporting practices 2016

GRI 102: General disclosures 2016

ORGANISATION PROFILE

GRI 102	General Disclosures	102-1	Name of the organisation	p. 08, p. 10	
GRI 102	General Disclosures	102-2	Activities, brands, products, and services	p. 08, p. 09, p. 12	
GRI 102	General Disclosures	102-3	Location of headquarters	p. 10	
GRI 102	General Disclosures	102-4	Location of operations	p. 08, p. 10, p. 34	
GRI 102	General Disclosures	102-5	Ownership and legal form	p. 10	
GRI 102	General Disclosures	102-6	Markets served	p. 08, p. 09	
GRI 102	General Disclosures	102-7	Scale of the organisation	p. 08, p. 11, p. 13, p. 45, p. 72	
GRI 102	General Disclosures	102-8	Information on employees and other workers	p. 45, p. 47, p. 51, p. 72, p. 73	
GRI 102	General Disclosures	102-9	Supply chain	p. 10, pp. 28-29	
GRI 102	General Disclosures	102-10	Significant changes to the organisation and its supply chain	p. 10	
GRI 102	General Disclosures	102-11	Precautionary principle or approach	p. 14	TLG IMMOBILIEN does not yet comply with the precautionary principle of the UN.
GRI 102	General Disclosures	102-12	External initiatives	p. 15, p. 25, p. 52	
GRI 102	General Disclosures	102-13	Membership of associations	p. 15	

STRATEGY

GRI 102	General Disclosures	102-14	Statement from senior decision-maker	p. 03	
GRI 102	General Disclosures	102-15	Key impacts, risks and opportunities	p. 13, p. 14, pp. 32-33, p. 34, p. 36, AR 2016: p. 72ff.	

ETHICS AND INTEGRITY

GRI 102	General Disclosures	102-16	Values, principles, standards, and norms of behavior	p. 27, pp. 45-46	
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GRI Standard No.	GRI Standard Titel	No.	Brief description of the indicator	Page	Omissions
GOVERNANCE					
GRI 102	General Disclosures	102-18	Governance structure	p. 13, p. 25, p. 26, AR 2016: p. 34ff., p. 48ff.	
GRI 102	General Disclosures	102-19	Delegating authority	p. 17, p. 26	
GRI 102	General Disclosures	102-20	Responsibility for sustainability	p. 17	
GRI 102	General Disclosures	102-22	Composition of the highest governance body and its committees	p. 26, p. 76	
GRI 102	General Disclosures	102-24	Nominating and selecting the highest governance body	p. 26	
GRI 102	General Disclosures	102-38	Annual total compensation ratio	p. 75	
STAKEHOLDER ENGAGEMENT					
GRI 102	General Disclosures	102-40	List of stakeholder groups	p. 18, p. 22	
GRI 102	General Disclosures	102-41	Collective bargaining agreements	p. 48	
GRI 102	General Disclosures	102-42	Identifying and selecting stakeholders	p. 18, p. 22	
GRI 102	General Disclosures	102-43	Approach to stakeholder engagement	p. 18, p. 19, p. 20, p. 21, p. 22, p. 38, p. 47	
GRI 102	General Disclosures	102-44	Key topics and concerns raised	p. 18, p. 19, p. 20, p. 38, p. 47	
REPORTING PRACTICE					
GRI 102	General Disclosures	102-45	Entities included in the consolidated financial statements	p. 06	
GRI 102	General Disclosures	102-46	Defining report content	p. 06, p. 22	
GRI 102	General Disclosures	102-47	List of material aspects	p. 23, p. 24	
GRI 102	General Disclosures	102-48	Restatements of information	Key figures for the environment have been adjusted retroactively. The respective numbers are indicated.	
GRI 102	General Disclosures	102-49	Changes in reporting	p. 21	
GRI 102	General Disclosures	102-50	Reporting period	p. 06	
GRI 102	General Disclosures	102-51	Date of most recent report	p. 06	
GRI 102	General Disclosures	102-52	Reporting cycle	p. 06	
GRI 102	General Disclosures	102-53	Contact point for questions regarding the report	p. 87	
GRI 102	General Disclosures	102-54	In accordance with the "core" option of the GRI standards	p. 05	
GRI 102	General Disclosures	102-55	GRI Content Index	pp. 77-85	
GRI 102	General Disclosures	102-56	External assurance	p. 06	

