

# ▼ SUSTAINABILITY REPORT 2018



## ▼ Company and values

## ▼ Sustainability at TLG IMMOBILIEN

## ▼ Our fields of activity

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Green energy

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

Our global and national society determines a new approach in doing business:  
"Do not do business at the expense of the future; do business for the future".

This approach is within TLG IMMOBILIEN's own interests as a leading real estate and listed company, and is consistent with our approach to create value growth by increasing both income and value of properties hand in hand with society's agenda of making business for the future.

Such value growth is generated by many measures we take:


- ▶ We maintain an active asset and property management in order to support sustainable value growth. The properties in our portfolio were purchased wisely and are mostly in very attractive locations. In addition to that, we support our tenants to make the best possible use of the rental space, which also increases the demand. The success of our active asset management speaks for itself: we improved the quality of the property portfolio of TLG IMMOBILIEN and increased its value significantly by more than 20% up to EUR 4.1 bn since 2017.
- ▶ We aim to improve the quality of our properties and increase their potential by means of capital expenditure. In our upcoming development projects, we aim as much as possible for efficient and environmentally friendly properties for the sake of the future.
- ▶ Our highly qualified and motivated employees are the main driving force of our success. It is essential to keep employees satisfied and thus working with the company for the long term. We are committed to creating an attractive working environment for our employees and to keeping knowledge in the company. The 'Colleagues Train Colleagues' programme was launched and internships were introduced in which employees can get to know other departments. Personal health management workshops for employees were introduced and the flexibility of the home office model was increased so that every employee can request a home office in coordination with his or her manager. Financial benefits for employees have also been expanded, for instance as part of the company pension plan.

This year, and with the help of our employees, we are developing a sustainability strategy in order to anchor the various aspects of sustainability in our corporate strategy and help open up more potential for success.

Combining our long term legacy in the market, our well established portfolio, well qualified employees and with social and ecological aspects, we are sure to create very sustainable growth for the next years and generations.

We hope you enjoy reading our report.

Berlin, July 2019



**Barak Bar-Hen**  
Chief Executive Officer



**Gerald Klinck**  
Chief Financial Officer



**Jürgen Overath**  
Chief Operating Officer

GRI 102

# ▾ ABOUT THIS REPORT

Our fourth sustainability report continues the communication on sustainability that we have successfully established over the past few years. We provide our stakeholders with comprehensive, transparent information on how we use our resources responsibly both in our core business and beyond.

## CONTENT AND STRUCTURE OF THE REPORT

In this sustainability report, we aim to paint a thorough picture of our business activities and sustainability on the basis of financial and non-financial information. The financial information includes information about our business model, our strategy, the course of business in 2018 and selected financial performance indicators. In order to avoid repetitions, please see our annual report for more information about our company and how it has performed. The non-financial information includes the social and ecological aspects of TLG IMMOBILIEN.

The content of this report is derived from the key aspects of sustainable corporate governance, customers and society, product responsibility, supply chain, environment and employees that were identified in 2015. They illustrate the influence and effects of the business activities of TLG IMMOBILIEN in these fields and what action we are taking to reduce negative effects.

Due to the number of our employees, we are not currently obliged to report under the German CSR Directive Implementation Act and are publishing this report voluntarily.

## IMPLEMENTATION OF THE GRI SUSTAINABILITY REPORTING STANDARDS

102-54 This report is based on the reporting standards published by the Global Reporting Initiative (GRI) in October 2016 and 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. In line with the GRI guidelines, TLG IMMOBILIEN prepares reports on the basis of the following principles:

### THE PRINCIPLE OF REGULARITY

102-50, 102-51, 102-52 The sustainability reports of TLG IMMOBILIEN are published annually. This report concerns the financial year from 1 January 2018 to 31 December 2018. The sustainability report for 2017 was published in July 2018.

**THE PRINCIPLES OF COMPARABILITY AND TRANSPARENCY**

This is the third 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 basing our report on the criteria of the German Sustainability Code (DNK), on the sustainability code of the German Property Federation (ZIA) and on the EPRA Best Practices Recommendations on Sustainability Reporting. We are continuously improving our sustainability reporting on the basis of these criteria. For example, we have been reporting in accordance with the updated requirements of the EPRA sBPR since the Sustainability Report 2017. Any deviations or new calculations compared to the previous year will be indicated as such.

Our last Sustainability Report 2017 was awarded the EPRA sBPR Silver Award again.

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)**

All of the information and key figures in this report concern the 2018 financial year. Deviations are indicated. The consumption statistics encompass the entire TLG IMMOBILIEN Group, not including WCM Beteiligungs- und Grundbesitz AG (WCM). We will add the figures to our sustainability reports from 2020 onwards.

102-45

**THE PRINCIPLES OF MATERIALITY AND STAKEHOLDER ORIENTATION**








The content of the report is based on our materiality analysis 2015 in which we compiled the aspects of relevance to the sustainability of our business activities on the basis of materiality. In 2017, we validated and evaluated the key aspects through a structured stakeholder survey (see [Sustainability Report 2016, p. 21 ff.](#)). The results have been incorporated into this report and illustrate what aspects are of particular relevance in the opinion of our stakeholders, in the opinion of TLG IMMOBILIEN or to both sides. We will carry out another stakeholder survey for the sustainability report 2019 and examine the strategic orientation of our sustainability activities.



102-46

**SUSTAINABLE DEVELOPMENT GOALS**

In 2018, we included the Sustainable Development Goals (SDGs) created by the United Nations in our reports for the first time. Using references at the start of the section, we show the SDGs to which we are contributing as part of our business activities and our sustainability activities.

SDG	Description	Pages in the sustainability report
	Ensure healthy lives and promote well-being for all at all ages	p. 12ff., p. 41ff.
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	p. 41ff.
	Achieve gender equality and empower all women and girls	p. 41ff.
	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	p. 23ff., p. 41ff.
	Make cities and human settlements inclusive, safe, resilient and sustainable	p. 23ff.
	Take urgent action to combat climate change and its impacts	p. 33ff.
	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	p. 08ff.

# ▼ COMPANY AND VALUES

## GRI 102, 103, 201 AN OVERVIEW OF TLG IMMOBILIEN

TLG IMMOBILIEN is one of the leading commercial real estate specialists in Germany. By strategically optimising its portfolio, the company provides investors with stable value development and employees with job security.

### FIELD OF BUSINESS AND CORPORATE STRUCTURE

#### 102-2, 103-2 FIELD OF BUSINESS

TLG IMMOBILIEN is an active portfolio manager and commercial real estate specialist. Our core expertise lies in the long-term, sustainable renting and management of office, retail and hotel properties, as well as in the active development of our portfolio by means of investments and development projects. TLG IMMOBILIEN evolved continuously in the 2018 financial year.

102-1

#### **Business model and strategy**

The high-quality property portfolio of TLG IMMOBILIEN generates sustainable rental income and is the basis of our economic success. Our company renders its services with an experienced team of real estate specialists. We are supported by efficient, tenant-oriented processes. The business model and the corporate strategy of TLG IMMOBILIEN are based on the following four pillars:

- ▼ Portfolio management: Portfolio management controls the strategy of the portfolio with regard to regional markets and locations, individual asset classes and general trends in the property markets, as well as portfolio development and property evaluation.
- ▼ Asset management: Asset management identifies the most economical long-term strategy for every property and is responsible for implementing it. We select suitable instruments for renting and all conversion and modernisation measures in order to maximise the value generated for each property.
- ▼ Transaction management: With our many years of expertise, we are very well connected in our core markets and operate with an experienced team in the transaction market. Our internal transaction management team controls all acquisition and disposal process stages, from the identification of potential transaction partners to the due diligence phase and contractual negotiations.
- ▼ Property management: Property management is in charge of ongoing commercial property management including ongoing technical maintenance, tenant relations and the management of service providers within the property. Its decentralised structure allows for an on-site presence for tenants and properties.

### Objectives of the company

TLG IMMOBILIEN strives to optimise its property portfolio through active portfolio, asset and property management and to tap the potential of selected portfolio properties for value growth through construction and conversion measures. In doing so, TLG IMMOBILIEN is focused on increasing the total shareholder return. The diversification of our portfolio across the three office, retail and hotel asset classes is a decisive factor as it improves the stability of the income and value of our property portfolio. One factor of relevance in this context is the number of creditworthy major tenants who facilitate significant risk diversification as well as the long weighted average lease terms (WALT) in the strategic portfolio of 5.5 years for office and retail properties and 11.6 years for hotel properties as at 31 December 2018.

More information on the company, its strategy and management – Annual Report 2018, p. 13ff. and p. 64ff. – ‘Long-term value growth’, p. 23ff.



The refined strategy of TLG IMMOBILIEN and its active asset and property management have caused key operating and financial figures to improve.

### ECONOMIC KEY FIGURES

	Unit	31/12/2018	31/12/2017	Change in %
Rental income	in EUR k	223,886	168,310	33.0
Net operating income from letting activities (NOI)	in EUR k	196,726	154,904	27.0
Funds from operations (FFO)	in EUR k	133,990	102,673	30.5
EPRA net asset value (adjusted)	in EUR k	2,715,723	2,112,689	28.5
EPRA net asset value per share (adjusted)	in EUR	26.27	20.71	26.8
Property value	in EUR k	4,109,449	3,400,582	20.8
Equity ratio	in %	49.9	50.5	-0.6 pp
Net loan to value	in %	34.7	39.2	-4.5 pp

More key figures – Annual Report 2018, p. U2, p. 104ff.



### CORPORATE STRUCTURE

The head office of TLG IMMOBILIEN AG is at Hausvogteiplatz 12, 10117 Berlin, Germany. The personnel in central commercial positions work there, as do the operating units for the Berlin-Brandenburg region.

We completed the integration of WCM Beteiligungs- und Grundbesitz AG (WCM) in 2018 and carried out necessary structural adjustments. As part of the overall Group, WCM and its property portfolio are now managed in the same way as the rest of the portfolio with structures and processes. The operating units in the offices in Berlin, Dresden, Erfurt, Frankfurt/Main, Leipzig and Rostock are controlled by central management positions in the Portfolio Management, Asset Management, Property Management and Transaction Management divisions based in Berlin. Property Management is the first point of contact for our tenants.

As at 31 December 2018, TLG IMMOBILIEN held interests in 54 fully consolidated companies. As such, the number of companies has increased by two compared to the previous year (31/12/2017: 52 companies). The value of the property portfolio increased from EUR 3.4 bn to around EUR 4.1 bn, whereas the number of properties in the portfolio decreased from 426 to 409.

More information on the structure and ownership structures of the company is available in the Annual Report 2018 on pages 13ff., p. 32ff., p. 111f.



102-7, 201-1

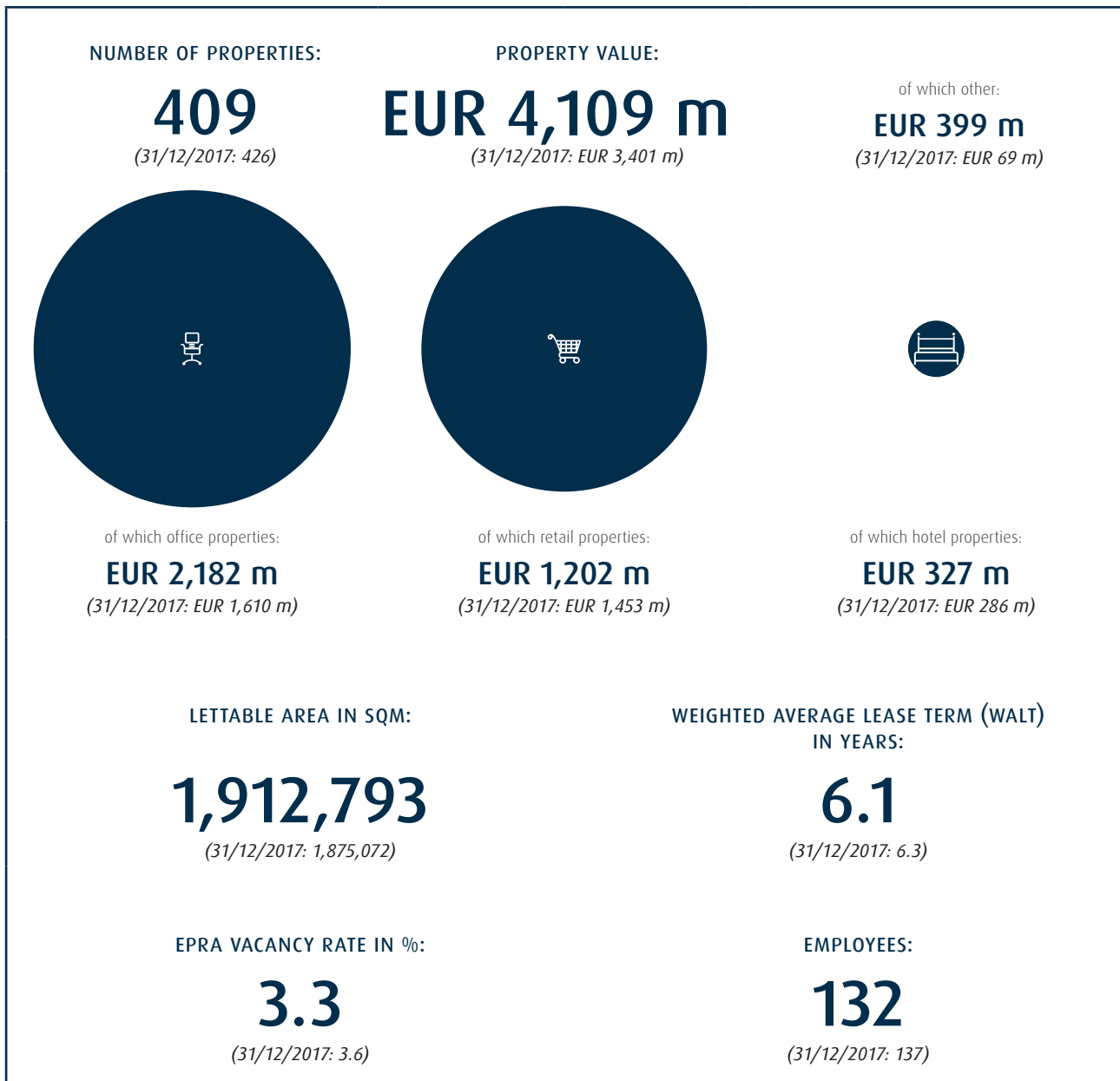
201-1, 201-3

102-1, 102-3

102-4

102-7, 102-10

102-5, 102-10



More portfolio information and key figures — ‘Long-term value growth’ on p. 23ff.  
More performance data — Annual Report 2018, p. 68ff.

### MARKETS AND CUSTOMERS

As at 31 December 2018, 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. Furthermore, as at the reporting date our portfolio contained seven centrally located hotels in Berlin, Dresden, Leipzig and Rostock.

102-4, 102-6

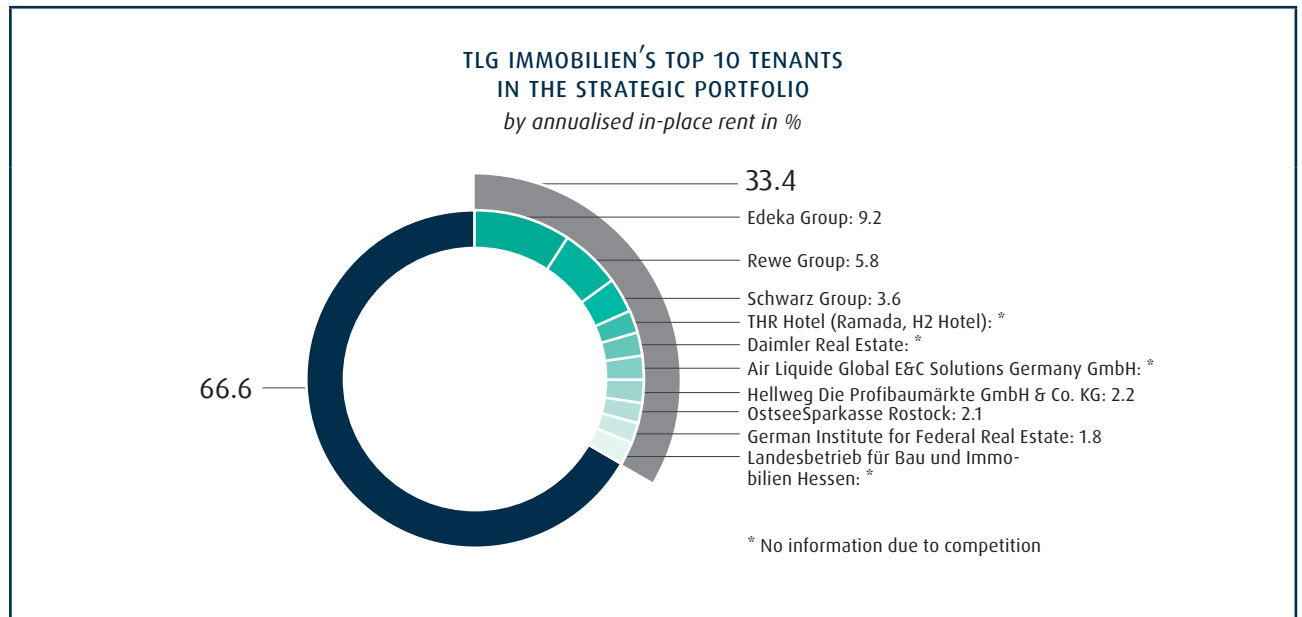


Our tenant structure comprises companies of various sizes from economically strong sectors as well as the public sector. In the office asset class, our customers include well-known private companies and public institutions. Leading food retailers are the main tenants in our retail properties. Our centrally 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 2018, p. 32ff., p. 29ff., p. 65ff.  
More portfolio information and key figures — ‘Long-term value growth’ on p. 23ff.



## THE MISSION STATEMENT OF TLG IMMOBILIEN

102-16

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

More information on our mission statement — [www.tlg.eu](http://www.tlg.eu)



GRI 102, 103,  
205, 206  
SDG 16

## MANAGEMENT AND COMPLIANCE MANAGEMENT


TLG IMMOBILIEN does business in accordance with all relevant laws and guidelines. We adhere not only to the principles of corporate governance at all times, but also our corporate values and our own voluntary undertakings.

### CORPORATE GOVERNANCE

103-1 TLG IMMOBILIEN views corporate governance as the responsible management and control of a company with a view to generating value over the long term. Alongside adherence to the principles of compliance, it is the basis of the trust that shareholders, customers, employees, business partners and the general public place in our company.

102-18 

Both the Management Board and the Supervisory Board of TLG IMMOBILIEN are committed to excellent corporate governance and practise the concept within the organisation on a daily basis. They orientate the management and supervision of the company consistently on national and international principles as well as strict internal regulations and guidelines. The Management Board and Supervisory Board report on corporate governance at TLG IMMOBILIEN in their *annual declaration on corporate governance*.

102-12, 103-2 

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). The Declaration of Compliance also contains a statement by the Management Board and Supervisory Board regarding the few deviations.

Our 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 2018, p. 52ff.

The principles of corporate governance are deeply rooted in our corporate culture and the everyday operations of every single department are guided by them. Standards of conduct and values such as integrity, transparency, expertise, sustainability and professionalism are just as binding in our eyes as statutory requirements. The close coordination between risk management, the internal control system and the Compliance department ensures that the statutory regulations are adhered to throughout the company and the Auditing department verifies this adherence on a regular basis. Regular reports are made to the audit committee on the results of the audit. Additionally, taking the interests of stakeholders 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 throughout the Group. 103-2, 103-3

TLG IMMOBILIEN AG is a member of the Corporate Governance Institute (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 manages the company on its own responsibility and is obliged to serve the interests of the company. It determines the strategies of the Group, coordinates them with the Supervisory Board and assumes responsibility for implementing them. 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**

Members are appointed to the Management Board on the basis of their specific knowledge and professional abilities necessary to the fulfilment of their duties. Management, organisational and social skills are also crucial. Gov-Selec, Gov-Col


Professional qualifications and personal ability are the decisive factors when it comes to selecting new members to the Supervisory Board. Overall, the objective of the Supervisory Board is to serve its purpose – to monitor and provide advice – optimally through the diversity of its members. Additionally, the shareholder structure is taken into consideration in connection with the composition of the Supervisory Board. In 2018, the Supervisory Board prepared a new profile of skills and expertise and expanded the diversity requirements that apply to appointments to the Supervisory Board. The handling of potential conflicts of interest and requirements concerning the impartiality of the members of the Supervisory Board are also defined there. 102-24

Further information on the composition and methods of the Management Board and Supervisory Board – Group Annual Report 2018, p. 37ff., p. 52ff.  102-22

**RISK MANAGEMENT**

TLG IMMOBILIEN operates in a dynamic, complex environment in which the general economic, technical, political, legal and social conditions are in a state of constant change. This can make it more difficult for TLG IMMOBILIEN to achieve its objectives and pursue long-term strategies. Therefore, a comprehensive risk management system is a core aspect of excellent corporate governance in order to identify, assess 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 and risks of relevance to business operations. 102-11, 102-15

TLG IMMOBILIEN has a comprehensive risk management system in place which rapidly identifies, monitors and assesses risks on the level of its properties and of the company. It considers economic risks (e.g. vacancy and transaction risks), ecological risks (e.g. environmental and contaminated site risks) and social and governance risks (e.g. personnel risk, external and internal offences) in minute detail. The Management Board is responsible for risk management from an organisational standpoint and its effectiveness is tested on a regular basis, with modifications made wherever necessary. Once per year, the risk management system is tested by a corporate audit and by an external public auditor in the context 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 (for details and individual risks, see Annual Report 2018, p. 77ff.). 

## 103-2 COMPLIANCE MANAGEMENT

We want to be a trustworthy partner to our shareholders, customers, service providers and employees, as well as authorities and the general public. We do this, for example, through reliable compliance 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.

### THE COMPLIANCE MANAGEMENT SYSTEM OF TLG IMMOBILIEN

We ensure that the employees of TLG IMMOBILIEN comply with all laws and internal regulations with our compliance management system. 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 and receive a compliance report once per year. Other parties involved in the compliance processes are the Compliance Officer and Capital Market Compliance Officer of the company, the Compliance Working Group and the Compliance Officers of the units, including all departmental managers.

Responsibilities within the company are clearly defined in order to anchor the subject into everyday operations and instil our employees with confidence when it comes to dealing with matters of compliance. Our 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 'compliance officers of the business units', 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 to the Supervisory Board directly on matters of compliance.

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. One report was filed using the whistle-blower system and then examined in the reporting period.



103-3

## 102-16 CODE OF CONDUCT

The Code of Conduct of TLG IMMOBILIEN 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 and describes how we perceive our responsibility as a company to operate ethically and legally. At the same time, the Code of Conduct is an expression of our corporate values which focus strongly on fair treatment of one another and of our investors, clients and business partners.

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

**Data protection**

Following the implementation of the new European General Data Protection Regulation (GDPR) and the update to the German Federal Data Protection Act (BDSG), we implemented new internal data protection guidelines in 2018 which, for instance, govern the handling of confidential information; all employees are obliged to comply with these guidelines.

**Corruption prevention**

We combat corruption with corruption prevention guidelines and an anti-corruption code of conduct which contain strict rules on relevant matters and set out our zero-tolerance approach to bribery and corruption. The regulations mainly encompass 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 compliance training courses. A standardised process, TLG IMMOBILIEN keeps insider lists in projects in which they are required by law. Employees and third parties are notified when they are added to an insider list. TLG IMMOBILIEN notifies its employees of blackout periods, i. e. periods of time in which the employees of TLG IMMOBILIEN are not permitted to trade in shares of TLG IMMOBILIEN, by intranet. No instances of corruption were discovered in 2018.

103-3, 205-2, 205-3

**Work with business partners**

Contractual documents form the heart of our work with business partners. Their main priority is adherence 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. In an integrity clause in all key contracts, 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

Our *code of conduct* for our service providers serves 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 govern 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 last compliance training course took place in 2018 and mainly encompassed important new developments in the context of the General Data Protection Regulation (GDPR) and the new German Federal Data Protection Act (BDSG), e. g. the basic principles and implementation of the GDPR, special types of data processing, data protection occurrences and workplace procedures. All employees are expected to take part.

**ANTI-TRUST/PRO-COMPETITION PROCEDURES**

TLG IMMOBILIEN follows all regulations on competition and treats any situation that is or might be relevant in terms of competition law with prudence and discretion. With regard to acquisitions, issues relating to competition are investigated thoroughly during the acquisition process, often by consulting the German competition authority, the Bundeskartellamt. There were no infringements against the regulations on competition in 2018.

103-3, 206-1

GRI 102, 103,  
203, 204  
SDG 3

## RESPONSIBILITY IN THE SUPPLY CHAIN

We rely on the support of external service providers and partners to carry out our business activities. We must also allow ourselves to be judged by their transparency and integrity in order to be able to provide our tenants with a reliable service.

102-9, 103-2, 103-3 **OUR MANAGEMENT APPROACH**

In order to carry out our core activity, the operational management of commercial properties as well as the acquisition and disposal of properties, we require properties and the related portfolio, asset, property and transaction management, technical management and facility management. Since 2018, this also includes real estate development. Our own business operations require goods and supporting services such as vehicles, office equipment and services such as consulting and appraisals.

204-1 Each individual department at TLG IMMOBILIEN is responsible for procurement and purchases of external goods and services to meet its needs. It is important to us to build up long-term relationships based on trust and characterised by transparency and integrity with our business partners. TLG IMMOBILIEN procures all property-related services in Germany.

All purchases are subject to Group-wide purchasing guidelines that make 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. Contracts with a value of at least EUR 1,000 are awarded subject to 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. Adherence to these rules is coordinated and ensured by means of internal IT-based contract processing. Unscheduled procurements are subject to stricter requirements.

