

▼ SUSTAINABILITY REPORT 2017



▼ Company and values

02 EDITORIAL

04 ABOUT THIS REPORT

06 AN OVERVIEW OF TLG IMMOBILIEN

11 MANAGEMENT AND COMPLIANCE MANAGEMENT

15 RESPONSIBILITY IN THE SUPPLY CHAIN

▼ Sustainability at TLG IMMOBILIEN

17 OUR UNDERSTANDING OF SUSTAINABILITY AND ITS ORGANISATION

20 IN DIALOGUE WITH OUR STAKEHOLDERS

23 MATERIAL TOPICS OF TLG IMMOBILIEN

▼ Our fields of activity

26 LONG-TERM GROWTH AND VALUE CREATION

35 ENERGY EFFICIENCY AND RESOURCE CONSERVATION

42 EMPLOYER ATTRACTIVENESS AND EMPLOYEE EXPERTISE

53 TARGETS

▼ Information

55 KEY FIGURES

78 GRI CONTENT INDEX

87 EPRA SUSTAINABILITY PERFORMANCE MEASURES

88 CONTACT AND IMPRINT

- ▼ For us, successful growth implies more than positive economic developments. As an active portfolio manager, we take a holistic, long-term approach. This also includes integrating social and ecological aspects into our company's agenda.

This allows us to achieve sustainable quality based on secure foundations. We want our properties to fulfill the consistently high standards that TLG IMMOBILIEN stands for across all regions.

Dear Shareholders,
Dear Business Partners and Tenants,
Ladies and Gentlemen,



Peter Finkbeiner — Member of the Management Board

Niclas Karoff — Member of the Management Board

As one of the leading commercial real estate companies in Germany, the future is something on which we focus intently:

Which locations will fare better over the next few years and which will fare more poorly? Where will a property acquisition pay off for us and how do the properties have to be designed in order for them to work best for users on a day-to-day basis? What expertise do we need to develop so as to be able to meet the requirements of our tenants successfully in three, five and ten years' time? Our questions are diverse and the horizon under which we consider them is a long-term one.

Our in-depth focus on the future serves one purpose in particular: we want to make safe decisions – for our tenants, for the environment in which our properties are a part of everyday life, and for our shareholders.

Last year we again made numerous decisions that will be of significance to our future. For example, we grew considerably through our acquisition of the WCM portfolio. We have thereby not only pursued our expansion plans, but have also expanded the scope for the implementation of our business model to encompass almost all of Germany.

However, our acquisitions are not purely a question of quantitative growth. As an active portfolio manager with a long-term perspective, we aim to secure and expand the long-term quality and therefore the value of our portfolio as well as its sustainable profitability. In this context, it remains important that we factor ecological and societal aspects into our strategic considerations alongside the economic aspects.

To this end, we continued to address the issue of sustainability last year. This, our third sustainability report, contains the results. As before, we have published it voluntarily and in line with the GRI Reporting Standards. 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.

We hope you enjoy reading this report!

Berlin, June 2018

Peter Finkbeiner
Member of the Management Board

Niclas Karoff
Member of the Management Board

▾ ABOUT THIS REPORT

This, our third sustainability report, is another step along the path we have set out and builds on the content of the past two reporting years. We want to show our stakeholder groups how we fulfil our responsibility in our everyday business and tie it in with our core business in a meaningful way.

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 2017, including selected financial performance indicators. In order to avoid repetitions, we refer you to our annual report for more information about our company and how it performed in the reporting period. The non-financial information includes the social and ecological aspects of TLG IMMOBILIEN.

Thematically, this report focuses on the areas of 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 Directive on the disclosure of 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 principles:

THE PRINCIPLE OF REGULARITY

The sustainability reports of TLG IMMOBILIEN are published annually. This report concerns the financial year from 1 January 2017 to 31 December 2017 and therefore follows on seamlessly from the Sustainability Report 2016 published in October 2017. — 102-50, 102-51, 102-52

THE PRINCIPLES OF COMPARABILITY AND TRANSPARENCY

This is the second report to be prepared in line with the GRI standards 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 and social indicators, on the EPRA Best Practices Recommendations on Sustainability Reporting. Any deviations or new calculations compared to the previous year will be indicated as such.

Our first Sustainability Report 2015 was awarded the EPRA sBPR Silver Award last year.

The content of this 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 2017 financial year. The personnel and consumption statistics encompass the entire TLG IMMOBILIEN Group, not including WCM Beteiligungs- und Grundbesitz AG (WCM). — 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 Sustainability Report 2015. The aspects were selected on the basis of their materiality.

In 2016, 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 (see the *Sustainability Report 2016, page 21ff.*). 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



▾ COMPANY AND VALUES

AN OVERVIEW OF TLG IMMOBILIEN

TLG IMMOBILIEN is one of the leading commercial real estate companies in Germany. For years, we have been pursuing a strategy of continuous growth characterised by strategic acquisitions. This has enabled us, for example, to double the value of our portfolio to EUR 3.4 bn over the past three years.

FIELD OF BUSINESS AND CORPORATE STRUCTURE

**Topics according
to the GRI
standards**

▾ Economic
Performance
(GRI 201)

FIELD OF BUSINESS — 102-2, 103-2

TLG IMMOBILIEN is an active portfolio manager and commercial real estate specialist. The sustainable long-term letting and management of office, retail and hotel properties is our core expertise. — 102-1

As at 31 December 2017, our portfolio contained 426 properties (31/12/2016: 404) and had a property value (IFRS) of EUR 3,401 bn (31/12/2016: EUR 2,242 bn). — 102-7

Business model and strategy

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. We are supported by efficient, tenant-oriented processes.

We map the key stages of the property value creation chain internally with our business model and corporate strategy:

- ▾ Portfolio Management: with our exceptional understanding of local markets and real estate, we provide centralised services such as strategic portfolio management and monitoring, property valuation and portfolio planning.
- ▾ Asset Management: with the engineering and letting units, Asset Management is responsible for all measures at the property level that influence the value of a property.
- ▾ Property Management: Property Management bears decentralised responsibility for the commercial management of properties.

- Transaction Management: With our many years of expertise, we are very well connected in our core markets. This generates attractive opportunities for us to grow and chances to sell properties for the best possible prices in line with our portfolio optimisation strategy.

Objectives of the company

TLG IMMOBILIEN continuously strives to increase the value of the company sustainably and generate reliably high profits from operational management. The diversification of our portfolio across the three asset classes office, retail and hotel is a decisive factor as it improves the stability of the income and value of our portfolio. The factors of relevance in this context are the number of creditworthy major tenants who facilitate significant risk diversification as well as the long weighted average lease terms (WALT) of between 5.2 and 6.3 years for office and retail properties and 12.2 years for hotel properties as at 31 December 2017.

In 2017, the size of our portfolio increased further through the acquisition of individual properties and the takeover of WCM Beteiligungs- und Grundbesitz Aktiengesellschaft (WCM) and strategic disposals. Thus, material operating and financial key figures have improved.

More information on the company, its strategy and management — Annual Report 2017, p. 06ff., p. 58ff. — ‘Long-term growth and value creation’, p. 26ff.



		31/12/2017	31/12/2016	Change in %
Economic key figures — 102-7, 201-1	Unit			
Rental income	in EUR k	168,310	140,464	19.8
Net operating income from letting activities	in EUR k	153,548	125,588	22.3
Funds from operations (FFO)	in EUR k	102,673	76,877	33.6
EPRA net asset value*	in EUR k	2,228,512	1,252,131	78.0
EPRA net asset value per share*	in EUR	21.84	18.57	17.6
Property value	in EUR k	3,400,582	2,241,615	51.7
Equity ratio	in %	50.5	43.1	7.4 pp
Net loan to value	in %	39.2	43.4	-4.2 pp

* The calculation has changed in accordance with the specifications of the EPRA. For more information, see page 42 of the Annual Report 2017.

More key figures — Annual Report 2017, p. U2, p. 98ff.

— 201-1, 201-3



CORPORATE STRUCTURE

The registered office of TLG IMMOBILIEN AG is at Hausvogteiplatz 12, 10117 Berlin, Germany. The central commercial positions and the operating units for the region Berlin-Brandenburg are located here. — 102-1, 102-3

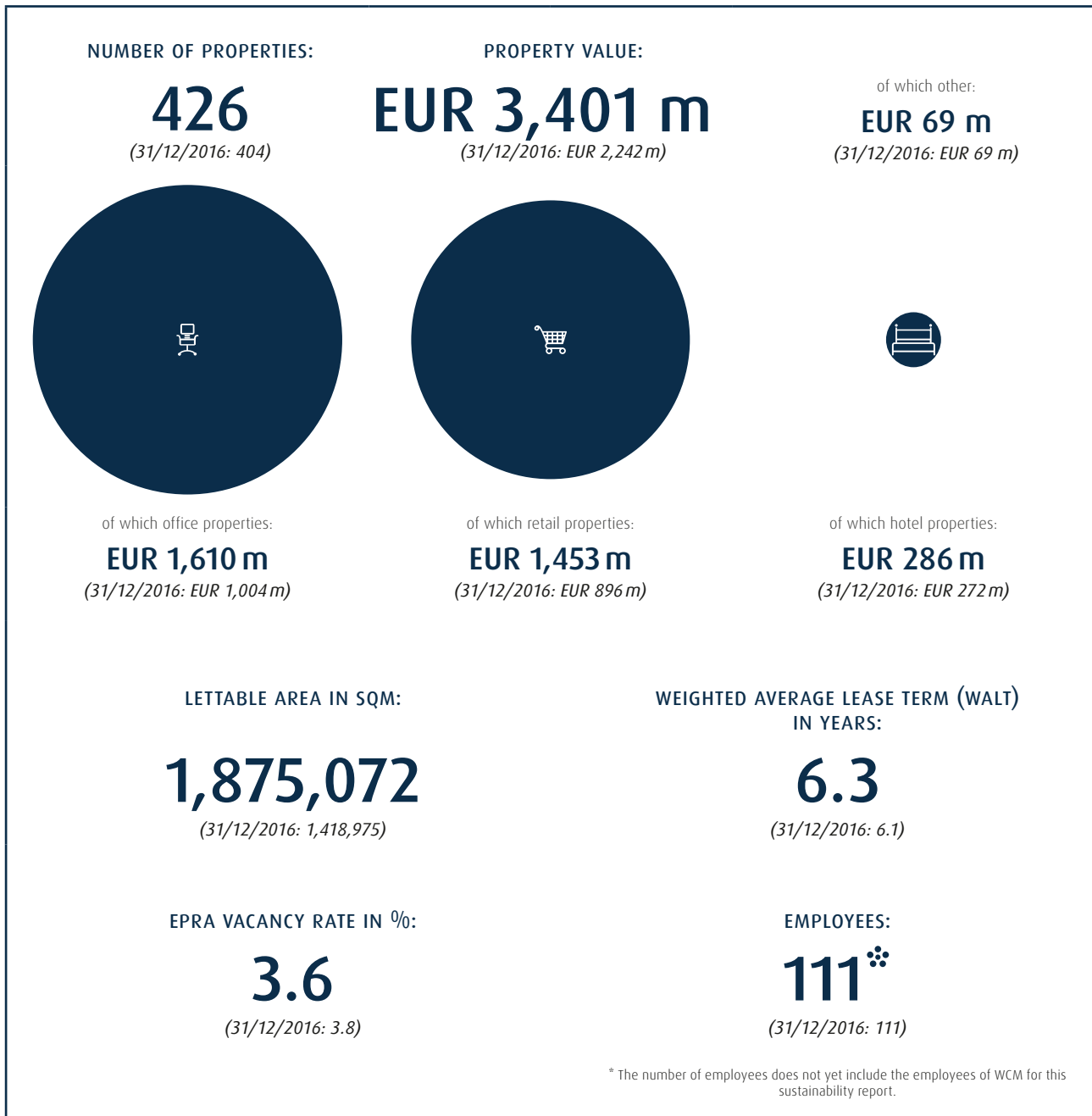
We expanded our activities to encompass all of Germany in the 2017 financial year through strategic acquisitions and the successful takeover of WCM, and are currently working to integrate the company into ours. In this context, we have implemented internal structural changes and established a more flexible, efficient management structure. The operating units in the offices in Berlin, Dresden, Erfurt, Frankfurt/Main, Leipzig and Rostock are now controlled by central management positions in the Portfolio Management, Asset Management, Property Management and Transaction Management divisions. As before, Property Management remains the first point of contact for our tenants. — 102-4

As at 31 December 2017, TLG IMMOBILIEN held interests in 52 fully consolidated companies. With the takeover of WCM, this figure rose by 41 companies against the previous year (31/12/2016: 9 companies). Additionally, the portfolio value (IFRS) of the company increased from EUR 2.2 bn to around EUR 3.4 bn, whereas the number of properties in the portfolio increased from 404 to 426. We disposed of 63 non-strategic properties, generating proceeds of EUR 83.7 m. — 102-7, 102-10



Further information on the shareholder structure and the structure of the company – Annual Report 2017, p. 15, p. 36ff., p. 105f. — 102-5, 102-10

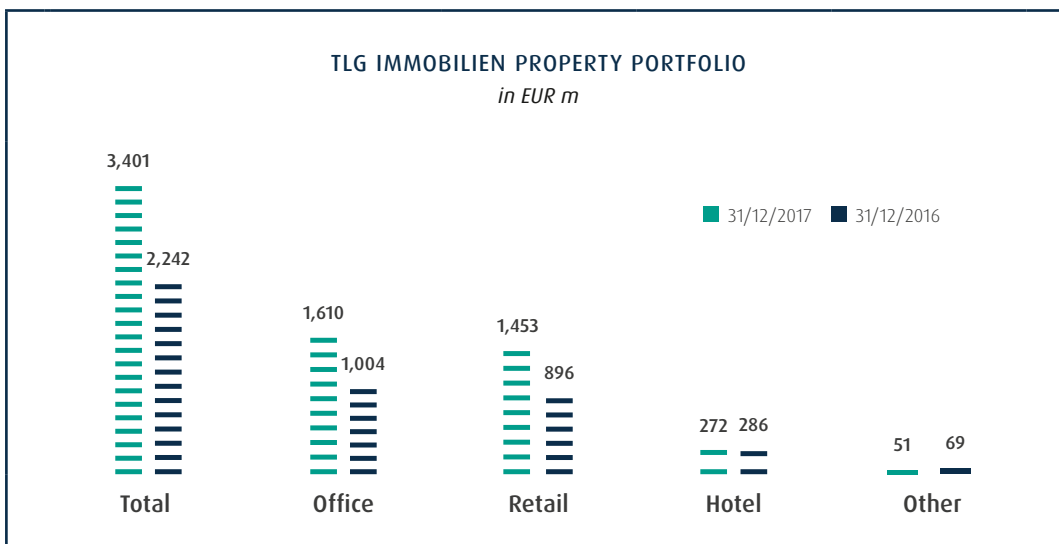
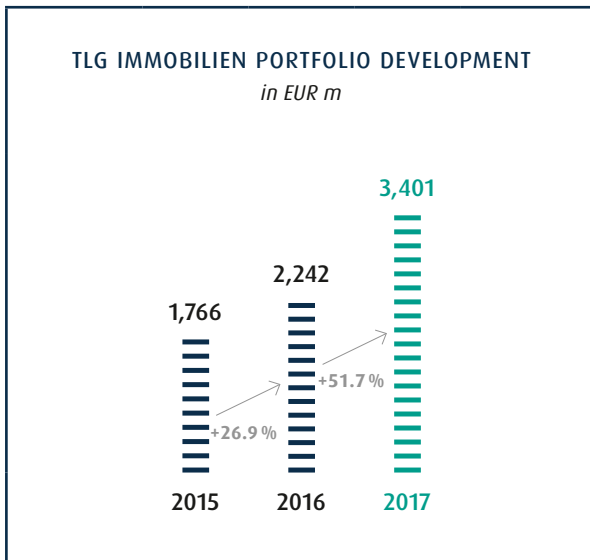
Further information on the integration of WCM – Annual Report 2017, p. 29



Further portfolio information and statistics — p. 28ff.
Further performance figures — Annual Report 2017, p. 61ff.

MARKETS AND CUSTOMERS

As at 31 December 2017, our portfolio contained high-quality office properties primarily in Berlin, Dresden, Frankfurt/Main, Leipzig and Rostock. Our retail properties are situated in demographically stable or growing locations in highly frequented micro-locations in Germany. Following our acquisition and takeover of WCM in the 2017 financial year, we are now highly active in western Germany as well. Furthermore, as at the reporting date our portfolio contained seven hotels in Berlin, Dresden, Leipzig and Rostock. — 102-4, 102-6

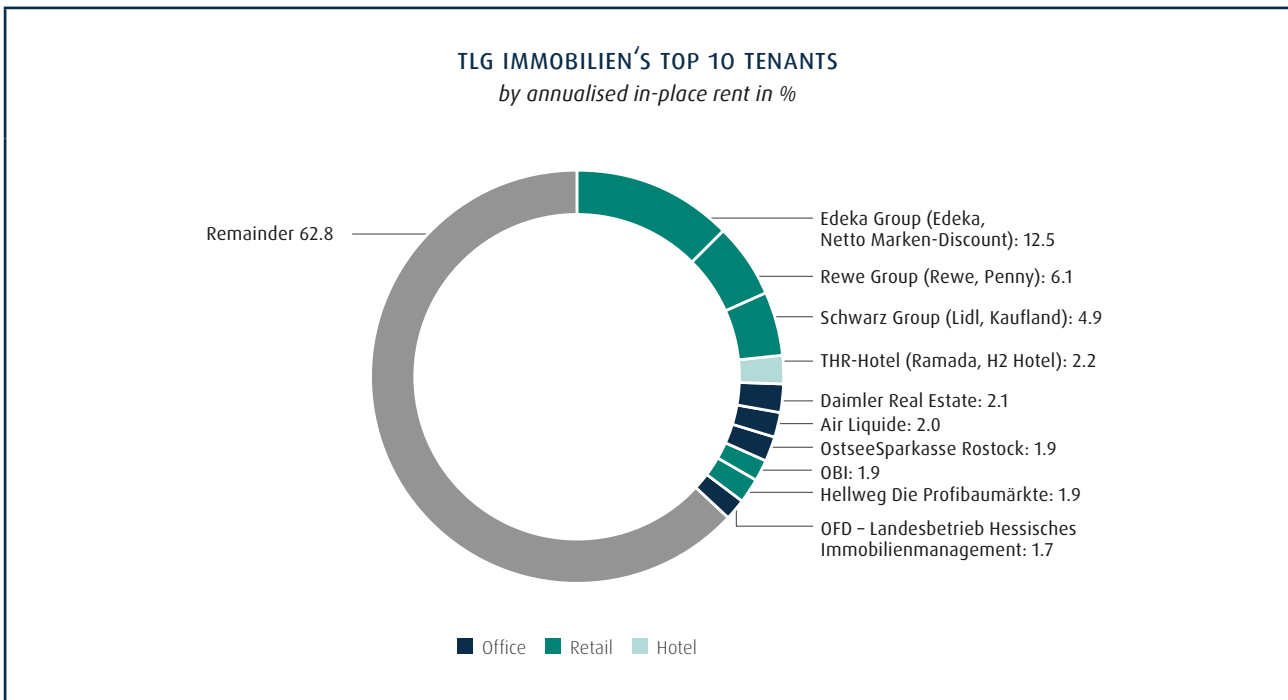


Our portfolio contains properties in good and excellent locations with many long-term rental/lease agreements. As at 31 December 2017, the weighted average lease term (WALT) of the rental agreements was 6.3 years (31/12/2016: 6.1 years). Additionally, all of our buildings are in excellent structural condition and we generate stable cash flows from renting our properties out. Our EPRA vacancy rate decreased from 3.8% as at 31 December 2016 to 3.6% as at 31 December 2017.