GRI Standard No.	GRI Standard Titel	No.	Brief description of the indicator	Page	Omissions
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Material Topics 2016

GRI 201: Economic Performance 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	p. 24	
GRI 103	Management Approach	103-2	The management approach and its components	p. 12, p. 13, p. 31, p. 33, p. 34, p. 54, AR 2016: p. 8ff., p. 58f.	
GRI 103	Management Approach	103-3	Evaluation of the management approach	p. 13, pp. 34-35, AR 2016: p. 8ff.	
GRI 201	Economic Performance	201-1	Direct economic value generated and distributed	p. 13, AR 2016: p. 96	
GRI 201	Economic Performance	201-3	Defined benefit plan obligations and other retirement plans	p. 13, AR 2016: p. 13, p. 97, p. 106, p. 115f.	

GRI 203: Indirect Economic Impacts 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	p. 24	
GRI 103	Management Approach	103-2	The management approach and its components	This topic is currently not managed or evaluated by means of an explicit management approach.	
GRI 103	Management Approach	103-3	Evaluation of the management approach		
GRI 203	Indirect Economic Impacts	203-1	Infrastructure investments and services supported	p. 33	Excl. extent, as figures are not currently available in this form.
GRI 203	Indirect Economic Impacts	203-2	Significant indirect economic impacts	p. 29	Excl. extent, as figures are not currently available in this form.

GRI 204: Procurement Practices 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	p. 24	
GRI 103	Management Approach	103-2	The management approach and its components	p. 29	
GRI 103	Management Approach	103-3	Evaluation of the management approach	p. 28, p. 29	
GRI 204	Procurement Practices	204-1	Proportion of spending on local suppliers	p. 29	Excl. monetary value, as figures are not currently available in this form.

GRI 205: Anti-corruption 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	p. 24	
GRI 103	Management Approach	103-2	The management approach and its components	p. 26	
GRI 103	Management Approach	103-3	Evaluation of the management approach	p. 27	
GRI 205	Anti-corruption	205-2	Communication and training about anti-corruption policies	pp. 27-28	
GRI 205	Anti-corruption	205-3	Confirmed incidents of corruption and actions taken	p. 27	

GRI Standard No.	GRI Standard Titel	No.	Brief description of the indicator	Page	Omissions
GRI 206: Anti-competitive behavior 2016					
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	p. 24	
GRI 103	Management Approach	103-2	The management approach and its components	p. 26	
GRI 103	Management Approach	103-3	Evaluation of the management approach	p. 28	
GRI 206	Anti-competitive behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practicesb	p. 28	
GRI 302: Energy 2016					
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	p. 24, p. 40	
GRI 103	Management Approach	103-2	The management approach and its components	pp. 39-40, p. 42, pp. 42-43, p. 54	
GRI 103	Management Approach	103-3	Evaluation of the management approach	p. 41, pp. 42-43	
GRI 302	Energy	302-1	Energy consumption within the organisation	p. 43, p. 70	
GRI 302	Energy	302-2	Energy consumption outside of the organisation	p. 41, p. 59, p. 60, p. 61, p. 62, p. 63, p. 64	
GRI 302	Energy	302-3	Energy intensity	p. 41, p. 59, p. 60, p. 61, p. 62, p. 63, p. 64, p. 70	
		CRE1	Building energy intensity	p. 41, p. 70	
GRI 303: Water 2016					
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	p. 24	
GRI 103	Management Approach	103-2	The management approach and its components	This topic is currently not managed or evaluated by means of an explicit management approach.	
GRI 103	Management Approach	103-3	Evaluation of the management approach		
GRI 303	Water	303-1	Water withdrawal by source	p. 42, p. 66, p. 67, p. 68, p. 69, p. 71	
		CRE2	Building water intensity	p. 42, p. 66, p. 67, p. 68, p. 69, p. 71	
GRI 304: Biodiversity 2016					
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	p. 24	
GRI 103	Management Approach	103-2	The management approach and its components	This topic is currently not managed or evaluated by means of an explicit management approach. Of course, we keep in mind which of our buildings are located in, or adjacent to, protected areas and take appropriate actions, if needed.	
GRI 103	Management Approach	103-3	Evaluation of the management approach		
GRI 304	Biodiversity	304-1	Operational sites in protected areas	At the moment, TLG IMMOBILIEN has no operational sites in protected areas.	

