

BUILDING YOUR FUTURE

alstria office REIT-AG  
Bäckerbreitengang 75  
20355 Hamburg, Germany  
www.alstria.com

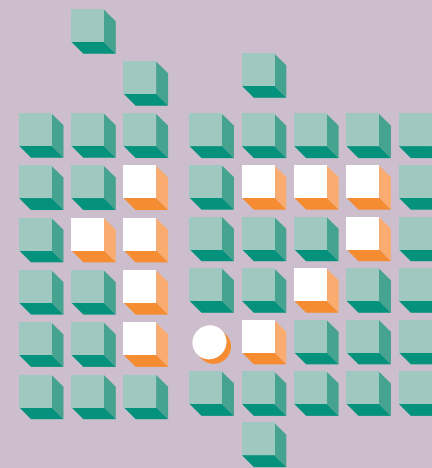
Sustainability Report

SUSTAINABILITY REPORT  
2015 / 2016



# PROFILE

alstria office REIT-AG is an internally managed Real Estate Investment Trust (REIT) focused solely on acquiring, owning and managing office real estate in Germany.



**1.7**  
million m<sup>2</sup>  
of lettable space

**120**  
Buildings



The combination of alstria and Deutsche Office creates the leading listed German office real estate company with a combined portfolio of 120 office buildings\* comprising 1.7 million m<sup>2</sup> of lettable space and representing a total portfolio value of approximately EUR 3.3 billion.

The alstria office REIT-AG strategy is based on active asset and portfolio management as well as on establishing and maintaining good relationships with key customers and decision makers. alstria focuses on long-term real estate value creation.

\*Excl. joint venture and prepaid property.

## COVER

Label for 10-year alstria anniversary beer, especially brewed for long-serving employees

Alex Diamond (2016)

Ink on Paper, 20 x 30 cm  
www.alexdiamond.net

# CONTENT

<b>KEY METRICS 2015</b>	<b>4</b>
<b>MANAGEMENT LETTER</b>	<b>5</b>
<b>BUSINESS MODEL</b>	<b>6</b>
<b>HIGHLIGHTS 2015</b>	<b>8</b>
<b>PROGRESS</b>	<b>10</b>
<b>AWARDS</b>	<b>11</b>

<b>13</b>	<b>STAKEHOLDER ENGAGEMENT</b>	
	<i>Engage in dialogue</i>	14
	<i>Our priorities</i>	18

<b>23</b>	<b>ECONOMIC PROSPERITY</b>	
	<i>Financial performance</i>	24
	<i>Climate effect on our business</i>	27
	<i>Contribution to communities</i>	30

<b>33</b>	<b>OUR BUILDINGS</b>	
	<i>Our portfolio</i>	35
	<i>Our corporate offices</i>	52
	<i>Carbon footprint</i>	56

<b>61</b>	<b>OUR PEOPLE</b>	
	<i>Employee metrics 2015</i>	62
	<i>Employee development</i>	63
	<i>Diversity &amp; equal treatment</i>	66
	<i>Working conditions</i>	68

<b>73</b>	<b>BUSINESS ETHICS</b>	
	<i>Corporate Governance</i>	74
	<i>Ethical conduct</i>	76
	<i>Supplier management</i>	78

<b>81</b>	<b>APPENDIX</b>	
	<i>A – Reporting</i>	82
	<i>B – GRI Index</i>	83
	<i>C – Assurance</i>	92
	<i>D – Energy policy</i>	94
	<i>E – EPRA Sustainability</i>	95
	<i>performance measures</i>	
	<i>Glossary</i>	107
	<i>Imprint</i>	112

# KEY METRICS

## 2·0·1·5

### Doubling our portfolio

going bigger by adding  
882,100 m<sup>2</sup> lettable area

### ↑14% more employees

going stronger with  
72 employees working from  
4 different office locations

### –3.790 tCO<sub>2</sub>e GHG reduced

through renewable  
energies

### CDP CLIMATE ACTION AWARD

for the second time  
in a row

### 64%

**RESPONSIBLE  
COMMUTING**  
of our employees by  
bicycle or public  
transport

### 40%

**WATER SAVED**  
through reusing rainwater  
in our offices  
in Hamburg

### 33%

**FEMALE  
SENIOR MANAGERS**  
increasing the representation  
of women

### Beehive

first co-working place  
made by a German  
real estate company

# MANAGEMENT LETTER

## DEAR LADIES AND GENTLEMEN, SHAREHOLDERS, BUSINESS PARTNERS AND TENANTS,

2015 was a busy year for alstria. With the takeover of Deutsche Office, the size of our portfolio has more than doubled, creating a number of management and integration challenges. Nevertheless, this did not stop our effort to lead the way into sustainable real estate. We have continued to make progress in reducing our overall carbon footprint and have extended the application of our processes to the portfolio of Deutsche Office.

In 2013, we decided to change our procurement policy to 100% renewable energy to both reduce our carbon emissions and stimulate the market for renewable energy. In 2015, we reached our goal, with 100% of the electricity procured by alstria being generated from renewable sources. This move gave us the opportunity to improve our procurement process. As a result, we have managed to get out of the carbon electricity market and simultaneously reduce our overall electricity costs.

Though our goal first and foremost is to exit the carbon world as much as possible, we are also looking to improve the energy efficiency of our operations. Thus, we have sought ISO 50001 certification for our energy-management processes and obtained it over the course of 2015. We also improved our reporting practices. For the first time this year, we have sought to receive third-party assurance for our non-financial data. This assurance was obtained for the data included in this report, and the certificate can be found in Appendix C. Although we have made substantial progress in working to improve the efficiency of our assets, there is still a lot to do to reduce the overall carbon footprint of our real estate. We are now in the process of offering our tenants and employees the opportunity to benefit from our electricity procurement, allowing them to benefit from reduced prices while switching to renewable energies. The more our tenants subscribe to this concept, the lower the overall carbon footprint of our portfolio will be in the future.

Finally, we have continued to invest in R&D projects, either directly through our Beehive-Co-working project or indirectly through investment in venture capital or grants to university research. We strongly believe that our industry is underinvested in R&D and should be doing more in that field. We are committed to continuing on our current path, as our industry is going through fundamental changes and its future is being designed as we speak, mainly by players found outside of the industry. We need to take this process into our own hands or risk having to pay a hefty price to catch up later.

We hope you enjoy reading this report as much as we enjoyed writing it and look forward to your feedback.

## KIND REGARDS



**Olivier Elamine**  
Chief Executive Officer (CEO)



**Alexander Dexne**  
Chief Financial Officer (CFO)

# BUSINESS MODEL

**Our business model can be summarized as follows:** We buy and manage office properties in Germany. As a long-term-oriented owner, we focus on the expansion and active management of our property portfolio. We have a fully integrated operating platform and manage the assets throughout their life cycle. Close relationships with our tenants, a high degree of social responsibility and dedicated employees ensure a sustainable revenue base. For our shareholders, our strategy facilitates a stable and predictable cash flow and adequate risk-adjusted returns.

Given the limited opportunities for any quick or short-term trading of properties, which is inherent in our business model, sustainability comes as a natural feature. We carefully manage global sustainability challenges and consistently seize opportunities to develop innovative solutions for our stakeholders.

Driving a sustainable portfolio investment has a positive effect on all of our major business areas. This can lead to an increased client demand, reduced speed of obsolescence, reduced vacancy rate, reduced rates of depreciating and lower operational costs. At the same time, delivering buildings in a better performing condition than they were received contributes in reducing their carbon footprint. In addition, more than in any other business, our success is directly linked to the location on which we invest. Thus, we have a vested interest in the strong development of the local community. We are convinced that a lasting economic success can only be materialized when we act responsibly against the environment and the society that surround us.

## VALUE CREATION

Our business objective is to create and manage efficient office spaces with enduring appeal to our tenants. At every different stage of our business cycle, we work closely with our tenants, partners and the communities in which we operate in order to safeguard their interest and fulfil their expectations.