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 centrally located hotel properties are leased for the long term to national and international hotel chains. — 102-2, 102-6



Further information on markets and customers — Annual Report 2017, p. 10ff., p. 25ff., p. 59ff.
Further portfolio information and statistics — ‘Long-term growth and value creation’ from p. 26ff.



TLG IMMOBILIEN'S 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 intend to do so. Our mission statement serves as an important source of orientation and motivation in our everyday business. Besides our mission to become a 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.



Further information on our mission statement can be found on our website www.tlg.eu

MANAGEMENT AND COMPLIANCE MANAGEMENT

Responsible, lawful management is of great importance to TLG IMMOBILIEN with regard to achieving its long-term corporate targets. We consistently uphold the principles of good corporate governance and constantly monitor our adherence to laws and guidelines.

CORPORATE GOVERNANCE

The responsible management and supervision of the company is a key aspect for TLG IMMOBILIEN as it paves the way for successful long-term value creation. Additionally, good corporate governance and upholding the principles of compliance strengthens the trust of our shareholders, customers, employees, business partners and the general public in our company. — 103-1

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 (GCGC). 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 GCGC 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. — 102-12, 103-2

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

More information on corporate governance and management practices — Group Annual Report 2017, p. 46ff.

The principles of corporate governance are deeply rooted in our corporate culture. Standards of conduct and values such as integrity, transparency and professionalism are just as binding to us as legal requirements and guide our everyday actions. The close coordination between risk management, the internal control system and the Compliance and Auditing departments ensures that the statutory regulations are adhered to and the audit committee verifies this adherence on a regular basis. Additionally, taking the interests of shareholders into account, openness and transparency in communication with all groups of stakeholders and the avoidance of conflicts of interest between boards are important elements of good corporate governance. — 103-2, 103-3

We also impose these requirements on companies that we acquire and ensure that they are being met from the outset. We are currently doing this as part of the integration of WCM into our structures and processes.

Topics according to the GRI standards

- ▾ Anti-corruption (GRI 205)
- ▾ Anti-competitive Behaviour (GRI 206)
- ▾ Environmental Compliance (GRI 307)
- ▾ Marketing and Labeling (GRI 417)
- ▾ Socioeconomic Compliance (GRI 419)



TLG IMMOBILIEN AG is also a member of the Institut für Corporate Governance der deutschen Immobilienwirtschaft e.V. and shares its key principles and objectives. The institute supplements the principles of the GCGC 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 Management Board of TLG IMMOBILIEN has sole responsibility for managing the company. It defines the strategic orientation of the Group in the interests of the company. The Management Board works closely and trustingly with the Supervisory Board of TLG IMMOBILIEN, which monitors the management of the company and provides assistance with decisions of fundamental significance. — 102-18

Economic, environmental and social expertise of the management bodies

The main criteria with regard to the appointment of members of the Management Board 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 qualifications and personal ability are the decisive factors for appointment to the Supervisory Board. Overall, the objective of the Supervisory Board is to fulfill its supervisory and advisory roles optimally through the diversity of its members. Additionally, the shareholder structure is taken into consideration in connection with the composition of the Supervisory Board. — 102-24



Further information on the composition and methods of the Management Board and Supervisory Board — Group Annual Report 2017, p. 32ff., p. 46ff. — 102-22

RISK MANAGEMENT — 102-11, 102-15

One key aspect of good corporate governance is comprehensive risk management designed to identify, analyse and control the risks inherent in entrepreneurial decisions. The long-term future of the company can only be guaranteed by taking into account all aspects of relevance to business operations.

TLG IMMOBILIEN is exposed to constantly changing economic, technical, political, legal and societal circumstances that could impede the achievement of its objectives or the implementation of its long-term strategies. TLG IMMOBILIEN has an extensive risk management system in place to enable the early detection, monitoring and assessment of risks at property level, such as contamination, and at the company level, such as personnel and IT security. 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, the early risk detection system is tested by an internal examiner and an external public auditor as part of the annual audit.



The Management Board explains the risk situation in detail in its annual management reports. Compared to the previous year, the risk situation has remained stable. — Annual Report 2017, p. 71ff.

COMPLIANCE MANAGEMENT

We aim to remain 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 as it enables us to ensure responsible, transparent corporate governance throughout the company. We see compliance as any activity through which we ensure our adherence to all relevant legal and internal obligations, regulations and guidelines. 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

TLG IMMOBILIEN'S COMPLIANCE MANAGEMENT SYSTEM — 103-2

Our 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.

The members of the Management Board serve as compliance coordinators within the scope of the compliance management system. They receive a compliance report once per year. Other parties involved in the compliance processes are the company's Compliance Officer and Capital Market Compliance Officer, the Compliance Working Group and the unit's Compliance Officers, including all departmental managers.

Responsibilities within the company are clearly defined in order to establish the concept of compliance in everyday work. Employees can consult the Compliance Officer or Capital Market Compliance Officer at any time if they have questions about compliance or concerns about adherence to compliance regulations. The departmental managers, as the 'unit compliance officers', 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. The Management Board submits regular, prompt and comprehensive reports to the Supervisory Board regarding compliance within the company. In certain cases, departmental managers (such as of the Auditing department) even report directly on matters of compliance during Supervisory Board meetings.

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 in place in order to guarantee the confidential flow of information. In the reporting period, one case was investigated and no complaints were filed in connection with compliance management.

— 103-3



CODE OF CONDUCT — 102-16

The Code of Conduct is a central element of our compliance management. It consists of multiple comprehensive frameworks of rules designed to ensure compliance with 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, the compliance section includes guidelines on the compliance management system that describe the structure of the system, guidelines for the Compliance Working Group and a code of conduct. 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

Anti-corruption

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 consult at any time if they have questions or suspect someone of corruption. We make our personnel aware of compliance in the capital market with our Capital Market Compliance guidelines and often integrate the issue into our compliance training courses. The company has a standardised process for keeping 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. 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, through the intranet. No instances of corruption were discovered in 2017. — 103-3, 205-2, 205-3

Collaboration with business partners

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. Key contracts 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. — 103-3



In 2017, we published a *code of conduct* for our service providers to serve as a guideline for working with TLG IMMOBILIEN. It is primarily intended to ensure adherence to German and international occupational protection laws, prevent illegal employment, take data protection and compliance regulations into account and factor in other social and ecological aspects.

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 next compliance training course will take place in 2018. All employees are expected to take part.

COMPETITION LAW/ANTI-TRUST PROCEDURES

TLG IMMOBILIEN follows all regulations on competition and takes a proactive and cautious approach to any situations that are or might be relevant in terms of competition law. With regard to acquisitions, issues relating to competition are investigated thoroughly during the acquisition process, even by consulting the German competition authority, the Bundeskartellamt, where necessary. There were no infringements against the regulations on competition in 2017. — 103-3, 206-1

RESPONSIBILITY IN THE SUPPLY CHAIN

The integrity and performance of our partners and service providers also affect whether or not we are able to live up to our claim of being a reliable and responsible company. It is therefore important to us who we work with and to what extent our partnership is characterised by responsibility and integrity.

OUR MANAGEMENT APPROACH — 102-9, 103-2, 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 and technical and facility management. We also require assets and supporting services for our own operations and administration. These include vehicles, office equipment and services such as 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. The various departments of TLG IMMOBILIEN are responsible for procuring their own external goods and services. We attribute great importance to trusting, long-term relationships and close contact in order that these business relationships are characterised by transparency and integrity. TLG IMMOBILIEN procures all 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 5,000 (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. In 2017 we also started providing our framework contractors with our code of conduct for service providers which is primarily intended to motivate them 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. 16

Topics according to the GRI standards

- ▶ Indirect Economic Impacts (GRI 203)
- ▶ Procurement Practices (GRI 204)
- ▶ Supplier Environmental Assessment (GRI 308)
- ▶ Supplier Social Assessment (GRI 414)



TLG IMMOBILIEN'S BUSINESS RELATIONSHIPS

Our long-term relationships with our partners enable us to manage and control the processes along our value chain optimally. With regard to facility management, we have therefore been working with the same service providers (WISAG and Gegenbauer) for many years which are managed by the Property Management department.

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 and the contractor is provided with a copy of the aforementioned code of conduct. 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 through its internal technicians who are also present at the final acceptance of the projects. – 103-2, 103-3, 203-2



▾ SUSTAINABILITY AT TLG IMMOBILIEN

OUR UNDERSTANDING OF SUSTAINABILITY AND ITS ORGANISATION

The property market is currently undergoing considerable change and is increasingly the focus of public attention. The consumption of resources in construction processes and by tenants are growing in significance. Consequently, legislators and the capital market are heightening their requirements with regard to transparency and documentation. However, herein we see an opportunity to apply our various strategies systematically and in doing so ensure the long-term success of our company.

PERIPHERAL DEVELOPMENTS

The social, demographic, economic and political changes of the past few years have also shaped the commercial property sector significantly. TLG IMMOBILIEN is influenced by four trends in particular: the constant developments in the property markets combined with the persistently low interest rates, the competition for qualified employees, the accelerating digitisation of society and national and international migration. We address these developments by adapting the focus of our business activities and ensuring that the structure of our portfolio is long-term in nature.

The capital markets have been volatile for a number of years. These circumstances tend to favour investments in property assets. The exceptionally low interest rates in 2017 are another factor which has resulted in considerable investments in the property market in recent years. It is important that TLG IMMOBILIEN continues to preserve its attractive financing options and open up new investor groups in order to remain capable of pursuing its growth and portfolio strategies systematically.

The competition for qualified employees has intensified greatly in many fields in recent years. It is therefore increasingly important to be perceived as an attractive employer in order to attract and retain experienced professionals and managers and promising young recruits alike. Their dedication paves the way for successful value creation and the achievement of our growth targets.

The requirements of our office and retail tenants and the leaseholders of our hotels are increasing in terms of the digital infrastructure in our properties. 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. — 203-1

National and international migration to densely populated areas in Germany has been at a high level for 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 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.

OUR UNDERSTANDING OF SUSTAINABILITY

As an active portfolio manager, we managed more than 420 office, retail and hotel properties in Germany as at 31 December 2017. As one of the leading commercial real estate specialists in Germany we have economic, social and ecological responsibilities towards our various stakeholder groups. We are committed to fulfilling these responsibilities.



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 and analyse market developments and demographic trends (p. 14f.) that will affect our company and factor them into our strategy.



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. 06ff.



We therefore proceed carefully and responsibly with property acquisitions we make as part of our growth strategy in order to ensure that they contribute to the long-term growth of the company's success. 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 where the property is situated 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. 26ff.

As a commercial real estate specialist, we generally think in terms of 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 commercial 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 as part of our asset and portfolio management. 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. They also serve as local representatives for our tenants and possess in-depth knowledge of our regions and their particularities. — p. 31ff.



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. 44ff.



In the future, we strive to integrate our approach to sustainability even deeper into our business processes and refine it gradually.

ESTABLISHING 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

As part of their everyday business, the people in charge of each department and their members of staff ensure that agreed measures designed to realise the sustainable development of the company are implemented by everyone. 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, they also meet in smaller groups whenever necessary. 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

The nature of our business activities means that we have relationships with various stakeholder groups throughout Germany. By communicating with them, we learn their opinions and requirements, are able to examine our options and develop specific measures. We also promote the acceptance of our decisions and projects.

TLG IMMOBILIEN'S STAKEHOLDER GROUPS

Our shareholders' 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 pursue our corporate targets with consideration for the various requirements and interests of all stakeholders involved.

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

As a listed company, we bear an extraordinary level of responsibility towards our **shareholders**, and the company's owners and investors. We show them that their capital has been invested securely and lucratively by generating positive returns in the long term. Our investors as well as the **analysts**, who serve as opinion leaders on the capital markets, expect us to implement our business model successfully 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 capital 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 and publish studies such as 'Germany's office market 2017: the 27 most promising mid-sized cities' and the market study 'Food retail in Germany – market structure data 2016'. Throughout the year, we publish more detailed information in the Investor Relations section of our website. We also organise property viewings with investors and analysts. — 102-43, 102-44



Our **tenants** are another exceptionally important stakeholder group with whom we maintain healthy, direct and long-term relations. Our strong local presence through our Property Management personnel is a decisive factor in this context. By remaining in close contact and communicating frequently on a personal level, they are able to understand the needs of our tenants and develop tailored solutions to their problems. Where necessary, we carry out tenant satisfaction surveys. The trust placed in us by our tenants is primarily reflected in long-term rental agreements which secure stable rental income for TLG IMMOBILIEN. — 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. With their capability, loyalty and satisfaction, they make a significant contribution to the success of our company. Our employees in our branches possess extensive expertise and years of experience in our regional markets. They serve as reliable partners to our tenants, sellers and buyers of commercial properties and municipalities. The opinions of our employees are important to us, which is why we regularly carry out employee surveys and examine if and how we can implement their suggestions. In 2017, 78% of employees participated in the survey. The perception of TLG IMMOBILIEN as an attractive employer in that survey improved by some 12% compared to 2016. We have derived measures from the results as well as the areas of action defined in 2016 - e.g. expanding employee development - and will implement them successively. — p. 45f. — 102-43, 102-44



Property buyers and **sellers** are also one of our most important stakeholder groups. 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. Sellers expect streamlined decision-making processes, strong financing capabilities 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 funds for acquisitions. We work closely with the buyers throughout the transaction, supporting them with our expertise and knowledge of the buildings. Here too, we can ensure rapid decision-making processes. In our dealings with both groups of stakeholders, buyers and sellers, we prove a reliable and upright partner. 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. However, both sides are open to the idea of regular dialogue. — 102-43

The **media** wants us to be willing to provide information and practise open, transparent 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

MEMBERSHIPS OF ASSOCIATIONS/SUPPORT OF EXTERNAL INITIATIVES

TLG IMMOBILIEN is involved in many initiatives, associations and real estate organisations which work to develop the industry, carry out research, provide vocational training and represent the interests of their members. Peter Finkbeiner, member of the Management Board of TLG IMMOBILIEN, is also a member of the Advisory Board of the European Public Real Estate Association (EPRA), an association of listed real estate companies that is active throughout Europe. Niclas Karoff, also a member of our Management Board, is the speaker of the regional board of the German Property Federation (ZIA) for Berlin and the new federal states of Germany. Below is a selection of the associations and institutions that we are involved with amongst others:

- ▾ Corporate Governance Institute (ICG)
- ▾ 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 — 102-12, 102-13

MATERIAL TOPICS OF TLG IMMOBILIEN

We consider the economic, ecological and social developments that are of relevance to our company and our activities regularly. On the one hand, we do this from an internal perspective based on our years of experience in the sector. On the other, we factor in the external perspectives of our stakeholders.

In 2017, we validated the topics that are material to our company by means of a stakeholder survey. For a detailed description of the procedure and of the results, see the *Sustainability Report 2016* of TLG IMMOBILIEN.