GRI Standard					
GRI Standard No.	GRI Standard Titel	No.	Brief description of the indicator	Page	Omissions
GRI 305: Emissions 2016					
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	p. 24, p. 40	
GRI 103	Management Approach	103-2	The management approach and its components	pp. 40-41	
GRI 103	Management Approach	103-3	Evaluation of the management approach	p. 41, p. 43	
GRI 305	Emissions	305-1	Direct (Scope 1) GHG emissions	p. 43, p. 71	
GRI 305	Emissions	305-2	Energy indirect (Scope 2) GHG emissions	p. 43, p. 71	
GRI 305	Emissions	305-3	Other indirect (Scope 3) GHG emissions	p. 41, p. 65	
GRI 305	Emissions	305-4	GHG emissions intensity	p. 43, p. 65, p. 71	
		CRE3	Greenhouse gas emissions intensity from buildings	p. 65, p. 71	
GRI 306: Effluents and waste 2016					
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	p. 24	
GRI 103	Management Approach	103-2	The management approach and its components	This topic is currently not managed or evaluated by means of an explicit management approach.	
GRI 103	Management Approach	103-3	Evaluation of the management approach		
GRI 306	Effluents and waste	306-1	Water discharge by quality and destination	p. 42, p. 43, p. 66, p. 67, p. 68, p. 69	
GRI 307: Environmental Compliance 2016					
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	p. 24	
GRI 103	Management Approach	103-2	The management approach and its components	pp. 26-27	
GRI 103	Management Approach	103-3	Evaluation of the management approach	pp. 26-27	
GRI 307	Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	During the reporting year, no violations of applicable environmental laws and regulations became known. There were no fines or other monetary penalties.	
GRI 308: Supplier Environmental Assessment 2016					
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	p. 24	
GRI 103	Management Approach	103-2	The management approach and its components	This topic is currently not managed or evaluated by means of an explicit management approach. We are currently working on a code of conduct for our suppliers which is supposed to be completed by the end of 2017.	
GRI 103	Management Approach	103-3	Evaluation of the management approach		
GRI 308	Supplier Environmental Assessment	308-2	Negative environmental impacts in the supply chain and actions taken	No actual and potential negative environmental impacts in the supply chain became known.	

GRI Standard No.	GRI Standard Titel	No.	Brief description of the indicator	Page	Omissions
GRI 401: Employment 2016					
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	p. 24, p. 44	
GRI 103	Management Approach	103-2	The management approach and its components	p. 44, p. 54	
GRI 103	Management Approach	103-3	Evaluation of the management approach	At the moment, the management approach is not yet subject to a structured evaluation.	
GRI 401	Employment	401-1	New employee hires and employee turnover	p. 47, p. 74	TLG IMMOBILIEN does not provide a break-down by age and gender.
GRI 401	Employment	401-2	Benefits provided to full-time employees	p. 47	
GRI 401	Employment	401-3	Parental leave	p. 51, p. 74	Excl. rate of remaining employees, as no figures are available

GRI 402: Labor/Management Relations 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	p. 24	
GRI 103	Management Approach	103-2	The management approach and its components	p. 48	
GRI 103	Management Approach	103-3	Evaluation of the management approach	At the moment, the management approach is not yet subject to a structured evaluation.	
GRI 402	Labor/Management Relations	402-1	Minimum notice period regarding operational changes	p. 48	

GRI 403: Occupational Health and Safety 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	p. 24	
GRI 103	Management Approach	103-2	The management approach and its components	p. 44, p. 49	
GRI 103	Management Approach	103-3	Evaluation of the management approach	p. 50	
GRI 403	Occupational Health and Safety	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	p. 50, p. 75	
GRI 403	Occupational Health and Safety	403-3	Workers with high incidence or high risk of diseases related to their occupation	p. 50	

GRI 404: Training and Education 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	p. 24	
GRI 103	Management Approach	103-2	The management approach and its components	p. 44, p. 48	
GRI 103	Management Approach	103-3	Evaluation of the management approach	At the moment, the management approach is not yet subject to a structured evaluation.	
GRI 404	Training and Education	404-1	Average hours of training per year per employee	p. 48, p. 75	

GRI Standard No.	GRI Standard Titel	No.	Brief description of the indicator	Page	Omissions
GRI 404	Training and Education	404-2	Programmes for upgrading employee skills and transition assistance programmes	p. 48, p. 49	
GRI 404	Training and Education	404-3	Percentage of employees receiving regular performance and career development reviews	p. 49	