We manage almost all of our assets with our own property managers; thus, we are in a position to better control real estate risks and act immediately when opportunities arise. Across our business, we build strong relations with our employees and the communities, invest in bettering the building environment and thus create added value to the society.

### Manage

Our real estate operations team, which makes up around 50 % of our employees, manages the relationship with our tenants and takes care of the buildings we operate. Based on our real estate expertise, we are in a position to take real estate risk for parts of our portfolio through the acquisition of vacancies or the active repositioning of buildings. This strategy allows us to generate organic rental and capital growth in a flat-market environment and thereby creates value for our Company and its shareholders. We redesign and customize office space when we see the opportunity to better serve our tenants' individual needs and requirements.

During the tenancy, we work closely with them on finding solutions to accelerate the efficiency of our buildings. This includes managing all risks related to environmental factors and thus protecting the buildings from external risks such as changing energy regulations, premature obsolescence and price volatility. During the active management and re-letting phase of our portfolio, we engage with different business groups (suppliers, authorities and partners) and thus increase the overall economic prosperity. Our objective is to deliver a better building environment to the society where we operate.



### Redevelop

We hold assets over their entire life cycle. Therefore, we continuously invest in our buildings in order to maintain the quality of our assets. We are conducting heavy-duty refurbishments; as per some stages, every building requires considerable development measures in order to start a new life. Our main focus is to further accelerate the efficiency of existing buildings and upgrade them to modern standards. Based on our deep real estate knowledge and our local expertise, we are in a position to take the development risk, which is usually rewarded with the respective development profit. Construction work is usually tendered to local small or midsize companies and builders.

### Acquire

We buy real estate assets that offer opportunities in our core markets: all main German office markets (except Munich). Our acquisition criteria are drawn up to meet tenants' and communities' demand and at the same time generate financial value over time. Potential acquisition targets undergo a rigorous due diligence, including a review of key environmental risks such as health, safety and pollution issues. When acquiring assets, we strive for internal rates of return of 6 % to 12 %, depending on the individual risk

### Sell

We usually buy our assets with the view that we could hold them forever. However, we do sell some of our assets on a regular basis. Our decision-making process when it comes

Individual trades are tendered to big companies (approximately 25 % of total building sum), albeit most of these companies merely sub-tender the majority of the workload to small and midsize companies. During construction, we obtain regular records on electricity, heating and water metering. We also have a waste and recycling management on every construction site, which is usually contractually stipulated to the builders. Our development activity supports economic prosperity by creating job opportunities through planning, construction and the ongoing use of the space.

perceived for the property. The lower end of the range tends to be a well-let property in an inner city location. The upper end of the range is more likely to be a property located at the city fringe or an asset that requires a full refurbishment.

By buying properties with given problems we can solve, we add quality and value to our portfolio. Respectively, we contribute to the communities' long-term economic enhancement.

to selling an asset is fairly straightforward; we sell an asset only when a potential buyer offers us a price that is higher than the one we would pay for the asset ourselves.

# HIGHLIGHTS

## 2·0·1·5

### Going 100% renewable RE100

We are driven by a desire to take a leadership position on mitigating climate change and reducing our carbon footprint. Only once we have a sustainable approach to real estate can we build and create value over time. Procuring renewable electricity is an easy win, and it immediately reduces our carbon footprint while increasing the demand for investment in clean energy. Having identified greenhouse gas (GHG) emissions as one of our main environmental impacts, we designed a climate change strategy to substantially reduce our carbon footprint in a short period of time and at a minimal cost, thus aligning all our existing activities with our vision for a low carbon future. We started buying fossil fuel-free energy in 2013, and we are gradually changing our entire contract to renewable energy with a target to reach 100 % by the end of 2016. We were the first German real estate company to join RE100 in 2015 and emphasize our commitment to go 100 % renewable. It is a great way for us to show that alstria is actively changing the way we conduct business and allows us to influence our peers to follow our example. We believe that influential businesses can serve as a powerful example of how going 100 % renewable makes sense socially, economically and environmentally.

We try as much as we can to keep an open ear for our local communities' concerns. This year we had the chance to offer space to the City of Hamburg in one of our buildings near the central station to support the refugees' action plan. We also continued supporting the humanitarian work of UNICEF by providing it with a lease in one of our buildings in Hamburg at preferential terms. We try to raise the standards among our peers by leasing 5,352 m<sup>2</sup> total space for diverse cultural causes.

### Establishing an energy management system

In July 2015, alstria was the first real estate company in Europe to obtain an ISO 50001 certification for the successful implementation of an energy management system for its operational processes. As a result of this decision, we are expecting to substantially increase the operational control of our own offices and further improve the implementation of energy-efficient measures to our whole portfolio.

### 5,352 m<sup>2</sup> in beneficial leasing

Our consistent endeavor to reduce the carbon footprint of our operations that are in line with our sustainability strategy has been recognized by the Carbon Disclosure Project (CDP), whose members awarded alstria the 'CDP Climate Action Award 2015' for the second consecutive year. Being included in the real estate sector leader index in the DACH region and the country leader index due to our improved climate performance score (91 B) can only justify our commitment. In 2016, alstria continues to play a pivotal role in real estate and to be recognized from CDP as a sector leader (A-).

### On the Train to Paris COP 21

On 12 December 2015, history was made in Paris when 195 countries agreed to work together to substantially curb global warming. As the building sector alone consumes around 40 % of the world's energy and contributes up to 30 % of its annual GHG emissions\*, the people who manage real estate assets are among the most important decision-making groups to respond to this call. Preceding the United Nations Climate Change Conference in Paris, we have been invited in December 2015 to accompany the official German delegation on the 'Train to Paris' to the UN COP 21 and participate in the discussions and activities on board.

Directing our activities toward a fossil-free future, we decided to centralize the purchase of electricity for our whole portfolio. In 2015, we successfully set up a framework agreement for procuring 100 % of electricity from renewable sources and 100 % of climate-neutral natural gas for the energy we obtain for our tenants, for the landlord shared services in our portfolio and for our corporate offices. As one of Germany's largest real estate companies, we bear responsibility to maximize our climate change action, and we thus raise the awareness among our tenants to source renewable electricity. While we understand that the electricity used in some of our assets might still be generated by fossil fuels, we are working to increase demand for renewable energy and therefore incentivize investment in that field.

### Become a CDP Leader

### Procuring renewable energy

# PROGRESS

## POST PARIS TREND – A NEW BEGINNING

The reduction of carbon emissions is more and more becoming the key currency for all business operations. We see a trend toward the intensification of all efforts to minimize carbon emissions on the governmental side. This post-Paris trend will further develop as the scheme of the climate agreement finds its way into new domestic and national laws and restrictions regarding carbon emissions. This new era will bring challenges along with new opportunities, from which the real estate sector can benefit. Taking that into account, we will continue investing in research and innovation and try to keep ourselves and our assets in the best-in-class position.

## GOING STRONGER IN REPORTING



We have reported on our non-financial data since 2009. Reporting with transparency is not what we wish for but what we do. With that being said, we decided in 2015 to run a third-party assurance for all our energy consumption data. Each section of this report marked with this symbol is audited by Deloitte GmbH. The assurance report is provided within Appendix C, pages 92–93.

Even if we make progress on that field, data gathering will continue to be one of our greatest challenges in the future. The reason for this is that our tenants consume the major part of the energy and are the ones accountable for the majority of the GHG emissions in our operations. We must therefore rely on their cooperation and engage with them in order to achieve significant carbon reductions. At the beginning of 2017, we are expecting to receive all energy consumption data from all the common areas of our buildings. This will be accomplished by installing smart meters. By using such systems, we are expecting to fully monitor the efficiency of our buildings and realize instant reductions on carbon emissions.