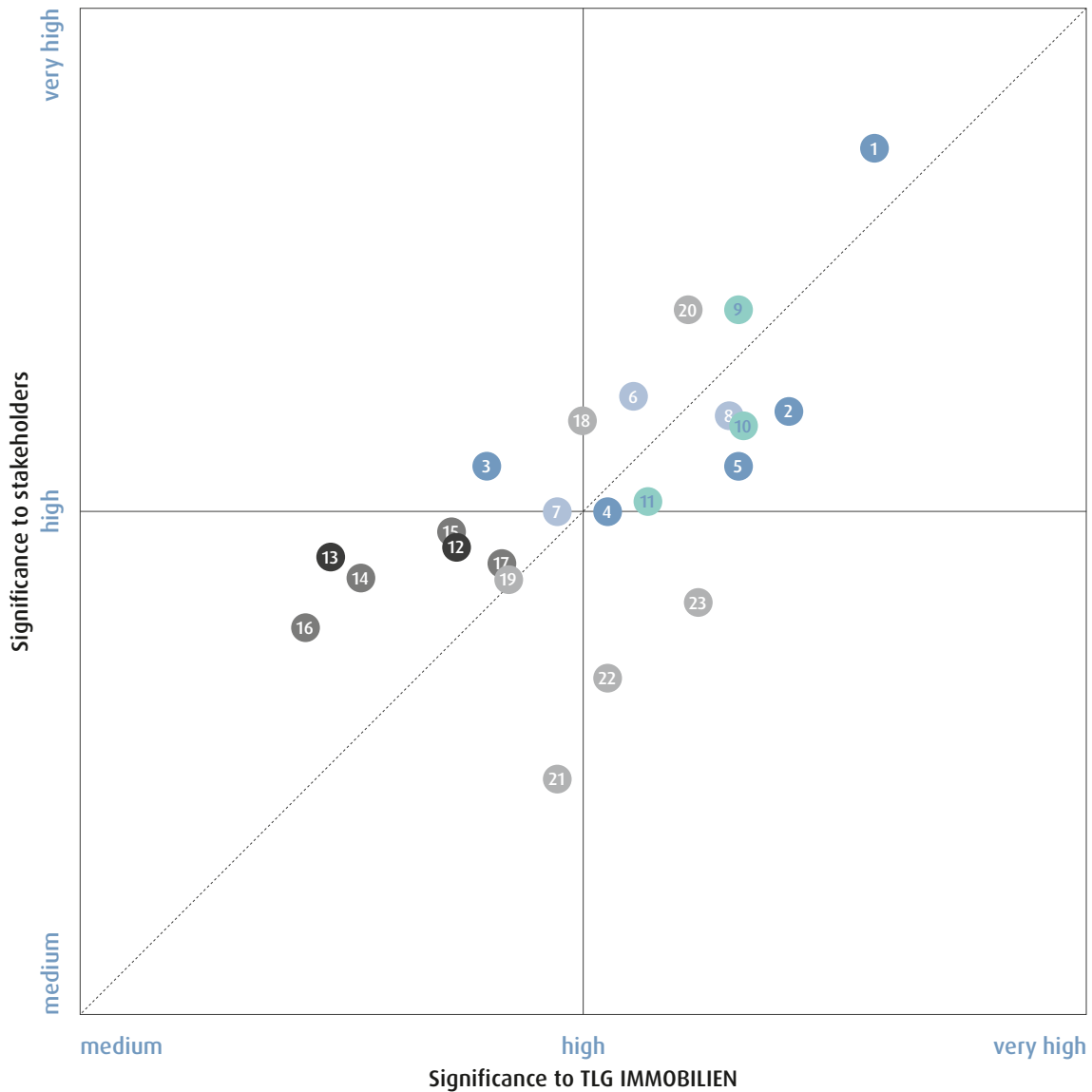


The material topics that we identified also serve as the basis of this sustainability report. We will likely survey our stakeholders again in 2019 in order to verify our material topics and take current developments and trends into consideration. — 102-43, 102-44, 102-46, 102-48, 102-49

We describe how we address the material topics and what related management approaches, measures and targets we are implementing in the section on our company (p. 06ff.) as well as in the chapters 'Long-term growth and value creation' (p. 26ff.), 'Energy efficiency and resource conservation' (p. 35ff.) and 'Employer attractiveness and employee expertise' (p. 42ff.).



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 maintenance
- 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 IMMOBILIEN/ 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, labeling of products and services	p. 11ff.
Long-term growth	x			Economic performance	p. 06ff., p. 26ff.
Open dialogue with the public	x		x	Involvement of stakeholders and politicians	p. 20ff.
Risk management	x	x	x	Economic performance	p. 12
Portfolio composition	x			Economic performance	p. 06ff., p. 28ff.
Customers and society					
Portfolio quality	x		x	Not covered by GRI	p. 28ff.
Infrastructure development	x		x	Indirect economic impacts	p. 26ff.
Tenant satisfaction	x		x	Not covered by GRI	p. 31ff.
Product responsibility					
Portfolio maintenance	x		x	Not covered by GRI	p. 33f.
Tenant health and safety	x		x	Customer health and safety	p. 32
Sustainable usage concepts	x			Not covered by GRI	p. 33f.
Supply chain					
Labour and social standards	x	x		Procurement practices, supplier social assessment	p. 15f.
Environmental standards	x	x		Procurement practices, supplier environmental assessment	p. 15f.
Environment					
Environmental protection within the company	x			Energy, emissions, water, effluents and waste	p. 36f., p. 40f.
Energy efficiency and reduction of greenhouse gas emissions	x		x	Energy, emissions	p. 35ff.
Environmental protection in the portfolio	x		x	Biodiversity, water, effluents and waste	p. 37f., p. 39
Environmental protection during conversion and construction work	x	x	x	Water, effluents and waste	p. 40
Employees					
Training and education	x			Training and education	p. 48ff.
Occupational health and safety	x			Occupational health and safety	p. 51f.
Recruitment and retention of employees	x			Employment	p. 44ff.
Co-determination	x	x		Labor/management relations, freedom of association and collective bargaining	p. 48
Diversity and equal opportunity	x			Diversity and equal opportunity, Non-discrimination	p. 47f.
Work-life balance	x			Employment, occupational health and safety	p. 46

▾ OUR FIELDS OF ACTIVITY

LONG-TERM GROWTH AND VALUE CREATION

TLG IMMOBILIEN continued to expand its strong position in the competitive commercial real estate market in 2017. The successful takeover of WCM including its properties combined with the high quality of our portfolio underline the success of our consistent growth and portfolio strategy.

Topics according to the GRI standards

- ▾ Economic Performance (GRI 201)
- ▾ Indirect Economic Impacts (GRI 203)
- ▾ Local Communities (GRI 413)
- ▾ Customer Health and Safety (GRI 416)

OUR MANAGEMENT APPROACH — 103-1, 103-2

With its business model, TLG IMMOBILIEN operates in a dynamic, highly competitive market that is in a constant state of change. In order to maintain and increase our economic success in the long term and remain able to pursue our growth strategy, we monitor the developments and trends in our markets closely (p. 14f.) and adapt to them.

This strategy is consistent with the topics deemed material to our company by our stakeholders in the survey carried out in 2017.

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



Risk management, compliance and anti-corruption, supply chain and dialogue with stakeholders have also 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 and values. — p. 11ff.

STRATEGIES

The sustainable long-term growth of our company is our highest priority. We have two strategies which also factor in market developments 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 offices, our properties are managed economically and our tenants are supported with services. This enables us to generate attractive income on a regular basis. — 103-3
2. **Development of our high-quality property portfolio:** we see the development of our existing portfolio as a long-term growth driver, which is why we develop it commercially and technically through investments. We thoroughly examine potential development projects in our portfolio and the investments through which we can generate sustainable added value for our tenants and our company. Over the next few years, we plan to make the best possible use of existing development potential. We also acquire office, retail and hotel properties in strategic locations with reliable income and potential for appreciation. When considering the potential acquisition of a property, we analyse the extent to which it will meet future requirements and the extent to which we will be able to react to changes appropriately. — 103-3

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

We utilise market cycles to dispose of non-strategic properties at the right moment and we reinvest the proceeds in our portfolio. We therefore sold a number of properties, largely from the retail asset class, in 2017. We will strategically reinvest the funds generated from these disposals in new acquisitions.

Overall, the quality of the portfolio should improve continuously and it should continue to grow with properties located throughout Germany. The rate of growth is determined by the potential offered by acquisition and development options. The distribution of the three usage types in our portfolio is not subject to any strategic specifications; it is the result of the acquisition and development opportunities that we are able to utilise.

The growth strategy of TLG IMMOBILIEN is controlled by the Management Board at the highest level of the company. The managers in all departments are responsible for implementing the measures and orienting the processes based on our growth targets.

FACTORS IN OUR SUCCESS

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 (see 'The portfolio strategy as a basis for portfolio quality', p. 28ff.). It guides the development of our portfolio and paves the way for sustainable growth. The question of product responsibility is also linked to our portfolio (see 'Product responsibility',





p. 33ff.). We aim to utilise a property throughout its entire 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 (see 'Tenant satisfaction as a success factor', p. 31ff.). By being close to our customers, we are familiar with their requirements. This enables us to come to them with suggestions and work with them to develop ideas on how to realise their future plans together.

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. Cities are therefore not only facing new requirements in terms of their housing industries; their office, retail and hotel space must also be factored more into urban planning due to the growing demand for space.

CAPITAL MANAGEMENT

Our capital management system is extensive in order to preserve our liquidity to continue operating, continue growing and pay our debts.

Our presence on the stock exchange grants us attractive access to the equity and debt market. We carried out two successful capital increases in 2017. Additionally, we acquired around 86% of the shares in WCM by means of a share swap. We issued our first EUR 400 m bond in November 2017 in order to pay existing loans and finance future acquisitions.

Our company continues to pursue a defensive strategy with regard to financing, despite the low interest rates. With a Net LTV ratio of 39.2%, TLG IMMOBILIEN still had a solid financing structure as at 31 December 2017. This helps us gain access to debt capital at attractive rates. As at the reporting date in 2017, our equity ratio stood at 50.5%.

THE PORTFOLIO STRATEGY AS A BASIS FOR PORTFOLIO QUALITY — 103-2

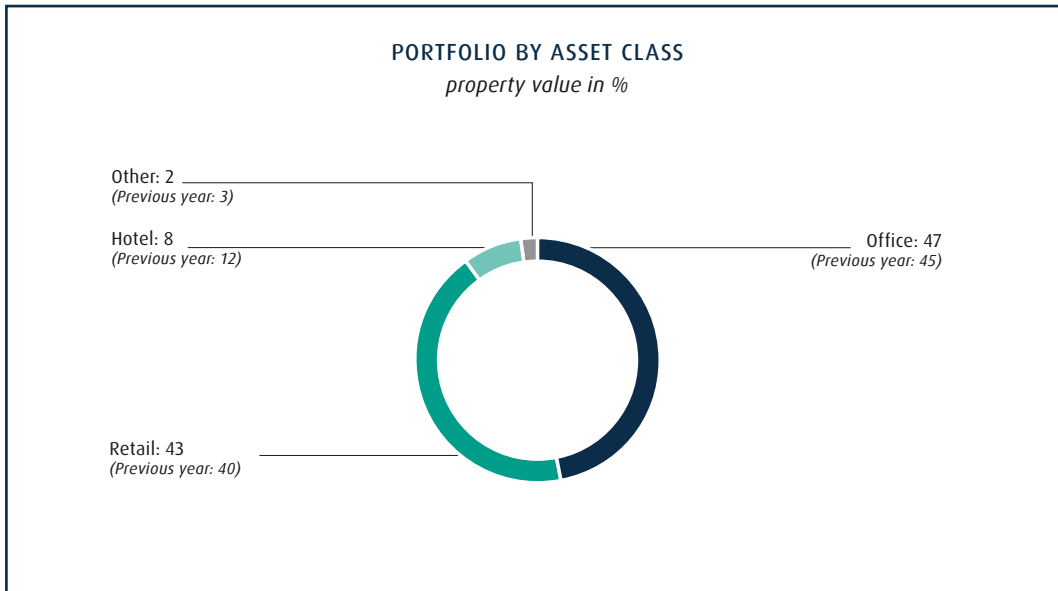
As an active portfolio manager, it is invaluable for our growth strategy and long-term success to be able to evaluate markets reliably. We therefore factor market developments and trends, as well as their effects, into our strategic considerations.

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, portfolios and even companies 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.

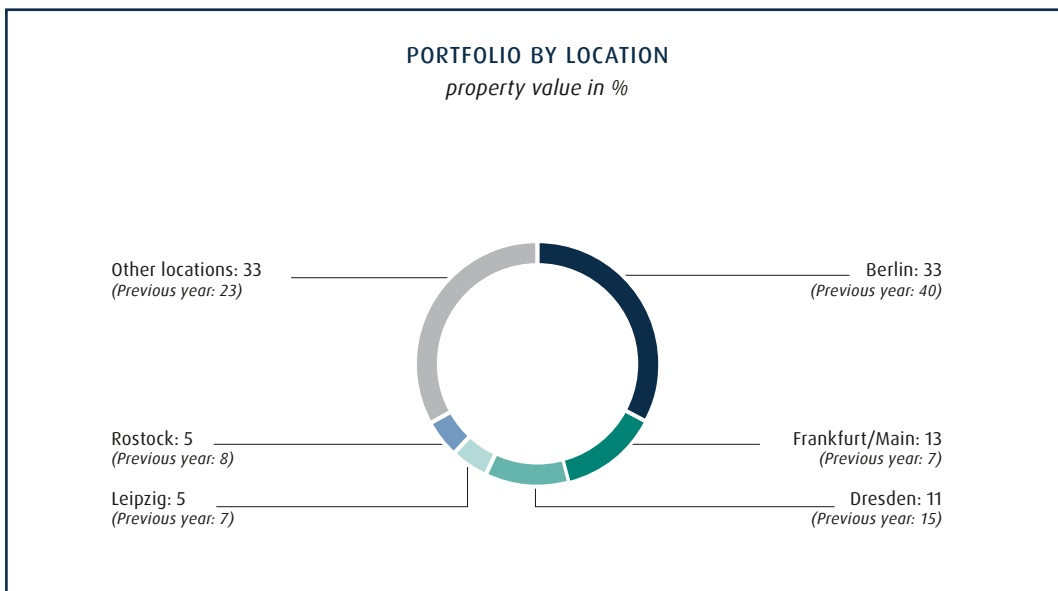
From 2018, we will focus more heavily on the topic of new construction in our portfolio at various locations, taking into account the development potential available in the portfolio. — 102-15

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

Portfolio diversification across three asset classes is a key aspect that distinguishes TLG IMMOBILIEN from other commercial real estate companies. As at 31 December 2017, the portfolio was divided by asset classes as follows:



The proportion of our portfolio in western Germany, especially in Frankfurt/Main, increased following the acquisition of WCM:



— 102-15

As at 31 December 2017, our office property portfolio was concentrated in Berlin, Frankfurt/Main, Dresden, Leipzig and Rostock. With the successful takeover of WCM, we now own more properties in the Rhine-Main area, Berlin, Dresden and Bonn. With regard to the retail portfolio which is dominated by food retail properties, our position is more geographically widespread as the socioeconomic 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

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 12.2 years, enjoy exceptional long-term security for rental income. At the same time, the wide spread ensures a sustainable diversification of risk.

TLG IMMOBILIEN'S KEY PERFORMANCE INDICATORS — 103-3

OFFICE PROPERTIES

	Unit	2017	2016	Change
Property value	in EUR m	1,610.2	1,004.1	60.4%
Units	Number	68	60	8 units
Annualised in-place rent	in EUR m	91.2	65.0	40.3%
In-place rental yield	in %	5.7	6.5	-0.8 pp
EPRA vacancy rate	in %	5.0	5.2	-0.2 pp
WALT	in years	5.2	5.0	0.2 years

RETAIL PROPERTIES

	Unit	2017	2016	Change
Property value	in EUR m	1,453.4	896.2	62.2%
Units	Number	301	278	23 units
Annualised in-place rent	in EUR m	101.8	69.3	47.0%
In-place rental yield	in %	7.0	7.7	-0.2 pp
EPRA vacancy rate	in %	2.1	2.4	-0.3 pp
WALT	in years	6.3	5.4	0.9 years

HOTEL PROPERTIES

	Unit	2017	2016	Change
Property value	in EUR m	285.9	272.0	5.1%
Units	Number	7	7	0 units
Annualised in-place rent	in EUR m	16.3	16.1	1.0%
In-place rental yield	in %	5.6	5.8	-0.2 pp
EPRA vacancy rate	in %	2.3	2.4	-0.1 pp
WALT	in years	12.2	13.1	-0.9 years



More information — Annual Report 2017, p. 08ff.

STRATEGIC PORTFOLIO DEVELOPMENT THROUGH ACQUISITIONS AND DISPOSALS — 103-2

TLG IMMOBILIEN remained focused on optimising its portfolio in the 2017 financial year. TLG IMMOBILIEN grew dynamically in its office and retail asset classes once again through its takeover of WCM with property assets worth around EUR 800 m (56 properties) and its acquisition of 29 other properties worth EUR 204.9 m. A total of 63 properties were sold.

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



More information — Annual Report 2017, 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 2017, p. 22ff.



TLG IMMOBILIEN had distinct regional networks by virtue of its branches in 2017. The staff in our branches 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

Digitisation is changing the requirements of our tenants with regard to properties. As a provider of space, this is forcing us to revisit our properties and space concepts and factor the new requirements into our considerations even during the acquisition process. 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 working from home. 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. For example, our tenant fit-outs are increasingly focused on open office solutions that we develop in line with our fire protection concepts. In 2017, *WiredScore* tested the connectivity of an office property on Kapweg in Berlin – i.e. its suitability for digital business processes – and awarded it the ‘Wired Certification’. In Frankfurt/Main, another office building, astropark, passed through the certification process in the first half of 2018 and completed it with the gold certificate. — 203-1



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. — 203-1

TENANT HEALTH AND SAFETY

The health and safety of our tenants is of great importance to us. We therefore regularly arrange safety inspections and invest in the maintenance and repair of our properties. We only use materials that are faultless and safe 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. Additionally, in 2017 we introduced an extensive code of conduct for our service providers, covering economic as well as social and ecological aspects. — p. 14



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 adjust the concepts accordingly following changes to the rooms.

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, for example, 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 some 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

TAPPING THE POTENTIAL FOR MORE SPACE

Furthermore, some land could potentially be developed with building expansions or new buildings to add more space, which would benefit the environment whilst increasing TLG IMMOBILIEN'S operating income from letting activities. Likewise, well thought-out modernisation measures and renovations for tenants in the portfolio can improve customer satisfaction and tie tenants to properties for longer. — 102-15

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.

When making our extensive investments, we ensure that relevant standards are met and the long-term use of the properties is guaranteed. 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 2017 financial year, TLG IMMOBILIEN invested a total of EUR 16.4 m. Of this, EUR 4.0 m was invested mainly in structural expansions of retail properties.

The costs of renovations for tenants, especially in the retail and office asset classes, totalled EUR 6.7 m in 2017. 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 protection as well as floor plan adjustments designed to increase the attractiveness of the working areas whilst reducing energy consumption and operating costs.

Naturally, during construction measures we work to minimise negative effects on the environment and surrounding area to the greatest possible extent. — p. 40



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 and, for example, adjust our current fire protection concepts to the changes, e.g. to the 400 sqm threshold for some properties in 2018.