We cover the key stages of our value creation chain with our own employees. This enables us to preclude numerous risks inherent in the engagement of external service providers and ensure compliance with our strict quality standards, guidelines and regulations. When we work with external partners, we govern our collaboration mainly through the contractual documents. With our code of conduct for service providers, we encourage our contractual partners to meet economic, ecological and social standards that are consistent with the internal regulations of TLG IMMOBILIEN. In future, we might consider making compliance with the *code of conduct* obligatory and potentially even introducing regular audits.



## BUSINESS RELATIONSHIPS OF TLG IMMOBILIEN

Long-term relationships with our business partners enable us to optimise our management and control of processes. With regard to facility management, we have therefore been working with the same service providers (WISAG and Gegenbauer) for many years. Following the integration of WCM, we started working with a few new service providers in 2018 and adjusted existing contracts to bring them in line with our standards. Additionally, we put the facility management services for a section of the portfolio out to tender again in the reporting period.

We profit from our excellent market connections when we acquire and dispose of properties. We maintain excellent, long-standing relationships characterised by trust and integrity with numerous buyers and sellers.

We carry out construction and conversion work, for instance in order to increase the value of a property or to comply with the request of a tenant, in cooperation with external planning and construction companies. Service contracts are awarded through a structured tendering process on the basis of criteria such as expected construction costs, the experience and references of the service providers and the capacity and availability of the service providers. The tendering process is subject to predefined limits. When we engage a service provider contractually, we sign the standard contractual agreement of TLG IMMOBILIEN with that service provider alongside our General Terms and Conditions of Contract. We also make the service provider aware 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 with its in-house technicians who are also present at the final acceptance of the projects. If a service provider or subcontractor fails to meet our standards or specifications, we take a graded approach. Initially, the service provider or subcontractor is called on to comply with the specifications. If this proves unsuccessful, the service provider might be sanctioned, e. g. by stopping construction or withholding invoice items. If the service provider continues to fail to comply, we will terminate our partnership and avoid awarding any further contracts to that service provider.

103-2, 103-3, 203-2

# ▽ SUSTAINABILITY AT TLG IMMOBILIEN

GRI 102, 203

## OUR UNDERSTANDING OF SUSTAINABILITY AND ITS ORGANISATION

At the moment, the commercial property market is being affected by various sustainability trends such as digitisation and migration. We are facing these changes with sound analyses and forward-looking planning. Additionally, we will continue to develop our approach to sustainability and incorporate it into our business processes.

### PERIPHERAL DEVELOPMENTS

The commercial property sector continues to be affected by social, demographic, economic and political change. TLG IMMOBILIEN is influenced by four trends in particular: the current developments in the property markets combined with the persistently low interest rates, the competition for highly qualified workers, 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 volatility of the capital markets and the persistently low interest rates continue to favour investments in real estate assets. In light of the steady high level of demand, public and private investments in real estate are also expected to increase significantly in 2019. It is therefore important that TLG IMMOBILIEN continues to preserve its attractive finance options and open up new investor groups in order to remain capable of pursuing its value growth and portfolio strategies systematically.

Many departments of TLG IMMOBILIEN still face strong competition for highly qualified personnel. As such, it is all the more important for TLG IMMOBILIEN to position itself as an attractive employer in the job market so as to attract experienced specialists, managers and highly promising young employees to the company and retain them over the long term. Their dedication paves the way for successful value creation and the continuation of our corporate strategy.

Digitisation affects our business operations and how we rent our properties to tenants. Our company is increasingly embracing new technology that simplifies and optimises our processes. This might be, for example, work flow adjustments, invoicing processes or smart office solutions, as well as innovative technology.



We are examining their potential for TLG IMMOBILIEN and we replace old technology with new technology wherever possible. In our portfolio, the requirements of our office and retail tenants and the leaseholders of hotels in particular are increasing in terms of digital infrastructure. As a landlord, we feel obliged to guarantee a reliable service that is consistent with both current and future standards and developments. This gives rise to important questions not only about future plans to invest in our portfolio, but also 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, to what extent potential acquisitions will be able to meet the digital requirements of the future and whether it will be necessary to make investments for this purpose.

203-1

National and international migration to densely populated areas in Germany continues to exert great pressure on the residential market. Commercial lettable areas too are becoming increasingly scarce due to the strong demand, especially in major cities. In recent years, the scarcity of properties has been countered with urban redensification in particular, especially with regard to residential properties. We expect politicians to pay more attention to commercial real estate and to lend more political support to the resolution of these issues 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

TLG IMMOBILIEN AG is one of the leading commercial real estate specialists in Germany and an active portfolio manager of around 400 office, retail and hotel properties in Germany. The size of our portfolio brings with it an economic, social and ecological responsibility towards our various stakeholder groups. We intend to fulfil these responsibilities. We will therefore develop our approach to sustainability in future and incorporate it into our business processes. Additionally, we are currently drawing up concepts for a sustainability strategy with our new Management Board and will report on them in detail in our Sustainability Report 2019. We will then validate the results in a stakeholder survey.

By integrating economic, ecological and social aspects into our corporate strategy and reporting on them transparently and on a regular basis, TLG IMMOBILIEN can be successful in the long term. Our dialogue with our groups of stakeholders enables us to factor their points of view, interests and requirements into our corporate considerations and decisions and in turn broaden our view of relevant subjects. We also monitor and analyse market developments and demographic trends (p. 14f.) that will affect our business and factor them into our strategy.



The strategy of TLG IMMOBILIEN is centred on long-term, stable value development and the continuous increase of our total shareholder return. This will enable us to further expand the size and value of our property portfolio with a view to generating sustainable value. This is the only way for us to fulfil our promises to shareholders and tenants, not to mention our responsibility towards our employees and society. — p. 04ff.



We have been focusing more intently on development projects since 2018. Besides our economic strategy, our objective is to construct future-proof buildings – especially in an ecological sense – that can be used sustainably. We will create uniform standards with sustainability and well-being certifications in order that aspects of sustainability are also factored into our plans and decisions. This way, we can take the entire life cycle of a property into consideration in terms of users and re-use.

As a rule, we proceed responsibly and carefully when acquiring properties in order to ensure that they will generate long-term value for our company. Specifically, this means that before acquiring a property, we examine thoroughly whether the property will meet our strategic requirements. Our decision is based heavily on the long-term development of the location of the property, its structural condition and potential for future value creation through investments and rent adjustments, although securing sound financing as well as a successful and sustainable long-term rental and usage concept are also important. — p. 32ff.



As a commercial real estate specialist, we generally think in terms of long-term planning horizons as our properties should be able to meet the requirements of our tenants for the next 10 to 15 years. Due to the frequently long terms of rental agreements, however, 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 the social and ecological requirements into our corporate decisions and processes as part of our portfolio, asset and property management. In this context, adherence to environmental, safety and social standards is a core element of our processes. We also focus closely on market trends such as digitisation and the development of purchasing power and unemployment, analyse subjects such as migration or changing worlds of work and consider the ways in which they might influence our locations. This approach enables us to weigh up the opportunities and risks of a decision carefully and create a responsible, sustainable usage concept for our properties.

One of the key factors in the success of our business is the long-term satisfaction of tenants with our service and our properties. The location, condition and fittings of the properties are of crucial importance in this regard. Additionally, tenant satisfaction is influenced by the service we provide and our willingness to meet their needs. We do this primarily by adhering to our high standards, which is why we cover key elements of the real estate value chain within our own company. This is the reason for our decentralised structure. The staff in our 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. 30ff.



We want to be an attractive employer in the eyes of our employees and potential applicants, as we can only provide our customers with the best possible support and ensure the long-term success of TLG IMMOBILIEN with committed, highly qualified employees.. We are therefore actively investing in the recruitment and retention of employees, e.g. through individual promotion and training, as well as in maintaining their performance in the long term. — p. 41ff.



#### **ANCHORING SUSTAINABILITY WITHIN THE COMPANY**

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

102-20

The people in charge of each department and their members of staff drive the sustainable development of the company as part of their everyday business. 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. If necessary, they also meet in smaller groups to discuss measures, the level of progress towards targets or 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

GRI 102, 103, 415

The dialogue with our various stakeholders and their acceptance of our business are of critical importance to the economic success of TLG IMMOBILIEN. We are able to incorporate their points of view, ideas and requirements into our actions and broaden our horizons.

### THE STAKEHOLDER GROUPS OF TLG IMMOBILIEN

As part of our business activities, we maintain relationships with various stakeholder groups throughout Germany and are in dialogue with them in a variety of different ways. By communicating with them, we learn their opinions and requirements, are able to examine our options and develop specific measures. We further the acceptance of our decisions and projects by taking their concerns seriously and factoring them into our work and processes. In doing so, we remember that every decision we make has a different effect on our various stakeholder groups. Wherever possible, we strive to pursue our corporate targets with consideration for the various requirements and interests of all stakeholders involved. How relevant a group of stakeholders is depends directly on our business activities.

102-42

### THE EXPECTATIONS OF OUR STAKEHOLDERS

102-43, 102-44

The expectations of our stakeholders vary depending on the nature of and reason for their relationship with our company.

For example, the IPO brings with it a special responsibility towards our **shareholders** as the owners of and investors in our company. A secure total shareholder return provides them with the certainty that their capital is invested lucratively and securely. Our investors and 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. We also organise visitations of our properties with them throughout the year. TLG IMMOBILIEN maintains a continuous, open and constructive dialogue with our investors such as banks. We supplement our annual and quarterly reports with, for example, live webcasts on report publications, teleconferences, investor presentations at market conferences and roadshows, and by publishing press releases throughout the year, including ad-hoc announcements if necessary. We also update our shareholders thoroughly at our annual general meeting. Throughout the year, we publish more detailed information in the *Investor Relations section of our website*.



102-40



Our **tenants** are one of our most important groups of stakeholders. We want to maintain positive, long-term relations with them. One key element in this regard is our property management employees who stay in direct contact with them through their local presence and by communicating frequently on a personal level. This enables them 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.

103-3

Our **employees** are of particular significance to TLG IMMOBILIEN as they make a significant contribution to the success of our company through their capability, loyalty and satisfaction. Our employees in our branches possess extensive expertise and years of experience in our regional markets, making them reliable partners to our tenants, sellers and buyers of commercial properties, and municipalities. We want them to remain with us over the long term, which is why we take their concerns very seriously. We therefore carry out regular employee surveys and examine how we can implement their suggestions. The next survey is due to take place in 2019. More information — [Sustainability Report 2017, p. 45f.](#)



**Property buyers** and **sellers** are also one of our most important stakeholder groups. For our strategic portfolio, we are always on the lookout for office, retail and even selected hotel properties in order to strengthen the potential of our portfolio for value creation. Sellers expect streamlined decision-making processes, strong finance and reliable, reasoned actions from us. With our expertise and our knowledge of the buildings in the non-strategic portfolio, we support property buyers closely throughout the transaction and 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.

**Politicians**, especially on a municipal level, are an important partner to us with regard to the realisation of construction measures, especially in terms of development projects. We maintain a professional dialogue with the parties involved, 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.

415-1

We stay in close 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.

The **media** wants us to be willing to divulge 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.

## 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. We are involved in the following organisations:

- BVBC Organ des Bundesverbandes der Bilanzbuchhalter und Controller e.V.
- DGFP Deutsche Gesellschaft für Personalführung e.V.
- DIIR Institut für Interne Revision
- EPRA European Public Real Estate Association
- GDD Gesellschaft für Datenschutz und Datensicherung e.V.
- Corporate Governance Institute (ICG)
- Verband Deutscher Treasurer
- ZIA German Property Federation

102-12, 102-13

GRI 102, 103

## MATERIAL TOPICS OF TLG IMMOBILIEN

Economic, ecological and social themes are in a reciprocal relationship with the business activities of TLG IMMOBILIEN. We examine these themes and their effects regularly, both from internal standpoints and from the standpoint of our stakeholders.



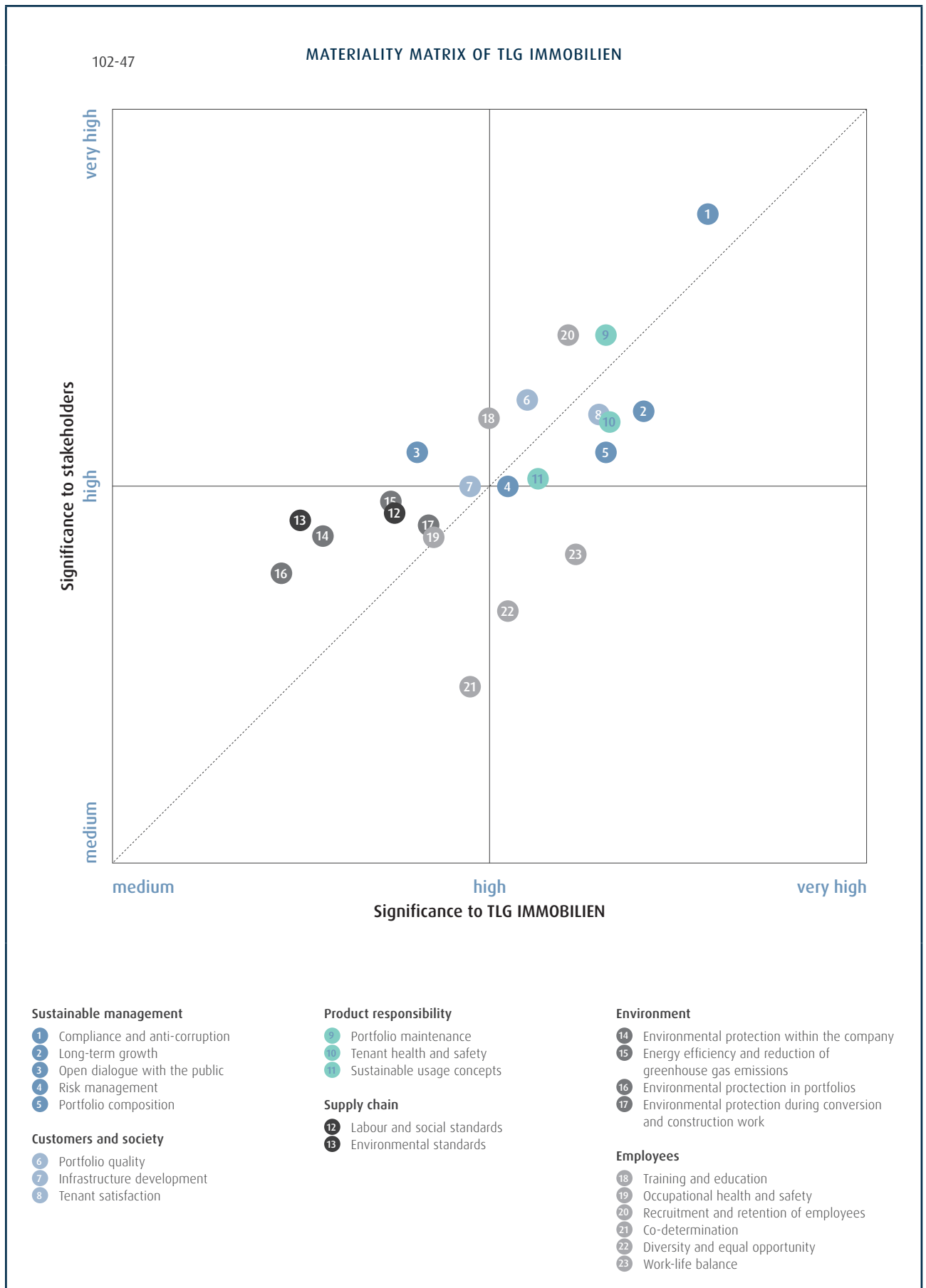
In 2016, we carried out an extensive materiality analysis for our sustainability reporting and validated the key aspects in a stakeholder survey. For a detailed description of the procedure and of the results, see the [Sustainability Report 2016](#) of TLG IMMOBILIEN. The material topics that we identified serve as the basis of this sustainability report.

102-43, 102-44,  
102-46, 102-48,  
102-49



For the sustainability report 2019, we will carry out a new materiality analysis including a stakeholder survey in order to check the material topics on the basis of current developments and, if necessary, add new ones.

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. 04ff.) as well as in 'Long-term value creation' (p. 23ff.), 'Energy efficiency and resource conservation' (p. 33ff.) and 'Employer attractiveness and employee expertise' (p. 41ff.).



**Material topics of TLG IMMOBILIEN**

102-47, 103-1

Material topics according to the matrix	Material			Topics according to the GRI Standards	Page reference
	Within the organisation	Outside of the organisation			
	TLG IMMOBILIEN/ Business processes	Supply chain	Tenants/ society		
<b>Sustainable management</b>					
Compliance and anti-corruption	x	x	x	Anti-corruption, anti-competitive behaviour, environmental compliance, socio-economic compliance, labelling of products and services	p. 08ff.
Long-term growth	x			Economic performance	p. 23ff.
Open dialogue with the public	x		x	Involvement of stakeholders and politicians	p. 17ff.
Risk management	x	x	x	Economic performance	p. 09ff.
Portfolio composition	x			Economic performance	p. 26ff.
<b>Customers and society</b>					
Portfolio quality	x		x	Not covered by GRI	p. 23ff.
Infrastructure development	x		x	Indirect economic impacts	p. 30ff.
Tenant satisfaction	x		x	Not covered by GRI	p. 30f.
<b>Product responsibility</b>					
Portfolio preservation	x		x	Not covered by GRI	p. 23ff.
Tenant health and safety	x		x	Customer health and safety	p. 30f.
Sustainable usage concepts	x			Not covered by GRI	p. 32
<b>Supply chain</b>					
Labour and social standards	x	x		Procurement practices, supplier social assessment	p. 12f.
Environmental standards	x	x		Procurement practices, supplier environmental assessment	p. 12f.
<b>Environment</b>					
Environmental protection within the company	x			Energy, emissions, water, effluents and waste	p. 39f.
Energy efficiency and reduction of greenhouse gas emissions	x		x	Energy, emissions	p. 33ff.
Environmental protection in the portfolio	x		x	Biodiversity, water, effluents and waste	p. 38f.
Environmental protection during conversion and construction work	x	x	x	Water, effluents and waste	p. 39
<b>Employees</b>					
Training and education	x			Training and education	p. 47ff.
Occupational health and safety	x			Occupational health and safety	p. 50f.
Recruitment and retention of employees	x			Employment	p. 43ff.
Co-determination	x	x		Labour/management relations, freedom of association and collective bargaining	p. 47
Diversity and equal opportunity	x			Diversity and equal opportunity, non-discrimination	p. 46f.
Work-life balance	x			Employment, occupational health and safety	p. 45



# OUR FIELDS OF ACTIVITY

## LONG-TERM VALUE GROWTH

TLG IMMOBILIEN continued to develop in 2018 and increased the value of the company once again. By defining four portfolio clusters with packages of strategic measures, we have taken a clear forward-looking position in the market.

GRI 102, 103,  
203, 413  
EPRA H&S-Asset,  
H&S-Comp  
SDG 8, SDG 11

### OUR MANAGEMENT APPROACH

103-1, 103-2

The German commercial property market in which TLG IMMOBILIEN operates was characterised by extremely intense competition and strong economic dynamism in 2018. By adapting our strategic orientation to four portfolio clusters with packages of strategic measures, we have laid solid foundations for the development of TLG IMMOBILIEN (p. 24). In future, we will monitor current developments and trends in our markets (p. 14f.) very closely and factor them into our decision-making processes.



The strategy of TLG IMMOBILIEN 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 preservation
- ▼ Infrastructure development
- ▼ Sustainable usage concepts

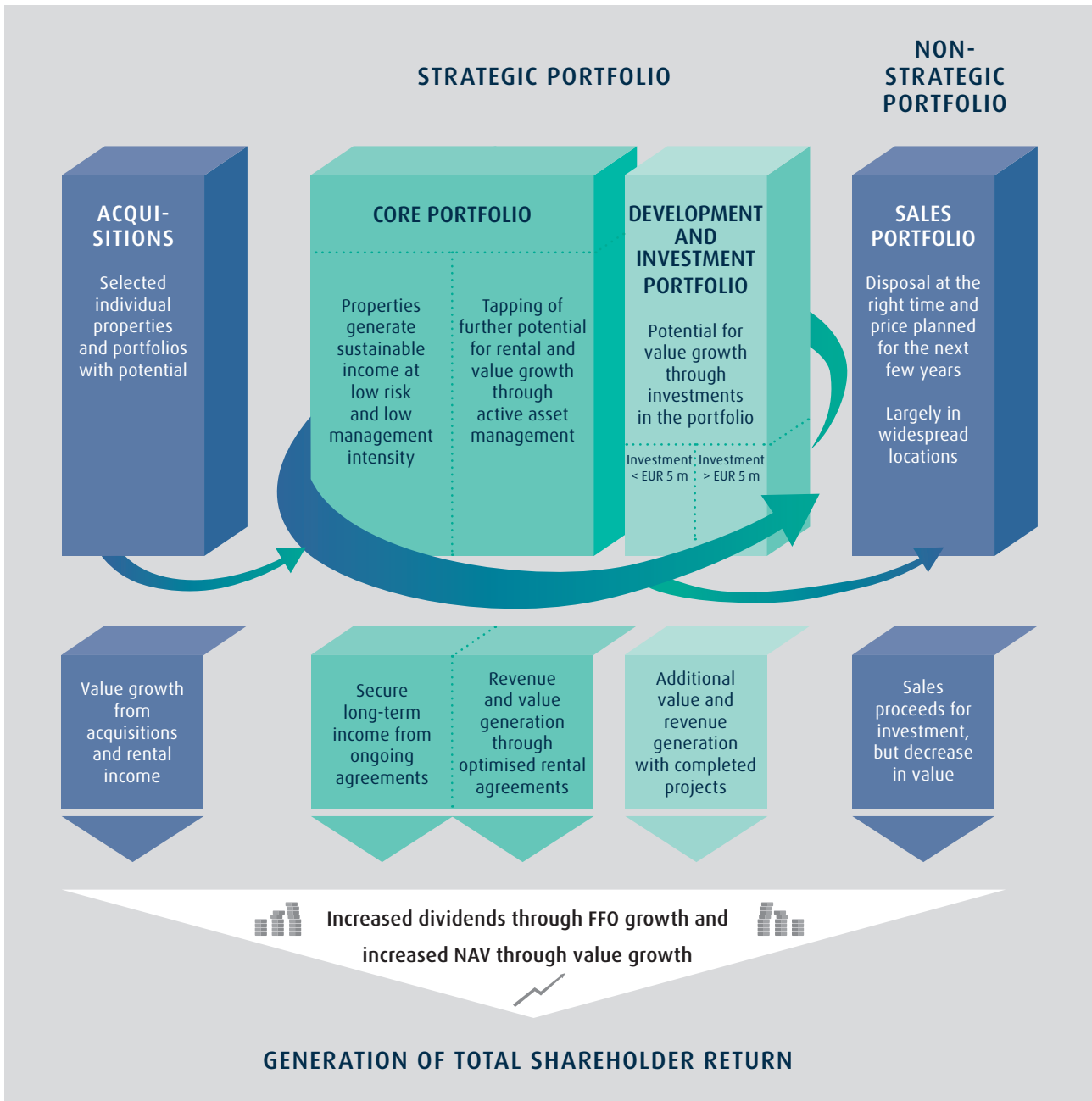
Risk management, compliance and anti-corruption, supply chain, and dialogue with stakeholders have also been identified as material topics in connection with sustainable management focused on long-term success. These topics are addressed in the section on our company and values. — p. 04ff.



### STRATEGIES

In late 2018, the new management of TLG IMMOBILIEN modified the strategies of the company in order to be a little more independent across economic and industry cycles in future and generate a reliable total shareholder return (net asset value growth plus dividend payments). By the end of 2019, we also want to increase the funds from operations (FFO) from EUR 134 m at present to between EUR 140 m and EUR 143 m.

In the reporting year, a comprehensive portfolio analysis paved the way for us to refine our corporate strategy. We defined four key portfolio clusters and related measures for significantly more active portfolio, asset and property management. In the process, we allocated all of our properties to a strategic (core portfolio, and development and investment portfolio) and a non-strategic portfolio (disposal portfolio) on the basis of their location, structural quality, tenants and remaining lease terms. As a rule, the potential for value growth of each property will be analysed regularly in future and the property will be re-categorised if its expected returns or general circumstances change. Over the next few years, we will dispose of properties that have been categorised as non-strategic when the market conditions are favourable, and in doing so we will increase the quality of our portfolio. We will continue to focus on the office, retail and hotel asset classes, attributing particular strategic significance to office properties in densely populated areas in Germany. We still intend to expand the property portfolio by acquiring selected individual properties or portfolios.





We have four key means of achieving our targets:


1. **Active portfolio, asset and property management:** In our core portfolio, we actively manage properties that generate sustainable income at low risk and low management intensity and/or in which we are able to tap further potential for rental and value growth through the optimisation and extension of rental agreements. In 2018, the core portfolio consisted of 182 properties with a value of EUR 2.5 bn. 103-3
  
2. **Value generation through development and investments in the portfolio:** We use the development and investment portfolio to tap potential for value generation through investments in the portfolio. In the portfolio analysis, we determined this potential for development and identified 104 properties that are ideal for investment. In this regard, we differentiate between investments that can be made over the next few years and investments that can only be made in the far future due to general contractual or construction-related conditions. 103-3
  
3. In line with our active portfolio management, we will **dispose of properties** from our non-strategic portfolio that require significant asset or property management work over the next few years when the conditions in the market are favourable. In 2018, the majority of such properties were from the retail portfolio. The proceeds will be used for future investments, development projects and acquisitions in order to balance out the decrease in value. 103-3
  
4. In light of the current price situation in the market, we will analyse the potential of future **acquisitions** for value creation in our portfolio closely. They are still a means for us to increase our total shareholder return. We therefore 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 potential for value creation through active asset management
  - ▼ the structural quality of the property
  - ▼ the structural flexibility for changing user requirements
  - ▼ the tenant structure
  - ▼ the potential income and value of the property
  - ▼ the opportunities to manage the property in line with our strategy
  - ▼ the risk profile of each property.102-15

The implementation of the strategy is controlled by the Management Board of TLG IMMOBILIEN 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 strategic targets.