## RAISING AWARENESS

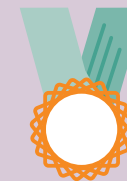
We encourage dialogue and support our tenants in all decisions related to our buildings' efficiency. As of this year, we have successfully disclosed a framework agreement to procure renewable energy for our common areas. Having achieved fair conditions on setting up the contract, we decided to offer the same beneficial conditions to our tenants and employees, with us making no profit. Participation in the framework contract will have an immediate impact on the reduction of our portfolio's carbon footprint. More information is available online at [www.mieterstrompool.de](http://www.mieterstrompool.de)

Our real estate expertise allows us to recommend energy solutions that suit our tenants' individual needs. We are planning in 2017 to extend our energy training and additional information material we provide to our tenants in order to stimulate them in adopting environmentally sound practices.

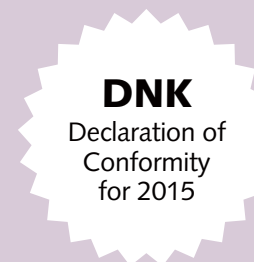
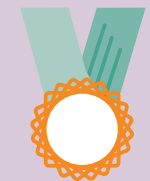
# AWARDS



**Thomson Reuters Extel**



First German SDAX  
Best CEO  
Best CFO  
Best IR





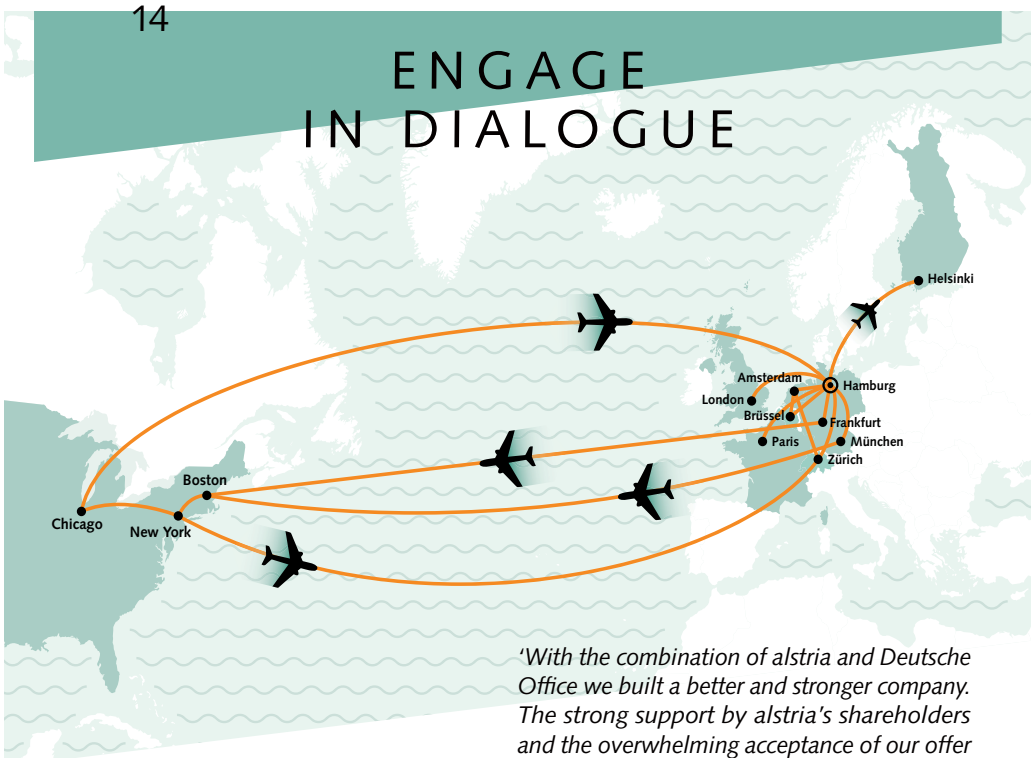
# STAKE HOLDER ENGAGE MENT

**OUR BUSINESS SUCCESS IS FOUNDED ON THE STRONG RELATIONSHIPS WE MAINTAIN WITH OUR STAKEHOLDERS: INVESTORS, TENANTS, EMPLOYEES, BUSINESS PARTNERS AND THE LOCAL COMMUNITIES. WITH AN ONGOING AND MULTI-CHANNEL ENGAGEMENT, WE DETERMINE THEIR EXPECTATIONS AND DRIVE OUR BUSINESS VALUE FORWARD.**

Olof-Palme-Strasse 37  
Frankfurt am Main



# ENGAGE IN DIALOGUE



*'With the combination of alstria and Deutsche Office we built a better and stronger company. The strong support by alstria's shareholders and the overwhelming acceptance of our offer by the shareholders of Deutsche Office proves the confidence of our investors into alstria's business model and is testimony of the reputation we built up over the past years.'*

**Ralf Dibbern, Head of Investor Relations**

We firmly believe that a multitude and diversity of voices can lead to innovation, and we thus consider stakeholder engagement an essential element of our business. Stakeholder views and expectations help us prioritize the actions and resources that we invest in our business. Throughout the year, we hold regular meetings with a broad array of our stakeholders on key environmental, social and governance-related topics. In addition to our internal stakeholders, we seek to join forces with our peers, suppliers, external consultants and non-governmental organizations (NGOs) in order to tackle the major challenges that our industry faces. Such collaboration can also help to increase the level of influence we have and promote systemic change. To this end, we are involved in a number of local and global industry collaborations, partnerships and multi-stakeholder initiatives.

Over the course of 2015, we held more than 270 meetings in eight different countries to meet our institutional shareholders and keep them informed about the performance of our Company. With respect to the issuance of our first benchmark bond (volume EUR 500 million), we also initiated our first debt roadshow. The special information requirements of our new investors in the debt capital market will be an integral part of our investor relations activities going forward.

Our management roadshows and participation in numerous investment conferences all around the globe ensured a constant dialogue with our shareholders. In addition, we carried out a number of site visits to our properties, mainly in Hamburg, Düsseldorf and Frankfurt. Furthermore, in order to maintain a constant dialogue, not only with our equity investors but also with our main creditors, we held our fifth lenders' day at our offices in Frankfurt in April 2016.

Digital communication with our stakeholders has always been of key importance to alstria. Any person interested in receiving financial as well as environmental performance data is welcome to listen to our online, live-streaming presentation results via our website  
 > [www.alstria.com/investors/](http://www.alstria.com/investors/)

Since November 2015, we are also offering the opportunity for a direct chat with alstria via our website in order to make communication between our Company and its stakeholders as convenient as possible.

## Our communication channels and frequency of contact with our stakeholders.

### TENANTS

- > Direct feedback from our tenants at all the different stages of a tenancy, as collected by our own property managers
- > Direct access to all important documentation by means of our online platform
- > Regular meetings and constructive discussions with key tenants and their representatives

### BUSINESS PARTNERS

- > Intense dialogue before the beginning of a new business relation
- > Weekly meetings with contractors during construction stage
- > Direct dialogue and online feedback via the Company's website

### EMPLOYEES

- > Annual appraisal meetings
- > Open-door approach
- > Regular team events

### LOCAL COMMUNITIES

- > One-on-one dialogue with affected neighborhood before and during development projects
- > Open dialogue with the local communities
- > Social media tools to provide responsive communication

### INVESTORS

- > Direct contact to all our shareholders via our Annual General Meeting, where each shareholder is entitled to one vote per share
- > Quarterly financial and annual sustainability reporting as well as regular press conferences
- > Participation in industry discussions on our financial and sustainability performance
- > Discussions at roadshows and site tours of our properties
- > Social media tools such as LinkedIn, Xing, Facebook, the Company's blog and Twitter

STAKEHOLDER ENGAGEMENT

STAKEHOLDER ENGAGEMENT

## INDUSTRY PARTNERSHIPS

Since the Company's founding, we have participated in a number of working groups and answered a number of public inquiries with respect to accounting, regulatory and sustainability related topics. We are mainly engaged in initiatives aiming at improving transparency and innovation in the real estate sector. This involvement gives us the opportunity to anticipate future regulatory requirements, identify new trends at an early stage and be in a position to take part in the new trend-setting process. As for the year 2015, our Management Board invested 48 hours and around EUR 50,000 in supporting relevant organizations.