As part of the structuring of our portfolio, we monitor market developments and trends continuously and discuss how we can ensure 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.



The changes that digitisation brings with it are one of the core topics that we will continue to address in 2018. We are examining what aspects are of relevance to TLG IMMOBILIEN and which ones we will pursue further, for instance our collaboration with WiredScore. — p. 31f.

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 good causes financially with donations to various organisations. For instance, TLG IMMOBILIEN donated EUR 10,000 to the Deutsche Kinderkrebsnachsorge, a German organisation supporting children with cancer, heart conditions and cystic fibrosis, in 2017.

ENERGY EFFICIENCY AND RESOURCE CONSERVATION

As one of the leading real estate specialists in Germany, TLG IMMOBILIEN wants to fulfil its responsibility for the environment and climate. We contribute to improving the efficient use of resources and reducing greenhouse gas emissions through measures in our portfolio and our business operations.

OUR MANAGEMENT APPROACH – 103-2

TLG IMMOBILIEN affects the environment in two ways – through the operation of the properties in its portfolio and through its own business operations. The consumption of electricity, heat, cooling and water and the occurrence of effluents and waste are the primary causes of impacts on the environment and climate.

As a portfolio manager with a long-term focus and over 400 properties as at 31 December 2017, we strive to minimise negative environmental impacts and ensure the efficient, environmentally conscious operation of our properties. Our main means of doing so is to reduce the energy consumption of our portfolio and greenhouse gas emissions, as around 40% of the CO₂ emissions in Germany are caused by properties. Additionally, the careful use of water and handling of waste is an important contributing factor.

We factor environmental concerns – e.g. if there is contamination or a building has been certified – into our decision-making processes even when acquiring new properties. We will carry this out more frequently as part of development projects in the future. Additionally, we will apply our standards to the WCM portfolio over the course of 2018.

Within our company, all operating divisions are responsible for environmental matters in their fields of activity. We have also 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. This coordinator provides annual training on current environmental issues for employees who need it and keeps TLG IMMOBILIEN up to date on changes in laws. Additionally, the coordinator is the first point of contact for the internal environmental protection officer of the company and coordinates internal audits in order to ensure adherence to basic environmental management processes within the company. As a rule, we ensure that all of our activities and processes are consistent with the relevant environmental laws and standards.

Topics according to the GRI standards

- ▾ Energy (GRI 302)
- ▾ Water (GRI 303)
- ▾ Biodiversity (GRI 304)
- ▾ Emissions (GRI 305)
- ▾ Effluents and Waste (GRI 306)

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 and the properties we acquire are 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 and climate whilst ensuring that our properties remain attractive and available for rent in the long term.

During the acquisition process in particular, we consider the emissions of the properties thoroughly as only properties that are consistent with the current standards can be managed efficiently and profitably in the interests of our shareholders. As part of technical maintenance of the common areas and vacant areas for which we are responsible, we always consider green technology for areas such as lighting, heating and ventilation.

Our portfolio currently contains five properties with sustainability certificates. Two office properties in Frankfurt/Main are BREEAM-certified (Building Research Establishment Environmental Assessment Methodology). Our portfolio also contains two LEED (Leadership in Energy and Environmental Design) Gold-certified office buildings and one retail unit that has been certified under the GreenBuilding standards of the European Commission.

The electricity and heat consumption habits of our tenants are largely beyond our direct control, as is the type of energy they purchase, i.e. renewable or otherwise. However, in order to convey the importance of saving energy and conserving resources to our tenants and raise their awareness of these issues, we have created an *information sheet* on these and other issues and have made them available to our customers as part of our operating cost statements as well as on our website since 2017.



In 2016, we initiated and contractually regulated a transition to green energy for our business operations and the common and vacant areas of our entire portfolio. We started the gradual transition of our supply in 2017 and will calculate the proportionate value of green electricity and report it here in future. The same applies to the carbon-neutral gas we purchase.



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 have a more accurate overview of the energy consumption of our portfolio. Therefore, in April 2018 we wrote to 24 tenants initially who use 114 properties in the TLG IMMOBILIEN portfolio and who deal with their utility companies directly to invite them to provide us with their electricity, heat, water and effluent consumption statistics from 2016 and 2017 for the purpose of an aggregated evaluation. The findings are presented in the section on key figures. — p. 55ff.




As a next step, we believe it is conceivable that we may contact all other tenants in connection with their electricity consumption.

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.

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 and save costs. 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. These 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. The new office space belonging to TLG IMMOBILIEN will be fitted with LED lighting that is activated by movement sensors. These fittings are to be installed in all new rooms belonging to the company. The next energy audit will be carried out by 2020, although no date has been set yet.

In 2016 we also initiated and contractually regulated a transition to green energy as of 2017 for our business operations. 

In order 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 worked with our stakeholders to define the following key aspects:

- ▶ 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 STATUS OF OUR PORTFOLIO

An analysis of the energy status of our buildings on the basis of their energy performance certificates has shown that, overall, the energy consumption of our buildings is at a good level and is largely consistent with the relevant laws. In the context of the energy status 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 sale of office properties. 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. The lighting of seven retail units and the underground car parks of a few office properties was transitioned to LED technology in coordination with tenants in 2017, for instance as part of conversion measures. Further transitions to LED lighting as well as heating system modernisation measures are planned for 2018. Additionally, we will replace two properties containing retail space with new buildings built to the specifications of the latest German Ordinance on Thermal Insulation (WSVO) as well as with LED technology and heat recovery systems.

ENERGY CONSUMPTION AND INTENSITY OF OUR PROPERTIES — 103-3

The total energy consumption of our assessed properties is 110,137,712 kWh (previous year: 115,844,543 kWh). This comprises the electricity consumption in the common and vacant areas as well as the heat energy consumption in the common, 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 of portfolio sections A and B: p. 57 — 302-2](#)



Furthermore, we carried out a like-for-like analysis of our portfolio. This only involves properties that were in the portfolio in both reference periods (2016/2017). 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 103,885,528 kWh (previous year: 101,589,099 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 heterogeneousness 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:

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

Key figures	Unit	Absolute		Like-for-like	
		2017	2016	2017	2016
Office	kWh/sqm/year	49	61	49	36
Retail	kWh/sqm/year	210	219	213	221
Other	kWh/sqm/year	367	359	367	359

* As the common 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. The hotel properties were not factored in 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.

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

Key figures	Unit	Absolute		Like-for-like	
		2017	2016	2017	2016
Office	kWh/sqm/year	72	77	80	79
Retail	kWh/sqm/year	59	60	64	60
Other	kWh/sqm/year	103	122	103	113

The hotel properties were not factored in 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.



You can find a detailed breakdown of the consumption statistics, calculation methods and assessed areas on [p. 57](#).

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 the portfolio as indirect emissions, i.e. scope 3 emissions, that are downstream of our business activities as follows:

The total indirect emissions (scope 3) amounted to 33,953 metric tonnes of CO₂ in 2017 (52,411 metric tonnes of CO₂ in the previous year). — 305-3

You can find a detailed breakdown of the emissions incl. a like-for-like analysis, calculation methods and assessed areas on p. 63.



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 has been available on our website since late 2017 and that we have started enclosing with operating cost statements since 2018.



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

In 2017, we used an average of 0.34 m³ of water per square metre per year (previous year: 0.32 m³/sqm/year). — CRE2

A more detailed breakdown of water intensities incl. a like-for-like analysis by assessed asset class is available on p. 65.



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

The effluent intensity in 2017 was 0.33 m³ per square metre per year (previous year: 0.32 m³/sqm/year).

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. 65.



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. — 304-1

ENVIRONMENTAL PROTECTION DURING CONSTRUCTION AND CONVERSION WORK — 103-2

As the rate of construction activity is currently extremely low, environmental protection during construction and conservation 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 building sites. 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 safe 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, briefly opening windows fully to let fresh air in in winter, rather than having the windows slightly open all day while the heating is on to compensate, and driving company cars in a way that improves fuel economy. In order to make our employees more aware of environmental protection, we raise the issue frequently, for instance in this sustainability report. The information sheet that was sent to the tenants has also been handed out to employees. We are counting on every employee to assume responsibility, with managers and the Organisation department providing support where necessary. Almost all personal vehicles are subject to a maximum CO₂ limit of 169g/100 km.

Additionally, we did away with printers at every workstation a number of years ago and have replaced them in all branches with a total of 30 centrally located large printers. These are 'Blauer Engel' certified.

During the preparation of this report, only a few statements of consumption from the suppliers for 2017 were available to us for our owner-occupied space. Therefore, the consumption figures for the 2016 reporting year, which were available in full, are shown here. The total energy consumption determined for business operations in 2016 was 881,565 kWh. The energy intensity for 2016 was 92 kWh per square metre per year. This comprises the electricity and heat consumption of our owner-occupied office areas and the fuel consumption of our fleet of vehicles. We procure all green electricity from the public grid. — 302-1



For the reasons given above, the energy intensity cannot currently be determined reliably for 2017; nevertheless, for the sake of completeness and transparency, we report on it in the section of this report dedicated to key figures. — p. 69

In the reporting year, TLG IMMOBILIEN measured an energy consumption from fuels of 291,323 kWh for its fleet of vehicles (previous year: 304,298 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. — 302-1

In 2017, the proportion of business trips increased to 1,074 in total, which represents approximately ten business trips per employee (previous year: 783; seven business trips per employee). A large percentage of all 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 carsharing 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 can include electric scooters. TLG IMMOBILIEN intends to test an electric or hybrid vehicle when it moves to purchase new pool vehicles. We only travel by plane if the destination cannot be reached in a reasonable amount of time using more environmentally friendly means of transportation.

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 indirect emissions represent an intensity of 0.02 metric tonnes of CO₂ per square metre for 2017 for our business operations (previous year: 0.02 metric tonnes of CO₂ per square metre). — 305-4

You can find a detailed breakdown of the emissions incl. a like-for-like analysis, calculation methods and assessed areas on p. 68.



USE OF WATER

Even in our business operations, we encourage our employees to 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. 70



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

EMPLOYER ATTRACTIVENESS AND EMPLOYEE EXPERTISE

Well-trained, motivated employees are the basis of our economic success and sustainable growth. We are aware of our responsibility as an employer and have implemented a variety of measures to ensure that we can offer an attractive working environment – not only for the staff who already work for us, but also for the next generation of top performers.

Topics according to the GRI standards

- ▾ Employment (GRI 401)
- ▾ Labour/Management Relations (GRI 402)
- ▾ Occupational Health and Safety (GRI 403)
- ▾ Training and Education (GRI 404)
- ▾ Diversity and Equal Opportunity (GRI 405)
- ▾ Non-discrimination (GRI 406)
- ▾ Freedom of Association and Collective Bargaining (GRI 407)

OUR MANAGEMENT APPROACH — 103-2

The success of our strategy and the achievement of our objectives 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 as well as profound market expertise. 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

We will continue to pursue our growth strategy in the coming years, which is why personnel management is very important at TLG IMMOBILIEN. 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 a skilled, highly qualified and motivated workforce.

TLG IMMOBILIEN'S HR management system therefore focuses on the recruitment of new, qualified employees as well as on the structured education and training of our existing employees.

Since 2017, another focal point for TLG IMMOBILIEN has primarily been the retention of outstanding employees and highly promising employees, e.g. through the 'Fit4Growth' business programme. p. 50



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.

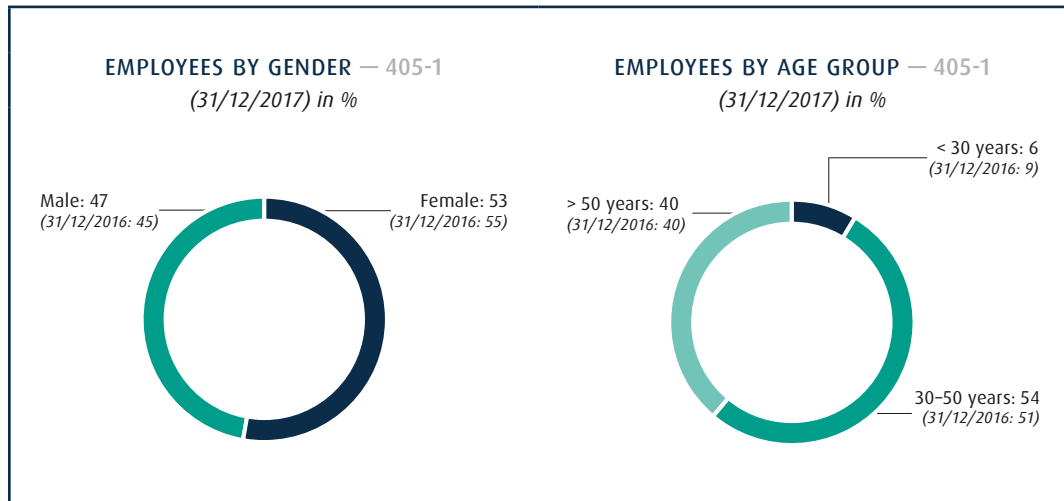
The long-term health and effectiveness of our employees are also of great importance. We have therefore implemented a comprehensive health management system designed to prevent health problems alongside health initiatives and training courses. For example, we provide our employees with fresh fruit. Additionally, we have trained our employees in aspects of health promotion and burnout prevention in short workshops in collaboration with a health insurance company. We also give our employees the opportunity to reconcile their professional and private lives with flexible working hour models.

At TLG IMMOBILIEN, the responsibility for planning and implementing these topics lies with our Management Board for one, as well as with the HR department and every manager who is in daily contact with employees.

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 AT TLG IMMOBILIEN

At the end of 2017, 111 employees (excluding trainees, those on a leave of absence and WCM employees) were employed by TLG IMMOBILIEN (previous year: 111). The ratio of female to male employees at TLG IMMOBILIEN has been balanced for years. As at the end of 2017, 53% of our employees were female (previous year: 55%) and 47% were male (previous year: 45%). At the moment, we have no intersexual employees and therefore have not reported them separately in the key figures. The age structure of the company is also balanced: 54% of employees are between 30 and 50 years of age (previous year: 51%), 40% are over 50 years of age (previous year: 40%) and 6% are under 30 years of age (previous year: 9%). The average age of our employees is 45. Compared to the previous year, the percentage of 30 to 50-year-olds has increased 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 HR 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 2017, just three contract workers were working at TLG IMMOBILIEN. Additionally, we employ freelance employees and consultants as part of specific projects. In late 2017, we published a code of conduct for service providers which also covers labour standards and communicates our requirements in this context to our partners. — 102-8, — p. 14



RECRUITMENT AND RETENTION OF EMPLOYEES

ATTRACTING NEW EMPLOYEES — 103-2

In order to pave the way for the implementation of our growth strategy with regard to our personnel, a key element of our HR 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. In order to overcome this challenge, TLG IMMOBILIEN has created a new position dedicated exclusively to recruitment, employer branding and university marketing. We are focussing heavily 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 and consulting 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. Additionally, our structured on-boarding process makes sure that new employees find their feet quickly within the company and make a productive start to their work.

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 process 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, starting in 2017, applicants have been able to gain even more insights into the work of TLG IMMOBILIEN as 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

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 97.0% of our employees being permanent. — 102-8

Our employee retention measures are also supported by a wide range of social benefits such as pensions, accident insurance and commuter tickets, numerous training opportunities, a good work-life balance (see the [sections on health \(p. 51f.\)](#) and [a work-life balance \(p. 46\)](#)) and the option to work independently. We expanded our company pension scheme for our employees in 2017 and provided some of our employees with the option of a trust-based working hours system. We plan to broaden our social benefits in 2018 by introducing a company pension scheme with employer contributions and launching menu cheques throughout the company in order to subsidise employees' lunches. — 401-2



In 2017 the employee turnover rate was 8.3% (previous year: 2.7%). That the turnover rate has remained within normal parameters despite everything can be interpreted as a reflection of the satisfaction of the employees with the TLG IMMOBILIEN employer brand. — 401-1

EMPLOYEE SURVEYS — 102-43, 102-44

Ever since 2015, we have been carrying out annual employee surveys to gauge the satisfaction of our employees and determine their main concerns. We have derived areas of action, important subjects and even measures from the results. We have made a variety of changes over the past few years including the introduction of working from home and trust-based working hours. The survey in 2017 showed that the perception of TLG IMMOBILIEN as an attractive employer has increased further. The measures initiated over the past few years have therefore been well received by employees and have already started to influence the satisfaction statistics.

We examine the potential improvements suggested by the employees and implement them if possible. This takes time and we are unable to implement every measure at once. Therefore, other aspects where we see room for improvement are still in the pipeline and will be addressed in due course.

DEVELOPMENT OF EMPLOYEE SATISFACTION

in %	2017	2016
Satisfaction with prioritised topics*	72	67
Satisfaction across all topics	73	71

* Success of the company, recognition and participation, identification and commitment, information and communication

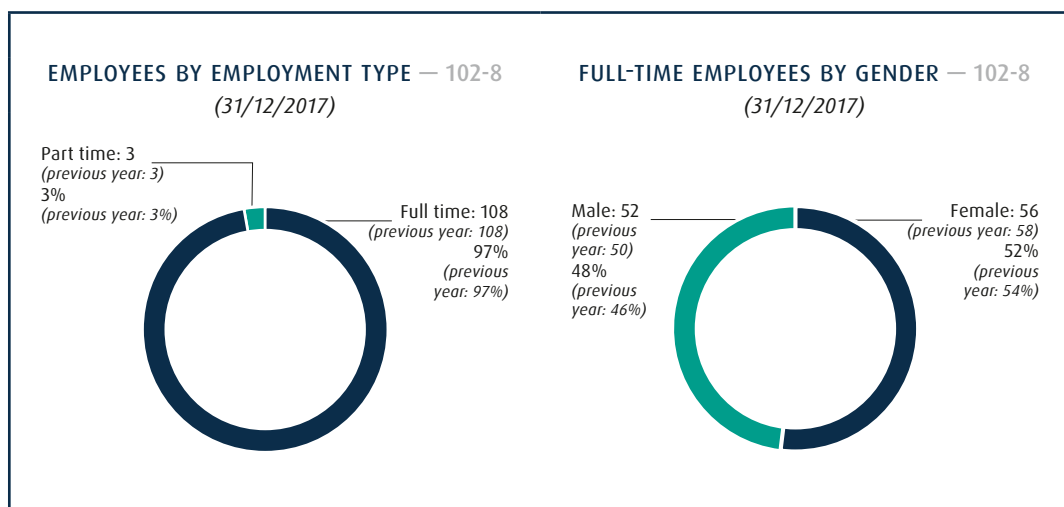
Besides anonymous employee surveys, communication and a direct dialogue with employees are priorities to us. Every single employee is made aware of our corporate strategy and targets through departmental meetings and 'jours fixes'. Through semi-annual appraisals and target agreements, every employee knows what contribution they are making to the achievement of corporate targets and can see its effects transparently. Additionally, annual management meetings as well as casual summer and Christmas celebrations are held in order to give managers and employees the opportunity to exchange ideas and opinions and to socialise with one another.