More information — Annual Report 2018, p. 13ff. 

#### 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 'A portfolio strategy as a basis for portfolio quality', p. 26). They guide the development of our portfolio and pave the way for us to grow. The question of product responsibility is also linked to our portfolio (see 'Product responsibility', p. 31). We aim to utilise a property throughout its life cycle if at all possible. As such, we ensure that our portfolio is in good condition and can remain competitive in future.   


Additionally, the satisfaction of our tenants contributes to our business success (see 'Tenant satisfaction as a success factor', p. 30). 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 on which our findings are based 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 and increasingly strong requirements for connections to digital networks (p. 30). Based on this information, we also decide on investments in new regions that have a proven positive impact on TLG IMMOBILIEN's performance and the diversification of our portfolio.

#### **CAPITAL MANAGEMENT**

Extensive capital management serves to preserve our liquidity to continue operating successfully, continue growing and pay our debts. As our company is listed on the stock exchange, we enjoy attractive access to the equity and debt markets. Our company pursues a defensive strategy with regard to finance. The net LTV decreased from 39.2% to 34.7% in 2018, remaining far below our self-imposed upper limit of 45%. As such, the financing structure of TLG IMMOBILIEN was still solid as at 31 December 2018. This helps us gain access to finance at attractive rates. At 49.9% as at the reporting date in 2018, our equity ratio remains highly solid. The rating agency Moody's confirmed the rating of TLG IMMOBILIEN in November 2018 with the investment grade Baa2.

#### **THE OPPORTUNITIES OF DIGITISATION**

The changes that digitisation brings with it are one of the core topics that we will continue to address in 2019. We are examining what aspects are or might be of relevance to TLG IMMOBILIEN or our customers in future and which ones to pursue further. On this basis, we have already optimised specific internal processes including our invoicing work flow, document management, our digital inbox and the internal transaction approval procedure.

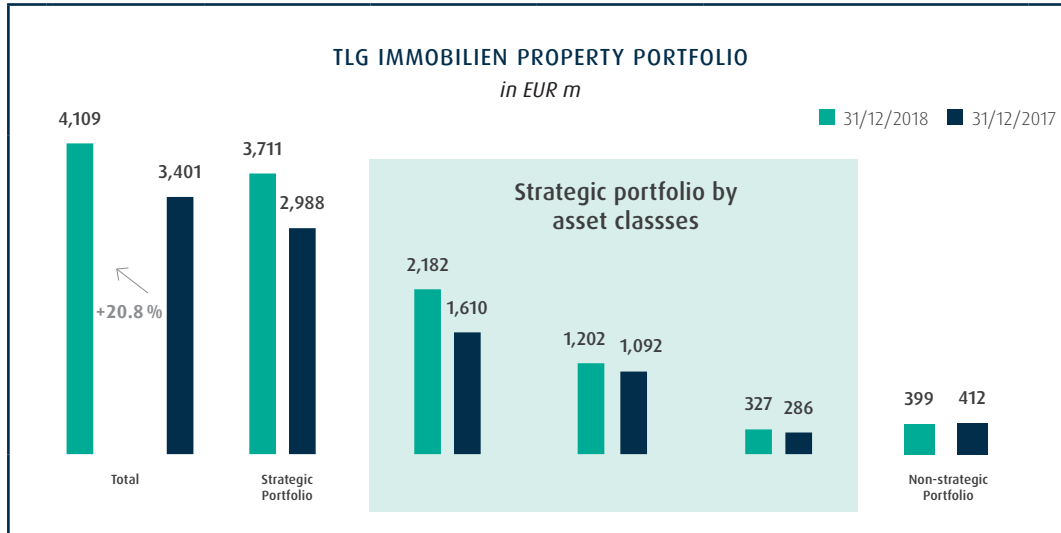
If we identify potential means of optimising processes in our property operations, we often launch a pilot project such as our collaboration with WiredScore in order to certify the connectivity of our buildings. At the moment, we are participating in other pilot projects with Ogulo in which we take 360-degree images of lettable areas and visualise future renovations in order to support the marketing of spaces regardless of their current condition. We are also participating in a pilot project with Disruptive Technologies in which we collect building operation data using multi-purpose sensors and then use the data to optimise the operation of the building.

### **103-2 A PORTFOLIO STRATEGY AS A BASIS FOR PORTFOLIO QUALITY**

Our long-term success requires us to be able to evaluate markets reliably. We factor market developments and trends, as well as their effects, into our strategic considerations.

Therefore, we anchored the concept of even more active portfolio, asset and property management into our corporate strategy in 2018 in order to realise potential value growth within our portfolio even more effectively. In this context, we pay particular attention to the strategic portfolio which is divided into two pillars; the core portfolio and the development and investment portfolio. Acquisitions represent the third pillar of our corporate strategy, whereas we cluster all of the properties for disposal in the non-strategic portfolio.

As at 31 December 2018, the entire portfolio of TLG IMMOBILIEN comprised 409 properties (previous year: 426), of which 286 were in the strategic portfolio (with a property value of EUR 3.7 bn) and 123 were in the non-strategic portfolio (with a property value of EUR 0.4 bn).



The strategic requirements of the core portfolio and acquisitions determine our management of our portfolio and our selection of attractive properties or portfolios to acquire in the office, retail and hotel asset classes. In this context, we focus on properties of high structural quality in sustainable locations that generate sustainable rental income. TLG IMMOBILIEN focuses on managing office properties and a diversified portfolio of retail properties. Our portfolio also includes seven centrally located hotels with well-known operators.

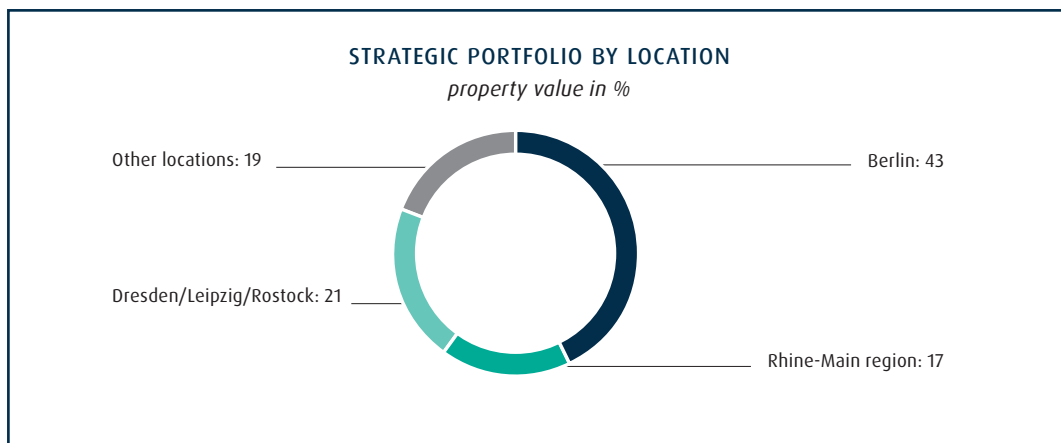
Our investments have increasingly encompassed construction measures in our portfolio since 2018, e.g. retail properties or office buildings, as well as comprehensive investments in the conversion and expansion of properties. In doing so, we aim to generate additional value in the portfolio.

102-15

**PORTFOLIO DIVERSIFICATION GUARANTEES LONG-TERM SUCCESS**

103-2, 103-3

The diversification of our portfolio across three asset classes is one of the key aspects that distinguishes us from other commercial property companies and ensures our long-term success. Some of the non-strategic properties that are currently due to be disposed of, primarily from the retail asset class, are situated in decentralised locations and require a relatively high degree of management from our organisation. As at 31 December 2018, the portfolio was divided by asset classes as follows:



102-4 As at 31 December 2018, our office property portfolio was concentrated on Berlin, Frankfurt/Main, Dresden, Leipzig and Rostock. It also contains a regionally diversified portfolio of retail properties, primarily in the neighbourhood shopping segment, in promising micro-locations. The seven hotels as at the reporting date are in Berlin, Dresden, Leipzig and Rostock.

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

103-3 **KEY INDICATORS OF TLG IMMOBILIEN AG (STRATEGIC PORTFOLIO)**  
**IN THE FIELD OF OFFICE PROPERTIES**

	Unit	2018	2017	Change
Property value	in EUR m	2,181.7	1,610.2	35.5%
Units	number	62	68	-6 units
Annualised in-place rent	in EUR m	100.0	91.2	9.7%
In-place rental yield	in %	4.6	5.7	-1.1 pp
EPRA vacancy rate	in %	4.1	5.0	-0.9 pp
WALT	in years	5.5	5.2	0.3 years

**IN THE FIELD OF RETAIL PROPERTIES**

	Unit	2018	2017	Change
Property value	in EUR m	1,202.2	1,453.4	-17.3%
Units	number	217	301	-84 units
Annualised in-place rent	in EUR m	79.9	101.8	-21.5%
In-place rental yield	in %	6.6	7.0	-0.4 pp
EPRA vacancy rate	in %	2.1	2.1	0.0 pp
WALT	in years	5.5	6.3	0.8 years

**IN THE FIELD OF HOTEL PROPERTIES**

	Unit	2018	2017	Change
Property value	in EUR m	326.7	285.9	14.3%
Units	number	7	7	0 units
Annualised in-place rent	in EUR m	16.5	16.3	1.2%
In-place rental yield	in %	5.0	5.6	-0.6 pp
EPRA vacancy rate	in %	3.3	2.3	101 pp
WALT	in years	11.6	12.2	-0.6 years



More information — Annual Report 2018, p. 27ff.

## STRATEGIC PORTFOLIO DEVELOPMENT THROUGH ACQUISITIONS AND DISPOSALS, AND DEVELOPMENT PROJECTS

103-2

In 2018, we paved the way for developing our portfolio even more strategically. In this context, we have acquired a total of four properties, three office properties and a neighbourhood shopping centre which have increased the value of the portfolio by EUR 142.2 m. A total of 22 properties have been disposed, generating proceeds of EUR 25.0 m.

The portfolio analysis enabled us to identify investment potential for 104 of the 286 properties in our strategic portfolio, such as adding a new floor to a retail property or a large-scale project such as the expansion of our property portfolio on Alexanderplatz in Berlin. The investments we identified with a volume of more than EUR 5 m currently have the potential to add around EUR 1.2 bn of value.

More information — Annual Report 2018, p. 18ff.



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 identify and 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, legal, tax, environmental, health and safety risks.

102-15

More information — Annual Report 2018, p. 22ff.



102-15, 103-2 **TENANT SATISFACTION AS A SUCCESS FACTOR**



A significant part of our success is based on the excellent, long-standing relationships that we maintain with our tenants. This is not only reflected in long-term rental agreements with stable rental income, but also by the number of contractual extensions and tenant requests for specific additions to the properties. — Annual Report 2018, p. 27ff.

With our local offices, we are able to remain close to our tenants and observe market developments even more closely. Our employees in the local offices possess excellent local market expertise and a network of both private and institutional market players. Besides our local presence, property-related factors such as the fittings and transport connections of the properties contribute to the satisfaction of our tenants.

103-1 **THE CONTEMPORARY FITTINGS IN OUR PROPERTIES**

Digitisation is having an increasingly large effect on the business of TLG IMMOBILIEN as it is also causing our tenants' requirements of the properties to change. As such, flexibility is becoming more and more important. Fixed office seating plans and traditional private offices are being replaced by flexible office concepts such as desk sharing and open-plan office solutions or influenced by home office models. Even meetings are often simply digital conferences, causing large conference and meeting rooms to lose their significance. Our customers desire more flexibility when it comes to room planning and the option of sharing available office capacities with other companies in the building. We are evaluating these trends and changing requirements and examining how we can incorporate these developments into our services and tailor our space concepts accordingly. We factor this development into our considerations at an early stage when we acquire new properties and plan development projects. Additionally, construction cost subsidies are often part of negotiations on contractual extensions in order to realise flexible office concepts through conversions.

**THE EXCELLENT TRANSPORT CONNECTIONS OF OUR PROPERTIES**

Our tenants want their properties to be easy for employees and customers to reach. Therefore, the location and accessibility of a property is a key criterion in its allocation to either the strategic or non-strategic portfolio. All of our office properties in our strategic portfolio are in central core locations and enjoy good infrastructural connections to public transport and the road and rail networks. In order to meet the current mobility requirements, parking spaces, bicycle parking areas and electric vehicle charging points are available in the properties wherever possible. Our retail properties are also well-connected to the (urban) road and rail networks. Under a partnership with Deutsche Bahn, our shopping centre in Bernau even has 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**

It must be possible to use our properties without any risk to health and safety. We ensure that this is the case, for example, through comprehensive facility management, regular safety inspections, investments in maintenance and repair work and absolute compliance with all statutory requirements. We only use materials that are faultless and non-hazardous in this context.

H&S-Asset



As part of the integration of WCM, we put some of the facility management contracts for WCM properties out to tender again or incorporated them into existing framework agreements with providers of facility management services in the reporting period, and examined their potential for optimisation and in terms of sustainability. In doing so, we aim to ensure compliance with our standards for the entire company. When they clean our buildings, we expect our service providers to comply with our specifications concerning the environmentally friendly use of cleaning agents and chemicals. Covering economic, social and ecological aspects, the code of conduct for suppliers which we introduced in 2017 is a key guideline in this regard. — p. 11



Safety-related systems such as lifts and smoke alarms are installed in all of our properties. As part of the newly defined process of operator responsibility, we have documented all systems (belonging to tenants and the landlord) and noted the state of repair and need for maintenance of each system. In doing so, we also wrote to tenants with their own systems and requested maintenance certificates in order to fully guarantee safety within our properties. We also make sure that elements of the buildings themselves do not cause any extraordinary problems. If mould is discovered in a property, we remove it immediately and carry out a thorough investigation of its causes. It goes without saying that mandatory inspections, e.g. of gas systems, inspections of central hot water systems for bacteria etc. 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 fire prevention concepts accordingly following changes to the rooms.

When a property is rented to a new tenant or disposed of, TLG IMMOBILIEN carries out a standardised acceptance process in which the rooms are inspected for security defects or health hazards. Potential defects are eliminated immediately as we strive to hand our properties over to every new tenant or buyer in the best possible condition and with no potential hazards. We stand by this process even if we acquire a building and add it to our portfolio.

When carrying out conversion or maintenance measures or extensive repair work, our highest priorities are durability and improving the well-being of the tenants. We notify every tenant, including their direct neighbours, that will be affected by the construction work in advance of the scope and duration of the work. Where necessary, we enter into a dialogue with those affected with a view to finding solutions together to minimise the inconveniences caused by the construction work, e.g. noise and dust.

102-43, 102-44

In some cases, the age of certain properties makes it necessary to remove asbestos. In this case, we make sure that all necessary measures are implemented in accordance with all health and safety and legal requirements that apply to handling hazardous materials so that our clients and the general public are not put at risk and that the asbestos is removed safely.

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, H&S-Comp

**MAKING USE OF POTENTIAL SPACE**

The portfolio analysis carried out in 2018 showed that some of the land and properties in the strategic portfolio have significant potential space that can be realised through extensions, new floors and new buildings. Not only does this create additional value for the surrounding area, it also increases the income from letting activities of TLG IMMOBILIEN. — Annual Report 2018, Development and Investment Portfolio p. 18 Likewise, specific modernisation measures and renovations for tenants in the portfolio are improving customer satisfaction and tying tenants to properties for longer.



102-15

**PRODUCT RESPONSIBILITY**

103-2

**PORTFOLIO PRESERVATION THROUGH STRATEGIC INVESTMENT**

TLG IMMOBILIEN aims to hold the properties in its strategic portfolio throughout their entire life cycles if possible and make efficient use of them. Therefore, when making an acquisition or deciding on an investment, we carry out life cycle assessments and determine their potential for value generation. Investing in the portfolio increases not only the life spans of properties, but also the satisfaction of tenants and the potential of the properties to be rented out, and even increases their future cash flows. The portfolio analysis showed that, due to our previous investments in compliance with the relevant building standards, we have a high-quality portfolio. The ongoing maintenance costs amounted to EUR 11.3 m in 2018. A total of EUR 33.1 m was invested in the portfolio (previous year: EUR 16.4 m), with EUR 10.4 m earmarked for development measures, especially expansions of retail properties.

A significant percentage of the investments, EUR 11.6 m, is attributable to the tenant fit-outs that were carried out in the previous year (office: EUR 6.8 m; retail: EUR 4.3 m). Tenant fit-outs were carried out in close cooperation with our tenants and, if paid for by TLG IMMOBILIEN, in exchange for an increase in rent. They increase the attractiveness of properties to potential tenants and improve the levels of comfort and well-being in our properties. In most cases, these measures also include the installation of air-conditioning systems or light and sun filters as well as floor plan adjustments designed to increase the attractiveness of the working areas whilst reducing the energy consumption of the building.



Naturally, during construction measures we work to minimise negative effects on the environment and surrounding area to the greatest possible extent. — p. 39f.

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.

#### 103-2 **SUSTAINABLE USAGE CONCEPTS**

It is our fundamental objective to build long-term business relationships with tenants and enable them to make optimal use of the property now and in the future. We therefore assess developments and trends in the markets of relevance to us and consider how we can make our properties future-proof with regard to what our tenants are likely to require. For example, in office buildings we increase the flexibility of room plans and open lettable areas for new potential applications. And with regard to retail companies, we perceive changing space requirements resulting from changes to purchasing habits and the needs of consumers, whereas changes to the economy or to 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.

In 2019, for example, we are set to hand over charging infrastructure for four parking spaces at present to a tenant in Dresden. This will enable our tenant to allow its employees to use electric vehicles. If more tenants are interested in the charging points, additional charging points can be installed and shared, with individual consumption logged by a load management system.

Our shareholders also profit from the solutions we find in this context, including the resulting tenant satisfaction, through value growth in the portfolio and dividends.

#### 413-1 **FAVOURABLE RENTAL CONDITIONS FOR SOCIALLY ORIENTED COMPANIES**

We support socially oriented companies in a variety of ways. For example, we provide some of our tenants with discounts on their rent in order to support their commitment or allow non-political, charitable organisations such as food banks to use floor space in our shopping centres for marketing measures free of charge.

In addition, TLG IMMOBILIEN also supports good causes financially with donations to various organisations. In 2018, we donated a total of EUR 11,500 to various charitable organisations such as the children's hospice Caritas, Arche and the homeless shelter Die Brücke.

# ENERGY EFFICIENCY AND RESOURCE CONSERVATION

GRI 103, 302, 303, 304, 305, 306, CRE1, CRE2, EPRA Water-Int, Cert-Tot, SDG 13

TLG IMMOBILIEN strives to encourage responsibility towards the climate and environment. In our properties and in our own business operations, we pay attention to using resources efficiently and lowering greenhouse gas emissions.

## OUR MANAGEMENT APPROACH

103-2

With around 400 properties, TLG IMMOBILIEN is one of the leading commercial real estate specialists in Germany. We have an influence over the environment as part of our business activities, both through our own business operations and through the running of our properties. However, we strive to minimise negative effects on the environment that might, for example, be caused by the consumption of energy and water or the occurrence of effluents and waste. We are most effective when we implement measures within our portfolio with a view to ensuring that our properties are run in an efficient and environmentally conscious manner. One initial starting point is the reduction of energy consumption and the related greenhouse gas emissions. Therefore, even when we acquire new properties, we pay attention to environmental concerns such as potentially contaminated sites, the condition of the technical systems such as heating and ventilation and the existence of building certifications.

As a rule, we ensure that we adhere to the relevant environmental protection legislation and regulations in our everyday work. We have anchored responsibility for environmental issues with the operating departments that work with our properties and with our internal environmental protection officer.

An external environmental protection coordinator assists and advises TLG IMMOBILIEN on matters and technical queries relating to the environment. Once per year, the environmental protection coordinator trains employees on current environmental issues and frequently provides them with information on legal developments and changes to the law. The coordinator is the first point of contact for the internal environmental protection officer of the company and is in charge of coordinating internal audits in order to adhere to basic environmental management processes within the company.

We have been purchasing green electricity and carbon-neutral gas for our business operations and the common parts and vacant areas in our portfolio since 2017. We indicate their share of our total energy consumption in the tables of key figures in this report. 

## ENERGY EFFICIENCY AND RESOURCE CONSERVATION IN THE PORTFOLIO

The portfolio of TLG IMMOBILIEN is the most effective means of improving energy efficiency and resource conservation as it accounts for the majority of the energy consumption and CO<sub>2</sub> emissions.



Although we have no direct influence over the consumption of our tenants, we can contribute to reductions it by taking the structural condition of a property and its emissions into account even during the acquisition process and by implementing energy-saving measures during conversion and construction work as we did with the discount supermarkets we built and optimised. Additionally, we promote the responsible use of energy and water with annual reminders from our *resource advisor* as part of our operating cost statements.

All construction measures are carried out subject to an economic feasibility assessment and with consideration for current standards. We frequently consider green technology such as lighting, heating or ventilation for the common areas and vacant areas for which we are responsible. This enables us to reduce the environmental impact of the portfolio of TLG IMMOBILIEN, increase the attractiveness and availability of our properties in the long term and manage them in an efficient manner that generates value for our shareholders.

**Cert-Tot** Even before we acquire a new property, we factor the existence of sustainability certificates into our decision-making process and examine options for such an investment, including when building new properties.

**Cert-Tot** Two retail properties in our portfolio in Olpe and Göttingen have been certified under the GreenBuilding standards of the European Commission so far. Additionally, two office properties in Frankfurt/Main have been awarded the LEED Gold (Leadership in Energy and Environmental Design) certification. The BREEAM certifications of two office properties in Frankfurt that were previously reported at this point expired at the end of 2017 and no re-certification process has been carried out for economic reasons. However, no changes have been made to the buildings so they continue to meet the requirements.

#### **Recording consumption in the portfolio**

In accordance with the statutory regulations, tenant consumption is recorded and billed by TLG IMMOBILIEN using sub-meters (portfolio section A), although some tenants deal with the utility companies directly (portfolio section B). We therefore possess billing data only for some of the consumption. However, in order to gain a complete overview of the energy consumption and greenhouse gas emissions of our portfolio, we invite tenants who deal with their utility companies directly to provide us with their consumption data once per year. Therefore, in April 2019 we wrote to 63 tenants initially who use 179 properties in the portfolio of TLG IMMOBILIEN to invite them to provide us with their electricity, heat, water and wastewater consumption statistics from 2017 and 2018 for the purpose of an aggregated evaluation. The findings are presented in the section on key figures. — p. 52ff.



In a further step, it would even be conceivable for us to contact all other tenants in portfolio section A (see 'Information', p. 52) in connection with their individually billed consumption.

We have expanded our key portfolio-specific environmental figures consistently and increased their quality over the past few years in order to be able to make reliable statements about the energy efficiency and emissions of our properties. We will continue this strategy over the next few years, for example as part of the project 'Data Concept for Greater Environmental Protection in Commercial Properties' by the German Industry Initiative for Energy Efficiency (DENEFF). The project aims to develop a consistent data model through which a company can collect informative, comparable climate and energy data for the buildings in its own portfolio. These data will help the owners of commercial properties make sound decisions on investments in environmental protection and establish uniform standards for building appraisals in the sector.

**ENERGY EFFICIENCY AND RESOURCE CONSERVATION IN BUSINESS OPERATIONS**

Compared to its property portfolio, the energy consumption and CO<sub>2</sub> emissions of the business operations of TLG IMMOBILIEN are low. However, we do have a direct influence over this consumption. The main starting point in this regard is the reduction of electricity, heat and fuel consumption.

In 2016, an energy audit was carried out in accordance with DIN EN 16247-1 in which we recorded the energy consumption (electricity, heat, diesel and gas) of our office sites and verified the data by means of on-site inspections. Potential means of saving energy were identified during the analysis, evaluated and presented to the managers in a report. The feasibility of each proposed measure was tested by the company and measures deemed suitable were implemented. Due to the audit, for example, we are gradually installing energy-efficient LED lights in our offices. For example, we are going to replace all of the lights at our headquarters in Berlin in 2019. Some of our new office spaces are even fitted with energy-saving movement sensors.

The next energy audit will be carried out by 2020, although no date has been set yet.