With regard to sustainability, our company is engaged in industry discussions at the highest industry level. alstria's CEO was part of the working group that set up the Global Reporting Initiative (GRI) Construction and Real Estate Sector Supplement (CRESS) group, which offers GRI reporting-specific principles for the preparation of sustainability reports for the industry. Moreover, the Company contributed to the work around the GRI-G4 guidelines, a process in which our CEO was a member of the GHG emissions working group.

alstria's CEO is further involved in several working groups at EPRA and currently holds the chair position of EPRA's Sustainability Committee and is a member of EPRA's Advisory Board. EPRA represents the interests of the major European property management companies and supports the development and market presence of these companies by establishing, among others, best practice recommendations in the fields of accounting, reporting and sustainability.

alstria's CFO is a member of the working group discussions regarding climate change and sustainability within ZIA. ZIA (German Property Federation) is a regulatory and economic lobby group for policy in the property sector. Other alstria senior managers are involved in working groups of ZIA on various topics, such as corporate responsibility, innovation and office properties management. Further discussions we held with the 'Initiative Corporate Governance der deutschen Immobilienwirtschaft e.V.' and the 'DNK multi-stakeholder forum' focused on the development of the German Sustainability Code.

Since 2010, we are actively participating in the development of green leases in Germany. This year, we took part in two working groups (Green Lease 2.0, ZIA-AG Green Lease) and contributed to discussions with our real estate expertise. We intend to use all or part of green lease standards within our own lease contracts in the coming years.



In addition, we are a member of the German Sustainable Building Council (Deutsche Gesellschaft für Nachhaltiges Bauen, DGNB). DGNB is a not-for-profit organization that is responsible for one of the most credible certification systems for sustainable buildings.

Finally, since 2010 we have supported the Hamburg Environmental Partnership 'Umwelt Partnerschaft Hamburg' and remain in close collaboration with the city's policy makers. More information is available online at > [www.hamburg.de/umweltpartnerschaft/](http://www.hamburg.de/umweltpartnerschaft/)

## IMPROVING TRANSPARENCY

As part of our transparency efforts, we participate regularly in a number of voluntary inquiries and report on our environmental performance to various organizations around the world. We also actively respond to university and student surveys on demand. We communicate our results with analysts and the public via the Company's website at > [www.alstria.com/en/sustainability](http://www.alstria.com/en/sustainability)



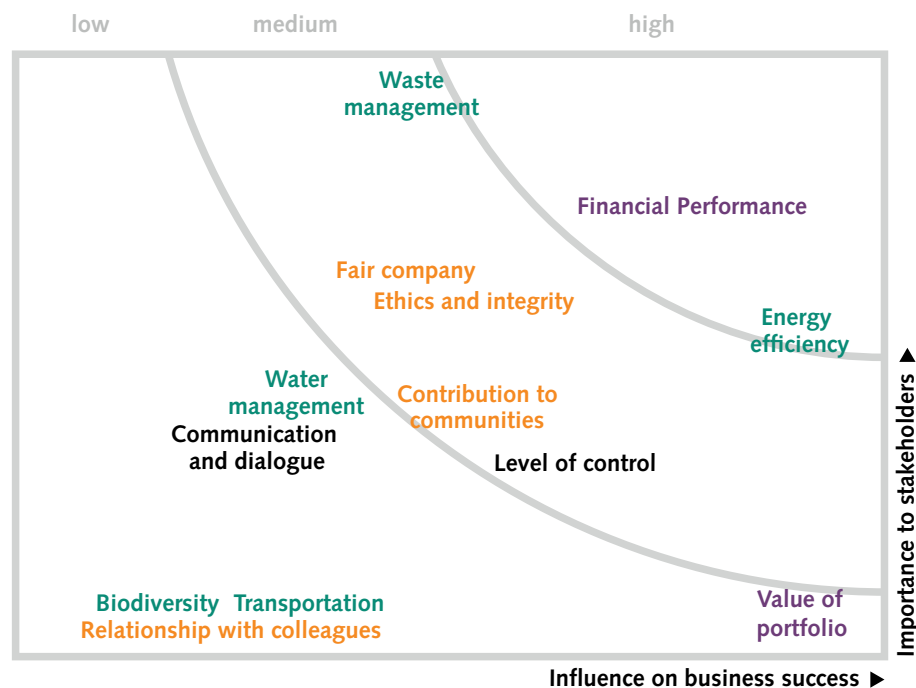
# OUR PRIORITIES

We have developed over the years a sustainability approach tailored to address our different stakeholders' interests. To determine what is most relevant to our stakeholders, we decided in 2014/2015 to review our priorities and align our resources and strategy accordingly. This process included a survey that was sent to 1,420 identified stakeholders (shareholders, debt providers, analysts, tenants, employees, press and others) and received a response rate of 4.3 %. The results obtained from this survey allowed us to produce the materiality matrix presented below.

Each point on this matrix represents a material aspect for alstria. The color of its material aspect represents the category to which it belongs. The area on the top right of the map contains the eight most important priority topics for alstria among those 17 examined.

## Materiality matrix

● Value chain ● Economy ● Environment ● Social



A closer look at the materiality matrix shows that some topics of sustainability, such as biodiversity and transportation, are considered to have a low impact on the Company's operations. This fact alone doesn't suggest that they are not priority topics for the environment. Such topics related to environmental protection are subject to strict European regulations and are therefore perceived as being particularly important for alstria, irrespective of how they are evaluated by the stakeholders. alstria's efforts to review its sustainability priorities are not limited to the results of this survey only but in fact revolve around all the major trends and challenges that influence the global real estate market.

## STAKEHOLDER INTERESTS

The following table summarizes the highlights of our stakeholder engagement on sustainability issues. More in-depth discussions about many of these topics may be found throughout the report.

### Create long-term value



- › Our operational focus is on maintaining the level of occupancy in our portfolio as well as the quality of our revenue stream.
- › We only invest in assets that will sustain our growth requirements and deliver returns over a long period of time.
- › Our acquisition strategy focuses on the risk-return profile of the assets considered. We underwrite our acquisition on the basis of unleveraged IRR, which ranges from 6 to 12 %, depending on the risk associated with the specific business plan of the asset.

### Promote transparency & corporate governance



- › We present our financial and environmental performance with press releases and public reports.
- › Our financial and environmental performance receives external third-party assurance every year.
- › We timely transmit information regarding operations carried out in order to allow the Supervisory Board sufficient time for its analysis.
- › We ensure the compliance with the most recommendations of the German Corporate Governance Code.

### Retain reliability



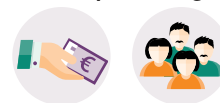
- › We believe that open and honest dialogue with our stakeholders is key for the long-term prospects of the Company. Credibility is built over time.
- › We have a responsible contracting policy and provide payment of agreed prices within the agreed time frame.

### Promote equal & fair treatment



- › We believe in positive and respectful communication, a cooperative management style and continuous employee development.
- › We have fair and balanced employee policies in place, including prohibition of discrimination.
- › We foster an environment of equal opportunities and value diversity.

### Enable open dialogue



- › Our investor relations activities are focused on informing shareholders, financial analysts and the business press about the company's development.
- › We participate in interviews, industry discussions, roadshows, and regular press conferences.
- › Our open-door approach and problem-solving culture enables a stable working environment and our employees' well-being.

**Maintain long-term relationships**

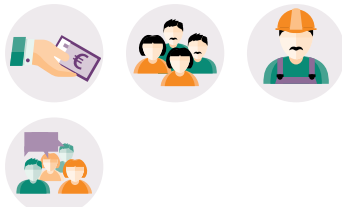
- › We organize regular meetings with our key tenants to consult them on different important stages of a tenancy.
- › We choose our business partners carefully, and we value their work. We often continue working with them for more than one project.
- › Part of our daily work is to ensure that our real estate operations team is always available to respond to tenants' and business partners' concerns and to develop ideas and solutions.