WORK-LIFE BALANCE — 103-2

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.

This is an important aspect for TLG IMMOBILIEN to increase its attractiveness as an employer further. 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 flexi 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. Employees who are not covered by collective wage agreements have been able to use a trust-based working hours system since 2017. Additionally, we introduced a home office model to make the workplace even more flexible. — 103-3

In 2017, two employees, both of whom were male, took parental leave (previous year: three). Every single employee who took parental leave returned to work. — 401-3



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 performance and strengthens our culture, as the appreciation of this diversity has a positive effect on society in Germany and the sense of unity within TLG IMMOBILIEN. A corporate culture characterised by mutual respect and both recognition and encouragement for the various talents in our workforce is not only crucial to our image as an employer, but also an economic necessity in light of the demographic trends.

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 personal 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.

Fair opportunities — 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, sexual orientation, 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 2017 (previous year: 0).

— 406-1

In accordance with the German act on equal participation of women and men in executive positions in the private and the public sector (Gesetz für die gleichberechtigte Teilhabe von Frauen und Männern an Führungspositionen in der Privatwirtschaft und im öffentlichen Dienst), which entered into force on 1 May 2015, in its meeting on 23 May 2017 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. These proportions were adhered to in the reporting period. The Management Board set the minimum proportion of women on the first management level beneath the Management Board at 11.11% and the minimum proportion of women on the second management level beneath the Management Board at 30.0% until June 2017. TLG IMMOBILIEN fell slightly short of one target (10%) in the first half of 2017. Otherwise, the targets were met. The Management Board set the minimum proportion of women on the first management level beneath the Management Board at 10% and the minimum proportion of women on the second management level beneath the Management Board at 30.0% from 29 June 2017 onwards. These targets are to be met continuously until 30 June 2022. — 405-1

For information on the composition of the governance bodies and the Management Board, please see p. 49f. of our Annual Report 2017.



The majority of the employees of TLG IMMOBILIEN (53%) 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 who are not covered by a collective wage agreement (40%) are also subject to labour-management agreements, some of which supplement the collective agreements. For example, the variable remuneration of all employees is governed by a standardised labour-management agreement. Only executives are exempt from the collective wage agreement and labour-management agreements. As a rule, the basic salaries of men and women are equal. — 405-2

LENGTH OF SERVICE

The average length of service is 12.7 years, demonstrating that we are able to retain our employees in the long term and that they feel loyal towards TLG IMMOBILIEN. We have therefore drawn up guidelines in order to show our appreciation: upon reaching the ten, 20 and 25-year milestones with our company, employees receive a financial show of gratitude as well as flowers from their managers and the HR department.

LENGTH OF SERVICE (NUMBER OF EMPLOYEES IN %).

	31/12/2017	31/12/2016
Up to 2 years	22	20
2 to 5 years	19	14
5 to 10 years	6	8
More than 10 years	64	69

EMPLOYEE RIGHTS



The content of the employment contracts of the majority of our employees (93%) is governed by labour-management agreements. Additionally, 53% of our employees are protected by a collective wage agreement. — 102-41 — p. 47

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

Training and education is one of the key aspects of our personnel work. This is partly the result of our employees requesting more development opportunities. Moreover, the market requires the constant development of expertise and know-how. We want to encourage our employees to help shape our company in line with our strategy and both qualify and encourage them to meet the requirements of each of their fields of activity to the greatest possible extent. In doing so, we can establish ties with highly qualified experts and inspire employees to embrace new, innovative topics. Therefore, one key objective of our HR management system is to promote the individual strengths and abilities of our employees throughout their careers. In this context, we also support our employees in completing the advanced training that they are interested in. Every employee works with a manager to determine their need for advanced training with a view to deriving suitable measures.

Consequently, education will also continue to play a major role. In future, trainees and students 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 gain 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 provides cooperative education in business administration with a focus on the real estate sector as well as apprenticeships in real estate agency and office management.

As at 31 December 2017, two people had completed an integrated degree programme (previous year: five). Three students successfully obtained their bachelor's degrees in 2017. In future we will also take an increasingly needs-based approach to our investments in initial professional training.

EMPLOYEE DEVELOPMENT AND QUALIFICATION

The targeted 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 junior and senior 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. Additionally, we are training all employees in the use of our new enterprise resource planning (ERP) program as part of the introduction of SAP. New recruits will also be introduced to the software promptly. — 404-2

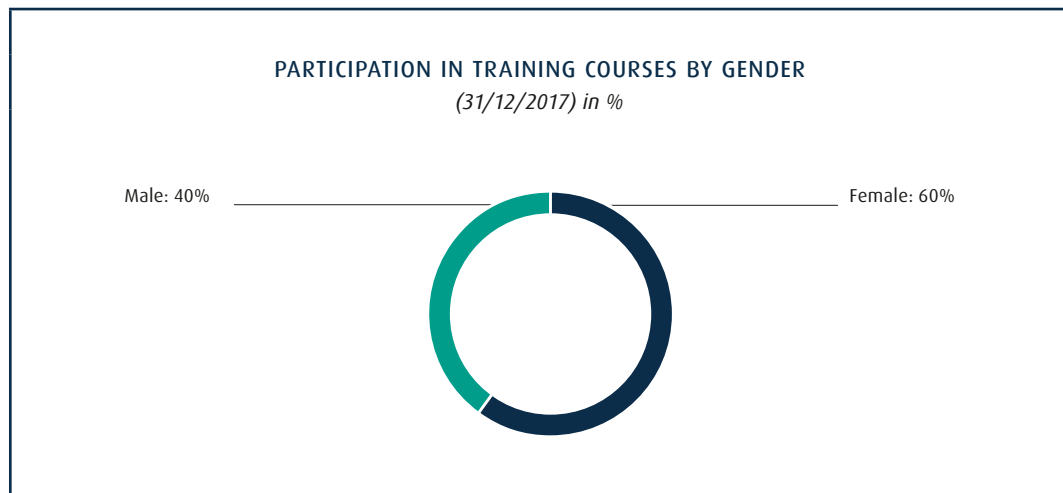
We also support our employees with our 'Colleagues Train Colleagues' programme. In this programme, our employees develop extensive expertise in related fields through training courses. Likewise, web-based training courses in the use of company software are also provided by our employees. In 2017, we trained 27 employees in commercial tenancy law as part of two training courses as well as five employees in planning and controlling for the works council. — 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 2017, the average number of hours of training per employee was 35 hours per annum (previous year: 8.1 hours per annum), of which 24.25 hours were attributable to internal training courses. We have provided extensive SAP training – 3,138 hours in total – in order to ensure that the integration of the new ERP system is seamless. — 404-1

Of the total number of hours of training (2,313 hours), 60% were spent by female employees. The number of hours of training per female employee was therefore around 39.2 hours per annum compared to around 30.6 hours per annum per male employee. — 404-1

In 2017, 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. Two employees successfully completed their distance learning courses in 2017. Furthermore, one employee successfully obtained a degree in accountancy. Six of

our employees are currently studying on extra-occupational courses with a view to obtaining additional real estate specific or business-related 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.

We 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. As at the reporting date, six employees took part in the two-year programme, completing assignments such as shadowing the work of the Management Board. The first stage involved a potential analysis by means of skill-based interviews with an external expert. This analysis was used to determine the managerial skills of the employees and highlight potential for development. The findings were used to generate a personalised development plan. Besides individual development stages and coaching, group measures such as training designed to develop managerial skills are implemented. Two of the employees have since risen to become managers themselves. The programme supports employee retention and contributes to the development of managerial skills in order to make it possible to fill key positions from within our own ranks going forwards. — 404-2

DEVELOPMENT THROUGH REGULAR DISCUSSIONS WITH PERSONNEL

Regular employee appraisals 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, achievable targets are set together with the employee 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 2017, 51% 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.

Looking to the future, we will expand health management further and introduce more options such as health days and possibly sport classes designed to maintain physical and mental capacity. TLG IMMOBILIEN also aims to have representatives at the inter-company run 'Berliner Firmenlauf' in Berlin in 2018 in order to inspire a sense of team spirit and enthusiasm for sport in its employees by competing together.

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 receive regular training in occupational health and safety. This briefing is set to take place electronically from 2018 onwards. Additionally, employees are made aware of documentation and information on the intranet and notice boards. — 103-3

TLG IMMOBILIEN'S HEALTH SERVICES AND OCCUPATIONAL SAFETY MEASURES

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 and provision of fruit and coffee
- 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

We also organised a health day in 2017. In two 45-minute workshops on active breaks and relaxed breaks, physiotherapists and sports scientists provided participants with valuable tips on promoting their health and maintaining their effectiveness. They also demonstrated practical exercises designed to prevent back pain while sitting at a desk.

ACCIDENT AND ILLNESS STATISTICS

There were a total of three occupational accidents at TLG IMMOBILIEN in 2017 (previous year: three). This is equivalent to 27.52 accidents per 1,000 people (previous year: 27.35). The number of occupational accidents per one million hours worked is statistically 13 (previous year: 13). Most of the accidents were falls on the way to or from work. The occupational accidents resulted in no lost workdays (previous year: 15 days) and a lost workday rate of 0.0. In total, there were 1,131 days of absence due to illness (previous year: 1,177 days). This is equivalent to a rate of 4.45 days of absence per employee (previous year: 4.6 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 2017. — 403-2, 403-3

TARGETS

Our continuous sustainability reporting enables us to present the results of our efforts and compare them from year to year. 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
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
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

ECONOMY AND VALUE-CREATION TARGETS – 103-2

Target	Planned implementation:
Increase FFO to between EUR 125 m and EUR 128 m	End of 2018
Identify suitable potential acquisitions for us to implement our growth strategy	Ongoing
Integrate WCM in a sustainable manner	2018
Regular portfolio transactions designed to optimise and refine it	Ongoing
Continue to nurture tenant relations and extend rental agreements	Ongoing
Analysis and best possible use of existing potential for development in our portfolio	Ongoing

ENVIRONMENTAL TARGETS — 103-2

Target	Planned implementation:
Gradually involve our tenants in documenting consumption in tenant areas	Ongoing

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	2019, then every two years

INFORMATION

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 (without WCM portfolio) consisting of 370 properties with a total lettable area of 1,455,639 sqm (in 2017) and 404 properties with a total lettable area of 1,418,975 sqm (in 2016). 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	2017				2016				Like-for-like 2016/2017			
	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	57	15	635,006	44	59	15	603,644	43	56	17	596,227	44
Retail	257	69	625,629	43	279	69	611,772	43	229	69	557,249	41
Hotel	7	2	109,519	8	7	2	109,482	8	7	2	109,519	8
Other	49	13	85,485	6	59	14	94,077	6	41	12	85,485	6
Total	370	100	1,455,639	100	404	100	1,418,975	100	333	100	1,348,480	100
Total excl. Hotel	363	98	1,346,120	92	397	98	1,309,493	92	326	98	1,238,961	92

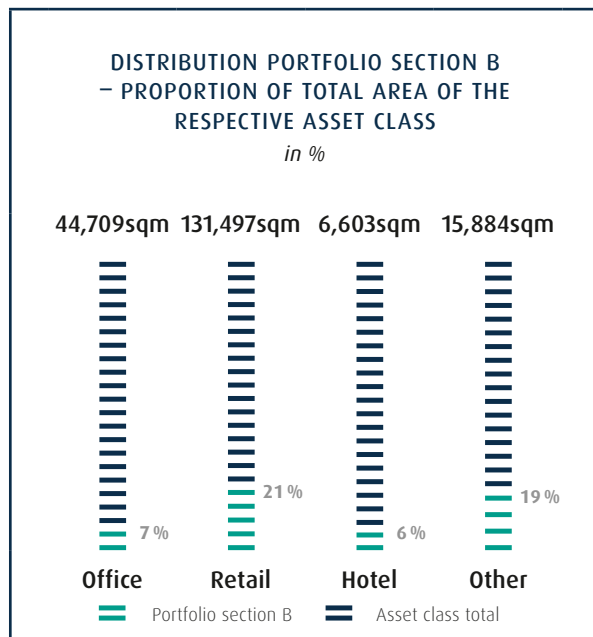
We cluster our portfolio in line with the table above, but we do not consider the number of properties below by asset class as the absolute number of the properties provides no information about their size. We believe that considering space per asset class is more informative and therefore more relevant, 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 2017. As we wish to avoid estimates and extrapolation, we have only published consumption statistics for 2017 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 2017 will be adjusted retroactively in the next report to factor in the outstanding consumption values. Consequently, we have adjusted the consumption statistics for 2016 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 128 properties (portfolio section B), in which the tenants pay their bills to the utility companies directly. In April 2018, 22 tenants who use a total of 106 of these 128 properties were asked to share their electricity, heat, water and effluent statistics for 2016 and 2017 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 64 properties. The tenants in the remaining 22 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 93 properties (13% of the total area of our portfolio). However, TLG IMMOBILIEN is unable to verify whether the shared data are accurate.



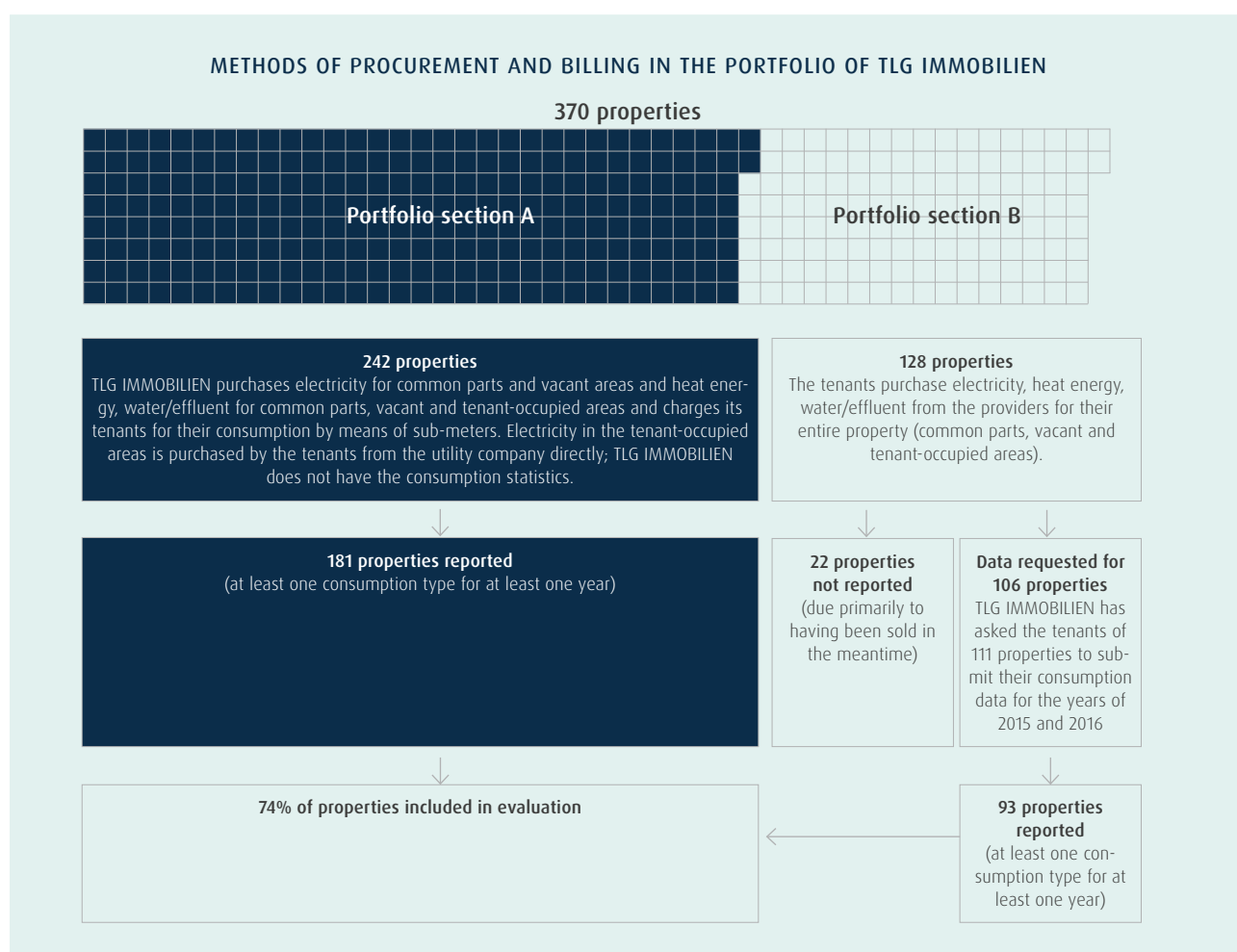
When evaluating and calculating the consumption data, we do not make any methodical adjustments in order to neutralise effects that might result from changes in the vacancy rates of the portfolio, the age of the building or external influences such as weather.

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 2016 and 2017. The like-for-like analysis only involves properties that were in the portfolio in both reference periods (326 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 2016 and 2017 into account wherever possible. — p. 68ff.