**MATERIAL TOPICS OF TLG IMMOBILIEN AG**

In order that we are able to better identify and manage our options in terms of influencing environmental protection and to make it clear where the greatest impacts are being made, we have worked with our stakeholders to define the following aspects that are key to TLG IMMOBILIEN:

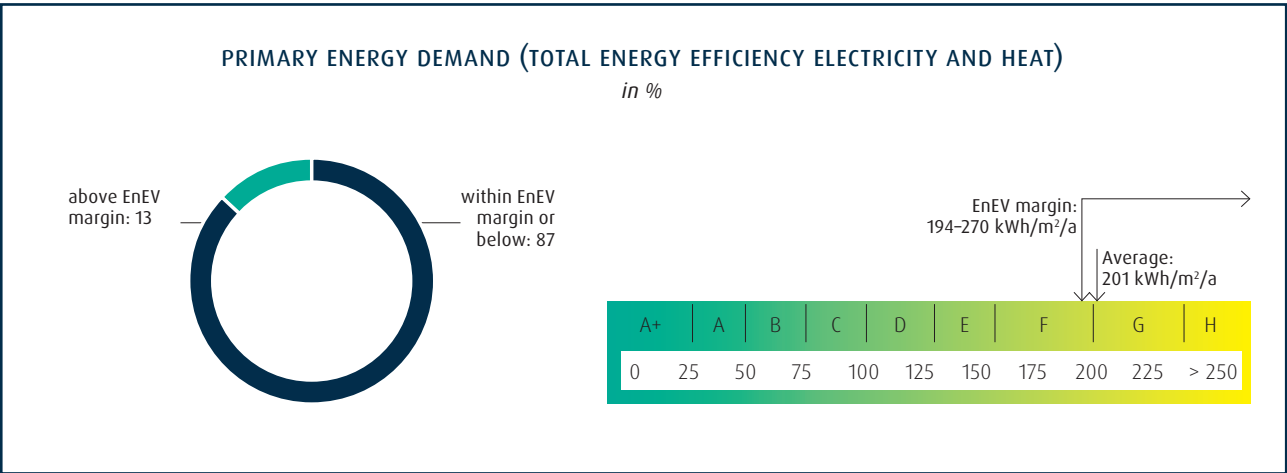
- ▶ Energy efficiency and reduction of greenhouse gas emissions in the portfolio
- ▶ Environmental protection in the portfolio
- ▶ Environmental protection during conversion and construction work
- ▶ Environmental protection within the company 103-1

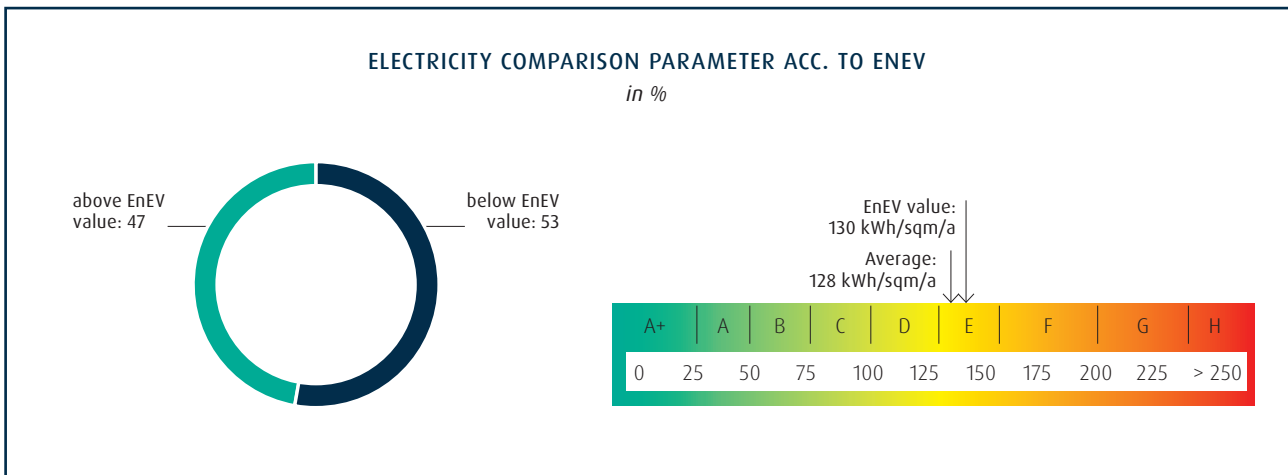
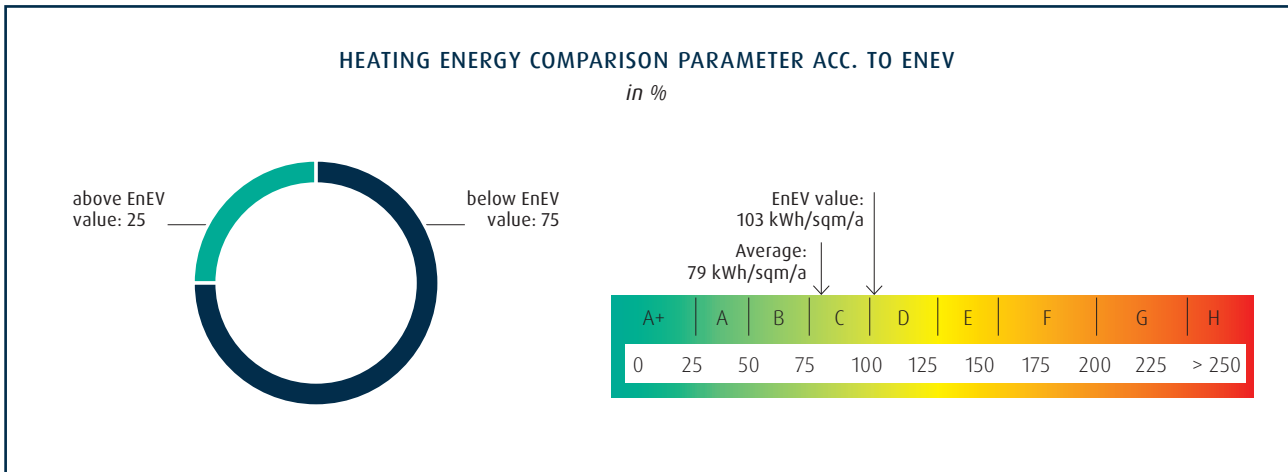
**ENERGY EFFICIENCY AND REDUCTION OF GREENHOUSE GASES IN OUR PORTFOLIO 103-2**

**THE ENERGY CONSUMPTION OF OUR PORTFOLIO**

In order to prepare this sustainability report, we re-assessed the energy performance certificates of our buildings. 426 buildings on 336 plots of land (82% of the total portfolio) were surveyed. There are no energy certificates for the remaining plots, as, according to the auditor, they are not required or the plots are undeveloped. The evaluation shows:

Cert-Tot





Additionally, we regularly consider whether further investments in energy modernisation would be economically and environmentally prudent both for TLG IMMOBILIEN and for our tenants. We do this in the context of the criticism of the increased stringency of the German Energy Saving Ordinance (EnEV) by the ZIA in 2014 and the German Energy Agency (dena) in 2017. In one study, dena concluded that office and administrative buildings have significant energy-saving potential, yet economic criteria often prevent investments in energy efficiency measures. For example, investments often only pay off after decades, whereas in the past, energy efficiency criteria never used to be of significance to the acquisition or disposal of a property. Additionally, property owners are often unable to estimate what effect such investments will have on the value of the building.

Weighing up the economic and ecological aspects, we do not currently consider investments in improving the energy efficiency of our properties to be 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.

As a rule, we are committed to implementing energy efficiency measures when carrying out construction or conversion work and we adhere to the relevant regulations. In 2018, for example, we built three retail properties and renovated one property, going to great lengths to comply with current environmental requirements and optimise the environmental friendliness and energy consumption of the fittings in the process. This enables us to lower the long-term operating costs for our tenants. Additionally, we installed a new heating system in another retail property and implemented smaller individual measures such as replacing air-conditioning systems.



More information — Annual Report 2018, p. 20f.

## ENERGY CONSUMPTION AND INTENSITY OF OUR PROPERTIES

103-3

The total energy consumption of our portfolio consists of the electricity and heat consumption of portfolio sections A and B. We present these consumption statistics on an absolute basis and a like-for-like basis for 2017 and 2018.

Portfolio section A: TLG IMMOBILIEN purchases the energy and charges tenants in the property for it with sub-meters. The consumption encompasses the electricity consumption in the common areas and vacant areas as well as the heat energy consumption in the common, vacant and tenant-occupied areas.

Portfolio section B: The tenants purchase their own energy and deal with the utility companies directly. The consumption encompasses their total electricity and heat energy consumption. — see [distribution of portfolio sections A and B: p. 52ff.](#)



302-2

### TOTAL ENERGY CONSUMPTION OF THE PORTFOLIO

	Unit	2018	2017
Absolute	kWh	123,550,650	134,942,012
Like-for-like*	kWh	60,583,026	58,425,894

\* The like-for-like analysis only involves properties that were in the portfolio in both reference periods (2017/2018). This way, we can rule out potential effects from acquisitions and disposals and make the data more informative.

The consumption values can be better compared using the energy intensity of our analysed properties as we use this indicator to report the annual energy consumption per square metre of space. However, the intensity key figure is influenced by a number of factors during the period under review, including the usage type of the building, the number of users in the building and the weather. Due to the heterogeneity of our portfolio, therefore, the energy intensity can only be compared year-on-year and not across asset classes. We have therefore foregone presenting energy intensities across all asset classes and have instead presented the intensities separately by energy type and asset class. The total energy intensity of our portfolio cannot be calculated as the common areas and vacant areas as well as tenant consumption of portfolio section A corresponding to the electricity consumption cannot currently be determined:

Energy-Int

### ELECTRICITY INTENSITY ACCORDING TO ASSET CLASS (PORTFOLIO SECTION B)\*

302-3, CRE1

Key figures	Unit	Absolute		Like-for-like	
		2018	2017	2018	2017
Office	kWh/sqm/year	78	81	78	81
Retail	kWh/sqm/year	209	206	210	206
Others	kWh/sqm/year	-**	367	-**	-**

\* As the common areas 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 are not included as the consumption values cannot be determined accurately because, as they are used for mixed purposes as hotels with an office or retail element, the billing methods vary from property to property.

\*\* There are no consumptions.

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

Key figures	Unit	Absolute		Like-for-like	
		2018	2017	2018	2017
Office	kWh/sqm/year	73	75	70	81
Retail	kWh/sqm/year	57	70	60	66
Others	kWh/sqm/year	76	112	76	91

\* The hotel properties are not included as the consumption values cannot be determined accurately because, as they are used for mixed purposes as hotels with an office or retail element, the billing methods vary from property to property.



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

103-3 **GREENHOUSE GAS EMISSIONS IN OUR PORTFOLIO**

The emissions from energy consumption in our portfolio – which is either 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 these emissions as indirect emissions, i. e. Scope 3 emissions that are downstream of our business activities. The total indirect emissions (Scope 3) were 23,344.54 metric tonnes CO<sub>2</sub> in 2018 (33,953 metric tonnes CO<sub>2</sub> in the previous year).



Ever since 2017, we have been purchasing green electricity and carbon-neutral gas for heating for some of our existing space. This enabled us to save 16,438.92 tonnes CO<sub>2</sub> (Scope 3) in the reporting period, 14,483.85 tonnes CO<sub>2</sub> with green electricity and 1,955.07 tonnes CO<sub>2</sub> with carbon-neutral gas.



You can find a detailed breakdown of the emission statistics including a like-for-like comparison, calculation methods and assessed areas on [p. 60.](#)

**RESOURCE CONSERVATION AND ENVIRONMENTAL PROTECTION IN OUR PORTFOLIO**

**WATER CONSUMPTION IN OUR PROPERTIES**



Water consumption in our portfolio is the responsibility of our tenants. We want to encourage our tenants to use water carefully, e. g. with our [information sheet](#) that has been available on our website since late 2017 and to which we have been referring along with operating cost accounts since 2018.

303-3 The water for our properties is obtained exclusively from public utilities.

CRE2, Water-Int

In 2018, we consumed an average of 0.30 m<sup>3</sup> of water per square metre per year (previous year: 0.35 m<sup>3</sup>/sqm/year).

306-1

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.

The effluent intensity in 2018 was 0.29 m<sup>3</sup> per square metre per year (previous year: 0.34 m<sup>3</sup>/sqm/year)..



For a more detailed breakdown of water consumption, the occurrence of effluents and water and effluent intensities, including a like-for-like comparison by analysed asset class, see [p. 61ff.](#)

As TLG IMMOBILIEN operates 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

We have been intensifying our construction activities since 2018 and will continue to pursue this strategy. In doing so, we are creating space that was already in our portfolio and which was previously developed (brownfield development). We do not carry out greenfield development, i.e. building on new, unsealed land. In light of the intensification of its construction activities, environmental protection during conversion and construction work is of growing significance to TLG IMMOBILIEN. We strive to build modern, efficient, environmentally friendly and technically future-proof buildings. This creates buildings with, for example, cutting-edge air-conditioning and energy concepts, building envelopes that meet the strictest efficiency standards and futuristic operating concepts that guarantee the highest standards of data and building security and ensure cost-effective business operation in the long term. With the 'digital twin' of a building, we are able to visualise and simulate every phase of the life of the property by means of building information management (BIM). In doing so, we implement a collaborative methodology whereby information and data of relevance to the life cycle of a building are collected consistently on the basis of digital models, administered and then shared in transparent communication between the parties involved in the project or made available for further processing. By introducing the BIM methodology as a key element in the digitisation of our planning and construction processes, we can utilise the inherent potential advantages and generate additional value for our shareholders, customers and construction partners. Employees and the colleagues of the construction and planning partners who are involved in the project play a special and exceptional role in this context. We therefore centre the BIM strategy around the people involved. Generally speaking, the BIM methodology creates value and is designed to be collaborative, data-centric and standardised.

Waste, wastewater and energy management also plays a significant role on our building sites. We commit our partners to disposing properly of used building materials and to adhering to statutory regulations that apply to them without exception. Additionally, we ensure that the materials used do not pollute the water and remain non-hazardous throughout their life cycles. All of our building sites run on green electricity.

**RESOURCE CONSERVATION AND ENVIRONMENTAL PROTECTION IN BUSINESS OPERATIONS**

**ENERGY CONSUMPTION AND EFFICIENCY OF OUR BUSINESS OPERATIONS**

103-2, 103-3

As part of our business operations, we make our employees aware of how to use resources responsibly. They are encouraged to save energy, heat and fuel whenever possible, e.g. by adjusting the office lights in favour of natural light, thorough (yet temporary) office ventilation instead of windows that are slightly ajar in winter and driving company cars in a way that improves fuel economy. We raise awareness of these subjects continuously, for instance in this sustainability report or the information sheet that we send to tenants. We expect every employee to assume responsibility, with managers and the Organisation department providing support where necessary.

Energy efficiency is also important to us in terms of office furniture and equipment. Our 30 modern printers are positioned centrally and are 'Blauer Engel' certified. Almost all personal vehicles are subject to a maximum CO<sub>2</sub> limit of 169 g/100 km.



During the preparation of this report, only a few statements of consumption for 2018 were available to us from suppliers for our owner-occupied space. Therefore, the consumption statistics for the 2017 reporting year that were fully available are presented here. For the reasons given above, the energy intensity cannot currently be determined reliably for 2018; nevertheless, for the sake of completeness and transparency, we report on it in the section of this report dedicated to key figures. — p. 64

**BUSINESS OPERATIONS OF TLG IMMOBILIEN AG\***

	Unit	2018	2017
Total energy consumption	kWh	552,191	749,653
Energy intensity	kWh/sqm/year	69	93

302-1 \* 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 network.

In the reporting year, TLG IMMOBILIEN measured an energy consumption from fuels of 281,291 kWh for its fleet of vehicles (previous year: 291,323 kWh). The fuel consumption is due primarily to 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.

In 2018, the proportion of business trips increased to 1,189 in total, which represents approximately nine business trips per employee (previous year: 1,074; ten 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.

We take the following steps in order to lower our fuel consumption: we provide a company ticket for local public transport in Berlin and Dresden which is used by around 60% of employees and we have a car-sharing scheme in place which eleven employees are currently using. We plan to add hybrid vehicles to our vehicle fleet in 2019. We only travel by plane if the destination cannot be reached in a reasonable amount of time using more environmentally friendly means of transportation.

103-3 **CO<sub>2</sub> EMISSIONS FROM OUR BUSINESS OPERATIONS**

The CO<sub>2</sub> emissions of our business operations comprise 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.

305-4 The indirect emissions represent an intensity of 0.01 tonnes CO<sub>2</sub> per square metre for our business operations in 2018 (previous year: 0.01 tonnes CO<sub>2</sub> per square metre).



You can find a detailed breakdown of the emission statistics including a like-for-like comparison, calculation methods and assessed areas on p. 64.

**USE OF WATER**

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

The water for our owner-occupied office space is obtained exclusively from public utilities.

306-1 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.



For the total water consumption in our owner-occupied office space as well as the water intensity and the volume of wastewater discharge, please see the key figures. — p. 52.

## EMPLOYER ATTRACTIVENESS AND EMPLOYEE EXPERTISE

We can only achieve our long-term objectives with highly qualified, motivated employees. We therefore offer a wide range of benefits to create a bond with our employees and attract new, highly qualified personnel. This way, we are able to work together for a successful, healthy future.

GRI 102, 103, 401, 402, 403, 404, 405, 406  
 EPRA Emp-Dev, Emp-Turnover, Emp-Training, Diversity-Emp, Diversity-Pay, H&S-Emp  
 SDG 3, SDG 4, SDG 5, SDG 8

### OUR MANAGEMENT APPROACH

103-2

TLG IMMOBILIEN is developing continuously. Besides the development of the Group, societal changes are key drivers. They are giving rise to new strategic requirements with regard to personnel management. This is because employees are expecting different things from their employers: attractive additional benefits, a pleasant working environment, training and education options, health management and means of reconciling their professional and private lives are becoming increasingly important to tying existing employees and junior employees to the company and attracting new employees.

In 2018, the personnel management of the company focused on strengthening the team both qualitatively and quantitatively, retaining existing employees and top performers, such as with the business programme 'Fit4Growth', as well as the further professional and personal development of employees.

With comprehensive health management such as health initiatives, training courses and the provision of free fruit and water, we ensure that our employees continue to perform well over the long term and prevent health problems. We are going to hold the next health day at all locations in 2019 in order to make our employees even more aware of the issue. We also give our employees the opportunity to reconcile their professional and private lives with flexible working hour models. We aim to support these flexibility concepts with our room layouts in the 'New Office World' project that is set to launch in 2019. In doing so, we want to test how we at TLG IMMOBILIEN will be able to work in our offices in a way that promotes collaboration and employee well-being in the future.

We will continue down this path in future because we want to ensure that every employee applies their skills and expertise and actively helps shape the future of the company. To this end, TLG IMMOBILIEN is in need of a skilled, highly qualified and motivated workforce.

We are intensifying our university marketing activities in order to attract highly qualified junior employees at an early stage. We employ working students with the prospect of being taken on as permanent employees if they perform well. We employed 14 students in 2018 which represents an increase of eight students over the previous year. In 2019, we are going to revisit our compensation and benefits package for our working students and make adjustments if necessary in order to further increase our competitiveness with regard to the recruitment of talented students. These are important steps for TLG IMMOBILIEN to promote its own next generation of employees and tie them to the company over the long term.

Topics that are material to TLG IMMOBILIEN in terms of employees have been derived from this context:

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

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

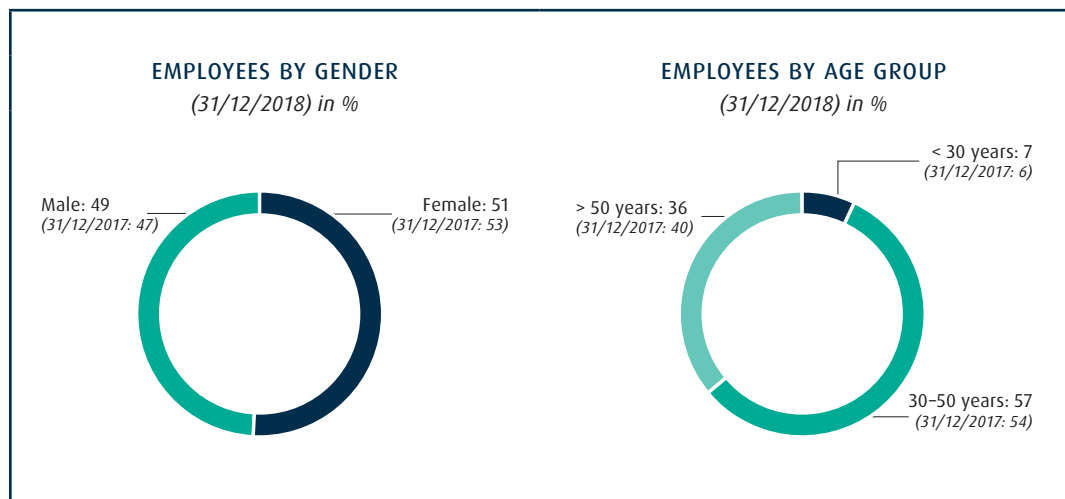
In our company, we value and encourage independence as well as flexibility and expert knowledge. We believe that an unprejudiced working environment characterised by fairness and equal opportunities is a prerequisite for this. We therefore promote diversity within the company and combat prejudice and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

### PERSONNEL STRUCTURE OF TLG IMMOBILIEN AG

At the end of 2018, TLG IMMOBILIEN had 131 employees (previous year: 111), not including trainees or inactive contracts. The increase in the number of employees is due primarily to the integration of WCM. The ratio of female to male employees at TLG IMMOBILIEN has been balanced for years. By the end of 2018, 51% of our employees were female (previous year: 53%) and 49% were male (previous year: 47%). 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: 57% of employees are between 30 and 50 years of age (previous year: 54%), 36% are over 50 years of age (previous year: 40%) and 7% are under 30 years of age (previous year: 6%). The average age of our employees is 44 (previous year: 45 years).

102-7, 102-8, 405-1

405-1



Over half of our employees (68%) work at our main office in Berlin and the other 32% (42 employees) work in our branches. We practise the same personnel management approach for all employees.

We procure certain services from external contractors, freelancers or advisors. These engagements are specific to individual projects or contracts and are governed by individual work and service contracts. We only use leased workers to meet temporary, short-term requirements and, where possible, aim to fill vacancies with our own employees. As at 31 December 2018, just two leased workers were working at TLG IMMOBILIEN. 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. — p. 11



102-8

## RECRUITMENT AND RETENTION OF EMPLOYEES

### EMPLOYEE RECRUITMENT

103-2

We want to fill vacancies with people who fit in well not only professionally, but also personally, and who will remain with the company on a long-term basis. Therefore, one key task of our personnel management is to attract new employees who will help us implement our corporate strategy and meet our targets. At the same time, however, TLG IMMOBILIEN is being affected by the general lack of specialists which we want to counter strategically. We have implemented numerous measures to overcome this challenge successfully. As a rule, we want to fill vacancies – especially in positions of management – with our own employees where possible. We therefore invest in structured successor management and rely on systematic employee development. At TLG IMMOBILIEN, employees who are committed and skilled take on responsibility quickly, such as for their own projects.

It is not always possible for us to fill vacant positions with our own employees. Therefore, one member of staff in the HR department has been focusing on recruitment, employer branding and university marketing since 2017. We use traditional measures such as advertisements in job portals and on our website, advertisements in public and on social media and working with specialised recruitment agencies. We also use our own networks actively to attract new employees. For example, our employees receive a premium when they successfully recommend an applicant.

Additionally, we refined our university marketing concept in 2018 which we aim to complete and roll out in early 2019. Furthermore, we plan to participate in the Expo Real Career Day in late 2019 where we will be able to present ourselves to students, graduates and young professionals directly.

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. Every manager nominates someone from his or her team to act as a mentor to a new employee and answer any questions that employee might have about the company and its structures in the first few weeks.

Alongside our direct recruitment measures, we maintain a positive public image for the company. We communicate our corporate values to applicants and potential applicants and point out development and career opportunities, our lean structures and flat hierarchies as well as our wide range of social benefits.


Efficient personnel work is becoming increasingly important in light of the growing range of duties of personnel management, in which regard our processes are focused on digitisation. 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, as well as a modern, cutting-edge application portal. Additionally, applicants can visit [www.tlg.eu/en/career/career-at-tlg](http://www.tlg.eu/en/career/career-at-tlg) for an insight into our world and our additional benefits. In late 2018, we launched the project 'Digitisation of Human Resources' in order to digitise currently analogue HR processes such as personnel files and, for example, introduce smartphone-controlled features. We are still working to streamline rules structures within the company and simplify our remuneration system. By digitising more of the human resources landscape, our employees will be able to access relevant information directly, file applications and modify data in future. With these measures, we



also want to ensure that TLG IMMOBILIEN recruits applicants who meet our criteria in the best possible way despite the competition for talent and the pressure exerted by demographic change.

### EMPLOYEE RETENTION

102-8 We aim to tie employees to TLG IMMOBILIEN over the long term. Commitment and trusting collaboration are therefore of great importance to us. This is reflected by the large number of permanent employment contracts in our company: 97.7%.

 We provide our employees with a wide range of social benefits and opportunities for professional and personal development. These include, for example, a company pension plan, accident insurance, a job ticket, numerous training opportunities, a good work-life balance (see the sections on [occupational health and safety on p. 50](#) and [work-life balance on p. 45](#)) and the option to work independently. In 2018, as planned, we introduced a company pension scheme with employer contributions and expanded menu cheques to all of our branches in order to support employees with their lunches. In 2019, we intend to introduce a health day and broaden our range of sport and massage options. We will also expand the option of setting up a home office and continue to promote mobile working. From 2019 onwards, this will be possible in coordination with a manager and will not require a formal application.

401-2 In this context, we are going to launch the 'New Office World' project in 2019. A project group is currently determining what our employees require from their future workplace and how changes to the layout of a room can support collaboration. Subsequently, a concept will be developed for the realisation of a new office landscape at TLG IMMOBILIEN. The project is modelled on the implementation of a new room concept in Berlin. Eight employees are already benefiting from a redesigned office space. The office was furnished with particular attention paid to openness, transparency and encouraging collaboration. An evaluation has shown that the employees are responding very positively to the new concept.

We continue to actively encourage communication and direct dialogue with employees. Every employee should know what contribution he or she is making to our corporate targets. We therefore communicate the corporate strategy and targets at regular meetings, hold semi-annual employee appraisals and agree individual targets with every employee. Team-building events, workshops on a wide range of subjects, summer workshops, christmas parties and the leadership workshops that are held several times a year encourage an unforced dialogue between employees and provide employees and managers alike with the opportunity to exchange ideas and create concepts. At the workshops, for example, we reflect on projects and determine potential ways of optimising processes.