**Extend level of control for business partners**

- › We have prepared a new code of conduct that defines our ethical and legal guidelines and sets forth the specific behavior that is expected from our external partners.
- › We have established a 'green list,' which includes all the providers with whom the company is allowed to enter into a business relationship. Those partners are vetted for good reputation and market behavior.

**Provide efficient & sustainable office space**

- › We are engaged in different working groups to pursue opportunities to reduce a building's environmental footprint. In this way, we encourage our tenants to adopt sustainable behavior.
- › We follow-up on trends and developments in the field of office concepts and set-up in order to be able to offer our tenants tailor-made solutions integrating best-in-class practices.

**Support the local economy, local entrepreneurs and local initiatives**

- › We work hand in hand with the local authorities during any redevelopment process. We believe that only a close collaboration of all involved parties leads to success.
- › We engage with local suppliers in our development projects as well as in the regular maintenance of our buildings.

**Create beneficial rental agreements for social and cultural facilities**

- › Since our foundation, we have been committed to enhancing life in the communities surrounding us. For example, we granted UNICEF a preferential lease in one of our buildings.
- › We support and maintain historic buildings.

During our materiality review, a number of global trends arose frequently in discussions on material aspects of our approach to sustainability. While these trends are not within our control, we consider them important since they have a major impact on our business.

**Urban mobility**

Globally, more people live in cities than in rural areas. More than 73 % of the population in Europe lives in urban areas, which is a figure that is expected to exceed to 80 % by 2050\*. This major population shift intensifies congestion, noise and pollution in the cities. In addition, the availability of resources, such as housing, food and leisure will become critical. City governments are responding to this challenge by implementing a range of regulations regarding transportation and carbon emissions and by increasing open spaces. alstria can play a significant role in this creation of the 'smart' cities. Since most of our operations are in urban areas, we recognize our responsibility to the local communities and try to reverse any or all negative effects of our construction processes into valuable resources. In a continuous effort to minimize our carbon footprint, we have decided to change the Company's pool car from fossil fuel-powered vehicle to electric powered one and encourage our employees to choose eco-friendly commuting. alstria's commitment to green mobility is also fully supported by the CEO of the Company, who drives a plug-in hybrid car himself. For more information, please see pages 58 to 59.

**The role of immigration**

Migration flows in Europe are mainly concentrated in large economic countries of Western Europe. With an ambition to find better living conditions, this new population will accommodate mostly urban centers, thus intensifying the already existing problem of urbanization in European cities. As a consequence, governments that want to attract immigrants will need to subsidize to some degree the new arising needs of housing and training. Immigration in Europe will also have geopolitical effects. The accelerating numbers of immigrants and refugees arriving in Germany, for example, will gradually change the domestic and foreign policy for the country, as citizens of multiple ethnicities will have greater roles in European politics. However, immigration is expected to partly solve Europe's demographic challenge, contributing to a more ethnically diverse population. As a company located in Germany, we have appropriately acknowledged the need of diversity within our own community and the need to prohibit discrimination of any kind. For more information, please see pages 66 to 67.

**Aging population**

The world is aging rapidly. According to the United Nations, nowadays people aged 60 and older account for 11 % of the global population. This number is expected to rise to around 22 % by 2050. An aging population is mainly the result of better standards of living and economic well-being and is therefore mainly found in Western countries. In Germany, later retirement and longer lifespan pose big social and economic challenges and create new 'normalities.' This can, for example, result in having four generations working together at the same workplace. We thus try to adjust our work model by offering flextime and by appraising the different skill sets of each generation in order to raise the quality of work. We consistently try to ease tension between employees and improve collaboration. For more information, please see page 67.

**Emerging technologies**

Emerging communication technologies have already replaced traditional working practices. alstria has responded to the increased demand for more flexible and mobile working by providing its employees with shared meeting areas and co-working areas and by offering them the possibility of managing their own work schedule. Similarly, changes to technologies around buildings are transforming our tenants' needs. Thus, we try to adapt to the technologies that we consider important and relevant for our business operations. One such example is the introduction of smart metering systems to our buildings, which will allow us to immediately receive the buildings' energy performance data. Another emerging trend is the increase in the amount of self-produced and self-consumed solar electricity in commercial buildings. This trend is accompanied by an increased demand for short-term energy storage, and solutions with batteries for buildings are now ready for the market as a direct result.

\*United Nations, World Urbanisation Prospects, 2014.



# ECONOMIC PROSPERITY

PROFITABILITY ENABLES US TO FULFIL OUR RESPONSIBILITY AS A BUSINESS TOWARD THE SOCIETY. AT THE SAME TIME, ADDING VALUE TO THE COMMUNITIES IN WHICH WE OPERATE FURTHER ENHANCES OUR ECONOMIC GROWTH. AS A PUBLICLY LISTED COMPANY, WE ARE NOT ONLY COMMITTED TO SERVING THE INTERESTS OF OUR SHAREHOLDERS BUT ALSO CONTRIBUTING TO IMPROVING THE LIVING ENVIRONMENT IN THE COMMUNITIES IN WHICH WE OPERATE.

Immermannstrasse 40  
Düsseldorf

# FINANCIAL PERFORMANCE

We consider our economic performance our number one priority, since we cannot facilitate our sustainability strategy without a stable financial position. We generate profit in a responsible manner and always take into account the consequences of our business actions to our stakeholders. We endeavor for a long-term, profitable path.

A sound economic performance allows us to invest in initiatives that help minimize our environmental impact; for example, the procurement of renewable energy and use of advanced building technologies. Such innovative solutions offer an added value to our buildings and tenants by reducing ancillary expenses.

In addition, a good financial position equals the creation of new and well-paid jobs and gives us the opportunity to contribute to the communities where we operate.

At alstria, we have a long history of producing strong financial results and maintaining a best-in-class, transparent financial reporting. We primarily report on changes in the structure of the company and financial performance through our annual report and investor relations website.

In this report, we provide financial information that we consider especially important for developing our growth strategy in terms of sustainability.

## OUR CONTRIBUTION TO SUSTAINABILITY

Our business contributes to sustainable development by making our buildings as resource efficient as possible and by developing effective technologies that can automatically adjust to the user behavior. We do this by:

### Having a budget dedicated to the energy efficiency of our buildings

Our main objective when refurbishing our buildings is the creation of efficient office space and reduction of the energy consumption and occupancy costs for our tenants. In 2015, we invested approximately EUR 28 million in refurbishment measures and EUR 11.7 million in development projects.

### Investing in cost-effective solutions

Every year we review all of our standing assets in order to determine the needs for preventive capital expenditure and renovations. Life-cycle costing is the ABC of our refurbishment policy. For example, when choosing the appropriate construction techniques for a new renovation project, we avoid using glass-façade as much as possible. This is mainly because of its high thermal conductivity, which results in high-running costs over time. We also favor natural ventilation and try to limit the use of cooling systems in our assets to the maximum extent possible.

### Investing in research and development

We support fundamental research as we try to identify the future trends that we should incorporate in our analysis of our real estate portfolio. Starting last year, we continued supporting with a grant of USD 50,000 the research of Professor Chabinyč's lab at the University of California, Santa Barbara as well as his work on organic photovoltaics. We believe that such collaborations are mutually beneficial since they allow us to provide researchers with early

feedback on whether we can see a direct application of their research to our business, and they allow us to identify potential game-changing technologies early on at the same time. This year, we also supported research concerning real estate by providing the University of Hamburg with relevant data. For more information, please see pages 50 to 51.

### Engaging with our employees and tenants

We help our tenants to make their own business more efficient by sharing our expertise on offices and offering them already tested effective solutions. We also encourage our employees in adopting green practices by offering specialized training. Following our successful certification of ISO 50001, we organized during this year, training sessions on the topics of energy efficiency for office buildings. All of our new as well as existing employees took part in this training. Such investment can eventually minimize our environmental impact.