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. 57

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	Absolute				Like-for-like		
		2017	2016**	EPRA sBPR	GRI standards	2017	2016**	EPRA sBPR
Electricity								
Total electricity consumption	kWh	46,228,618	50,208,782			43,685,907	42,787,702	
of which common parts and vacant areas in portfolio section A	kWh	20,093,632	17,365,013			18,353,945	16,978,807	
of which green electricity***	kWh	16,207,272		- Elec-Abs		16,020,203		Elec-LfL
of which common parts, vacant and tenant-occupied areas in portfolio section B	kWh	26,134,986	32,843,769			25,331,962	25,808,895	
of which green electricity	kWh	11,219,495	11,107,828			11,219,495	11,107,828	
Heat energy								
Total heat energy****	kWh	63,909,094	65,635,761		302-2	60,199,621	58,801,397	
of which common parts, vacant and tenant-occupied areas in portfolio section A	kWh	57,400,816	55,540,539			53,926,495	52,738,799	
of which district heating	kWh	34,208,104	31,775,812	DH&C-Abs		31,565,690	30,110,765	DH&C-LfL
of which fuel oil	kWh	4,624,340	50,208,782			4,624,340	3,382,530	
of which gas	kWh	18,568,372	20,382,197	Fuels-Abs		17,736,465	19,245,504	Fuels-LfL
of which CO ₂ -neutral gas***	kWh	7,908,376		-		7,076,469		
of which common parts, vacant and tenant-occupied areas in portfolio section B	kWh	6,508,278	10,095,222			6,273,126	6,062,598	
of which district heating	kWh	5,435,899	8,938,063			5,200,747	4,970,385	
of which gas	kWh	1,072,379	1,157,159			1,072,379	1,092,213	

* Excl. hotel

** The figures for 2016 have been adjusted retroactively.

*** Only recorded as of 2017.

**** 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. 57](#)

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	Absolute			Like-for-like		
			2017	2016*	EPRA sBPR GRI standards	2017	2016*	EPRA sBPR
Portfolio section A	Electricity consumption**	kWh	16,785,283	13,307,402	Elec-Abs 302-2	15,184,206	13,234,367	Elec-LfL
	Electricity consumption	kWh	362,658	2,740,604		362,658	268,554	
Portfolio section B	Useful area assessed	sqm	7,424	44,709		7,424		
	Proportion of office space in the portfolio	%	1	7	Energy-Int 302-3	1		
	Electricity intensity	kWh/sqm/year	49	61		49	36	
A+B total	Electricity consumption	kWh	17,147,941	16,048,006	Elec-Abs 302-2	15,546,864	13,502,921	Elec-LfL

* The figures for 2016 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

			Absolute			Like-for-like			
	Key figures	Unit	2017	2016*	EPRA sBPR	GRI standards	2017	2016*	EPRA sBPR
Portfolio section A	Electricity consumption**	kWh	3,256,541	4,015,608	Elec-Abs	302-2	3,117,931	3,705,862	Elec-LfL
	Electricity consumption	kWh	19,939,735	24,395,455			19,136,711	19,832,631	
Portfolio section B	Useful area assessed	sqm	95,018	111,480			89,937		
	Proportion of retail space in the portfolio	%	15	18	Energy-Int	302-3	16		
	Electricity intensity	kWh/sqm/year	210	219			213	221	
A+B total	Electricity consumption	kWh	23,196,276	28,411,063	Elec-Abs	302-2	22,254,642	23,538,493	Elec-LfL

* The figures for 2016 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

			Absolut			Like-for-like			
	Key figures	Unit	2017	2016*	EPRA sBPR	GRI standards	2017	2016*	EPRA sBPR
Portfolio section A	Electricity consumption**	kWh	51,808	42,003	Elec-Abs	302-2	51,808	38,578	Elec-LfL
	Electricity consumption	kWh	5,832,593	5,707,710			5,832,593	5,707,710	
Portfolio section B	Useful area assessed	sqm	15,884	15,884			15,884		
	Proportion of other space in the portfolio	%	19	17	Energy-Int	302-3	19		
	Electricity intensity	kWh/sqm/year	367	359			367	359	
A+B total	Electricity consumption	kWh	5,884,401	5,749,713	Elec-Abs	302-2	5,884,401	5,746,288	Elec-LfL

* The figures for 2016 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. 57

HEAT CONSUMPTION – OFFICE ASSET CLASS

Key figures	Unit	Absolute			Like-for-like			
		2017	2016*	EPRAsBPR GRI standards	2017	2016*	EPRAsBPR	
Portfolio section A	Heat consumption of properties	kWh	37,439,050	35,334,556		35,260,364	34,716,959	
	of which district heating	kWh	23,961,630	21,577,102	DH&C-Abs 302-2	21,782,944	20,959,505	DH&C-LfL
	of which gas	kWh	13,477,420	13,757,454	Fuels-Abs	13,477,420	13,757,454	Fuels-LfL
	Useful area assessed	sqm	518,303	452,909		440,659		
	Proportion of office space in the portfolio	%	82	75		74		
	Heating energy intensity	kWh/sqm/year	72	78	Energy-Int 302-3	80	79	
Portfolio section B	Heat consumption of properties	kWh	555,543	2,815,967		555,543	559,022	
	of which district heating	kWh	0	2,256,945	302-2	0	0	
	of which gas	kWh	555,543	559,022		555,543	559,022	
	Useful area assessed	sqm	7,424	44,709		7,424		
	Proportion of office space in the portfolio	%	1	7		1		
	Heating energy intensity	kWh/sqm/year	75	63	Energy-Int 302-3	75	75	
A+B total	Heat consumption of properties	kWh	37,994,593	38,150,523		35,815,907	35,275,981	
	of which district heating	kWh	23,961,630	23,834,047	DH&C-Abs 302-2	21,782,944	20,959,505	DH&C-LfL
	of which gas	kWh	14,032,963	14,316,476	Fuels-Abs	14,032,963	14,316,476	Fuels-LfL
	Useful area assessed	sqm	525,727	497,618		448,083		
	Proportion of office space in the portfolio	%	83	82		75		
	Heating energy intensity	kWh/sqm/year	72	77	Energy-Int 302-3	80	79	

* The figures for 2016 have been adjusted retroactively.

HEAT CONSUMPTION – RETAIL ASSET CLASS

			Absolute			Like-for-like		
Key figures	Unit	2017	2016*	EPRA SBPR	GRI standards	2017	2016*	EPRA SBPR
		Portfolio section A						
Heat consumption of properties	kWh	19,529,536	19,103,253			18,233,901	17,520,000	
of which district heating	kWh	9,814,244	9,696,870	DH&C-Abs	302-2	9,350,516	8,649,420	DH&C-LfL
of which gas	kWh	5,090,952	6,023,853	Fuels-Abs		4,259,045	5,488,050	Fuels-LfL
of which fuel oil	kWh	4,624,340	3,382,530			4,624,340	3,382,530	
Useful area assessed	sqm	316,889	308,011			270,889		
Proportion of retail space in the portfolio	%	51	50			49		
Heating energy intensity	kWh/sqm/year	62	62	Energy-Int	302-3	67	65	
Portfolio section B								
Heat consumption of properties	kWh	4,036,014	5,211,040			3,800,862	3,435,361	
of which district heating	kWh	3,519,178	4,612,903		302-2	3,284,026	2,902,170	
of which gas	kWh	516,836	598,137			516,836	533,191	
of which fuel oil	kWh	0	0			0	0	
Useful area assessed	sqm	84,586	99,075			75,527		
Proportion of retail space in the portfolio	%	14	16			14		
Heating energy intensity	kWh/sqm/year	48	53	Energy-Int	302-3	50	45	
A+B total								
Heat consumption of properties	kWh	23,565,550	24,314,293			22,034,763	20,955,361	DH&C-LfL
of which district heating	kWh	13,333,422	14,309,773	DH&C-Abs	302-2	12,634,542	11,551,590	Fuels-LfL
of which gas	kWh	5,607,788	6,621,990	Fuels-Abs		4,775,881	6,021,241	
of which fuel oil	kWh	4,624,340	3,382,530			4,624,340	3,382,530	
Useful area assessed	sqm	401,475	407,086			346,416		
Proportion of retail space in the portfolio	%	64	67			62		
Heating energy intensity	kWh/sqm/year	59	60	Energy-Int	302-3	64	60	

* The figures for 2016 have been adjusted retroactively.

HEAT CONSUMPTION – OTHER ASSET CLASS

	Key figures	Unit	Absolute			Like-for-like		
			2017	2016*	EPRA sBPR	GRI standards	2017	2016*
Portfolio section A	Heat consumption of properties	kWh	432,230	1,102,730			432,230	501,840
	of which district heating	kWh	432,230	501,840			432,230	501,840
	of which gas	kWh	0	600,890	Fuels-Abs	302-2	0	0
	Useful area assessed	sqm	6,842	10,204			6,842	
	Proportion of other space in the portfolio	%	8	11			8	
	Heating energy intensity	kWh/sqm/year	63	108	Energy-Int	302-3	63	73
Portfolio section B	Heat consumption of properties	kWh	1,916,721	2,068,215			1,916,721	2,068,215
	of which district heating	kWh	1,916,721	2,068,215			1,916,721	2,068,215
	of which gas	kWh	0	0		302-2	0	0
	Useful area assessed	sqm	15,884	15,884			15,884	
	Proportion of other space in the portfolio	%	19	17			19	
	Heating energy intensity	kWh/sqm/year	121	130	Energy-Int	302-3	121	130
A+B total	Heat consumption of properties	kWh	2,348,951	3,170,945			2,348,951	2,570,055
	of which district heating	kWh	2,348,951	2,570,055	Fuels-Abs	302-2	2,348,951	2,570,055
	of which gas	kWh	0	600,890			0	0
	Useful area assessed	sqm	22,726	26,088			22,726	
	Proportion of other space in the portfolio	%	27	28			27	
	Heating energy intensity	kWh/sqm/year	103	122	Energy-Int	302-3	103	113

* The figures for 2016 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. 57

As we are currently only able to break down consumed heat energy by energy source for portfolio section A, the emissions 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	Absolute			
		2017	2016**	EPRA sBPR	GRI standards
CO₂ emissions (scope 3)					
Total indirect emissions	Metric tonnes CO ₂	20,541	46,557		
Total from electricity consumption	Metric tonnes CO ₂	9,194	20,606		
of which from electricity consumption in common parts and vacant areas in portfolio section A	Metric tonnes CO ₂	1,900	9,151		
of which from electricity consumption in common parts, vacant and tenant-occupied areas in portfolio section B	Metric tonnes CO ₂	7,294	11,455	GHG-Indir-Abs	305-3
Total from heat energy	Metric tonnes CO ₂	11,347	25,951		
of which from heat energy in common parts, vacant and tenant-occupied areas in portfolio section A	Metric tonnes CO ₂	10,068	23,909		
of which district heating	Metric tonnes CO ₂	6,691	6,431		
of which gas***	Metric tonnes CO ₂	2,145	4,102		
of which fuel oil	Metric tonnes CO ₂	1,232	13,376		
of which from heat energy in parts, vacant and tenant-occupied areas in portfolio section B	Metric tonnes CO ₂	1,279	2,042	GHG-Int	
of which district heating	Metric tonnes CO ₂	1,063	1,809		
of which gas***	Metric tonnes CO ₂	216	233		
of which fuel oil	Metric tonnes CO ₂	0	0		
CO ₂ intensity (from heat energy)	Metric tonnes CO ₂ /sqm	0.01	0.03		305-4, CRE3

* Excl. hotel

** The figures for 2016 have been adjusted retroactively.

*** A very small proportion of heat consumption (<1%) contains propane gas. For the sake of simplicity, we have therefore dispensed with a differentiated presentation of the CO₂ emissions.

Sources of the emission factors 2016 and 2017:

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) 2018; Strom- und Wärmeversorgung in Zahlen; 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 2017 - Full set (for advanced users); 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

By switching to green electricity and CO₂-neutral gas we were able to save a total of 15,004 t CO₂ in 2017; 13,412 t CO₂ through green electricity and 1,592 t CO₂ through CO₂-neutral gas.

For 2016, we only have values for green electricity in portfolio part B. That year we were able to save 5,854 t CO₂.

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

Key figures	Unit	2017	2016
CO₂ emissions saved (scope 3)			
Total indirekt CO₂ emissions saved	Metric tonnes CO ₂	15,004	5,854
Total from electricity consumption	Metric tonnes CO ₂	13,412	5,854
of which from electricity consumption in common parts and vacant areas in portfolio section A – through green electricity	Metric tonnes CO ₂	7,925	-
of which from electricity consumption in common parts, vacant and tenant-occupied areas in portfolio section B – through green electricity	Metric tonnes CO ₂	5,487	5,854
Total from heat energy	Metric tonnes CO ₂	1,592	-
of which from heat energy in common parts, vacant and tenant-occupied areas in portfolio section A – through CO ₂ -neutral gas	Metric tonnes CO ₂	1,592	-

* Excl. hotel

KEY WATER CONSUMPTION AND EFFLUENT FIGURES FOR OUR PROPERTIES

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

Key figures	Unit	Absolute				Like-for-like		
		2017	2016**	EPRA sBPR	GRI standards	2017	2016**	EPRA sBPR
Water consumption								
Total water usage	m ³	326,638	327,499			314,681	290,562	
of which common parts, vacant and tenant-occupied areas in portfolio section A	m ³	302,716	290,626	Water-Abs	303-1	291,643	266,261	Water-Lfl
of which common parts, vacant and tenant-occupied areas in portfolio section B	m ³	23,922	36,873			23,038	24,301	
Water intensity	m ³ /sqm/year	0.34	0.32	Water-Int	CRE2	0.36	0.33	
Useful area assessed	sqm	964,089	1,025,615			877,170	877,170	
Proportion of space	%	72	78			71	71	
Occurrence of effluents								
Total wastewater discharge***	m ³	329,246	322,306			313,109	286,852	
of which common parts, vacant and tenant-occupied areas in portfolio section A	m ³	306,459	289,249		306-1	291,206	262,871	
of which common parts, vacant and tenant-occupied areas in portfolio section B	m ³	22,787	33,057			21,903	23,981	
Effluents intensity	m ³ /sqm/year	0.33	0.32			0.35	0.32	
Useful area assessed	sqm	991,164	1,007,954			885,468	885,468	
Proportion of space	%	74	77			71	71	

* Excl. hotel

** The figures for 2016 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. 57

WATER CONSUMPTION AND OCCURRENCE OF EFFLUENTS – OFFICE ASSET CLASS

Key figures	Unit	Absolute				Like-for-like			
		2017	2016*	EPRA sBPR	GRI standards	2017	2016*	EPRA sBPR	
Portfolio section A	Water consumption of properties	m ³	153,408	144,714	Water-Abs	303-1	146,275	136,258	Water-LfL
	Useful area assessed	sqm	475,647	460,158			438,757		
	Proportion of office space in the portfolio	%	75	76			74		
	Water intensity	m ³ /sqm/year	0.32	0.31	Water-Int	CRE2	0.33	0.31	
	Occurrence of effluents in our properties**	m ³	152,958	137,274		306-1	140,470	127,040	
	Useful area assessed	sqm	475,647	440,415			429,029		
	Proportion of office space in the portfolio	%	75	73			72		
	Effluents intensity	m ³ /sqm/year	0.32	0.31			0.33	0.30	
Portfolio section B	Water consumption of properties	m ³	1,248	10,101	Water-Abs	303-1	1,248	1,422	Water-LfL
	Useful area assessed	sqm	7,424	44,709			7,424		
	Proportion of office space in the portfolio	%	1	7			1		
	Water intensity	m ³ /sqm/year	0.17	0.23	Water-Int	CRE2	0.17	0.19	
	Occurrence of effluents in our properties**	m ³	1,248	6,095		306-1	1,248	1,422	
	Useful area assessed	sqm	7,424	25,239			7,424		
	Proportion of office space in the portfolio	%	1	4			1		
	Effluents intensity	m ³ /sqm/year	0.17	0.24			0.17	0.19	
A+B total	Water consumption of properties	m ³	154,656	154,815	Water-Abs	303-1	147,523	137,680	Water-LfL
	Useful area assessed	sqm	483,071	504,867			446,181		
	Proportion of office space in the portfolio	%	76	84			75		
	Water intensity	m ³ /sqm/year	0.32	0.31	Water-Int	CRE2	0.33	0.31	
	Occurrence of effluents in our properties**	m ³	154,206	143,369		306-1	141,718	128,462	
	Useful area assessed	sqm	483,071	465,654			436,453		
	Proportion of office space in the portfolio	%	76	77			73		
	Effluents intensity	m ³ /sqm/year	0.32	0.31			0.32	0.29	

* The figures for 2016 have been adjusted retroactively.

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

WATER CONSUMPTION AND OCCURRENCE OF EFFLUENTS – RETAIL ASSET CLASS

	Key figures	Unit	Absolute				Like-for-like		
			2017	2016*	EPRA sBPR	GRI standards	2017	2016*	EPRA sBPR
Portfolio section A	Water consumption of properties	m ³	145,240	140,787	Water-Abs	303-1	141,892	127,732	Water-LfL
	Useful area assessed	sqm	359,770	397,086			328,525		
	Proportion of retail space in the portfolio	%	58	65			59		
	Water intensity	m ³ /sqm/year	0.40	0.35	Water-Int	CRE2	0.43	0.39	
	Occurrence of effluents in our properties**	m ³	144,449	141,300		306-1	143,108	128,399	
	Useful area assessed	sqm	358,107	407,083			336,899		
	Proportion of retail space in the portfolio	%	57	67			60		
	Effluents intensity	m ³ /sqm/year	0.40	0.35			0.42	0.38	
Portfolio section B	Water consumption of properties	m ³	17,612	19,660	Water-Abs	303-1	16,728	15,767	Water-LfL
	Useful area assessed	sqm	84,448	94,636			79,610		
	Proportion of retail space in the portfolio	%	13	15			14		
	Water intensity	m ³ /sqm/year	0.21	0.21	Water-Int	CRE2	0.21	0.20	
	Occurrence of effluents in our properties**	m ³	16,477	19,850		306-1	15,593	15,447	
	Useful area assessed	sqm	81,207	93,298			76,369		
	Proportion of retail space in the portfolio	%	13	15			14		
	Effluents intensity	m ³ /sqm/year	0.20	0.21			0.20	0.20	
A+B total	Water consumption of properties	m ³	162,852	160,447	Water-Abs	303-1	158,620	143,499	Water-LfL
	Useful area assessed	sqm	444,218	491,722			408,135		
	Proportion of retail space in the portfolio	%	71	80			73		
	Water intensity	m ³ /sqm/year	0.37	0.33	Water-Int	CRE2	0.39	0.35	
	Occurrence of effluents in our properties**	m ³	160,926	161,150		306-1	158,701	143,846	
	Useful area assessed	sqm	439,314	500,381			413,268		
	Proportion of retail space in the portfolio	%	70	82			74		
	Effluents intensity	m ³ /sqm/year	0.37	0.32			0.38	0.35	

* The figures for 2016 have been adjusted retroactively.