401-1, Emp-Turnover  
102-43, 102-44 In 2018 the fluctuation rate was 7.6% (previous year: 6.4%). That the fluctuation 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.

### EMPLOYEE SURVEYS

With anonymous employee surveys, we gauge the satisfaction of all employees and determine their main opinions on a regular basis. Using the results, we identify important issues and derive measures such as the introduction of home offices and trust-based working hours. The high rate of participation again in the 2017 survey shows that our employees are interested in the future development of TLG IMMOBILIEN. The majority of employees consider our company an exceptionally attractive employer and are proud to work with us. The perceived attractiveness of TLG IMMOBILIEN and the satisfaction of our employees continued to improve in 2018. This shows us that the measures implemented so far have been welcomed by employees and are

increasing employee satisfaction. Further measures that are in the pipeline are described in the section on employee retention (p. 44). The next survey is set to be carried out in late 2019.



For more information on the results of the employee survey, see the [Sustainability Report 2017](#), p. 45f.



### WORK-LIFE BALANCE

103-2

It is increasingly important to our employees to have a healthy balance between their professional and private lives. A wide range of measures are in place to enable them to balance their jobs and families – and even increase our attractiveness as an employer at the same time. This enables us 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.

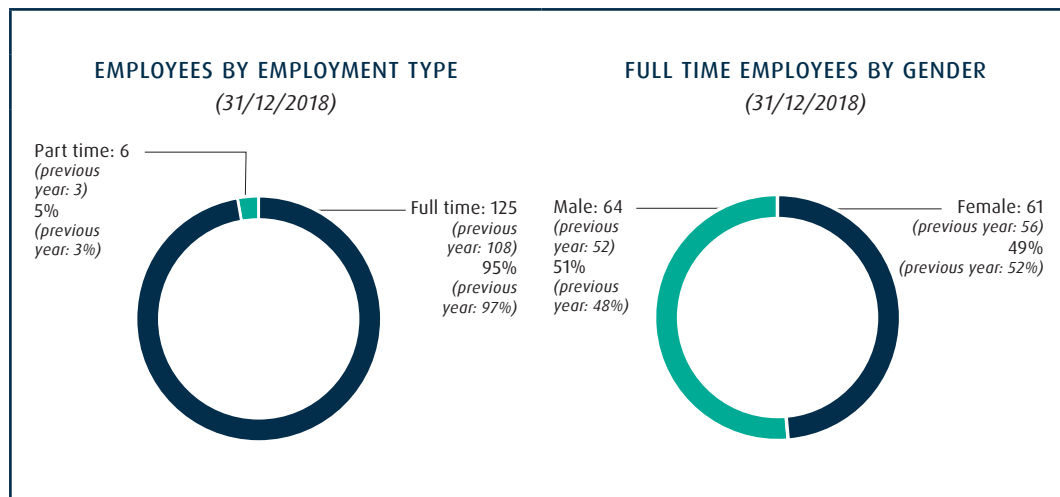
One important measure is flexible or partially flexible working hours as well as part-time models for all employees. We currently employ six part-time employees. The low number of part-time employees is due to our flexible working hours model. As a rule, flexitime starts at 7 a.m. and ends at 8 p.m. and our flexitime framework ranges from -20 to +60 hours; entire flex days can be taken upon consultation. These regulations allow our employees to balance their private interests with full-time employment, which boosts their satisfaction and performance and in turn our attractiveness as an employer. Employees who are not covered by collective wage agreements have been able to use a trust-based working hours system since 2017. From 2019 onwards, we are also going to increase the flexibility of our home office model so that every employee can request a home office in coordination with his or her manager. We also want to continue to promote mobile working. Other measures designed to promote a work-life balance are described in the section on employee retention (p. 44).



103-3

In 2018, six employees, two thirds of whom were male, took parental leave (two in the previous year). Every single employee who took parental leave returned to work.

401-3



102-8

\* The fluctuation rate includes terminations exclusively by the employee.

103-2 **DIVERSITY AND EQUAL OPPORTUNITIES**

Diversity within our workforce is particularly valuable to TLG IMMOBILIEN. We strongly believe that the wide range of approaches, views and ways of thinking that our employees bring to their work have a positive effect on our company and our performance. They help create a working environment in which ideas are created and a constructive dialogue takes place, and strengthen 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.

102-12 **The Diversity Charter**

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



In doing so, we have signed an undertaking to uphold important values which you can read at [www.tlg.eu](http://www.tlg.eu).

103-2, 103-3 **Fairness of opportunities**

As a rule, the employees of TLG IMMOBILIEN are treated and valued equally. At TLG IMMOBILIEN, it goes without saying that the German General Act on Equal Treatment (AAG) must be adhered to without exception. 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.

406-1 No instances of discrimination were discovered in 2018 (previous year: 0).

In its meeting on 23 May 2017 – following the entry into force of the German act on equal participation of women and men in executive positions in the private and public sector – the Supervisory Board of TLG IMMOBILIEN set the target proportion of women on the Supervisory Board at 16.67% and the target proportion of women on the Management Board at 0%. Due to the resignation of Ms Stheeman with effect from 29 January 2018 and the judicial appointment of Mr Kowski as a new member of the Supervisory Board, this target was not met in the reporting period. The percentage of women on the Management Board was 0% in the reporting year. On 29 June 2017, 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%. The targets were met in 2018 and are not expected to be fallen short of at any point before 30 June 2022.

405-1,  
Diversity-Emp



For information on the composition of the governance bodies and the Management Board, please see p. 55f. of our Annual Report 2018.

The majority of the employees of TLG IMMOBILIEN (62%; previous year: 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 (30%; previous year: 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. Under no circumstances can salaries be affected by gender.

102-41, 405-2,  
Diversity-Pay

**LENGTH OF SERVICE**

The results of our employee surveys and their long length of service show that our employees are happy with TLG IMMOBILIEN as an employer. The average term of employment at our company is 10.04 years (previous year: 12.7 years). In recognition of this, our employees receive special tokens of our appreciation when they reach certain milestones: upon reaching the 5, 10, 20, 25 and 30-year milestones with our company,



employees receive a financial show of gratitude, a day of special leave as well as flowers from their managers, the Management Board and the HR department. These anniversaries are also announced on the intranet for the benefit of all employees.

**LENGTH OF SERVICE (NUMBER OF EMPLOYEES IN %)**

	31/12/2018	31/12/2017
Up to 2 years	48	22
2 to 5 years	20	19
5 to 10 years	5	6
More than 10 years	58	64

**EMPLOYEE RIGHTS**

In addition to the existing labour-management agreements and collective wage agreements, the works council with which TLG IMMOBILIEN works constructively represents the rights and interests of our employees. 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

One key focal point of our personnel work is the qualification of our employees and junior employees. We therefore respond both to the requirements of the market, which demands the continuous refinement of expertise and know-how, and to the requests of our employees for development opportunities. As such, we are not only able to support our employees with their careers in line with their individual strengths and abilities, but can also strengthen their ties with TLG IMMOBILIEN. We want to continue inspiring our employees to actively contribute to the development of the company and qualify them to meet and exceed the requirements of their everyday activities. Each employee determines his or her need for advanced training with his or her own manager. In doing so, our employees can also voice their own desires for advanced training and complete it in coordination with a manager. Our personnel work in 2018 focused on team workshops, a web-based English language training course and the development of our 'Fit4Growth' programme in which we provide group training courses as well as individual measures such as coaching and training.

**TRAINEE PROGRAMMES**

In light of its growth, the recruitment of trainees and students is increasingly important to TLG IMMOBILIEN and will be carried out with a greater focus on the requirements of the company in future. Students have the opportunity to get to know our company through a placement or employment as a working student. Our students in cooperative education receive a regularly alternating series of theoretical education at university and practical learning in various departments of TLG IMMOBILIEN. 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. We continue to offer to train young people as real estate agents. These measures enable us to fill vacancies with talented junior employees whom we have trained ourselves and who are highly familiar with our company.

404-2

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

As at 31 December 2018, three people had completed an integrated degree programme (previous year: 2). We have already signed permanent employment contracts with two bachelor's degree students who are set to obtain their degrees in 2019. We will once again award a real estate agent apprenticeship in 2019.

## EMPLOYEE DEVELOPMENT AND QUALIFICATION

We believe that the long-term development of our company is closely linked to continuous learning. Therefore, one key element of our personnel development is the systematic promotion and qualification of all employees, be they young or old. Personnel development compiles a range of internal and external training measures on the basis of the requirements reported by the departments. Subject to consultation, we even provide some employees with time and money to help them reach their personal education and training targets.

We organise regular internal group training sessions on commercial tenancy law, the responsibility of operators and other specialised legal matters for our Property Management staff. We also provide in-house software training for groups of employees or individual employees. Up until 2018, these training courses included an introduction to the new enterprise resource planning (ERP) program which was implemented as part of the introduction of SAP. From 2019 onwards, we will give any employee who is interested the opportunity to get to know other departments within the company and how they work as part of a three-month internal placement in order to promote a dialogue within the company.

404-2

We launched the 'Colleagues Train Colleagues' programme to train employees outside of their own fields. In (web-based) training sessions, employees train their colleagues extensively in related fields and in how to work with programs used within the company. Due to the accelerating process of digitisation, we provided an increased number of training courses in this field in 2018. Additionally, 31 employees have been trained in process management. Furthermore, newly recruited managers have the opportunity to take part in field-specific coaching and manager training courses.

404-2

Our internal training programme covered the majority of the training we provided in 2018. The training largely covered subjects that relate to the particular fields of work and expertise of our employees. At regular intervals, we implement internal training measures on certain subjects such as compliance and data protection for all employees. The last compliance training course was in 2018. In 2018, the average number of hours of advanced training per employee was 18 hours per annum (previous year: 35 hours per annum), of which 1.24 hours were attributable to internal training courses. Due to the introduction of SAP and the need for training, the number of hours of advanced training was exceptionally high in 2017 at 3,880 hours. The total number of hours of advanced training in 2018 was 2,299.

404-1, Emp-Training

Of the total number of hours of advanced training (1,370 hours), 60% were spent by female employees. The number of hours of advanced training per female employee was therefore around 20.45 hours per annum compared to around 14.5 hours per annum per male employee.

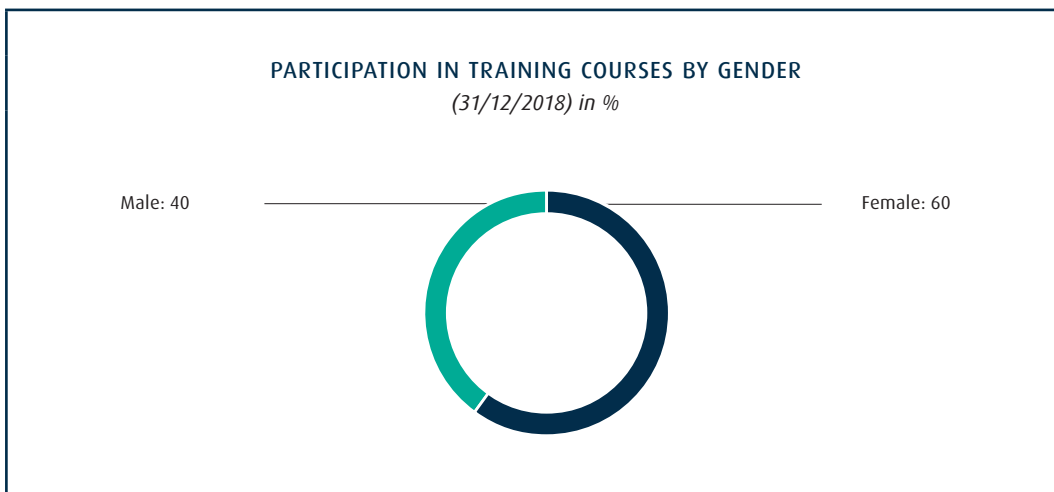
404-1

Subject to consultation, we support individual employees by providing them with the time or money to help them complete extra-occupational training measures. Two employees successfully completed distance learning courses in 2018 and qualified with a master's degree in facility management and a bachelor's degree in business administration. One employee also obtained a qualification as a real estate agent from evening classes and another employee completed an intensive course in real estate asset management. Two of our employees are currently studying on extra-occupational courses with a view to obtaining additional property-specific or business-related qualifications.

The Management Board of TLG IMMOBILIEN holds regular leadership workshops with the managers. In these workshops, all of the managers in the company come together to address specific topics pertaining to the future, make decisions and define project packages. They discuss matters of corporate and management culture, collaboration, strategy or special individual subjects and, where necessary, identify ways to make improvements. From 2019 onwards, participants in the 'Fit4Growth' programme will also take part in the workshops.

'Fit4Growth' is a project which aims to support employees with remarkable potential and outstanding performances. The programme runs for two years and enables the chosen participants to prove themselves through exceptional commitment and dedication and shape their own development within the company. As part of the programme, the six employees who are currently participating shadowed the Management Board in 2018 and took part in discussions with investors with the Management Board. They also completed a joint project. The first round of the programme ended in May 2019. Eight employees will take part in the next round of the programme. At the start of the programme, an external expert carries out a potential analysis on the basis of expertise-based interviews, determines the managerial skills of the employees and identifies potential for development. The findings are used to generate a personalised development plan for each participant. The individual development stages are complemented by individual coaching and group measures such as management training. Two of the employees from the current programme 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**

Performance reviews are held twice a year with all employees and managers (100% of employees). In these reviews, we discuss personal focal points, potential means of improvement and the need for advanced training or education, and set individual targets with every employee. The regular appraisals also enable them to discuss matters and requirements with their managers. In doing so, we are boosting not only the individual development of our employees, but also their motivation to work in our company and share in our success.

404-3, Emp-Dev

103-2, 403-6,  
H&S-Emp **OCCUPATIONAL HEALTH AND SAFETY**

Occupational health and safety are heavily integrated into the procedures of TLG IMMOBILIEN as maintaining the long-term performance of our employees is a key element of our duty of care as an employer. The fields of responsibility of TLG IMMOBILIEN encompass office work as well as property management in the field, which is why both topics are closely interlinked. Our primary focus in this regard is on preventive measures in order to minimise illness-related absences, avoid accidents at work and maintain the full health and capability of our employees.

Workplace health promotion is also in place to offer our employees a range of services such as a company medical officer, flu vaccines, eye tests, subsidisation of work glasses, ergonomic advice and inspections of the workplace for the purposes of occupational health and safety. If recommended by a medical professional, we provide our employees with adjustable desks in order to prevent back problems, and from 2019 onwards employees will be able to request an adjustable desk even without a medical certificate. In 2018, around 35 employees made use of the services of our company physician. Two teams from our company also took part in the 5x5 km team relay race in Berlin for the first time. Five teams have already signed up for the next race.

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.

We are going to expand our health management even further over the next few years. In early 2019, we are also going to add workshops on attentiveness in the office, healthy eating, rapid relaxation techniques for the office and active breaks, small health checks and massages by trained physiotherapists to the programme. We will also subsidise gym memberships. Employees can book regular therapeutic massages on our premises at their own expense.

**ORGANISATION WITHIN THE COMPANY**

Employees and external experts serve in the necessary occupational health and safety roles. We have signed contracts with occupational health practice and appointed company physicians in order to guarantee the availability of occupational medical care. An external occupational safety expert assists our employees with any questions they might have relating to occupational safety within the company. We have also formed an internal Occupational Safety Committee consisting of the officer of the client, representatives of the works council, the company physician, the occupational safety expert and safety officers. The committee meets four times per year. The members of the Occupational Safety Committee work closely together to complete their objectives and provide expert assistance to any employee who has a question about occupational health and safety.

403-3

Our implementation of occupational health and safety is based on the relevant requirements set out in laws, regulations and ordinances such as the currently applicable laws that must be on display at all times and the corresponding occupational safety instructions. We have notice boards at every location describing first aid measures and what to do in the event of a fire and we train first-aiders and fire marshals in accordance with the specifications of the mutual insurance association and equip them with first-aid kits. Every branch has a defibrillator in an easily accessible location for everyone.

103-3 We frequently test the effectiveness of our occupational health and safety measures and train all employees in occupational health and safety electronically. We train new employees when they join the company.

## HEALTH SERVICES AND OCCUPATIONAL SAFETY MEASURES OF TLG IMMOBILIEN

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

- Regular workplace inspections
- Flu vaccinations
- Preventive medical examinations for computer workstations including eye tests and, if necessary, subsidisation of work glasses
- 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, tea 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

The next health day will be held in 2019 when we will once again work with experts to make our employees aware of ways to promote their own health. In future, the health day will take place annually.

## ACCIDENT AND ILLNESS STATISTICS

403-9, 403-10

There were a total of seven occupational accidents at TLG IMMOBILIEN in 2018 (three in the previous year). This is equivalent to 0.05882 accidents per 1,000 people (previous year: 0.02752). The statistical number of occupational accidents per one million hours worked is 28 (previous year: 13). Most of the accidents were falls on the way to or from work. The occupational accidents resulted in 17 lost workdays (previous year: 0 days) and a lost workday rate of 0.0. In total, there were 1,320 days of absence due to illness (previous year: 1,131 days). This is equivalent to a rate of 0.03 days of absence per employee (previous year: 0.04 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 2018.

H&S-Emp

# ▾ INFORMATION

## KEY FIGURES

In this section, we present the key environmental and employee figures that are of relevance to us. The key figures are pooled here to serve as supplementary information so as not to disrupt the flow of the main sections.



In the following section, we describe how we collect the key figures for our portfolio and our business operations and evaluate them for the EPRA sBPR and GRI standards. We report the key figures in accordance with the GRI standards in the sub-sections on key environmental figures and key employee figures. The key figures according to EPRA sBPR can be found in a separate table in this sustainability report on [page 80f](#).

### KEY ENVIRONMENTAL FIGURES

#### OUR PORTFOLIO

Our portfolio has been divided into a strategic portfolio and a non-strategic portfolio since 2018. We dispose of properties in the non-strategic portfolio when the time is right and when the conditions in the market are favourable. Therefore, this report focuses on the strategic portfolio through which we expect to generate continuous value for TLG IMMOBILIEN.

#### Coverage

In order to obtain the key figures relating to consumption, we examined the portfolio of 353 properties (excluding the WCM portfolio) with a total lettable area of 1,495,882sqm (as at 31/12/2018) and 370 properties with a total lettable area of 1,455,639 sqm (as at 31/12/2017).

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 can be broken down as follows:

**BREAKDOWN OF ASSET CLASSES IN THE PORTFOLIO**

Asset class	2018				2017*				2016*				Like-for-like 2017/2018			
	Share of the portfolio				Share of the portfolio				Share of the portfolio				Share of the portfolio			
	abso- lute	in %	in sqm	in %	abso- lute	in %	in sqm	in %	abso- lute	in %	in sqm	in %	abso- lute	in %	in sqm	in %
Office	56	15	697,516	47	57	15	635,006	44	59	15	603,644	43	52	15	625,169	44
Retail	248	67	602,975	40	257	69	625,629	43	279	69	611,772	43	248	71	602,975	42
Hotel	7	2	109,712	7	7	2	109,519	8	7	2	109,482	8	7	2	109,712	8
Other	42	11	85,679	6	49	13	85,485	6	59	15	94,077	7	42	12	85,679	6
<b>Total</b>	<b>353</b>	<b>95</b>	<b>1,495,882</b>	<b>100</b>	<b>370</b>	<b>100</b>	<b>1,455,639</b>	<b>100</b>	<b>404</b>	<b>100</b>	<b>1,418,975</b>	<b>100</b>	<b>349</b>	<b>100</b>	<b>1,423,535</b>	<b>100</b>
Total excluding hotel	346	94	1,386,170	93	363	98	1,346,120	92	397	98	1,309,493	92	342	98	1,313,823	92

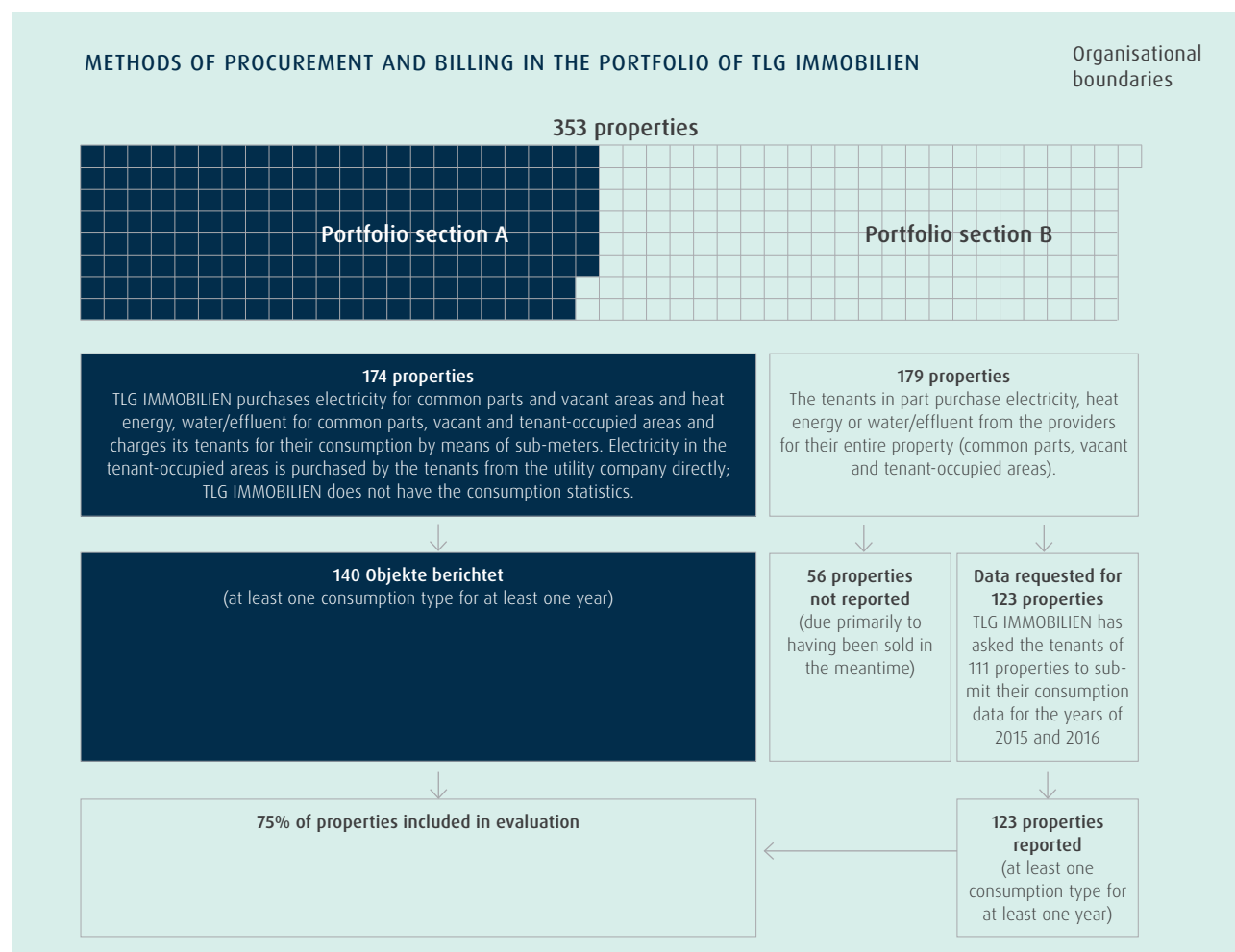
\* Values adjusted for consumption figures still outstanding last year.

We cluster our portfolio in line with the table above, yet will not take the number of properties by asset class into consideration from here on in as the absolute number of properties provides no information on their size. It is more informative and therefore more relevant to consider the assessed areas by asset class which we will illustrate below.

Segmental analysis

**COLLECTION, ANALYSIS AND EVALUATION OF DATA**

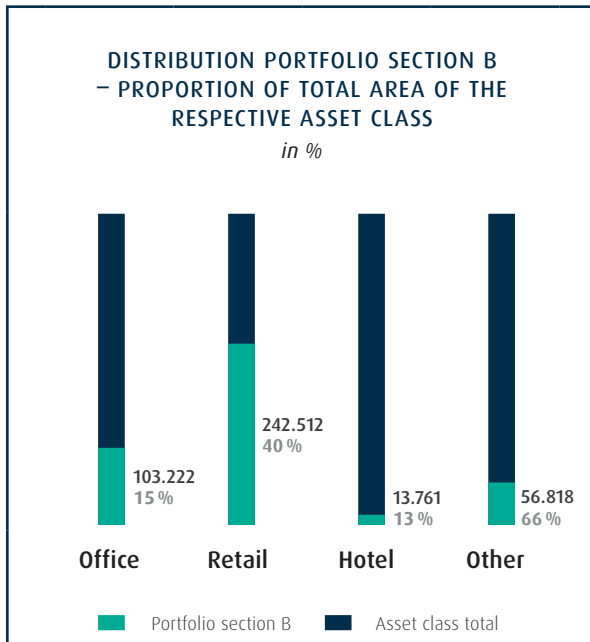
When collecting, analysing and evaluating data, we strive to collect as much available data as possible and have even expanded our basis of key figures further for this sustainability report. However, we were unable to obtain some or any data for some of the properties.



Boundaries –  
reporting on land-  
lord and tenant  
consumption

For one, this is due to the fact that not all statements of consumption for 2018 were available to us during the preparation of the report. As we do not work with estimates or extrapolations, we only present key consumption figures (electricity, heat energy, water and effluents) for 2018 for the properties for which we had the annual closing statements for one or more consumption types during the preparation of the report (portfolio section A). In our next report, the key consumption figures for 2018 will be adjusted retroactively to take into account the consumption statistics that are currently unavailable. As such, we have retroactively adjusted the key consumption figures for 2017 in this report. For the sake of clarity and transparency, in each table we indicate which data were used in the calculations and what percentage of the portfolio is therefore covered. Where appropriate, we report the key figures for 2016, 2017 and 2018.