GRI 405: Diversity and Equal Opportunity 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	p. 24	
GRI 103	Management Approach	103-2	The management approach and its components	p. 44, p. 52	
GRI 103	Management Approach	103-3	Evaluation of the management approach	At the moment, the management approach is not yet subject to a structured evaluation.	
GRI 405	Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	p. 26, p. 45, p. 52, p. 73, p. 74, p. 76, AR 2016: p. 83f.	
GRI 405	Diversity and Equal Opportunity	405-2	Ratio of basic salary and remuneration of women to men	p. 52	

GRI 406: Non-discrimination 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	p. 24	
GRI 103	Management Approach	103-2	The management approach and its components	pp. 26-27, p. 52	
GRI 103	Management Approach	103-3	Evaluation of the management approach	pp. 26-27, p. 52	
GRI 406	Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	p. 52	

GRI 407: Freedom of Association and Collective Bargaining 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	p. 24	
GRI 103	Management Approach	103-2	The management approach and its components	pp. 26-27	
GRI 103	Management Approach	103-3	Evaluation of the management approach	pp. 26-27	
GRI 407	Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	TLG IMMOBILIEN operates exclusively in Germany. The right to freedom of association and collective bargaining is granted in all locations. With regards to the companies it commissions, TLG IMMOBILIEN minimises risks concerning labour laws with their contractual documents. Additionally, a code of conduct for suppliers is in preparation.	

GRI 413: Local Communities 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	p. 24	
GRI 103	Management Approach	103-2	The management approach and its components	At the moment, the management approach is not yet subject to a structured evaluation.	
GRI 103	Management Approach	103-3	Evaluation of the management approach		

GRI Standard No.	GRI Standard Titel	No.	Brief description of the indicator	Page	Omissions
GRI 413	Local Communities	413-1	Percentage of operations with local community engagement, and development programs	p. 38	Excl. percentage, as TLG IMMOBILIEN operates exclusively in Germany.

GRI 414: Supplier Social Assessment 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	p. 24	
GRI 103	Management Approach	103-2	The management approach and its components	This topic is currently not managed or evaluated by means of an explicit management approach. We are currently working on a code of conduct for our suppliers which is supposed to be completed by the end of 2017.	
GRI 103	Management Approach	103-3	Evaluation of the management approach		
GRI 414	Supplier Social Assessment	414-2	Negative social impacts in the supply chain and actions taken	No actual and potential negative social impacts in the supply chain became known.	

GRI 415: Public Policy 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	p. 24	
GRI 103	Management Approach	103-2	The management approach and its components	This topic is currently not managed or evaluated by means of an explicit management approach. TLG IMMOBILIEN maintains constant dialogue with the policymakers at state and municipal level. However, TLG IMMOBILIEN remains neutral in its political work and does not make donations to any political institution. Moreover, any membership in or association with party networks is precluded.	
GRI 103	Management Approach	103-3	Evaluation of the management approach		
GRI 415	Public Policy	415-1	Political contributions	p. 20	

GRI 416: Customer Health and Safety 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	p. 24	
GRI 103	Management Approach	103-2	The management approach and its components	p. 38	
GRI 103	Management Approach	103-3	Evaluation of the management approach	At the moment, the management approach is not yet subject to a structured evaluation.	
GRI 416	Customer Health and Safety	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	p. 38	

GRI 417: Marketing and Labeling 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	p. 24	
GRI 103	Management Approach	103-2	The management approach and its components	pp. 26-27	

GRI Standard No.	GRI Standard Titel	No.	Brief description of the indicator	Page	Omissions
GRI 103	Management Approach	103-3	Evaluation of the management approach	pp. 26-27	
GRI 417	Marketing and Labeling	417-2	Incidents of non-compliance concerning product and service information and labeling	During the reporting year, no violations of regulations and voluntary codes concerning product and service information and labeling became known.	

GRI 419: Socioeconomic Compliance 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	p. 24	
GRI 103	Management Approach	103-2	The management approach and its components	pp. 26-27	
GRI 103	Management Approach	103-3	Evaluation of the management approach	pp. 26-27	
GRI 419	Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	During the reporting year, no violations of applicable laws and regulations in the social and economic area became known. There were no fines or other monetary penalties.	