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

WATER CONSUMPTION AND OCCURRENCE OF EFFLUENTS – OTHER ASSET CLASS

Key figures	Unit	Absolute				Like-for-like			
		2017	2016*	EPRA sBPR	GRI standards	2017	2016*	EPRA sBPR	
Portfolio section A	Water consumption of properties	m ³	4,068	5,125	Water-Abs	303-1	3,476	2,271	Water-LfL
	Useful area assessed	sqm	20,916	13,142			6,970		
	Proportion of other space in the portfolio	%	24	14			8		
	Water intensity	m ³ /sqm/year	0.19	0.39	Water-Int	CRE2	0.50	0.33	
	Occurrence of effluents in our properties**	m ³	9,052	10,675		306-1	7,628	7,432	
	Useful area assessed	sqm	52,895	26,035			19,863		
	Proportion of other space in the portfolio	%	62	28			23		
	Effluents intensity	m ³ /sqm/year	0.17	0.41			0.38	0.37	
Portfolio section B	Water consumption of properties	m ³	5,062	7,112	Water-Abs	303-1	5,062	7,112	Water-LfL
	Useful area assessed	sqm	15,884	15,884			15,884		
	Proportion of other space in the portfolio	%	19	17			19		
	Water intensity	m ³ /sqm/year	0.32	0.45	Water-Int	CRE2	0.32	0.45	
	Occurrence of effluents in our properties**	m ³	5,062	7,112		306-1	5,062	7,112	
	Useful area assessed	sqm	15,884	15,884			15,884		
	Proportion of other space in the portfolio	%	19	17			19		
	Effluents intensity	m ³ /sqm/year	0.32	0.45			0.32	0.45	
A+B total	Water consumption of properties	m ³	9,130	12,237	Water-Abs	303-1	8,538	9,383	Water-LfL
	Useful area assessed	sqm	36,800	29,026			22,854		
	Proportion of other space in the portfolio	%	43	31			27		
	Water intensity	m ³ /sqm/year	0.25	0.42	Water-Int	CRE2	0.37	0.41	
	Occurrence of effluents in our properties**	m ³	14,114	17,787		306-1	12,690	14,544	
	Useful area assessed	sqm	68,779	41,919			35,747		
	Proportion of other space in the portfolio	%	80	45			42		
	Effluents intensity	m ³ /sqm/year	0.21	0.42			0.35	0.41	

* The figures for 2016 have been adjusted retroactively.

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

KEY ENERGY CONSUMPTION FIGURES OF THE BUSINESS OPERATIONS OF TLG IMMOBILIEN

Even if our volume of owner-occupied space (2017: 4,490sqm; 2016: 4,375sqm) 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	Absolute			Like-for-like			
		2017	2016*	EPRA sBPR	GRI standards	2017	2016*	EPRA sBPR
Total fuel consumption***	kWh	291,323	304,298			212,081	192,840	
of which petrol	kWh	32,822	14,052	Fuels-Abs	302-1	14,052	29,143	Fuels-Lfl
of which diesel	kWh	258,501	290,246			198,029	163,697	
Total indirect energy	kWh	154,042	577,267					
Total electricity consumption	kWh	154,042	176,228	Elec-Abs	302-1			
Total heat energy****	kWh	-	401,038	DH&C-Abs				
Total energy consumption	kWh	445,365	881,565					
Intensity key figures								
Electricity intensity	kWh/sqm/year	40	41	Energy-Int	302-3, CRE1			
Useful area assessed	sqm	3,872	4,265					
Share of the total commercial space	%	86	97					
Heating energy intensity	kWh/sqm/year	-	92	Energy-Int				
Useful area assessed	sqm	-	4,375					
Share of the total commercial space**	%	-	100					
Fuel intensity	kWh/employee/year	2,625	2,741	Energy-Int	302-3			

* The figures for 2016 have been adjusted retroactively.

** Only some consumption statements for our owner-occupied space were available for 2017 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			
		2017**	2016*	EPRA sBPR	GRI standards
CO₂ emissions (scope 1)					
Total direct CO ₂ emissions***	Metric tonnes CO ₂	72.0	79.9		
of which petrol	Metric tonnes CO ₂	63.3	76.1	GHG-Dir-Abs	305-1
of which diesel	Metric tonnes CO ₂	8.7	3.7		
CO₂ emissions (scope 2)					
Total indirect CO ₂ emissions****	Metric tonnes CO ₂	75.3	173.6	GHG-Indir-Abs	305-2
of which total electricity consumption	Metric tonnes CO ₂	75.3	92.9		
Intensity of CO ₂ emissions	Metric tonnes CO ₂ /sqm	0.02	0.02	GHG-Int	305-4, CRE3

* The figures for 2016 have been adjusted retroactively.

** Only some consumption statements for our owner-occupied space from which CO₂ statistics could be derived were available for 2017 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 2016 and 2017:

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) 2018; Strom- und Wärmeversorgung in Zahlen; 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 2017 - Full set (for advanced users); 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

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

Key figures	Unit	Absolute			
		2017*	2016**	EPRA sBPR	GRI standards
Total water usage	m ³	-	832	Water-Abs	303-1
Useful area assessed	sqm	-	4,375		
Share of the total commercial space**	%	-	100		
Water intensity	m ³ /sqm	-	0.19	Water-Int	CRE2
Water intensity	m ³ /employee	-	7.49		
Total wastewater discharge***	m ³	-	832		306-1

* No consumption figures were available for 2017 at the time of writing.

** The figures for 2016 have been adjusted retroactively.

*** 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)

	Unit	31/12/2017*	31/12/2016	GRI standards
Total number of employees		111	111	
of whom female	Number	59	61	
	%	53	55	
Employees in headquarters	Number	-	56	
of whom female	Number	-	28	
	%	-	50	102-7,
Employees in North branches	Number	-	32	102-8
of whom female	Number	-	18	
	%	-	56	
Employees in South branches	Number	-	23	
of whom female	Number	-	15	
	%	-	65	
Total number of contract workers**	Number	3	-	
of whom female	Number	2	-	
	%	67	-	

All key employee figures encompass the entire TLG IMMOBILIEN Group, not including WCM Beteiligungs- und Grundbesitz AG. The number of employees of TLG IMMOBILIEN is not subject to seasonal influences. The figures are not broken down by region as TLG IMMOBILIEN is only active in Germany.

* TLG IMMOBILIEN has not been split into locations since 1 July 2017. Therefore, the number of employees is only provided as a total number.

** Contract workers were hired at times in 2017 as required by the volume of work. As they were only employed temporarily, they have not been included in the key employee figures.

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

	Unit	31/12/2017	31/12/2016	GRI standards
Total number of employees		111	111	
Employees with permanent contracts	Number	108	106	
	%	97	95	
of whom female	Number	58	59	
	%	54	56	102-8
Employees with temporary contracts	Number	3	5	
	%	3	5	
of whom female	Number	1	2	
	%	33	40	

All key employee figures encompass the entire TLG IMMOBILIEN Group, not including WCM Beteiligungs- und Grundbesitz AG. The figures are not broken down by region as TLG IMMOBILIEN is only active in Germany.

TOTAL NUMBER OF PERMANENT EMPLOYEES BY EMPLOYMENT TYPE AND GENDER

	Unit	31/12/2017	31/12/2016	GRI standards
Total number of employees		111	111	
Full-time employees	Number	108	108	
	%	97	97	
of whom female	Number	56	58	
	%	52	54	102-8
Part-time employees	Number	3	3	
	%	3	3	
of whom female	Number	3	3	
	%	100	100	
Marginal employees	Number	2	3	
	%	2	3	
of whom female	Number	1	2	
	%	50	67	

All key employee figures encompass the entire TLG IMMOBILIEN Group, not including WCM Beteiligungs- und Grundbesitz AG. The figures are not broken down by region as TLG IMMOBILIEN is only active in Germany.

EMPLOYEES BY AGE GROUP

	Unit	31/12/2017*	31/12/2016	GRI standards
Employees 50 years of age or older	Number	44	44	
	%	40	40	
of whom in the headquarters	Number	-	25	
	%	-	57	
of whom in North branches	Number	-	11	
	%	-	25	
of whom in South branches	Number	-	8	
	%	-	18	
Employees between 30 and 49 years of age	Number	60	57	
	%	54	51	
of whom in the headquarters	Number	-	28	
	%	-	49	
of whom in North branches	Number	-	17	405-1
	%	-	30	
of whom in South branches	Number	-	12	
	%	-	21	
Employees under 30 years of age	Number	7	10	
	%	6	9	
of whom in the headquarters	Number	-	3	
	%	-	33	
of whom in North branches	Number	-	4	
	%	-	34	
of whom in South branches	Number	-	3	
	%	-	33	

All key employee figures encompass the entire TLG IMMOBILIEN Group, not including WCM Beteiligungs- und Grundbesitz AG. The figures are not broken down by region as TLG IMMOBILIEN is only active in Germany.

* TLG IMMOBILIEN has not been split into locations since 1 July 2017. Therefore, the number of employees is only provided as a total number per age group.

EMPLOYEES BY AGE AND EMPLOYEE CATEGORY

	Unit	31/12/2017	31/12/2016	GRI standards
Employee level 1 (Management Board)	Number	2	2	
	%	100	100	
of whom 50 years of age or older	Number	0	0	
	%	0	0	
of whom 30-49 years of age	Number	2	2	
	%	100	100	
of whom under 30 years of age	Number	0	0	
	%	0	0	
Employee level 2 (senior management)	Number	10	9	
	%	9	8	
of whom 50 years of age or older	Number	4	3	
	%	40	33	
of whom 30-49 years of age	Number	6	6	
	%	60	67	
of whom under 30 years of age	Number	0	0	
	%	0	0	
Employee level 3 (general management)	Number	12	17	405-1
	%	11	15	
of whom 50 years of age or older	Number	3	8	
	%	25	47	
of whom 30-49 years of age	Number	9	9	
	%	75	53	
of whom under 30 years of age	Number	0	0	
	%	0	0	
Employee level 4 (employees)	Number	87	83	
	%	78	75	
of whom 50 years of age or older	Number	37	40	
	%	43	48	
of whom 30-49 years of age	Number	43	33	
	%	49	40	
of whom under 30 years of age	Number	7	10	
	%	8	12	

All key employee figures encompass the entire TLG IMMOBILIEN Group, not including WCM Beteiligungs- und Grundbesitz AG. The figures are not broken down by region as TLG IMMOBILIEN is only active in Germany.

PERSONNEL TURNOVER

	2017	2016	EPRA sBPR	GRI standards
Newly recruited employees	14	15		
of whom female	9	-		
of whom 50 years of age or older	1	-		
of whom 30-49 years of age	11	-		
of whom under 30 years of age	2	-		
Employees who have left TLG IMMOBILIEN	15	18		
of whom female	9	-	Emp-Turnover	401-1
of whom 50 years of age or older	6	-		
of whom 30-49 years of age	5	-		
of whom under 30 years of age	4	-		
Average headcount	109	110.3		
Turnover rate*	8.3%	2.7%		

All key employee figures encompass the entire TLG IMMOBILIEN Group, not including WCM Beteiligungs- und Grundbesitz AG. The figures are not broken down by region as TLG IMMOBILIEN is only active in Germany.

* The rate of turnover has been adjusted for departures as part of the reduction in the number of personnel following the restructuring measures as well as for departures due to retirement or the expiry of temporary contracts.

EMPLOYEES ON PARENTAL LEAVE

	31/12/2017	31/12/2016	GRI standards
Total number of employees on parental leave	2	3	
of whom female	0	0	401-3
Return rate	100	100	

All key employee figures encompass the entire TLG IMMOBILIEN Group, not including WCM Beteiligungs- und Grundbesitz AG.

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

	2017	2016	GRI standards
Annual salary of the highest-earning employee*	EUR k 300	EUR k 300	
Total average annual salary of the other employees**	EUR k 60.8	EUR k 58.8	102-38
Ratio	5:1	5:1	

All key employee figures encompass the entire TLG IMMOBILIEN Group, not including WCM Beteiligungs- und Grundbesitz AG.

* 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 85 of the Annual Report 2017.

** 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). In accordance with the provisions of collective bargaining agreements, the employees of TLG IMMOBILIEN are also entitled to bonuses on top of their basic salaries; these bonuses are therefore included in the calculation.

RATIO OF THE BASIC SALARY AND REMUNERATION OF WOMEN TO THE BASIC SALARY AND REMUNERATION OF MEN BY EMPLOYEE CATEGORY

		2017	2016	EPRA sBPR	GRI standards
Employee level 1 (Management Board)					
Average salary* of male employees	EUR	300,000	300,000		
Average salary of female employees		0	0		
Ratio	EUR	-	-		
Average remuneration of male employees	EUR	-	-		
Average remuneration of female employees	EUR	-	-		
Ratio		-	-		
Employee level 2 (senior management)					
Average salary of male employees	EUR	8,961	8,612		
Average salary of female employees	EUR	7,631	8,500		
Ratio		1.2 : 1	1 : 1		
Average remuneration** of male employees	EUR	109,027	105,030		
Average remuneration** of female employees	EUR	94,223	102,000		
Ratio		1.2 : 1	1 : 1	Diversity-Pay	405-2
Employee level 3 (general management)					
Average salary of male employees	EUR	6,254	5,907		
Average salary of female employees	EUR	5,331	6,105		
Ratio		1.2 : 1	1 : 1		
Average remuneration** of male employees	EUR	78,368	74,031		
Average remuneration** of female employees	EUR	69,289	78,369		
Ratio		1.1 : 1	0.9 : 1		
Employee level 4 (employees)					
Average salary of male employees	EUR	4,177	4,040		
Average salary of female employees	EUR	3,517	3,436		
Ratio		1.2 : 1	1.2 : 1		
Average remuneration** of male employees	EUR	57,816	56,265		
Average remuneration** of female employees	EUR	50,914	49,465		
Ratio		1.1 : 1	1.1 : 1		

All key employee figures encompass the entire TLG IMMOBILIEN Group, not including WCM Beteiligungs- und Grundbesitz AG.

* 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 from page 85 of the Annual Report 2017.

** The average annual salary of the employees (excluding the 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). In accordance with the provisions of collective bargaining agreements, the employees of TLG IMMOBILIEN are also entitled to bonuses on top of their basic salaries; these bonuses are therefore included in the calculation.

AVERAGE ANNUAL NUMBER OF HOURS OF TRAINING AND EDUCATION BY GENDER

		2017	2016	EPRA sBPR	GRI standards
Total number of hours of training and education by gender					
		3,880	548		
of which hours of training and education per female employee		39.2	9	Emp-Training	404-1
of which hours of training and education per male employee		30.6	7		

All key employee figures encompass the entire TLG IMMOBILIEN Group, not including WCM Beteiligungs- und Grundbesitz AG.

At the moment, TLG IMMOBILIEN does not break down the hours of training and education by employee category. For more information, see p. 43ff.

EMPLOYEES WHO RECEIVE REGULAR PERFORMANCE APPRAISALS

	2017	2016	EPRA sBPR	GRI standards
Employees who receive regular performance appraisals	111	111	Emp-Dev	404-3
of whom female employees	59	61		
of whom male employees	52	50		

All key employee figures encompass the entire TLG IMMOBILIEN Group, not including WCM Beteiligungs- und Grundbesitz AG. All employees receive half-yearly and annual performance appraisals. The performance of the Management Board is always assessed during the meeting of the Supervisory Board in connection with the adoption of the annual financial statements.

OCCUPATIONAL SAFETY

	2017	2016	EPRA sBPR	GRI standards
Number of occupational accidents*	3	3		
of which attributable to female employees	3			
Number of occupational accidents per 1,000 people	27.52	27.35		
Number of occupational accidents per million working hours	13	13	H&S-Emp	403-2
Lost workday rate**	0.0	0.06		
Absence rate**	4.45	4.6		
Fatal occupational accidents	0	0		

All key employee figures encompass the entire TLG IMMOBILIEN Group, not including WCM Beteiligungs- und Grundbesitz AG. The figures are not broken down by region as TLG IMMOBILIEN is only active in Germany.

* Most of the occupational accidents were falls on the way to work.
** The calculation was based on 254 working days per calendar year.

COMPOSITION OF THE MANAGEMENT

	Unit	31/12/2017	31/12/2016	EPRA sBPR	GRI standards
Supervisory Board members	Number	6	6		
of whom female	Number	1	1		
	%	16.67	16.67		
Management Board members	Number	2	2		
of whom female	Number	0	0		
	%	0	0	Diversity-Emp	405-1
Employees in senior management	Number	10	9		
of whom female	Number	2	1		
	%	20	11.1		
Employees in general management	Number	12	17		
of whom female	Number	7	9		
	%	58	53		

All key employee figures encompass the entire TLG IMMOBILIEN Group, not including WCM Beteiligungs- und Grundbesitz AG.

COMPOSITION OF THE GOVERNANCE BODY

	31/12/2017	31/12/2016	EPRA sBPR	GRI standards
Supervisory Board members*	6	6	Gov-Board	102-22
of whom independent members	6	6		

All key employee figures encompass the entire TLG IMMOBILIEN Group, not including WCM Beteiligungs- und Grundbesitz AG.