Additionally, we do not have annual statements (electricity, heat energy, water and effluents) for some of the properties as they are only used by one tenant or a few major tenants which settle all or some of their bills with the utility company directly. In order to obtain these consumption statistics, we contacted the tenants again for this report and invited them to share their consumption data with us. Of the total property portfolio, we have identified 179 properties (portfolio section B) in which the tenants settle all or some of their bills with the utility company directly. In April 2019, we invited the 59 parties to rental agreements to share their consumption statistics for electricity, heat, water and effluents for 2017 and 2018 with TLG IMMOBILIEN. This included eight office properties, two hotels and seven other properties. The other agreements exclusively concern retail properties providing local amenities. One food discounter alone is a tenant in 83 properties in this regard. In 2018, we received feedback on at least one consumption type for 107 properties (13% of the area of the entire portfolio) for at least one year. However, TLG IMMOBILIEN is unable to verify the accuracy of the data provided.



When assessing and calculating the consumption data, we do not make any methodical adjustments to negate effects that might result from the vacancy rates in the property portfolio, the age of the buildings or external factors such as weather.

Energy certificates show the energetic condition of a building on the basis of legally prescribed criteria. The evaluation was carried out on the basis of the criteria heating energy comparison value and electricity comparison value for the consumption certificates and total energy efficiency (electricity and heat) for the demand certificates. The evaluation showed that on average the TLG IMMOBILIEN buildings have better values than specified by the Energy Saving Ordinance (EnEV). — p. 55





## LIKE-FOR-LIKE

In addition to an comprehensive view, we have carried out a like-for-like comparison of our properties in both portfolio sections for 2017 and 2018 in accordance with the specifications of the EPRA. The like-for-like analysis only involves properties that were in the portfolio in both reference periods (326 properties). This eliminates the potential effects of acquisitions and disposals during the reporting period.

## THE CONSUMPTION OF OUR BUSINESS OPERATIONS

In accordance with the GRI guidelines, we present the consumption of our owner-occupied office space and vehicle fleet separately. Where available, we have also taken data from 2017 and 2018 into account. — p. 40



## THE KEY CONSUMPTION FIGURES AND EMISSIONS OF OUR PROPERTIES

### ENERGY

The energy consumption of our portfolio as recorded for this report consists of two parts:

The electricity consumption in the common parts and vacant areas as well as the heat energy consumption in the common parts, vacant and tenant-occupied areas in some of our properties. TLG IMMOBILIEN, as the owner, purchases the energy and water and charges tenants in the property for them with sub-meters (portfolio section A). We use the statements issued by the utility companies to collect and analyse these data.

Normalisation

The energy consumption (electricity and heat) in the section of the portfolio in which the tenants organise and pay for some or all of their energy supply for all areas straight from the utility companies. This applies predominantly to properties with just one tenant or a few major tenants (portfolio section B). In this case, we requested the data from our tenants, the majority of whom provided them. — see [distribution of portfolio sections A and B: p. 56ff.](#)



Calculating the electricity consumption per property was the most challenging aspect for us:

For one, we can only record the electricity consumption in the common areas and vacant areas in properties with multiple tenants as it is procured through TLG IMMOBILIEN and allocated to the tenants (portfolio section A). Generally speaking, our tenants enter into their own electricity supply contracts for the tenant-occupied areas and in properties with just one tenant or a few major tenants. — see [distribution of portfolio sections A and B: p. 56ff.](#)



Additionally, the fact that our tenant structure and therefore its consumption data are highly heterogeneous is a challenge: Our tenants range from traditional office users to physicians and retail companies to hotel operators. The varying use of the buildings can greatly influence the consumption data. For example, retail spaces consume significantly more energy with refrigeration systems or their own bakery section than commercial areas with a larger proportion of storage space. As such, our asset classes cannot be compared against one another in terms of their consumption and even comparisons within them are difficult due to the various types of use. Therefore, we have not extrapolated the available data to cover the entire portfolio.

**ELECTRICITY AND HEAT ENERGY (ALL ANALYSED ASSET CLASSES\*)**

Key figures	Unit	2018	2017**	2016**	GRI Standards
<b>Electricity</b>					
<b>Total electricity consumption***</b>	kWh	<b>54,297,816</b>	<b>56,066,493</b>	<b>50,208,782</b>	
of which common areas and vacant areas in portfolio section A	kWh	24,001,363	19,975,097	17,365,013	
of which green electricity	kWh	19,071,497	16,428,809	-	
of which common areas, vacant and tenant-occupied areas in portfolio section B	kWh	30,296,453	36,091,396	32,843,769	
of which green electricity	kWh	5,617,969	11,288,813	-	
<b>Heat energy</b>					
<b>Total heat energy</b>	kWh	<b>69,252,834</b>	<b>78,875,519</b>	<b>65,635,761</b>	
of which common areas, vacant and tenant-occupied areas in portfolio section A	kWh	61,182,413	69,130,331	55,540,539	302-2
of which district heating	kWh	45,415,100	47,934,146	31,775,812	
of which heating oil	kWh	353,050	4,624,340	0	
of which gas	kWh	15,446,156	16,571,845	3,382,530	
of which CO <sub>2</sub> -neutral gas	kWh	9,567,057	9,842,941	-	
of which common areas, vacant and tenant-occupied areas in portfolio section B	kWh	8,070,421	9,745,188	10,095,222	
of which district heating	kWh	2,901,610	3,373,410	8,938,063	
of which gas	kWh	5,052,510	4,391,749	1,157,159	
of which CO <sub>2</sub> -neutral gas	kWh	165,478	12,826	-	

\* Excl. hotel

\*\* The figures for 2016 and 2017 have been adjusted retroactively, properties from portfolio A were retroactively transferred to portfolio B for 2017.

\*\*\* Since the common and vacant areas corresponding to electricity consumption cannot yet be determined separately at present, the relevant electricity intensity cannot currently be calculated.

**ELECTRICITY CONSUMPTION BY ASSET CLASS**

	Key figures	Unit	2018	2017*	2016	GRI Standards
<b>Asset class: Office**</b>						
Portfolio section A	Electricity consumption***	kWh	20,048,923	16,298,493	13,307,402	
	of which green electricity	kWh	15,715,001	13,099,547	-	
Portfolio section B	Electricity consumption	kWh	1,658,714	1,737,305	2,740,604	
	of which green electricity	kWh	117,973	119,533	-	302-2
Portfolio section B	Useful area assessed	m <sup>2</sup>	21,388	21,388	44,709	
	Proportion of office space in the portfolio	%	3	3	7	
A+B total	Electricity intensity	kWh/sqm/year	78	81	61	302-3
	<b>Electricity consumption</b>	kWh	<b>21,707,637</b>	<b>18,035,798</b>	<b>16,048,006</b>	302-2
<b>Asset class: Retail**</b>						
Portfolio section A	Electricity consumption***	kWh	3,877,848	3,624,796	4,015,608	
	of which green electricity	kWh	3,281,904	3,288,778	-	
Portfolio section B	Electricity consumption	kWh	28,637,739	28,521,498	24,395,455	
	of which green electricity	kWh	5,499,996	5,336,687	-	302-2
Portfolio section B	Useful area assessed	m <sup>2</sup>	136,907	138,608	111,480	
	Proportion of retail space in the portfolio	%	23	22	18	
A+B total	Electricity intensity	kWh/sqm/year	209	206	219	302-3
	<b>Electricity consumption</b>	kWh	<b>32,515,587</b>	<b>32,146,294</b>	<b>28,411,063</b>	302-2

	Key figures	Unit	2018	2017*	2016	GRI Standards
	<b>Asset class: Other</b>					
Portfolio section A	Electricity consumption***	kWh	74,592	51,808	42,003	
	of which green electricity	kWh	74,592	40,484	-	
Portfolio section B	Electricity consumption	kWh	-	5,832,593	5,707,710	
	of which green electricity	kWh	-	5,832,593	-	
	Useful area assessed	m <sup>2</sup>	-	15,884	15,884	
	Proportion of office space in the portfolio	%	-	19	17	302-2
	Electricity intensity	kWh/sqm/year	-	367	359	302-3
A+B total	<b>Electricity consumption</b>	kWh	<b>74,592</b>	<b>5,884,401</b>	<b>5,749,713</b>	302-2

\* The figures for 2017 have been adjusted retroactively.

\*\* The figures for 2016 and 2017 have been adjusted retroactively, properties from portfolio A were retroactively transferred to portfolio B for 2017.

\*\*\* Since the common and vacant areas corresponding to electricity consumption cannot yet be determined separately at present, the relevant electricity intensity cannot currently be calculated.

\*\*\*\* The numbers have been reported for 2018 for the first time.

### HEAT CONSUMPTION – OFFICE ASSET CLASS

	Key figures	Unit	2018	2017*	2016	GRI Standards
Portfolio section A	Heat consumption of properties	kWh	43,939,017	46,114,882	35,334,556	
	of which district heating	kWh	36,642,174	38,222,514	21,577,102	
	of which gas	kWh	7,296,843	7,892,368	13,757,454	302-2
	of which CO <sub>2</sub> -neutral gas	kWh	6,791,827	7,125,072	-	
	Heat consumption without district heating	kWh	7,296,843	7,892,368	13,757,454	
	Useful area assessed	m <sup>2</sup>	609,584	635,006	452,909	
	Proportion of office space in the portfolio	%	87	100	75	
	Heating energy intensity	kWh/sqm/year	72	73	78	302-3
Portfolio section B	Heat consumption of properties	kWh	2,014,195	2,200,924	2,815,967	
	of which district heating	kWh	1,720,134	1,867,377	2,256,945	
	of which gas	kWh	294,061	333,547	559,022	302-2
	of which CO <sub>2</sub> -neutral gas	kWh	0	0	-	
	Heat consumption without district heating	kWh	294,061	333,547	559,022	
	Useful area assessed	m <sup>2</sup>	21,388	7,424	44,709	
	Proportion of office space in the portfolio	%	3	1	7	
Heating energy intensity	kWh/sqm/year	94	296	63	302-3	
A+B total	<b>Heat consumption of properties</b>	kWh	<b>45,953,212</b>	<b>48,315,806</b>	<b>38,150,523</b>	
	of which district heating	kWh	<b>38,362,308</b>	<b>40,089,891</b>	<b>23,834,047</b>	
	of which gas	kWh	<b>7,590,904</b>	<b>8,225,915</b>	<b>14,316,476</b>	302-2
	of which CO <sub>2</sub> -neutral gas	kWh	<b>6,791,827</b>	<b>7,125,072</b>	<b>-</b>	
	Heat consumption without district heating	kWh	<b>7,590,904</b>	<b>8,225,915</b>	<b>14,316,476</b>	
	Useful area assessed	m <sup>2</sup>	<b>630,972</b>	<b>642,430</b>	<b>497,618</b>	
	Proportion of office space in the portfolio	%	<b>90</b>	<b>101</b>	<b>82</b>	
	Heating energy intensity	kWh/sqm/year	<b>73</b>	<b>75</b>	<b>77</b>	302-3

\* The figures for 2017 have been adjusted retroactively.

**HEAT CONSUMPTION – RETAIL ASSET CLASS**

	Key figures	Unit	2018	2017*	2016	GRI Standards
Portfolio section A	Heat consumption of properties	kWh	16,724,034	22,389,026	19,103,253	
	of which district heating	kWh	8,253,564	9,085,210	9,696,870	
	of which gas	kWh	8,149,313	8,679,477	6,023,853	302-2
	of which CO <sub>2</sub> -neutral gas	kWh	2,775,230	2,717,869	-	
	of which heating oil	kWh	353,050	4,624,340	3,382,530	
	Heat consumption without district heating	kWh	8,470,470	13,303,817	9,406,383	
	Useful area assessed	m <sup>2</sup>	283,634	316,889	308,011	
	Proportion of retail space in the portfolio	%	47	51	50	
	Heating energy intensity	kWh/sqm/year	59	71	62	302-3
Portfolio section B	Heat consumption of properties	kWh	6,056,226	5,627,543	5,211,040	
	of which district heating	kWh	1,181,476	1,506,033	4,612,903	
	of which gas	kWh	4,758,449	4,058,202	598,137	302-2
	of which CO <sub>2</sub> -neutral gas	kWh	165,478	12,826	-	
	of which heating oil	kWh	116,301	63,308	0	
	Heat consumption without district heating	kWh	4,874,750	4,121,510	598,137	
	Useful area assessed	m <sup>2</sup>	116,962	84,586	99,075	
	Proportion of retail space in the portfolio	%	19	14	16	
	Heating energy intensity	kWh/sqm/year	52	67	53	302-3
A+B total	<b>Heat consumption of properties</b>	kWh	<b>22,780,260</b>	<b>28,016,569</b>	<b>24,314,293</b>	
	of which district heating	kWh	9,435,040	10,591,243	14,309,773	
	of which gas	kWh	12,907,762	12,737,679	6,621,990	302-2
	of which CO <sub>2</sub> -neutral gas	kWh	6,791,827	7,125,072	-	
	of which heating oil	kWh	469,351	4,687,648	3,382,530	
	Heat consumption without district heating	kWh	13,345,220	17,425,327	10,004,520	
	Useful area assessed	m <sup>2</sup>	400,596	401,475	407,086	
	Proportion of retail space in the portfolio	%	66	64	67	
	Heating energy intensity	kWh/sqm/year	57	70	60	302-3

\* The figures for 2017 have been adjusted retroactively.

**HEAT CONSUMPTION – OTHER ASSET CLASS**

	Key figures	Unit	2018	2017*	2016	GRI Standards
Portfolio section A	Heat consumption of properties	kWh	519,362	626,423	1,102,730	
	of which district heating	kWh	519,362	626,423	501,840	
	of which gas	kWh	0	0	600,890	302-2
	of which CO <sub>2</sub> -neutral gas	kWh	0	0	-	
	Heat consumption without district heating	kWh	0	0	600,890	
	Useful area assessed	m <sup>2</sup>	6,850	6,842	10,204	
	Proportion of other space in the portfolio	%	8	8	11	
	Heating energy intensity	kWh/sqm/year	76	92	108	302-3
Portfolio section B	Heat consumption of properties	kWh	0	1,916,721	2,068,215	
	of which district heating	kWh	0	0	2,068,215	
	of which gas	kWh	0	0	0	302-2
	of which CO <sub>2</sub> -neutral gas	kWh	0	0	-	
	Heat consumption without district heating	kWh	0	1,916,721	0	
	Useful area assessed	m <sup>2</sup>		15,884	15,884	
	Proportion of other space in the portfolio	%	0	19	17	
	Heating energy intensity	kWh/sqm/year		121	130	302-3
A+B total	<b>Heat consumption of properties</b>	kWh	<b>519,362</b>	<b>2,543,144</b>	<b>3,170,945</b>	
	of which district heating	kWh	519,362	626,423	2,570,055	
	of which gas	kWh	0	0	600,890	302-2
	of which CO <sub>2</sub> -neutral gas	kWh	0	0	-	
	Heat consumption without district heating	kWh	0	1,916,721	600,890	
	Useful area assessed	m <sup>2</sup>	6,850	22,726	26,088	
	Proportion of other space in the portfolio	%	8	27	28	
	Heating energy intensity	kWh/sqm/year	76	112	122	302-3

\* The figures for 2017 have been adjusted retroactively.

**CO<sub>2</sub> EMISSIONS**

We can currently report the CO<sub>2</sub> emissions for the electricity consumption in the common areas and vacant areas in portfolio section A as well as for the electricity consumption in the common, vacant and tenant-occupied areas in portfolio section B. — see [distribution of portfolio sections A and B: p. 60f.](#)



We present all emissions resulting from the energy consumption in our leased properties 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 caused by the energy consumption of our tenants.

**INDIRECT CO<sub>2</sub> EMISSIONS (SCOPE 3 – ALL ANALYSED ASSET CLASSES\*)**

Key figures	Unit	2018	2017**	2016	GRI Standards
<b>CO<sub>2</sub> emissions (Scope 3)</b>					
<b>Total indirect emissions</b>	Metric tonnes CO <sub>2</sub>	<b>23,345</b>	<b>27,423</b>	<b>46,557</b>	
Total from electricity consumption	Metric tonnes CO <sub>2</sub>	12,068	13,863	20,606	
of which from electricity consumption in common areas and vacant areas in portfolio section A	Metric tonnes CO <sub>2</sub>	0	1,734	9,151	
of which from electricity consumption in common, vacant and tenant-occupied areas in portfolio section B	Metric tonnes CO <sub>2</sub>	12,068	12,128	11,455	
Total from heat energy	Metric tonnes CO <sub>2</sub>	11,252	13,503	25,951	
of which from heat energy in common, vacant and tenant-occupied areas in portfolio section A	Metric tonnes CO <sub>2</sub>	9,730	11,962	23,909	305-3
of which district heating	Metric tonnes CO <sub>2</sub>	8,455	9,376	6,431	
of which gas***	Metric tonnes CO <sub>2</sub>	1,181	1,354	4,102	
of which heating oil	Metric tonnes CO <sub>2</sub>	94	1,232	13,376	
of which from heat energy in common, vacant and tenant-occupied areas in portfolio section B	Metric tonnes CO <sub>2</sub>	1,522	1,541	2,042	
of which district heating	Metric tonnes CO <sub>2</sub>	540	660	1,809	
of which gas***	Metric tonnes CO <sub>2</sub>	982	881	233	
of which heating oil	Metric tonnes CO <sub>2</sub>	0	0	0	
CO <sub>2</sub> intensity (from heat energy)	Metric tonnes CO <sub>2</sub> /sqm	0	0	0	305-4, CRE3

\* Excl. hotel

\*\* The figures for 2017 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 CO<sub>2</sub> emissions.

Sources of the emission factors 2016, 2017 and 2018:

Natural gas and heating oil: German Federal Environment Agency (UBA) 2017;

Table of derived emission factors for CO<sub>2</sub>: Energy & Industrial Processes 2016; greenhouse gases included: CO<sub>2</sub>

Electricity mix Germany: German Federal Environment Agency (UBA) 2018; Electricity and heat supply in figures; greenhouse gases included: CO<sub>2</sub>

Electricity mix Germany: German Federal Environment Agency (UBA) 2017; Electricity and heat supply in figures; greenhouse gases included: CO<sub>2</sub>

District heating: UK Department of Energy and Climate Change; Conversion factors 2017 – Full set (for advanced users); greenhouse gases included: CO<sub>2</sub>

District heating: UK Department of Energy and Climate Change; Conversion factors 2016 – Full set (for advanced users); greenhouse gases included: CO<sub>2</sub>

By switching to green electricity and carbon-neutral gas, from 2017 onwards we saved a total of 16,439 metric tonnes CO<sub>2</sub> in 2018; 14,484 metric tonnes CO<sub>2</sub> through green electricity and 1,955 metric tonnes CO<sub>2</sub> through carbon-neutral gas.



**INDIRECT CO<sub>2</sub> EMISSIONS SAVED (SCOPE 3 – ALL ANALYSED ASSET CLASSES\*)**

Key figures	Unit	2018	2017**
<b>CO<sub>2</sub> emissions saved total</b>			
<b>Total indirect CO<sub>2</sub> (subscript) emissions saved</b>	Metric tonnes CO <sub>2</sub>	<b>16,439</b>	<b>15,537</b>
Total from electricity consumption	Metric tonnes CO <sub>2</sub>	14,484	13,554
of which from electricity consumption in common areas and vacant areas in portfolio section A – through green electricity	Metric tonnes CO <sub>2</sub>	11,737	8,034
of which from electricity consumption in common, vacant and tenant-occupied areas in portfolio section B – through green electricity	Metric tonnes CO <sub>2</sub>	2,747	5,520
Total from heat energy	Metric tonnes CO <sub>2</sub>	1,955	1,983
of which from heat energy in common, vacant and tenant-occupied areas in portfolio section A – through CO <sub>2</sub> -neutral gas	Metric tonnes CO <sub>2</sub>	1,922	1,981
of which from heat energy in common, vacant and tenant-occupied areas in portfolio section B – through CO <sub>2</sub> -neutral gas	Metric tonnes CO <sub>2</sub>	33	3

\* Excl. hotel

\*\* The figures for 2017 have been adjusted retroactively.

## Energy and CO<sub>2</sub> intensity

As the consumed heat energy can only be broken down by energy carrier for portfolio section A and some of portfolio section B, we can only calculate the emissions from heat energy consumption for that section of the portfolio. We have therefore opted not to present the CO<sub>2</sub> intensity from the total electricity and heat consumption of our portfolio.

Energy-Int, GHG-Int

As the common areas and vacant areas of portfolio section A that correspond to the electricity consumption cannot be determined, we have opted not to present the energy intensity from the total electricity and heat consumption of our portfolio.

## WATER AND EFFLUENTS

The water consumption and occurrence of effluents in our portfolio as recorded for this report consist of two parts:

The water consumption and occurrence of effluents in the common, vacant and tenant-occupied areas as in some of our properties. TLG IMMOBILIEN, as the owner, purchases the water and charges tenants in the property for it with sub-meters (portfolio section A). We use the statements issued by the utility companies to collect and analyse these data.

Normalisation

The water consumption and the occurrence of effluents in the section of the portfolio in which the tenants organise and pay for some or all of their water for all areas straight from the utility companies. This applies predominantly to properties with just one tenant or a few major tenants (portfolio section B). In this case, we requested the data from our tenants, the majority of whom provided them. – see [distribution of portfolio sections A and B: p. 61ff.](#)



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

Key figures	Unit	2018	2017**	2016	GRI Standards
<b>Water consumption</b>					
<b>Total water usage</b>	m <sup>3</sup>	<b>335,279</b>	<b>377,567</b>	<b>327,499</b>	303-3
of which common, vacant and tenant-occupied areas in portfolio section A	m <sup>3</sup>	303,750	339,506	290,626	
of which common, vacant and tenant-occupied areas in portfolio section B	m <sup>3</sup>	31,530	38,061	36,873	
<b>Water intensity</b>	m <sup>3</sup> /sqm/year	<b>0.30</b>	<b>0.35</b>	0.32	CRE2
Useful area assessed	m <sup>2</sup>	1,130,784	1,080,216	1,025,615	
Proportion of space	%	82	80	78	
<b>Occurrence of effluents</b>					
<b>Total wastewater discharge***</b>	m <sup>3</sup>	<b>337,260</b>	<b>378,287</b>	322,306	
of which common, vacant and tenant-occupied areas in portfolio section A	m <sup>3</sup>	306,131	340,161	289,249	
of which common, vacant and tenant-occupied areas in portfolio section B	m <sup>3</sup>	31,129	38,126	33,057	306-1
<b>Effluents intensity</b>	m <sup>3</sup> /sqm/year	<b>0.30</b>	<b>0.34</b>	0.32	
Useful area assessed	m <sup>2</sup>	1,125,879	1,109,194	1,007,954	
Proportion of space	%	81	82	77	

\* Excl. hotel

\*\* The figures for 2017 have been adjusted retroactively.

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

**WATER CONSUMPTION AND OCCURRENCE OF EFFLUENTS – OFFICE ASSET CLASS**

	Key figures	Unit	2018	2017*	2016	GRI Standards
Portfolio section A	<b>Water consumption of properties</b>	m <sup>3</sup>	<b>174,273</b>	<b>187,807</b>	<b>144,714</b>	303-3
	Useful area assessed	m <sup>2</sup>	604,052	522,997	460,158	
	Proportion of office space in the portfolio	%	87	82	76	
	Water intensity	m <sup>3</sup> /sqm/year	0.29	0.36	0.31	CRE2
	<b>Occurrence of effluents** in our properties</b>	m <sup>3</sup>	<b>172,890</b>	<b>180,335</b>	<b>137,274</b>	306-1
	Useful area assessed	m <sup>2</sup>	594,846	522,997	440,415	
	Proportion of office space in the portfolio	%	85	82	73	
	Effluents intensity	m <sup>3</sup> /sqm/year	0.29	0.34	0.31	
Portfolio section B	<b>Water consumption of properties</b>	m <sup>3</sup>	<b>6,766</b>	<b>7,000</b>	<b>10,101</b>	303-3
	Useful area assessed	m <sup>2</sup>	21,388	21,388	44,709	
	Proportion of office space in the portfolio	%	3	3	7	
	Water intensity	m <sup>3</sup> /sqm/year	0.32	0.33	0.23	CRE2
	<b>Occurrence of effluents** in our properties</b>	m <sup>3</sup>	<b>6,766</b>	<b>7,000</b>	<b>6,095</b>	306-1
	Useful area assessed	m <sup>2</sup>	21,388	21,388	25,239	
	Proportion of office space in the portfolio	%	3	3	4	
	Effluents intensity	m <sup>3</sup> /sqm/year	0.32	0.33	0.24	
A+B total	<b>Water consumption of properties</b>	m <sup>3</sup>	<b>181,039</b>	<b>194,807</b>	<b>154,815</b>	
	Useful area assessed	m <sup>2</sup>	625,440	544,385	504,867	
	Proportion of office space in the portfolio	%	90	86	84	
	Water intensity	m <sup>3</sup> /sqm/year	0.29	0.36	0.31	
	<b>Occurrence of effluents** in our properties</b>	m <sup>3</sup>	<b>179,657</b>	<b>187,335</b>	<b>143,369</b>	
	Useful area assessed	m <sup>2</sup>	616,234	544,385	465,654	
	Proportion of office space in the portfolio	%	88	86	77	
	Effluents intensity	m <sup>3</sup> /sqm/year	0.29	0.34	0.31	

\* The figures for 2017 have been adjusted retroactively.

\*\* All effluents flow into public sewers.