## FINANCIAL HIGHLIGHTS

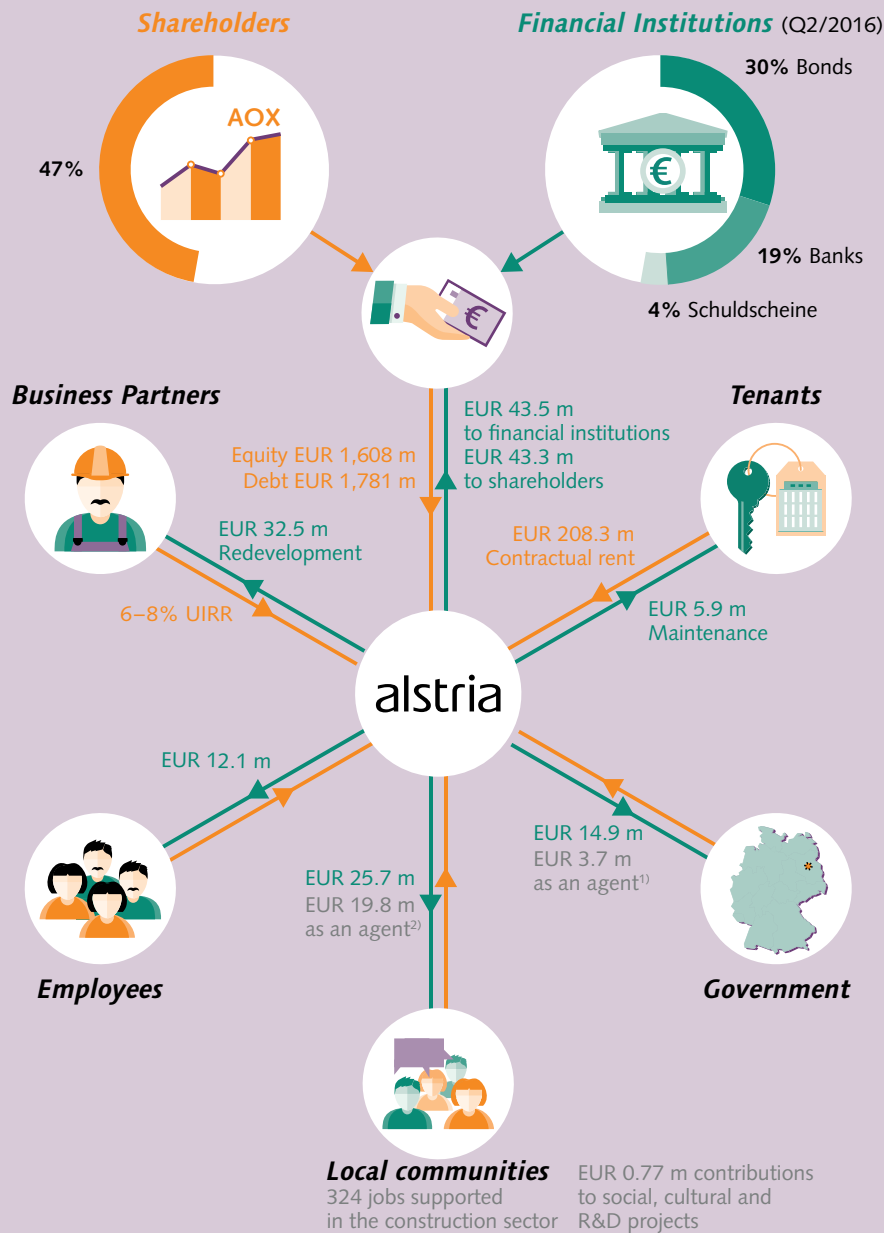
In 2015, alstria made a substantial step in its corporate development by taking over its competitor DO Deutsche Office AG ('Deutsche Office') in a share-for-share transaction. The combination of both companies allowed us to almost **double the office real estate portfolio** and to build up sizeable sub-portfolios in five of the six major German office markets. The diversification of locations and single-tenant risk significantly reduces our corporate risk going forward and therefore improves the long-term stability of the Company. The bigger portfolio also allowed us to establish local offices. Through the presence of local teams in our main markets, we are improving the quality of our real estate operations on a sustainable basis, as we are much closer to our assets and our tenants in our day-to-day business.

On the financial side, the combination with Deutsche Office also offered new opportunities, as the combination of both companies allows us to substantially improve our corporate efficiency and, hence, our operating profit. At the same time, we did not compromise with regard to our balance sheet quality and maintained our loan-to-value-ratio at around 50 %. The bigger size of the Company also allowed us to further diversify our sources of financing. After achieving a BBB investment grade rating by Standard & Poors, we issued a first corporate bond in November 2015 and a second bond in early 2016 to make use of the opportunities in the debt capital market.

We continued to redistribute most of our financial resources to our shareholders, lenders, government officials, service providers and the wider community as well as our employees. Given the bigger balance sheet of the Company and the associated substantial increase of equity and debt, the distribution to our shareholders and lenders also increased significantly. As a REIT company, alstria barely keeps any of the proceeds generated for itself. Therefore, it remunerates the capital it employs (both debt and equity), participates in government financing by paying taxes and stimulates the underlying economy by investing on its assets and employees.

Given the higher number of shares following the capital increase to EUR 152.2 million (as per year-end 2015), the dividend paid out to our shareholders amounted to EUR 43.5 million while our lenders received EUR 43.3 million of interest payments for bonds and bank debt. As of year-end 2015, we employed more than 72 people (excluding temporary student employees) and paid EUR 12.1 million in compensation and benefits for full-time and part-time employees.

DRIVING VALUE FOR STAKEHOLDERS



ECONOMIC PROSPERITY

ECONOMIC PROSPERITY

Although the takeover of Deutsche Office was a significant step in the corporate development of our Company, we are firmly convinced that the German office market offers room for further growth going forward. We will stay tuned and seize our opportunities in case we see the chance to further increase the value of our Company for the benefit of our stakeholders.

<sup>1)</sup> Taxes paid to the government as agent through real estate operating expenses.  
<sup>2)</sup> Capital distributed to the wider community as agent through real estate operating expenses.

CLIMATE EFFECT ON OUR BUSINESS

Physical variations from climate change, change in consumer behavior and energy consumption practices, as well as new regulatory frameworks, will fundamentally transform the way the urban landscape is constructed over time. Considering the long-term nature of our business and the immovable nature of our assets, it is of key importance to take the effect of climate change on our future prospects. We are thus committed on doing our part to contribute solutions to the global challenge of climate change.

At alstria, we have implemented a Group-wide risk management and an early warning system in accordance with section (91) of the German Stock Corporation Act. All risks, including those of climate change, are recorded, evaluated and monitored on at least a quarterly basis. To counteract climate change, we mainly focus on accelerating the building efficiency of existing assets and avoid participating in greenfield projects.

For a detailed description of the Company's risk management, please refer to the 'Risk and Opportunity Report' section in the Annual Report 2015, pages 23 to 40.

REGULATORY RISK

Our main economic risk related to climate change is a regulatory risk. The Company is exposed to the risk of increasingly numerous and constantly changing regulations, notably with regard to environmental or energy efficiency restrictions that might limit the possibility of letting or operating certain buildings or impose more stringent obligations upon them; for example, the German Energy Saving Ordinance (EnEV). This legal norm implements the EU Energy Performance of Buildings Directive 2002 into national law, thus requiring the establishment of minimum energy performance levels for new and existing buildings.

Impact

Failing to meet new environmental regulations can result in a loss of attractiveness of our assets, which can in turn result in a decrease of their rental potential (occupancy rate) and, ultimately, a decrease of the Company's annual revenues. Not meeting new regulations can also increase the compliance costs of the Company. These costs are estimated between EUR 1.5 million and EUR 6.0 million\*.

Method

We anticipate changes in law and thus prevent the Company from unexpected costs by:

- › Having a legal team in place that ensures the strict compliance with all regulations. When necessary, we also call upon external consultants.
- › Monitoring all legislative changes while acquiring, refurbishing or managing an asset.
- › Engaging in regulatory and economic lobby groups to acquire better knowledge of the current legislation.

\*alstria Annual Report 2015, 'Risk and opportunity report'.