* The average tenure of the Supervisory Board members is 32.7 months (previous year: 29.08 months), with six members incl. members who have left.

CUSTOMER HEALTH AND SAFETY

	Unit	31/12/2017	31/12/2016	EPRA sBPR	GRI standards
Assets for which user health and safety impacts have been assessed	%	100	100		
of which properties in the office asset class	%	100	100	H&S Asset	416-1
of which properties in the retail asset class	%	100	100		
of which properties in the hotel asset class	%	100	100		

INFRINGEMENTS OF COMPLIANCE IN CONNECTION WITH CUSTOMER HEALTH AND SAFETY

	31/12/2017	31/12/2016	EPRA sBPR	GRI standards
Total number of incidents of non-compliance with regulations or voluntary codes concerning the health and safety impacts of products and services	0	0		
Breaches of regulations resulting in a fine or sanctions	0	0	H&S CompAsset	416-2
Breaches resulting in a warning	0	0		
Breaches of voluntary codes of conduct	0	0		

LOCAL COMMUNITIES

	Unit	31/12/2017	31/12/2016	EPRA sBPR	GRI standards
Assets that have implemented local community engagement, social and/or ecological impact assessments or development programmes.	%	1.2	1		
of which properties in the office asset class	Number	1	1	Comty-Eng	413-1
of which properties in the retail asset class	Number	3	3		
of which properties in the hotel asset class	Number	0	0		

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 number	GRI standard title	No.	Brief description of the indicator	Page	Omissions
GRI 101: REPORTING PRINCIPLES 2016					
GRI 102: GENERAL DISCLOSURES 2016					
ORGANISATION PROFILE					
GRI 102	General Disclosures	102-1	Name of the organisation	p. 06, p. 07	
GRI 102	General Disclosures	102-2	Activities, brands, products, and services	p. 06, p. 10	
GRI 102	General Disclosures	102-3	Location of headquarters	p. 07	
GRI 102	General Disclosures	102-4	Location of operations	p. 07, p. 09, p. 29	
GRI 102	General Disclosures	102-5	Ownership and legal form	p. 08	
GRI 102	General Disclosures	102-6	Markets served	p. 09, p. 10	
GRI 102	General Disclosures	102-7	Scale of the organisation	p. 06, p. 07, p. 08, p. 43, p. 70	
GRI 102	General Disclosures	102-8	Information on employees and other workers	p. 43, p. 44, p. 45, p. 46, p. 70, p. 71	
GRI 102	General Disclosures	102-9	Supply chain	p. 15	
GRI 102	General Disclosures	102-10	Significant changes to the organisation and its supply chain	p. 07, p. 08	
GRI 102	General Disclosures	102-11	Precautionary principle or approach	p. 12	TLG IMMOBILIEN does not yet comply with the precautionary principle of the UN.
GRI 102	General Disclosures	102-12	External initiatives	p. 11, p. 12, p. 22, p. 47	
GRI 102	General Disclosures	102-13	Membership of associations	p. 22	
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. 12, p. 27, p. 28, p. 29, p. 30, p. 31, p. 32, p. 33	
ETHICS AND INTEGRITY					
GRI 102	General Disclosures	102-16	Values, principles, standards, and norms of behavior	p. 10, p. 13	
GOVERNANCE					
GRI 102	General Disclosures	102-18	Governance structure	p. 11, p. 12	
GRI 102	General Disclosures	102-19	Delegating authority	p. 19	
GRI 102	General Disclosures	102-20	Responsibility for sustainability	p. 19	
GRI 102	General Disclosures	102-22	Composition of the highest governance body and its committees	p. 12, p. 32ff., p. 48ff., p. 76	

GRI standard number	GRI standard title	No.	Brief description of the indicator	Page	Omissions
GRI 102	General Disclosures	102-24	Nominating and selecting the highest governance body	p. 12	
GRI 102	General Disclosures	102-38	Annual total compensation ratio	p. 74	
STAKEHOLDER ENGAGEMENT					
GRI 102	General Disclosures	102-40	List of stakeholder groups	p. 20	
GRI 102	General Disclosures	102-41	Collective bargaining agreements	p. 48	
GRI 102	General Disclosures	102-42	Identifying and selecting stakeholders	p. 20	
GRI 102	General Disclosures	102-43	Approach to stakeholder engagement	p. 20, p. 21, p. 22, p. 23, p. 32, p. 45	
GRI 102	General Disclosures	102-44	Key topics and concerns raised	p. 20, p. 21, p. 22, p. 23, p. 32, p. 45	
REPORTING PRACTICE					
GRI 102	General Disclosures	102-45	Entities included in the consolidated financial statements	p. 05	
GRI 102	General Disclosures	102-46	Defining report content	p. 05, p. 23	
GRI 102	General Disclosures	102-47	List of material topics	p. 24f.	
GRI 102	General Disclosures	102-48	Restatements of information	p. 23 The 2016 key figures for the environment have been adjusted retroactively. The respective numbers are indicated.	
GRI 102	General Disclosures	102-49	Changes in reporting	p. 23	
GRI 102	General Disclosures	102-50	Reporting period	p. 05	
GRI 102	General Disclosures	102-51	Date of most recent report	p. 05	
GRI 102	General Disclosures	102-52	Reporting cycle	p. 05	
GRI 102	General Disclosures	102-53	Contact point for questions regarding the report	p. 88	
GRI 102	General Disclosures	102-54	Claims of reporting in accordance with the GRI Standards	p. 04	
GRI 102	General Disclosures	102-55	GRI content index	p. 78ff.	
GRI 102	General Disclosures	102-56	External assurance	p. 05	

MATERIAL TOPICS 2016

GRI 201: ECONOMIC PERFORMANCE 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	p. 25, p. 26ff.	
GRI 103	Management Approach	103-2	The management approach and its components	p. 06, p. 26ff., p. 53	
GRI 103	Management Approach	103-3	Evaluation of the management approach	p. 27, p. 30	
GRI 201	Economic Performance	201-1	Direct economic value generated and distributed	p. 07	
GRI 201	Economic Performance	201-3	Defined benefit plan obligations and other retirement plans	p. 07	

GRI standard number	GRI standard title	No.	Brief description of the indicator	Page	Omissions
GRI 203: INDIRECT ECONOMIC IMPACTS 2016					
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary	p. 25	
GRI 103	Management Approach	103-2	The management approach and its components	This aspect is not currently controlled or evaluated through an explicit management approach at TLG IMMOBILIEN.	
GRI 103	Management Approach	103-3	Evaluation of the management approach		
GRI 203	Indirect Economic Impacts	203-1	Infrastructure investments and services supported	p. 18 Office example: p. 31 Retail example: p. 32	No scope as monetary evaluation does not take place
GRI 203	Indirect Economic Impacts	203-2	Significant indirect economic impacts	p. 16	
GRI 204: PROCUREMENT PRACTICES 2016					
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary	p. 11, p. 25	
GRI 103	Management Approach	103-2	The management approach and its components	p. 11f, p. 15, p. 16	
GRI 103	Management Approach	103-3	Evaluation of the management approach	p. 15, p. 16	
GRI 204	Procurement Practices	204-1	Proportion of spending on local suppliers	p. 15	No monetary value as the statistics are not currently available in that format.
GRI 205: ANTI-CORRUPTION 2016					
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary	p. 11, p. 25	
GRI 103	Management Approach	103-2	The management approach and its components	p. 11f., p. 13	
GRI 103	Management Approach	103-3	Evaluation of the management approach	p. 14	
GRI 205	Anti-corruption	205-2	Communication and training about anti-corruption and procedures	p. 14	
GRI 205	Anti-corruption	205-3	Confirmed incidents of corruption and actions taken	p. 14	
GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016					
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	p. 11, p. 25	
GRI 103	Management Approach	103-2	The management approach and its components	p. 11f., p. 13	
GRI 103	Management Approach	103-3	Evaluation of the management approach	p. 14	
GRI 206	Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	p. 14	

GRI standard nummer	GRI standard title	No.	Brief description of the indicator	Page	Omissions
GRI 302: ENERGY 2016					
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	p. 25, p. 37	
GRI 103	Management Approach	103-2	The management approach and its components	p. 35ff., p. 37ff., p. 40f., p. 54	
GRI 103	Management Approach	103-3	Evaluation of the management approach	p. 38, p. 40f.	
GRI 302	Energy	302-1	Energy consumption within the organisation	p. 40, p. 69	
GRI 302	Energy	302-2	Energy consumption outside of the organisation	p. 38, p. 58, p. 59, p. 60, p. 61, p. 62, p. 63	
GRI 302	Energy	302-3	Energy intensity	p. 38, p. 59, p. 60, p. 61, p. 62, p. 63, p. 69	
		CRE1	Building energy intensity	p. 38, p. 69	
GRI 303: WATER 2016					
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	p. 25	
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. 39, p. 65, p. 66, p. 67, p. 70	
		CRE2	Building water intensity	p. 39, p. 65, p. 66, p. 67, p. 68, p. 70	
GRI 304: BIODIVERSITY 2016					
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary	p. 25	
GRI 103	Management Approach	103-2	The management approach and its components	This aspect is not currently controlled or evaluated through an explicit management approach by TLG IMMOBILIEN. Nevertheless, we are of course aware if properties are situated in or adjacent to a protected area and implement appropriate measures if necessary.	
GRI 103	Management Approach	103-3	Evaluation of the management approach		
GRI 304	Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	p. 39 At the moment, TLG IMMOBILIEN has no operational sites or properties in protected areas.	
GRI 305: EMISSIONS 2016					
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	p. 25	
GRI 103	Management Approach	103-2	The management approach and its components	p. 35ff., p. 37ff.	
GRI 103	Management Approach	103-3	Evaluation of the management approach	p. 39, p. 41	
GRI 305	Emissions	305-1	Direct (Scope 1) GHG emissions	p. 69	

GRI standard number	GRI standard title	No.	Brief description of the indicator	Page	Omissions
GRI 305	Emissions	305-2	Energy indirect (Scope 2) GHG emissions	p. 69	
GRI 305	Emissions	305-3	Other indirect (Scope 3) GHG emissions	p. 64	
GRI 305	Emissions	305-4	GHG emissions intensity	p. 41, S. 64, S. 69	
		CRE3	Greenhouse gas emissions intensity from buildings	p. 64, p. 69	

GRI 306: EFFLUENTES AND WASTE 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	p. 25	
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. 39, p. 41, p. 65, p. 66, p. 67, p. 68, S. 70	

GRI 307: ENVIRONMENTAL COMPLIANCE 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	p. 11, p. 25	
GRI 103	Management Approach	103-2	The management approach and its components	p. 11f., p. 13f.	
GRI 103	Management Approach	103-3	Evaluation of the management approach	p. 13f.	
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. 25	
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 308	Supplier Environmental Assessment	308-2	Negative environmental impacts in the supply chain and actions taken	No negative environmental impacts in the supply chain became known.	

GRI 401: EMPLOYMENT 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	p. 25, p. 43	
GRI 103	Management Approach	103-2	The management approach and its components	p. 42ff., p. 44, p. 46, p. 48ff., 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. 45, p. 74, p. 75	

GRI standard number	GRI standard title	No.	Brief description of the indicator	Page	Omissions
GRI 401	Employment	401-2	Benefits provided to full-time employees	p. 45	
GRI 401	Employment	401-3	Parental leave	p. 46, 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. 25	
GRI 103	Management Approach	103-2	The management approach and its components	p. 42ff.	
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. 25, p. 43	
GRI 103	Management Approach	103-2	The management approach and its components	p. 42ff., p. 46, p. 51f.	
GRI 103	Management Approach	103-3	Evaluation of the management approach	p. 51	
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. 52, p. 76	
GRI 403	Occupational Health and Safety	403-3	Workers with high incidence or high risk of diseases related to their occupation	p. 52	

GRI 404: TRAINING AND EDUCATION 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	p. 25, p. 43	
GRI 103	Management Approach	103-2	The management approach and its components	p. 42ff., p. 48ff., 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 404	Training and Education	404-1	Average hours of training per year per employee	p. 49	
GRI 404	Training and Education	404-2	Programmes for upgrading employee skills and transition assistance programmes	p. 48, p. 49, p. 50	
GRI 404	Training and Education	404-3	Percentage of employees receiving regular performance and career development reviews	p. 50, p. 76	

GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	p. 25, p. 43	
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GRI standard number	GRI standard title	No.	Brief description of the indicator	Page	Omissions
GRI 103	Management Approach	103-2	The management approach and its components	p. 42ff., p. 47f.	
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. 43, p. 44, p. 47, p. 72, p. 73, p. 76	
GRI 405	Diversity and Equal Opportunity	405-2	Ratio of basic salary and remuneration of women to men	p. 48, p. 75	

GRI 406: NON-DISCRIMINATION 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	p. 25, p. 43	
GRI 103	Management Approach	103-2	The management approach and its components	p. 42ff., p. 47f.	
GRI 103	Management Approach	103-3	Evaluation of the management approach	p. 47f.	
GRI 406	Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	p. 47	

GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary	p. 25, p. 43	
GRI 103	Management Approach	103-2	The management approach and its components	p. 42ff., 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 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 freedom of association and collective bargaining is protected on all operational sites. With regard to commissioned companies, TLG IMMOBILIEN minimises the risks in connection with labour law with its contractual documents and code of conduct for service providers.	

GRI 413: LOCAL COMMUNITIES 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	p. 25	
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 413	Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	p. 34, p. 77	

GRI standard nummer	GRI standard title	No.	Brief description of the indicator	Page	Omissions
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016					
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary	p. 25	
GRI 103	Management Approach	103-2	The management approach and its components	This aspect is not currently controlled or evaluated through an explicit management approach. We use a code of conduct for suppliers which also covers social aspects.	
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 negative social impacts in the supply chain have been discovered.	
GRI 415: PUBLIC POLICY 2016					
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	p. 25	
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. 22	
GRI 416: CUSTOMER HEALTH AND SAFETY 2016					
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	p. 25	
GRI 103	Management Approach	103-2	The management approach and its components	p. 31f.	
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	416-1	Incidents of non-compliance concerning the health and safety impacts of products and services	p. 77	
GRI 416	Customer Health and Safety	416-2	Assessment of the health and safety impacts of product and service categories	p. 32	
GRI 417: MARKETING AND LABELING 2016					
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	p. 11, p. 25	
GRI 103	Management Approach	103-2	The management approach and its components	p. 13f.	

GRI standard number	GRI standard title	No.	Brief description of the indicator	Page	Omissions
GRI 103	Management Approach	103-3	Evaluation of the management approach	p. 13f.	
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. 11, p. 25	
GRI 103	Management Approach	103-2	The management approach and its components	p. 11 , p. 13f.	
GRI 103	Management Approach	103-3	Evaluation of the management approach	p. 13f.	
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. 25	
GRI 103	Management Approach	103-2	The management approach and its components	p. 28ff., p. 30	
GRI 103	Management Approach	103-3	Evaluation of the management approach	p. 29, p. 30	

NOT COVERED BY GRI: TENANT SATISFACTION 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	p. 25	
GRI 103	Management Approach	103-2	The management approach and its components	p. 26ff., p. 31f.	
GRI 103	Management Approach	103-3	Evaluation of the management approach	p. 21	

NOT COVERED BY GRI: PORTFOLIO MAINTENANCE 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	p. 25	
GRI 103	Management Approach	103-2	The management approach and its components	p. 33	
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 2017

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	p. 25	
GRI 103	Management Approach	103-2	The management approach and its components	p. 33f.	
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
Environment			
Elec-Abs	Total electricity consumption	Annual kWh	p. 58, p. 59, p. 60, p. 69
Elec-LfL	Like-for-like total electricity consumption	Annual kWh	p. 58, p. 59, p. 60
DH&C-Abs	Total district heating & cooling consumption	Annual kWh	p. 58, p. 61, p. 62, p. 69
DH&C-LfL	Like-for-like total district heating & cooling consumption	Annual kWh	p. 58, p. 61, p. 62
Fuels-Abs	Like-for-like total fuel consumption	Annual kWh	p. 58, p. 61, p. 62, p. 63, p. 69
Fuels-LfL	Total fuel consumption like-for-like	Annual kWh	p. 58, p. 61, p. 62, p. 63, p. 69
Energy-Int	Building energy intensity	kWh/sqm/year	p. 59, p. 60, p. 61, p. 62, p. 63, p. 69
GHG-Dir-Abs	Total direct greenhouse gas (GHG) emissions (scope 1)	Annual metric tonnes CO ₂	p. 69
GHG-Indir-Abs	Total indirect greenhouse gas (GHG) emissions (scope 2)	Annual metric tonnes CO ₂	p. 64, p. 69
GHG-Int	Greenhouse gas (GHG) emissions intensity from building energy consumption	Metric tonnes CO ₂ /sqm/year	p. 64, p. 69
Water-Abs	Total water consumption	m ³ /year	p. 65, p. 66, p. 67, p. 68, p. 70
Water-LfL	Like-for-like total water consumption	m ³ /year	p. 65, p. 66, p. 67, p. 68
Water-Int	Building water intensity	m ³ /sqm/year	p. 65, p. 66, p. 67, p. 68, p. 70
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	Like-for-like total weight of waste	Annual metric tonnes	
Cert-Tot	Type and number of sustainably certified assets	Number	p. 36
Social			
Diversity-Emp	Employee gender diversity	%	p. 76
Diversity-Pay	Gender pay ratio		p. 75
Emp-Training	Training and development	Number	p. 75
Emp-Dev	Employee performance appraisals	%	p. 76
Emp-Turnover	Employee turnover and retention	Number %	p. 74
H&S-Emp	Employee health and safety	Number	p. 76
H&S-Asset	Asset health and safety assessments	%	p. 77
H&S-Comp	Asset health and safety compliance	Number	p. 77
Comty-Eng	Community engagement, impact assessments and development programmes	%	p. 77
Governance			
Gov-Board	Composition of the highest governance body	Number	p. 76
Gov-Selec	Nominating and selecting the highest governance body		AR 2017, p. 49
Gov-Col	Process for managing conflicts of interest		AR 2017, p. 48ff.

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Please note:

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

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