**WATER CONSUMPTION AND OCCURRENCE OF EFFLUENTS – RETAIL ASSET CLASS**

	Key figures	Unit	2018	2017*	2016	GRI Standards
Portfolio section A	<b>Water consumption of properties</b>	m <sup>3</sup>	<b>126,714</b>	<b>145,240</b>	<b>140,787</b>	303-3
	Useful area assessed	m <sup>2</sup>	364,794	359,770	397,086	
	Proportion of retail space in the portfolio	%	60	58	65	
	Water intensity	m <sup>3</sup> /sqm/year	0.35	0.40	0.35	CRE2
	<b>Occurrence of effluents** in our properties</b>	m <sup>3</sup>	<b>126,005</b>	<b>144,449</b>	<b>141,300</b>	306-1
	Useful area assessed	m <sup>2</sup>	378,205	358,107	407,083	
	Proportion of retail space in the portfolio	%	63	57	67	
	Effluents intensity	m <sup>3</sup> /sqm/year	0.33	0.40	0.35	



	Key figures	Unit	2018	2017*	2016	GRI Standards
Portfolio section B	<b>Water consumption of properties</b>	m <sup>3</sup>	<b>24,763</b>	<b>25,999</b>	<b>19,660</b>	303-3
	Useful area assessed	m <sup>2</sup>	133,572	139,261	94,636	
	Proportion of retail space in the portfolio	%	22	22	15	
	Water intensity	m <sup>3</sup> /sqm/year	0.19	0.19	0.21	CRE2
	<b>Occurrence of effluents** in our properties</b>	m <sup>3</sup>	<b>24,362</b>	<b>26,064</b>	<b>19,850</b>	306-1
	Useful area assessed	m <sup>2</sup>	131,440	137,923	93,298	
	Proportion of retail space in the portfolio	%	22	22	15	
	Effluents intensity	m <sup>3</sup> /sqm/year	0.19	0.19	0.21	
	A+B total	<b>Water consumption of properties</b>	m <sup>3</sup>	<b>151,477</b>	<b>171,239</b>	<b>160,447</b>
Useful area assessed		m <sup>2</sup>	498,366	499,031	491,722	
Proportion of retail space in the portfolio		%	83	80	80	
Water intensity		m <sup>3</sup> /sqm/year	0.30	0.34	0.33	CRE2
<b>Occurrence of effluents** in our properties</b>		m <sup>3</sup>	<b>150,367</b>	<b>170,513</b>	<b>161,150</b>	306-1
Useful area assessed		m <sup>2</sup>	509,645	496,030	500,381	
Proportion of retail space in the portfolio		%	85	79	82	
Effluents intensity		m <sup>3</sup> /sqm/year	0.30	0.34	0.32	

\* The figures for 2017 have been adjusted retroactively.

\*\* All effluents flow into public sewers.

#### WATER CONSUMPTION AND OCCURRENCE OF EFFLUENTS – OTHER ASSET CLASS

	Key figures	Unit	2018	2017*	2016	GRI Standards
Portfolio section A	<b>Water consumption of properties</b>	m <sup>3</sup>	<b>2,763</b>	<b>6,459</b>	<b>5,125</b>	303-3
	Useful area assessed	m <sup>2</sup>	6,978	20,916	13,142	
	Proportion of other space in the portfolio	%	8	24	14	
	Water intensity	m <sup>3</sup> /sqm/year	0.40	0.31	0.39	CRE2
	<b>Occurrence of effluents** in our properties</b>	m <sup>3</sup>	<b>7,236</b>	<b>15,377</b>	<b>10,675</b>	306-1
	Useful area assessed	m <sup>2</sup>	21,089	52,895	26,035	
	Proportion of other space in the portfolio	%	25	62	28	
	Effluents intensity	m <sup>3</sup> /sqm/year	0.34	0.29	0.41	
	Portfolio section B	<b>Water consumption of properties</b>	m <sup>3</sup>	<b>0</b>	<b>5,062</b>	<b>7,112</b>
Useful area assessed		m <sup>2</sup>	0	15,884	15,884	
Proportion of other space in the portfolio		%	0	19	17	
Water intensity		m <sup>3</sup> /sqm/year	0	0.32	0.45	CRE2
<b>Occurrence of effluents** in our properties</b>		m <sup>3</sup>	<b>0</b>	<b>5,062</b>	<b>7,112</b>	306-1
Useful area assessed		m <sup>2</sup>	0	15,884	15,884	
Proportion of other space in the portfolio		%	0	19	17	
Effluents intensity		m <sup>3</sup> /sqm/year	0	0.32	0.45	

	Key figures	Unit	2018	2017*	2016	GRI Standards
A+B total	<b>Water consumption of properties</b>	m <sup>3</sup>	<b>2,763</b>	<b>11,521</b>	<b>12,237</b>	303-3
	Useful area assessed	m <sup>2</sup>	6,978	36,800	29,026	
	Proportion of other space in the portfolio	%	8	43	31	
	Water intensity	m <sup>3</sup> /sqm/year	0.40	0.31	0.42	CRE2
	<b>Occurrence of effluents** in our properties</b>	m <sup>3</sup>	<b>7,236</b>	<b>20,439</b>	<b>17,787</b>	306-1
	Useful area assessed	m <sup>2</sup>	21,089	68,779	41,919	
	Proportion of other space in the portfolio	%	25	80	45	
	Effluents intensity	m <sup>3</sup> /sqm/year	0.34	0.30	0.42	

\* The figures for 2017 have been adjusted retroactively.

\*\* All effluents flow into public sewers.

## KEY CONSUMPTION FIGURES FOR THE BUSINESS OPERATIONS OF TLG IMMOBILIEN

Although our owner-occupied space is very small relative to our portfolio (5,716 sqm in 2018; 5,119 sqm in 2017) and the environmental impact of TLG IMMOBILIEN is very small relative to that of our portfolio, we believe that it is important to collect and publish the key energy and resource consumption figures both for our owner-occupied space and for our vehicle fleet. In doing so, we aim to create transparency with regard to the consumption of our business operations and, if possible, identify reasons for increases in consumption in order to take corrective action where possible.

### ENERGY CONSUMPTION OF THE BUSINESS OPERATIONS OF TLG IMMOBILIEN

Key figures	Unit	2018	2017	2016	GRI Standards
<b>Total fuel consumption*</b>	kWh	<b>281,291</b>	<b>305,120</b>	<b>302,918</b>	
of which petrol	kWh	42,631	32,822	14,052	
of which diesel	kWh	238,660	272,299	288,866	
<b>Total indirect energy</b>	kWh	<b>270,900</b>	<b>444,533</b>	<b>577,266</b>	302-1
Total electricity consumption	kWh	149,385	160,597	176,228	
Total heat energy**	kWh	121,515	283,936	401,038	
<b>Total energy consumption</b>	kWh	<b>552,191</b>	<b>749,653</b>	880,184	
<b>Intensity key figures</b>					
<b>Electricity intensity</b>	kWh/sqm/year	<b>34</b>	<b>38</b>	<b>41</b>	302-3, CRE1
Useful area assessed	sqm	4,460	4,258	4,265	
Share of the total commercial space	m%	78	83	97	
<b>Heating energy intensity</b>	kWh/sqm/year				
Useful area assessed	sqm	3,460	5,119	4,375	
Share of the total commercial space**	%	61	100	100	
<b>Fuel intensity</b>	kWh/employee/year	<b>2,147</b>	<b>2,749</b>	<b>2,729</b>	302-3

The figures for 2016 and 2017 have been adjusted retroactively.

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

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

**CO<sub>2</sub> EMISSIONS OF THE BUSINESS OPERATIONS OF TLG IMMOBILIEN**

Key figures	Unit	2018	2017*	2016	GRI Standards
<b>CO<sub>2</sub> emissions (Scope 1)</b>					
Total direct CO <sub>2</sub> emissions**	Metric tonnes CO <sub>2</sub>	74.8	81.2	79.9	305-1
of which petrol	Metric tonnes CO <sub>2</sub>	11.2	8.6	-	
of which diesel	Metric tonnes CO <sub>2</sub>	63.6	72.5	-	
<b>CO<sub>2</sub> emissions (Scope 2)</b>	Metric tonnes CO <sub>2</sub>				
Total indirect CO <sub>2</sub> emissions	Metric tonnes CO <sub>2</sub>	24.4	57.1	173.6	
of which total electricity consumption	Metric tonnes CO <sub>2</sub>	0.0	0.0	92.9	305-2
Intensity of CO <sub>2</sub> emissions	Metric tonnes CO <sub>2</sub> /sqm/year	0.01	0.01	0.02	305-4, CRE3

\* The figures for 2017 have been adjusted retroactively.

\*\* Direct CO<sub>2</sub> (subscript) emissions relate exclusively to TLG IMMOBILIEN's fleet of vehicles and were calculated using fuel consumption in litres.

Sources of the emission factors 2016, 2017 and 2018:

Natural gas and heating oil: German Federal Environment Agency (UBA) 2017;

Table of derived emission factors for CO<sub>2</sub>: Energy & Industrial Processes 2016; greenhouse gases included: CO<sub>2</sub>Electricity mix Germany: German Federal Environment Agency (UBA) 2018; Electricity and heat supply in figures; greenhouse gases included: CO<sub>2</sub>Electricity mix Germany: German Federal Environment Agency (UBA) 2017; Electricity and heat supply in figures; greenhouse gases included: CO<sub>2</sub>District heating: UK Department of Energy and Climate Change; Conversion factors 2017 - Full set (for advanced users); greenhouse gases included: CO<sub>2</sub>District heating: UK Department of Energy and Climate Change; Conversion factors 2016 - Full set (for advanced users); greenhouse gases included: CO<sub>2</sub>**WATER CONSUMPTION AND OCCURRENCE OF EFFLUENTS IN THE BUSINESS OPERATIONS OF TLG IMMOBILIEN**

Key figures	Unit	2018	2017*	2016	GRI Standards
<b>Total water usage</b>	m <sup>3</sup>	638	1,483	832	
Useful area assessed	sqm	3,460.18	5,119	4,375	303-1
Share of the total commercial space	%	61	100	100	
Water intensity	m <sup>3</sup> /sqm/year	0.18	0.29	0.19	CRE2
Water intensity	m <sup>3</sup> /employee/year	4.87	12.9	7.49	
<b>Total wastewater discharge**</b>	m <sup>3</sup>	638	1,567	832	306-1
Effluents intensity	m <sup>3</sup> /sqm/year	0.18	0.31	0.34	
Effluents intensity	m <sup>3</sup> /employee/year	4.87	13.68	-	306-1

\* The figures for 2017 have been adjusted retroactively.

\*\* All effluents flow into public sewers.

**KEY EMPLOYEE FIGURES****TOTAL NUMBER OF EMPLOYEES\* (TOTAL NUMBER, BY EMPLOYMENT CONTRACT AND GENDER)**

	Unit	31/12/2018	31/12/2017	31/12/2016	GRI Standards
<b>Total number of employees</b>	Number	131	111	111	
of whom female	Number (in %)	67 (51%)	59 (53%)	61 (55%)	
Employees with permanent contracts	Number (in %)	128 (98%)	108 (97%)	106 (95%)	102-7, 102-8
of whom female	Number (in %)	67 (52%)	58 (54%)	59 (56%)	
Employees with temporary contracts	Number (in %)	3 (2%)	3 (3%)	5 (5%)	
of whom female	Number (in %)	0 (0%)	1 (33%)	2 (40%)	
Total number of contract workers**	Number	2	3	-	
of whom female	Number (in %)	1 (50%)	2 (67%)	-	

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.

\* Excluding trainees, those on a leave of absence and temporary staff

\*\* Contract workers were hired at times as required by the volume of work. As they were only employed temporarily, they have not been included in the key employee figures. We reported contract workers in this form for the first time in 2017.

### TOTAL NUMBER OF PERMANENT EMPLOYEES BY EMPLOYMENT TYPE AND GENDER

	Unit	31/12/2018	31/12/2017	31/12/2016	GRI Standards
<b>Total number of employees</b>	Number	<b>131</b>	<b>111</b>	<b>111</b>	
Full-time employees	Number (in %)	125 (95%)	108 (97%)	108 (97%)	
of whom female	Number (in %)	61 (49%)	56 (52%)	58 (54%)	102-8
Part-time employees	Number (in %)	6 (5%)	3 (3%)	3 (3%)	
of whom female	Number (in %)	6 (100%)	3 (100%)	3 (100%)	
Marginal employees	Number (in %)	0 (0%)	2 (2%)	3 (3%)	
of whom female	Number (in %)	0 (0%)	1 (50%)	2 (67%)	

The figures are not broken down by region as TLG IMMOBILIEN is only active in Germany.

### EMPLOYEES BY AGE GROUP AND EMPLOYEE CATEGORY

	Unit	31/12/2018	31/12/2017	31/12/2016	GRI Standards
<b>Employees 50 years of age or older</b>	Number (in %)	<b>47 (36%)</b>	<b>44 (40%)</b>	<b>44 (40%)</b>	
<b>Employees between 30 and 49 years of age</b>	Number (in %)	<b>75 (57%)</b>	<b>60 (54%)</b>	<b>57 (51%)</b>	
<b>Employees under 30 years of age</b>	Number (in %)	<b>9 (7%)</b>	<b>7 (6%)</b>	<b>10 (9%)</b>	
Employee level 1 (Management Board)	Number (in %)	2 (100%)	2 (100%)	2 (100%)	
of whom 50 years of age or older	Number (in %)	1 (50%)	0 (0%)	0 (0%)	
of whom 30-49 years of age	Number (in %)	1 (50%)	2 (100%)	2 (100%)	
of whom under 30 years of age	Number (in %)	0 (0%)	0 (0%)	0 (0%)	
Employee level 2 (senior management)	Number (in %)	9 (7%)	9 (7%)	-	
of whom 50 years of age or older	Number (in %)	3 (33%)	3 (33%)	-	405-1
of whom 30-49 years of age	Number (in %)	6 (67%)	6 (60%)	6 (67%)	
of whom under 30 years of age	Number (in %)	0 (0%)	0 (0%)	0 (0%)	
Employee level 3 (general management)	Number (in %)	10 (8%)	12 (11%)	17 (15%)	
of whom 50 years of age or older	Number (in %)	2 (20%)	3 (25%)	8 (47%)	
of whom 30-49 years of age	Number (in %)	8 (80%)	9 (75%)	9 (53%)	
of whom under 30 years of age	Number (in %)	0 (0%)	0 (0%)	0 (0%)	
Employee level 4 (employees)	Number (in %)	110 (84%)	88 (67%)	-	
of whom 50 years of age or older	Number (in %)	41 (37%)	38 (43%)	-	
of whom 30-49 years of age	Number (in %)	60 (55%)	43 (49%)	33 (40%)	
of whom under 30 years of age	Number (in %)	9 (8%)	7 (8%)	10 (12%)	

The figures are not broken down by region as TLG IMMOBILIEN is only active in Germany.

### PERSONNEL TURNOVER

	Unit	2018	2017	2016	GRI Standards
Newly recruited employees	Number	42	14	15	
of whom female	Number	19	9	-	
of whom 50 years of age or older	Number	9	1	-	
of whom 30-49 years of age	Number	28	11	-	
of whom under 30 years of age	Number	5	2	-	
Employees who have left TLG IMMOBILIEN	Number	16	15	18	401-1
of whom female	Number	8	9	-	
of whom 50 years of age or older	Number	7	6	-	
of whom 30-49 years of age	Number	9	5	-	
of whom under 30 years of age	Number	0	4	-	
Average headcount	Number	119	109	110,3	
<b>Turnover rate*</b>	in %	<b>7.6</b>	<b>6.4</b>	-	

The figures are not broken down by region as TLG IMMOBILIEN is only active in Germany.

\* The fluctuation rate contains employee-related departures exclusively.

**EMPLOYEES ON PARENTAL LEAVE**

	Unit	31/12/2018	31/12/2017	31/12/2016	GRI Standards
Total number of employees on parental leave	Number	6	2	3	
of whom female	Number	2	0	0	401-3
Return rate	in %	100	100	100	

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

	Unit	2018	2017	2016	GRI Standards
Annual salary of the highest-earning employee*	EUR k	450	300	300	
Total average annual salary of the other employees**	EUR k	60.9	60.8	58.8	102-38
<b>Ratio</b>		<b>7 : 1</b>	<b>5 : 1</b>	<b>5 : 1</b>	

\* 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 p. 90 of the Annual Report 2018.

\*\* 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**

	Unit	2018	2017	2016	GRI Standards
<b>Employee level 1 (Management Board)</b>					
Average salary* of male employees	EUR	450,000	300,000	300,000	
Average salary of female employees	EUR	-	-	-	
Ratio		-	-	-	
Average remuneration of male employees	EUR	-	-	-	
Average remuneration of female employees	EUR	-	-	-	
Ratio		-	-	-	
<b>Employee level 2 (senior management)</b>					
Average salary of male employees	EUR	10,009	9,719***	-	
Average salary of female employees	EUR	9,852	7,631	8,500	
Ratio		1.02 : 1	1.3 : 1	1 : 1	
Average remuneration** of male employees	EUR	120,110	118,167 ***	-	405-2
Average remuneration** of female employees	EUR	118,224	94,223	102,000	
Ratio		1.02 : 1	1.3 : 1	1 : 1	
<b>Employee level 3 (general management)</b>					
Average salary of male employees	EUR	5,787	6,254	5,907	
Average salary of female employees	EUR	5,747	5,331	6,105	
Ratio		1.01 : 1	1.2 : 1	1 : 1	
Average remuneration** of male employees	EUR	75,736	78,368	74,031	
Average remuneration** of female employees	EUR	74,096	69,289	78,369	
Ratio		1.02 : 1	1.1 : 1	0.9 : 1	

	Unit	2018	2017	2016	GRI Standards
<b>Employee level 4 (employees)</b>					
Average salary of male employees	EUR	4,444	4,289 ***	-	
Average salary of female employees	EUR	3,361	3,517	3,040	
Ratio		1.3 : 1	1.2 : 1	1.2 : 1	
Average remuneration** of male employees	EUR	61,050	58,828 ***	-	405-2
Average remuneration** of female employees	EUR	49,829	50,914	49,465	
Ratio		1.2 : 1	1.2 : 1	1.1 : 1	

\* Only the fixed annual salaries of the Management Board have been factored into the calculation. The salaries of both members of the Management Board are equal. For more information, see the Remuneration Report from p. 90 of the Annual Report 2018.

\*\* 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.

\*\*\* This value was recalculated for 2017.

#### AVERAGE ANNUAL NUMBER OF HOURS OF TRAINING AND EDUCATION BY GENDER

	Unit	2018	2017	2016	GRI Standards
<b>Total number of hours of training and education by gender</b>	Number	<b>2,299</b>	<b>3,880</b>	<b>548</b>	
of which hours of training and education per female employee	Number	20.5	39.2	9	404-1
of which hours of training and education per male employee	Number	14.5	30.6	7	

At the moment, TLG IMMOBILIEN does not break down the hours of training and education by employee category. For more information, see p. 47f.

#### EMPLOYEES WHO RECEIVE REGULAR PERFORMANCE APPRAISALS

	Unit	2018	2017	2016	GRI Standards
Employees who receive regular performance appraisals	Number (in %)	131 (100%)	111 (100%)	111 (100%)	
of whom female employees	Number (in %)	67 (100%)	59 (100%)	61 (100%)	404-3
of whom male employees	Number (in %)	64 (100%)	52 (100%)	50 (100%)	

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

	Unit	2018	2017	2016	GRI Standards
Number of occupational accidents*	Number	7	3	3	
of which attributable to female employees	Number	5	3	-	
Number of occupational accidents per 1,000 people	Number	58.82	27.52	27.35	403-9
Number of occupational accidents per million working hours	Number	28	13	13	403-10
Lost workday rate**		0.00	0.00	0.06	
Absence rate**		0.03	0.04	-	
Fatal occupational accidents	Number	0	0	0	

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 AND GOVERNANCE BOARD**

	Unit	31/12/2018	31/12/2017	31/12/2016	GRI Standards
Supervisory Board members	Number	6	6	6	
of whom female	Number (in %)	1 (16.67%)	1 (16.67%)	1 (16.67%)	
Independent Supervisory Board members	Number	6	6	6	
Management Board members	Number	2	2	2	
of whom female	Number (in %)	0 (0%)	0 (0%)	0 (0%)	405-1 102-22
Employees in senior management	Number	10	10	9	
of whom female	Number (in %)	2 (20%)	2 (20%)	1 (11%)	
Employees in general management	Number	12	12	17	
of whom female	Number (in %)	7 (58%)	7 (58%)	9 (53%)	

\* The average tenure of the Supervisory Board members is 29.3 months (2016: 29.08 months, 2017: 32.7 months), with ten members incl. members who have left.

**CUSTOMER HEALTH AND SAFETY**

	Unit	31/12/2018	31/12/2017	31/12/2016	GRI Standards
Assets for which user health and safety impacts have been assessed	%	100	100	100	
of which properties in the office asset class	%	100	100	100	416-1
of which properties in the retail asset class	%	100	100	100	
of which properties in the hotel asset class	%	100	100	100	

**INFRINGEMENTS OF COMPLIANCE IN CONNECTION WITH CUSTOMER HEALTH AND SAFETY**

	Unit	31/12/2018	31/12/2017	31/12/2016	GRI Standards
Incidents of non-compliance with regulations or voluntary codes concerning the health and safety impacts of products and services	Number	0	0	0	
Breaches of regulations resulting in a fine or sanctions	Number	0	0	0	416-2
Breaches resulting in a warning	Number	0	0	0	
Breaches of voluntary codes of conduct	Number	0	0	0	

**LOCAL COMMUNITIES**

	Unit	31/12/2018	31/12/2017	31/12/2016	GRI Standards
Assets that have implemented local community engagement, social and/or ecological impact assessments or development programmes	%	1.5	1.2	0	
of which properties in the office asset class	Number	1	1	0	413-2
of which properties in the retail asset class	Number	5	3	0	
of which properties in the hotel asset class	Number	0	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
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## GRI 101: REPORTING PRINCIPLES 2016

## GRI 102: GENERAL DISCLOSURES 2016

### ORGANISATION PROFILE

GRI 102	General Disclosures	102-1	Name of the organisation	04, 05	
GRI 102	General Disclosures	102-2	Activities, brands, products, and services	04, 05	
GRI 102	General Disclosures	102-3	Location of headquarters	05	
GRI 102	General Disclosures	102-4	Location of operations	05, 06, 28	
GRI 102	General Disclosures	102-5	Ownership and legal form	05	
GRI 102	General Disclosures	102-6	Markets served	06, 07	
GRI 102	General Disclosures	102-7	Scale of the organisation	05, 42	
GRI 102	General Disclosures	102-8	Information on employees and other workers	42, 43, 44, 45	
GRI 102	General Disclosures	102-9	Supply chain	12	
GRI 102	General Disclosures	102-10	Significant changes to the organisation and its supply chain	05	
GRI 102	General Disclosures	102-11	Precautionary principle or approach	09	TLG IMMOBILIEN does not yet comply with the precautionary principle of the UN.
GRI 102	General Disclosures	102-12	External initiatives	08, 09, 19, 46	
GRI 102	General Disclosures	102-13	Membership of associations	19	

### STRATEGY

GRI 102	General Disclosures	102-14	Statement from senior decision-maker	01	
GRI 102	General Disclosures	102-15	Key impacts, risks, and opportunities	09, 25, 27, 29, 30, 31	

### ETHICS AND INTEGRITY

GRI 102	General Disclosures	102-16	Values, principles, standards, and norms of behavior	07, 10	
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### GOVERNANCE

GRI 102	General Disclosures	102-18	Governance structure	08, 09	
GRI 102	General Disclosures	102-19	Delegating authority	16	
GRI 102	General Disclosures	102-20	Responsibility for sustainability	16	
GRI 102	General Disclosures	102-22	Composition of the highest governance body and its committees	09	



<b>GRI Standard number</b>	<b>GRI Standard title</b>	<b>No.</b>	<b>Brief description of the indicator</b>	<b>Page</b>	<b>Omissions</b>
GRI 102	General Disclosures	102-24	Nominating and selecting the highest governance body	09	
GRI 102	General Disclosures	102-38	Annual total compensation ratio	67	
<b>STAKEHOLDER ENGAGEMENT</b>					
GRI 102	General Disclosures	102-40	List of stakeholder groups	18	
GRI 102	General Disclosures	102-41	Collective bargaining agreements	46	
GRI 102	General Disclosures	102-42	Identifying and selecting stakeholders	17	
GRI 102	General Disclosures	102-43	Approach to stakeholder engagement	17, 20, 31, 44	
GRI 102	General Disclosures	102-44	Key topics and concerns raised	17, 20, 31, 44	
<b>REPORTING PRACTICE</b>					
GRI 102	General Disclosures	102-45	Entities included in the consolidated financial statements	03	
GRI 102	General Disclosures	102-46	Defining report content	03, 20	
GRI 102	General Disclosures	102-47	List of material topics	22	
GRI 102	General Disclosures	102-48	Restatements of information	p. 20 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	20	
GRI 102	General Disclosures	102-50	Reporting period	02	
GRI 102	General Disclosures	102-51	Date of most recent report	02	
GRI 102	General Disclosures	102-52	Reporting cycle	02	
GRI 102	General Disclosures	102-53	Contact point for questions regarding the report	02	
GRI 102	General Disclosures	102-54	Claims of reporting in accordance with the GRI Standards	02	
GRI 102	General Disclosures	102-55	GRI content index	70	
GRI 102	General Disclosures	102-56	External assurance	03	

## MATERIAL TOPICS 2016

### GRI 201: ECONOMIC PERFORMANCE 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	05	
GRI 103	Management Approach	103-2	The management approach and its components	05	
GRI 103	Management Approach	103-3	Evaluation of the management approach	05	
GRI 201	Economic Performance	201-1	Direct economic value generated and distributed	05f.	
GRI 201	Economic Performance	201-3	Defined benefit plan obligations and other retirement plans	05	