Not covered by GRI: Portfolio quality 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	p. 24	
GRI 103	Management Approach	103-2	The management approach and its components	pp. 32-33, p. 33, p. 34, p. 36	
GRI 103	Management Approach	103-3	Evaluation of the management approach	pp. 34-35	

Not covered by GRI: Tenant satisfaction 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	p. 24	
GRI 103	Management Approach	103-2	The management approach and its components	pp. 32-33, pp. 36-37	
GRI 103	Management Approach	103-3	Evaluation of the management approach	p. 19	

Not covered by GRI: Portfolio maintenance 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	p. 24	
GRI 103	Management Approach	103-2	The management approach and its components	p. 37	
GRI 103	Management Approach	103-3	Evaluation of the management approach	At the moment, the management approach is not yet subject to a structured evaluation.	

Not covered by GRI: Sustainable usage concepts 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	p. 24	
GRI 103	Management Approach	103-2	The management approach and its components	pp. 32-33, p. 37	
GRI 103	Management Approach	103-3	Evaluation of the management approach	At the moment, the management approach is not yet subject to a structured evaluation.	

EPRA Sustainability Performance Measures

Code	Key performance indicator	Unit of measurement	Page
Elec-Abs	Total electricity consumption	Annual kWh	p. 59, p. 60, p. 61, p. 70
Elec-LfL	Total electricity consumption like-for-like	Annual kWh	p. 59, p. 60, p. 61
DH&C-Abs	Total district heating & cooling consumption	Annual kWh	p. 59, p. 62, p. 63, p. 70
DH&C-LfL	Total district heating & cooling consumption like-for-like	Annual kWh	p. 59, p. 62, p. 63
Fuels-Abs	Total fuel consumption	Annual kWh	p. 59, p. 62, p. 63, p. 64, p. 70
Fuels-LfL	Total fuel consumption like-for-like	Annual kWh	p. 59, p. 62, p. 63, p. 64, p. 70
Energy-Int	Building energy intensity	kWh/sqm/year	p. 60, p. 61, p. 62, p. 63, p. 64, p. 70
GHG-Dir-Abs	Total direct greenhouse gas (GHG) emissions (scope 1)	Annual metric tonnes CO ₂	p. 71
GHG-Indir-Abs	Total indirect greenhouse gas (GHG) emissions (scope 2)	Annual metric tonnes CO ₂	p. 65, p. 71
GHG-Dir-LfL	Total direct greenhouse gas (GHG) emissions like-for-like (scope 1)	Annual metric tonnes CO ₂	p. 71
GHG-Indir-LfL	Total indirect greenhouse gas (GHG) emissions like-for-like (scope 2)	Annual metric tonnes CO ₂	p. 65
GHG-Int	Greenhouse gas (GHG) intensity from building energy consumption	metric tonnes CO ₂ /sqm/year	p. 65, p. 71
Water-Abs	Total water consumption	m ³ /year	p. 66, p. 67, p. 68, p. 69, p. 71
Water-LfL	Total water consumption like-for-like	m ³ /year	p. 66, p. 67, p. 68, p. 69
Water-Int	Building water intensity	m ³ /sqm/year	p. 66, p. 67, p. 68, p. 69, p. 71
Waste-Abs	Total weight of waste	Annual metric tonnes	The quantity of waste removed from TLG IMMOBILIEN and from the bins of our tenants cannot be documented as the amount of waste in the bins that are collected and billed for is not known to us. In Germany, some paper and recycling is collected free of charge with no paperwork issued. Therefore, we have no evidence to confirm the quantity of waste collected.
Waste-LfL	Total weight waste like-for-like	Annual metric tonnes	
Cert-Tot	Type and number of sustainably certified assets	Number	In 2016, we added the first properties with sustainability certificates. Two recently acquired office properties in Frankfurt/Main are BREEAM-certified (Building Research Establishment Environmental Assessment Methodology). Another office property which has received an LEED Gold certification was acquired in Frankfurt/Main in 2017.
Emp-Training	Training and development	Number	p. 75
H&S-Emp	Employee health and safety	Number	p. 75
Diversity-Emp	Employee gender diversity	Number	p. 76
Gov-Board	Composition of the highest governance body	Number	p. 76

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Please note:

The greatest of care was taken during the preparation of this report. Nevertheless, rounding, transmission, typographical and printing errors cannot be ruled out.

This is a translation of the original German text. In cases of doubt, the German version takes precedence.

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