## PHYSICAL RISK

Climate change causes extreme weather events such as intense heat waves, heavy winds/storms and flooding. The Company's properties, especially those located close to coastal areas, are exposed to possible structural damages resulting from these events that may disrupt a re-development process or our tenant activities. Extreme weather events can also influence our tenants' choices with regard to energy and water consumption and increase the demand on prevention measures.

### Impact

Failing to respond to those risks can subsequently increase the capital costs for maintenance/repair of the damaged structures or may lose potential revenue due to business interruption. According to our recent risk management process, our estimated financial implications amount to EUR 0.6 million and EUR 1.5 million.

### Method

Our strategy for the climate change adaptation process is based on:

- › Advanced monitoring of associated risks.
- › Insurances covering our buildings from loss of rent during reconstruction, fire, storm or water damage. These insurances have a total value of EUR 2.3 billion.

## OTHER RISKS

Climate change has presumably shaped the behavior of our tenants in requiring more 'green' rental space. Increasingly, more tenants express an interest in maximizing the energy efficiency of their buildings while minimizing their carbon footprint. Failing to adapt quickly to the growing environmental awareness of the society and our tenants can make it difficult to find or retain them in our buildings. This may subsequently pose a reputational risk and result in a competitive disadvantage to our Company.

### Impact

Failing to respond to the growing demand of sustainability services can result in a lack of attractiveness of our assets, implying a subsequent decrease of their rental potential (occupancy rate) and thus a decrease of the Company's annual revenues. The estimated financial implications amount to EUR 0.6 and EUR 1.5 million\*.

### Method

We mainly prevent those risks by:

- › Considering the access of an asset to public transportation and its integration within a vivid environment, one that provides access to essential day-to-day needs as the main acquisition criteria.
- › Recognizing early the financial requirements to upgrade and modernize a building.
- › Encouraging and educating our tenants to adopt sustainable behavior.
- › Providing an annual disclosure on the company's environmental performance and responding to various inquiries from investors and rating agencies.

## OPPORTUNITIES

Climate change not only poses risks but also presents us with opportunities. For example, being able to monitor current and future regulatory changes enables us to better control the speed of the deterioration of our assets. In addition, changes in outside temperature extremes give us the opportunity to extend the use of renewable energy sources and maintain a comfortable indoor temperature in our buildings.

Finally, by offering high-performing buildings and communicating with transparency on our sustainability performance to the public, we gain a competitive advantage against our competitors over the long term. A good reputation can ultimately increase the rental potential of our portfolio and ultimately our market value for our customers and investors.

To realize those opportunities, and continue creating added-value to our assets, we are:

- › Increasing R&D expenditure, as we believe that new technologies can improve the indoor environmental quality of our buildings and ultimately boost the rental potential of our portfolio.
- › Taking advantage of weather extremes and reverting their negative impact, for example, by using solar cells or by recycling rainwater.
- › Investing in smart metering to access all the energy use data of our buildings and be able to take the correct measures at the right time.
- › Participating in the Green lease working group to improve the regulatory recommendations for landlords and tenants. This includes, among others, the introduction of energy saving measures and regulations for utility costs in order to support sustainable behavior.
- › Keeping an open and direct communication line with all our stakeholders to identify their needs and expectations.



Send an email to:

[IloveUrSustainabilityReport@alstria.de](mailto:IloveUrSustainabilityReport@alstria.de)  
and we will donate EUR 50 to UNICEF for the first 100 chats.

\*alstria Annual Report 2015, 'Risk and Opportunity Report'.



## CONTRIBUTION TO COMMUNITIES



Unesco World Heritage Award  
for Kontorhaus District

By hosting thousands of people day by day, our assets are an important part of the communities where they are located. Through our operations and our corporate and employee contributions, we strive to enhance the quality of life in these communities. We act as responsible citizens and good neighbors, thus respecting the interests of those who live and work in or near our assets. Since our business is local, we try as much as we can to support local entrepreneurs in our supply chain. We try remaining a fair and open partner during the whole lifecycle of a real estate project. Before any redevelopment project begins,

we communicate all relevant information about our project to affected tenants and the immediate neighbors up front. In the occasion of a conflict of interest, we aim to find solutions and reduce the negative effects for all parties involved. Finally, as a long-term-oriented real estate company, we have a great interest in supporting projects that influence the social and cultural environment. In 2015, we improved our contribution to society by providing vacant space to a number of institutions at preferential terms.

## SAFEGUARDING HISTORICAL BUILDINGS

In our daily asset management, we take the opportunity and responsibility to support historical buildings and preserve places of cultural heritage. Those refurbishment projects strive to strike the right balance between the spirit of the asset, its history and future needs to meet our tenants' demands for the foreseeable future. By safeguarding historical buildings, we ultimately increase the cultural value and attractiveness of our portfolio in the leasing markets. In July 2015, we were honored to have two of our buildings located in the historic Kontorhaus District and Speicherstadt in Hamburg inscribed to the **UNESCO World Heritage List**. Inscription on the List confirms the outstanding universal value of a cultural, property which requires protection for the benefit of all humanity. As the owner of these buildings, we fully supported this perennial application process.

## COMMUNITY PROJECTS

Since our foundation, we have consistently been committed to supporting the local economy and to enhancing the quality of life in our surroundings. This year, we continued supporting a second-league basketball team: **'Hamburg Towers'** in Wilhelmsburg, Hamburg. Beyond the sport itself, the purpose of this team is to give younger people – especially those with a difficult social background – the opportunity to be involved in sports activities and to develop an attitude of fair play. To support this goal, approximately 10 % of the Hamburg Towers' yearly income is invested in the further development of similar social projects in the area of Wilhelmsburg.

We try as much as we can to keep an open ear for our local communities' concerns. In 2015, we had the chance to offer space to the City of Hamburg in one of our buildings near the central station to support the refugees' action plan. We also continued supporting the humanitarian work of **UNICEF** in Hamburg by providing it with a lease in one of our buildings at preferential terms. We further provided beneficial rental agreements to diverse art and cultural exhibitions in Hamburg.

For us, social and environmental responsibility sees no geographic boundaries. Although all of our business operations are in Germany, where rainfall is high, we do care about the world's most eminent problem of water shortage and accessibility. Supporting the **'Viva con Agua'** initiative for another year was the least that we could do. The objective of this initiative is to enable people who are living in developing countries to gain access to drinking water. Sixty percent of Viva con Agua's profit goes to long-term drinking water projects. The initiative generates these funds by selling the water bottles it produces for the purpose of financing its projects. In 2015, we supported the initiative with more than EUR 3,402 (2014: EUR 3,100). Finally, with regard to our own office supplies, we prefer buying only fair-trade coffee and in that way support better trading and working conditions in developing countries.

In the coming years, we aim to annually support at least two projects related with research and development of the real estate as well as two projects beneficial to the cultural enhancement of our local communities.



# OUR BUILDINGS

AS OUR BUSINESS GROWS, SO DOES OUR ENVIRONMENTAL RESPONSIBILITY. OUR REAL ESTATE ASSETS, MAINLY THROUGH THE TENANTS' USAGE, ARE RESPONSIBLE FOR PRODUCING A SUBSTANTIAL PART OF GREENHOUSE GAS EMISSIONS AND FOR CONSUMING MAJOR RESOURCES. FOCUSING OUR EFFORTS ON FINDING SOLUTIONS THAT MEET OUR BUSINESS NEEDS, SUPPORT OUR TENANTS AND BENEFIT THE ENVIRONMENT IS HOW WE TRY TO LIVE UP TO THIS RESPONSIBILITY.