### GRI 203: INDIRECT ECONOMIC IMPACTS 2016

GRI Standard number	GRI Standard title	No.	Brief description of the indicator	Page	Omissions
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary	22, 30	
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. 15 Office example: p. 28ff. Retail example: p. 30	No scope as monetary evaluation does not take place
GRI 203	Indirect Economic Impacts	203-2	Significant indirect economic impacts	13	

### GRI 204: PROCUREMENT PRACTICES 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary	08, 22	
GRI 103	Management Approach	103-2	The management approach and its components	12f.	
GRI 103	Management Approach	103-3	Evaluation of the management approach	12f.	
GRI 204	Procurement Practices	204-1	Proportion of spending on local suppliers	12	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	08, 22	
GRI 103	Management Approach	103-2	The management approach and its components	08ff., 10ff.	
GRI 103	Management Approach	103-3	Evaluation of the management approach	11	
GRI 205	Anti-corruption	205-2	Communication and training about anti-corruption and procedures	11	
GRI 205	Anti-corruption	205-3	Confirmed incidents of corruption and actions taken	11	

### GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	08, 22	
GRI 103	Management Approach	103-2	The management approach and its components	08ff., 10ff.	
GRI 103	Management Approach	103-3	Evaluation of the management approach	11	
GRI 206	Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	11	

### GRI 302: ENERGY 2016

GRI Standard number	GRI Standard title	No.	Brief description of the indicator	Page	Omissions
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	22, 35	
GRI 103	Management Approach	103-2	The management approach and its components	33ff., 35ff., 39f.	
GRI 103	Management Approach	103-3	Evaluation of the management approach	37, 39 f.	
GRI 302	Energy	302-1	Energy consumption within the organisation	40	
GRI 302	Energy	302-2	Energy consumption outside of the organisation	37	
GRI 302	Energy	302-3	Energy intensity	37, 38	
		CRE1	Building energy intensity	33, 37, 38	

### GRI 303: WATER AND EFFLUENTS 2018

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	22	
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	303-3	Water withdrawal	38	
		CRE2	Building water intensity	33, 38	

### GRI 304: BIODIVERSITY 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary	22	
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	22	
GRI 103	Management Approach	103-2	The management approach and its components	33ff.	
GRI 103	Management Approach	103-3	Evaluation of the management approach	35	
GRI 305	Emissions	305-1	Direct (Scope 1) GHG emissions	38, 40, 65	
GRI 305	Emissions	305-2	Energy indirect (Scope 2) GHG emissions	65	
GRI 305	Emissions	305-3	Other indirect (Scope 3) GHG emissions	60	
GRI 305	Emissions	305-4	GHG emissions intensity	40	
		CRE3	Greenhouse gas emissions intensity from buildings	60, 65	

GRI Standard number	GRI Standard title	No.	Brief description of the indicator	Page	Omissions
<b>GRI 306: EFFLUENTES AND WASTE 2016</b>					
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	22	
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	38, 40	
<b>GRI 307: ENVIRONMENTAL COMPLIANCE 2016</b>					
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	08, 22	
GRI 103	Management Approach	103-2	The management approach and its components	08ff., 10ff.	
GRI 103	Management Approach	103-3	Evaluation of the management approach	10f.	
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.	
<b>GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016</b>					
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	22	
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.	
<b>GRI 401: EMPLOYMENT 2016</b>					
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	22, 42	
GRI 103	Management Approach	103-2	The management approach and its components	41f., 43f., 45f., 46, 47ff., 50f.	
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	44	
GRI 401	Employment	401-2	Benefits provided to full-time employees	44	
GRI 401	Employment	401-3	Parental leave	45	Excl. rate of remaining employees, as no figures are available
<b>GRI 402: LABOR/MANAGEMENT RELATIONS 2016</b>					
GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	22, 42	

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	41f.	
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	47	

### GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	22, 42	
GRI 103	Management Approach	103-2	The management approach and its components	50f.	
GRI 103	Management Approach	103-3	Evaluation of the management approach	50	
GRI 403	Occupational Health and Safety	403-3	Occupational health services	50	
GRI 403	Occupational Health and Safety	403-6	Promotion of worker health	50	
GRI 403	Occupational Health and Safety	403-9	Work-related injuries	51	
GRI 403	Occupational Health and Safety	403-10	Work-related ill health	51	

### GRI 404: TRAINING AND EDUCATION 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	22, 42	
GRI 103	Management Approach	103-2	The management approach and its components	47ff.	
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	48	
GRI 404	Training and Education	404-2	Programmes for upgrading employee skills and transition assistance programmes	47, 48, 49	
GRI 404	Training and Education	404-3	Percentage of employees receiving regular performance and career development reviews	49, 50	

### GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	22, 42	
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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	46	
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	42, 46	
GRI 405	Diversity and Equal Opportunity	405-2	Ratio of basic salary and remuneration of women to men	46	

### GRI 406: NON-DISCRIMINATION 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	22	
GRI 103	Management Approach	103-2	The management approach and its components	46	
GRI 103	Management Approach	103-3	Evaluation of the management approach	46	
GRI 406	Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	46	

### GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary	22	
GRI 103	Management Approach	103-2	The management approach and its components	47	
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	22	
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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	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	32	

#### GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary	22	
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	22	
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	19	

#### GRI 416: CUSTOMER HEALTH AND SAFETY 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	22	
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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	30f.	
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	30f.	
GRI 416	Customer Health and Safety	416-2	Assessment of the health and safety impacts of product and service categories	31	

### GRI 417: MARKETING AND LABELING 2016

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	08, 22	
GRI 103	Management Approach	103-2	The management approach and its components	10f.	
GRI 103	Management Approach	103-3	Evaluation of the management approach	10f.	
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	08, 22	
GRI 103	Management Approach	103-2	The management approach and its components	08, 10f.	
GRI 103	Management Approach	103-3	Evaluation of the management approach	10f.	
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 2018

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	22	
GRI 103	Management Approach	103-2	The management approach and its components	23ff., 26ff.	
GRI 103	Management Approach	103-3	Evaluation of the management approach	25, 27f.	

### NOT COVERED BY GRI: TENANT SATISFACTION 2018

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	22	
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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	30f.	
GRI 103	Management Approach	103-3	Evaluation of the management approach	18	

#### NOT COVERED BY GRI: PORTFOLIO MAINTENANCE 2018

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	22	
GRI 103	Management Approach	103-2	The management approach and its components	23ff., 26ff.	
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 2018

GRI 103	Management Approach	103-1	Explanation of the material topic and its boundaries	22	
GRI 103	Management Approach	103-2	The management approach and its components	32	
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 BEST PRACTICE RECOMMENDATIONS

PORTFOLIO – ENVIRONMENT						Total portfolio						
						absolute		Like-for-Like				
Impact area	EPRA Code	Key figures	Unit	2016	2017**	2018	2017**	2018	%-change 2017/2018			
Energy	Elec-Abs Elec-LfL	Electricity	Total landlord-obtained electricity	common parts and vacant areas in portfolio section A	kWh	17,365,013	19,975,097	24,001,363	19,009,571	22,618,323	19	
			of which green electricity***	kWh	-	16,207,272	19,071,497	14,387,300	18,151,533	26		
		Total tenant-obtained electricity	common parts, vacant and tenant-occupied areas in portfolio section B	kWh	32,843,769	36,091,396	30,296,453	28,527,118	28,903,754	1		
		of which green electricity	kWh	-	11,288,813	5,617,969	5,456,230	5,617,969	3			
		<b>Total electricity</b>	Total consumed electricity	kWh	50,208,782	56,066,493	54,297,816	47,536,689	51,522,077	8		
		Total % from renewable sources		%	-	49	45	42	46	11		
	DH&C-Abs DH&C-LfL	District Heating & Cooling	m <sup>2</sup> of applicable properties	Included usable space Portfolio part B	sqm	172,073	175,880	158,295	151,152	151,152	0	
			Proportion of electricity estimated	Estimated electricity consumption	%	0	0	0	0	0	-	
			Total landlord-obtained heating & cooling	common parts and vacant areas in portfolio section A	kWh	31,775,812	47,934,146	45,415,100	35,234,868	21,390,021	-39	
			Total tenant-obtained heating & cooling	common parts, vacant and tenant-occupied areas in portfolio section B	kWh	8,938,063	3,373,410	2,901,610	1,867,377	1,720,134	-8	
			<b>Total heating &amp; cooling</b>	Total heating and cooling energy	kWh	40,713,875	51,307,556	48,316,710	37,102,245	23,110,155	-38	
			m <sup>2</sup> of applicable properties	included usable space	sqm	930,792	1,066,631	1,038,418	911,263	1,038,418	14	
	Fuels-Abs Fuels-LfL	Fuels	Total landlord-obtained fuel	common parts, vacant and tenant-occupied areas in portfolio section A	kWh	23,764,727	21,196,185	15,767,313	57,815,042	33,274,014	-42	
				of which fuel oil	kWh	3,382,530	4,624,340	353,050	3,535,050	353,050	-90	
				of which gas	kWh	20,382,197	16,571,845	15,446,156	18,753,004	11,883,993	-37	
				of which CO <sub>2</sub> -neutral gas****	kWh	-	9,842,941	9,567,057	7,480,060	14,132,944	89	
			Total tenant-obtained fuel	common parts, vacant and tenant-occupied areas in portfolio section B	kWh	1,157,159	6,371,778	5,168,811	5,297,323	5,925,718	12	
				of which gas	kWh	1,157,159	4,391,749	5,052,510	4,342,689	5,052,510	16	
				of which CO <sub>2</sub> -neutral gas****	kWh	-	12,826	165,478	12,826	44,369	246	
<b>Total fuel*****</b>				Total heating energy	kWh	24,921,886	27,567,963	20,936,124	63,112,365	39,199,732	-38	
Total % from renewable sources				%	-	36	46	12	36	205		
m <sup>2</sup> of applicable properties			included usable space	m <sup>2</sup>	930,792	1,066,631	1,038,418	911,263	1,038,418	14		
Proportion of fuel estimated			Estimated fuel consumption	%	0	0	0	0	0	-		
Energy-Int			Energy intensity	Heat energy intensity		kWh/m <sup>2</sup> /year	258	257	206	238	206	-13
				Electricity intensity Portfolio part B		kWh/m <sup>2</sup> /year	191	205	191	189	191	1
	Total energy intensity*****			kWh/m <sup>2</sup> /year	-	-	-	-	-	-		
Emissions	GHG-Indir-Abs	Indirect	Scope 2	t CO <sub>2</sub>	173.6	57.13	24.41					
		Indirect	Scope 3	t CO <sub>2</sub>	46,557	27,365.62	23,320.14					
		Total		t CO <sub>2</sub>	46,730.6	27,422.75	23,344.54					
GHG-Int		(Scope 1+ Scope 2)/m <sup>2</sup>	t CO <sub>2</sub> /m <sup>2</sup> /year	0.02	0.03	0.02						
Water	Water-Abs, Water-LfL	Total landlord-obtained water		m <sup>3</sup>	290,626	339,506	303,750	335,920	275,188	-18		
		Total tenant-obtained water		m <sup>3</sup>	36,873	38,061	31,530	35,891	33,556	-7		
		Total water		m <sup>3</sup>	327,499	377,567	335,279	371,811	308,744	-17		
		m <sup>2</sup> of applicable properties		m <sup>2</sup>	1,025,615	1,080,216	1,130,784	1,005,908	1,005,908	0		
	Water-Int		Water Intensity		m <sup>3</sup> /m <sup>2</sup> /year	0.32	0.35	0.30	0.37	0.31	-17	

\* Excl. hotel

\*\* The figures 2017 have been adjusted retrospectively.

\*\*\* Recorded in 2017 for the first time

\*\*\*\* Currently, it is only possible to subdivide the heating energy consumed according to energy sources for the consumption procured, distributed and invoiced by TLG IMMOBILIEN.

\*\*\*\*\* It is not possible to calculate the total energy intensity, as the usable area for electricity consumption portfolio A cannot currently be determined.

												Office				Retail				Other			
												absolute		Like-for-Like		absolute		Like-for-Like		absolute		Like-for-Like	
2016**	2017**	2018	2017**	2018	%-change 2017/2018	2016**	2017**	2018	2017**	2018	%-change 2017/2018	2016**	2017**	2018	2017**	2018	%-change 2017/2018						
13,307,402	16,298,493	20,048,923	15,051,560	14,688,735	-2	4,015,608	3,624,796	3,877,848	3,917,527	3,865,027	-1	42,003	51,808	74,592	40,484	74,592	84						
-	13,099,547	15,715,001	10,760,564	14,688,735	37	-	3,288,778	3,281,904	3,586,252	3,388,206	-6	-	40,484	74,592	40,484	74,592	84						
2,740,604	1,737,305	1,658,714	119,533	117,973	-1	24,395,455	28,521,498	28,637,739	26,789,813	27,245,040	2	5,707,710	5,832,593	0	0	0	-						
-	119,533	117,973	119,533	117,973	-1	-	5,336,687	5,499,996	5,336,697	5,499,996	3	-	5,832,593	0	0	0	-						
16,048,006	18,035,798	21,707,637	15,171,093	14,806,708	-2	28,411,063	32,146,294	32,515,587	30,707,340	31,110,067	1	5,749,713	5,884,401	74,592	40,484	74,592	84						
-	73	73	72	100	39	-	27	27	29	29	-2	-	100	100	100	100	0						
44,709	21,388	21,388	21,388	21,388	0	111,480	138,608	136,907	129,764	129,764	0	15,884	15,884	0	0	0	-						
0	0	0	0	0	-	0	0	0	0	0	-	0	0	0	0	0	-						
21,577,102	38,222,514	36,642,174	27,229,192	21,390,021	-21	9,696,870	9,085,210	8,253,564	0	0	-	501,840	626,423	519,362	327,630	227,242	-31						
2,256,945	1,867,377	1,720,134	1,867,377	1,720,134	-8	4,612,903	1,506,033	1,181,476	0	0	-	2,068,215	0	0	0	0	-						
23,834,047	40,089,891	38,362,308	29,096,569	23,110,155	-21	14,309,773	10,591,243	9,435,040	0	0	-	2,570,055	626,423	519,362	0	0	-						
497,618	642,430	630,972	503,872	503,872	0	407,086	401,475	400,596	400,541	400,541	0	26,088	22,726	6,850	6,850	6,850	0						
0	0	0	0	0	-	0	0	0	0	0	-	0	0	0	0	0	-						
13,757,454	7,892,368	7,296,843	27,229,192	21,390,021	-21	9,406,383	13,303,817	8,502,363	8,106,152	7,236,088	-11	600,890	0	0	0	0	-						
0	63,308	116,301	0	0	-	3,382,530	4,624,340	353,050	0	0	-	0	0	0	0	0	-						
13,757,454	7,892,368	7,296,843	0	0	-	6,023,853	8,679,477	8,149,313	8,106,152	7,236,088	-11	600,890	0	0	0	0	-						
-	7,125,072	6,791,827	5,698,376	11,378,977	100	-	2,717,869	2,775,230	1,781,684	2,753,967	55	-	0	0	0	0	-						
559,022	333,547	294,061	333,547	294,061	-12	598,137	4,071,028	4,923,927	4,021,968	4,455,753	11	0	0	0	0	0	-						
559,022	333,547	294,061	333,547	294,061	-12	598,137	4,058,202	4,758,449	4,009,142	4,411,384	10	0	0	0	0	0	-						
-	0	0	0	0	-	-	12,826	165,478	12,826	44,369	246	-	0	0	0	0	-						
14,316,476	8,225,915	7,590,904	27,562,739	21,684,082	-21	10,004,520	17,374,845	13,426,290	12,128,120	11,691,841	-4	600,890	0	0	0	0	-						
-	87	89	21	52	154	-	16	22	15	24	62	-	0	0	0	0	-						
497,618	642,430	630,972	503,872	503,872	0	407,086	401,475	400,596	400,541	400,541	0	26,088	22,726	6,850	6,850	0	-100						
0	0	0	0	0	-	0	0	0	0	0	-	0	0	0	0	0	-						
77	75	73	81	70	-14	60	70	57	66	60	-8	122	112	76	91	76	-17						
61	81	78	6	6	-1	219	206	209	206	210	2	359	367	-	-	-	-						
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
144,714	187,807	174,273	504,867	544,385	8	140,787	145,240	126,714	491,722	499,031	1	5,125	6,459	2,763	4,369	2,763	-37						
10,101	7,000	6,766	7,000	6,766	-3	19,660	25,999	24,763	24,522	24,027	-2	7,112	5,062	0	4,369	2,763	-37						
154,815	194,807	181,039	511,867	551,151	8	160,447	171,239	151,477	516,244	523,058	1	12,237	11,521	2,763	8,738	5,526	-100						
504,867	544,385	625,440	510,025	510,025	100	491,722	499,031	498,366	481,935	170,513	100	29,026	36,800	6,978	13,948	13,948	15						
0.31	0.36	0.29	0.34	0.30	-11	0.33	0.34	0.30	0.39	0.31	-22	0.42	0.31	0.40	0.63	0.40	-37						

# EPRA SUSTAINABILITY BEST PRACTICE RECOMMENDATIONS

## PORTFOLIO – SOCIAL\*

	EPRA code	Indicator	Unit	2018	2017
Health and safety	H&S-Asset	Asset health and safety assessments	%	100	100
	H&S-Comp	Total number of breaches of regulations or voluntary codes related to the health and safety impacts of products and services	Total number	0	0
Communities	Comty-Eng	Percentage of objects for which programs for integrating local communities, to assess social and/or environmental impacts, or site development programmes	%	1.5	1.2

\* For a detailed description, see page 69.

## BUSINESS OPERATIONS – ENVIRONMENTAL

EPRA code	Indicator	Unit	Absolute			Like-for-Like***				
			2018**	2017	2016	2018	2017	%-change 2017/2018		
Energy	Elec-Abs Elec-LfL	Total landlord-obtained electricity	kWh	149,385	160,597	176,228				
		of which green electricity	kWh	149,385	160,597	-				
		Total % from renewable sources	%	100	100	-				
		m <sup>2</sup> of applicable properties	sqm	4,460	4,258	3,872				
	DH&C-Abs DH&C-LfL****	District heating and cooling	kWh	N/A	N/A	N/A				
		Total % from renewable sources	kWh	N/A	N/A	N/A				
		m <sup>2</sup> of applicable properties		N/A	N/A	N/A				
	Fuels-Abs Fuels-LfL****	Fuels*	Total landlord-obtained fuel	kWh	402,806	589,056	705,336	281,291	285,477	-1.47
			% from renewable sources	%	30	48				
		m <sup>2</sup> of applicable properties		3,460	5,119	4,375				
Energy-Int	Energy intensity	Heating energy intensity	kWh/sqm/year	35	23	92				
		Electricity energy intensity	kWh/sqm/year	33	38	41				
		Total energy intensity	kWh/sqm/year	69	61	133				

The figures for 2017 have been adjusted retroactively.

\* The fuels relate exclusively to the fuel consumption of the vehicle fleet.

\*\* At the time of the survey not all consumption invoices were available.

\*\*\* A like-for-like presentation of the figures for 2017 compared to 2018 is currently not possible as the figures are only available in isolated cases.

\*\*\*\* It is currently not possible to subdivide the heating energy consumed according to energy source.

EPRA code	Indicator	Unit	Absolute			Like-for-Like*			
			2018	2017	2016	2018	2017	%-change 2017/2018	
Emissions	GHG-Dir-Abs	Carbon emissions	Metric tonnes CO <sub>2</sub>	74.80	81.2	79.9			
	GHG-Indir-Abs		Metric tonnes CO <sub>2</sub>	97.46	135.7	173.6			
	GHG-Int	Carbon intensity	Metric tonnes CO <sub>2</sub>	0.02	0.04	0.02			
Water	Water-Abs, Water-LfL	Total landlord-obtained water	m <sup>3</sup>	638	1.483	832			
		Total water	m <sup>3</sup>	638	1.483	832			
		m <sup>2</sup> of applicable properties	sqm	3.460	5.119	4.375			
	Water-Int	Water intensity	m <sup>3</sup> /sqm/year	0.18	0.29	0.19			
			sqm/employee	4.87	13.36	7.49			

\* A like-for-like presentation of the figures for 2017 compared to 2018 is currently not possible as the figures are only available in isolated cases.

#### BUSINESS OPERATIONS – SOCIAL & CORPORATE GOVERNANCE

EPRA code	Indicator	Unit	2018	2017	%-change 2017/2018			
Health and safety	H&S-Emp	Injury rate (Per 1,000,000 hours worked)	Direct employees	%	0.00007	0.00003	133.3	
		Lost day rate (Per 100,000 hours worked)	Direct employees	%	0	0	0.0	
		Absentee rate (Days per employee)	Direct employees	%	0.04	0.03	33.3	
		Fatalities	Direct employees	Number	0	0	0.0	
Diversity	Diversity-Emp	Board of Directors members		%	17	17	0.0	
		Executive Management		%	0	0	0.0	
		Managers (Level 2)*		%	20	20	0.0	
		Managers (Level 3)*		%	58	58	0.0	
		All employees		%	51	53	-3.8	
	Diversity-Pay****	Gender pay ratio	Board of Directors members**		Ratio (Men/Women)	1:1	1:1	
			Executive Management***		Ratio (Men/Women)	N/A	N/A	
Diversity-Pay****	Gender pay ratio	Managers (Level 2)*		Ratio (Men/Women)	1.02:1	1.3:1		
		Managers (Level 3)*		Ratio (Men/Women)	1.01:1	1.2:1		
		All employees		Ratio (Men/Women)	1.3:1	1.2:1		

EPRA code	Indicator	Unit	2018	2017	%-change 2017/2018		
Employees	Emp-Training	Women	Average hours	20.5	39.2	-47.7	
		Men	Average hours	14.5	30.6	-52.6	
		All employees	Average hours	18.0	35.0	-48.6	
	Emp-Dev	Women	%	100	100	0.0	
		Men	%	100	100	0.0	
		All employees	%	100	100	0.0	
	Emp-Turn-over*****	New hires	Total number new employees	Number	42	14	200
			Proportion new employees	%	0.321	0.126	155
		Departures - Turnover	Total number of departed employees	Number	16	15	6.7
			Proportion of departed employees	%	0.122	0.135	-9.6
Fluctuation rate			%	7.6	6.4	18.8	
	Total employees number		Number	131	111	18	
Corporate Governance	Gov-Board	Composition of the highest governance body	Number	6	6	0.0	
		Executive	Number	0	0	0.0	
		Non executive	Number	6	6	0.0	
		Average tenure		Months	29.3	32.7	-10.4
	Gov-Selec	Process for nominating and selecting the highest governance body		Narrative on process	AR 2018, p. 54 ff., CR 2018 p. 08 f.	AR 2017, p. 49	
Gov-Col	Process for managing conflicts of interest		Narrative on process	AR 2018, p. 56	AR 2017, p. 48 ff.		

\* TLG IMMOBILIEN specific management level.  
 \*\* For gender-independent remuneration, see AR 2018, p. 94.  
 \*\*\* The proportion of women on the Management Board is 0.  
 \*\*\*\* Please refer to page 83 in this sustainability report for a detailed account of the gender pay ratio.  
 \*\*\*\*\* Employee fluctuation only includes employee-related departures.

# EPRA SUSTAINABILITY PERFORMANCE MEASURES

Code	Key performance indicator	Unit of measurement	Page
<b>Environment</b>			
Elec-Abs	Total electricity consumption	Annual kWh	80, 82
Elec-LfL	Like-for-like total electricity consumption	Annual kWh	80, 82
DH&C-Abs	Total district heating & cooling consumption	Annual kWh	80, 82
DH&C-LfL	Like-for-like total district heating & cooling consumption	Annual kWh	80, 82
Fuels-Abs	Like-for-like total fuel consumption	Annual kWh	80, 82
Fuels-LfL	Total fuel consumption like-for-like	Annual kWh	80, 82
Energy-Int	Building energy intensity	kWh/sqm/year	37, 82
GHG-Dir-Abs	Total direct greenhouse gas (GHG) emissions (Scope 1)	Annual metric tonnes CO <sub>2</sub>	80, 83
GHG-Indir-Abs	Total indirect greenhouse gas (GHG) emissions (Scope 2)	Annual metric tonnes CO <sub>2</sub>	80, 83
GHG-Int	Greenhouse gas (GHG) emissions intensity from building energy consumption	Metric tonnes CO <sub>2</sub> /sqm/year	80, 83
Water-Abs	Total water consumption	m <sup>3</sup> /year	80, 83
Water-LfL	Like-for-like total water consumption	m <sup>3</sup> /year	80, 83
Water-Int	Building water intensity	m <sup>3</sup> /sqm/year	33, 38
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	33, 34, 35
<b>Social</b>			
Diversity-Emp	Employee gender diversity	%	41, 46
Diversity-Pay	Gender pay ratio		41, 46
Emp-Training	Training and development	Number	41, 48
Emp-Dev	Employee performance appraisals	%	41, 49
Emp-Turnover	Employee turnover and retention	Number %	41, 44 84
H&S-Emp	Employee health and safety	Number	41, 50, 51
H&S-Asset	Asset health and safety assessments	%	23, 30
H&S-Comp	Asset health and safety compliance	Number	23, 31
Comty-Eng	Community engagement, impact assessments and development programmes	%	82
<b>Governance</b>			
Gov-Board	Composition of the highest governance body	Number	08f.
Gov-Selec	Nominating and selecting the highest governance body		AR 2018, p. 09
Gov-Col	Process for managing conflicts of interest		AR 2018, p. 09ff.

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**Please note:**

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

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

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