Ludwig-Rosenberg-Ring 41  
Hamburg

## BUILDING YOUR FUTURE

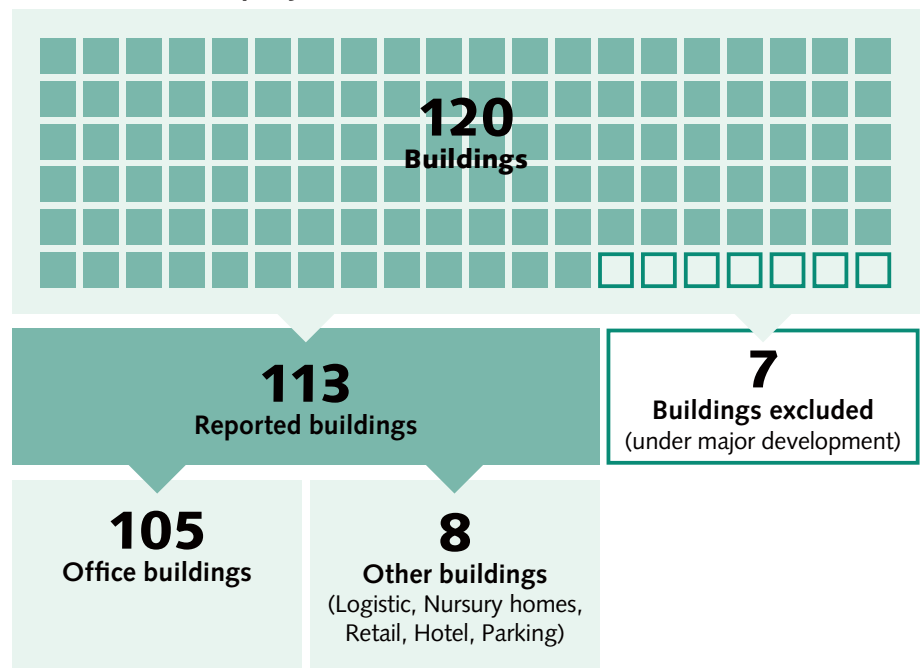
Our business success depends largely on efficiently managing our assets and offering long-term, appealing solutions to our tenants. In order to remain successful as a business, we have acknowledged the importance of laying personal sustainability targets. Climate change, limited resources and air pollution are some of the major challenges facing our society today. At alstria, we believe that only by taking a holistic approach can our society move forward. The path to sustainability goes through the reduction of our carbon footprint and the resources used per building as well as the increase in the usage of renewable energy sources. Our business climate change strategy includes short-, medium- and long-term plans for the energy and resource consumption of our portfolio and our corporate offices.

The climate breakthrough of 2015 has been undoubtedly the Paris Agreement, where the world has decided to limit the global average temperature rise well below 2 degrees above pre-industrial levels. Following this decision, the German government has immediately responded with a development of a national 'Climate Action Plan 2050': a flexible policy instrument that sets the essential measures and targets for a climate neutral future. The sectors of the economy mainly affected are: energy, industry, building, transport and agriculture.

Moving from the 'why' and 'when' to the 'how,' we are expecting new national legislation on the topics of building and energy efficiency in the coming years. We are actively involved in industry discussions and contribute in solving the following challenges:

- › Finding to what extent a building needs to be energy efficient.
- › Solving the investor-occupant dilemma: how can an investor (landlord) participate in the operational savings (tenant) after a given efficient improvement of a building.
- › Cooperating in the development of energy projects on the scale of city quarters.
- › Revising specific laws in order to allow the use of existing and new sustainable technologies, such as the allowance of solar panels on let-office buildings.

### Asset classes in our portfolio



## OUR PORTFOLIO

In 2015, we substantially grew our portfolio through the acquisition of DO Deutsche Office AG. As per December 31, 2015, our total combined portfolio consisted of 120 properties with a total lettable area of around 1,724,100 m<sup>2</sup> and an investment volume of approximately EUR 3.3 billion.

This portfolio is characterized by a high degree of diversification and an attractive and broad tenant structure. Most of the properties that are currently held are located in German metropolitan areas, particularly in Hamburg, Düsseldorf, Frankfurt, Stuttgart and Berlin.

Managing our portfolio in a sustainable manner starts with measuring properly the environmental impact of our operations. We have thus established a meaningful environmental reporting system over the past seven years. This entails a stringent reporting base and a monthly evaluation of the energy and resource consumption of our portfolio.

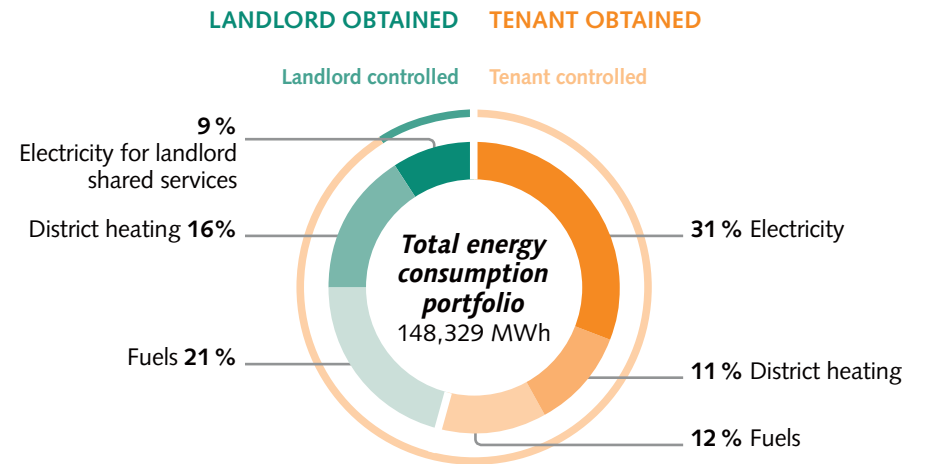
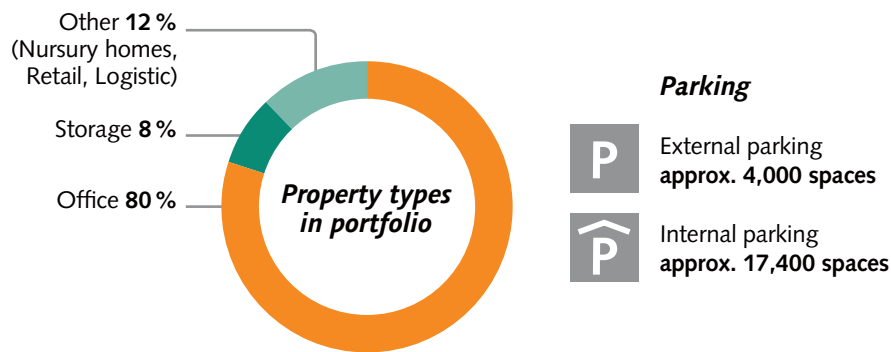
Adding another 49 properties to our portfolio at the end of 2015 presented us with a great monitoring challenge. Over the course of the past few months, we focused on collecting as much data as possible from the newly acquired buildings.

Even though those buildings were part of our portfolio for the last two months of 2015, we decided to report on their consumptions in the same manner as we do for our existing buildings. We also applied to these assets immediately after acquisition the same sustainability strategies we applied for the rest of the portfolio.

This reporting year, we managed to extend our reporting boundaries and include a total of 113 buildings of around 1,664,300 m<sup>2</sup> lettable area and of EUR 3.2 billion investment volume. Seven buildings that were under major development or have recently been acquired were excluded from our organizational boundaries, for reasons of consistency and accuracy. Nevertheless, the total coverage of data relative to the new size of the portfolio will be lower compared to the years before.

We expect in the course of 2016 to close most of the data gaps and to increase considerably the coverage of environmental data. The first effects of the sustainability strategy that we applied to the newly acquired properties will be visible for the first time next year.

In more detail, the vast majority of our total lettable area is comprised of offices (80%). Some of our offices are complemented by other types of use, such as storage, retail and utility rooms.



## ENERGY CONSUMPTION



The total energy consumption of our portfolio is divided into three parts: the electricity consumption from shared services in the common areas of our buildings, the energy consumption (electricity and heating) in the tenant areas, and the energy consumption in our corporate offices. According to EPRA's recommendations, we will report the heating consumptions divided into district heating and heating with fuels (i.e., natural gas, oil, electricity).

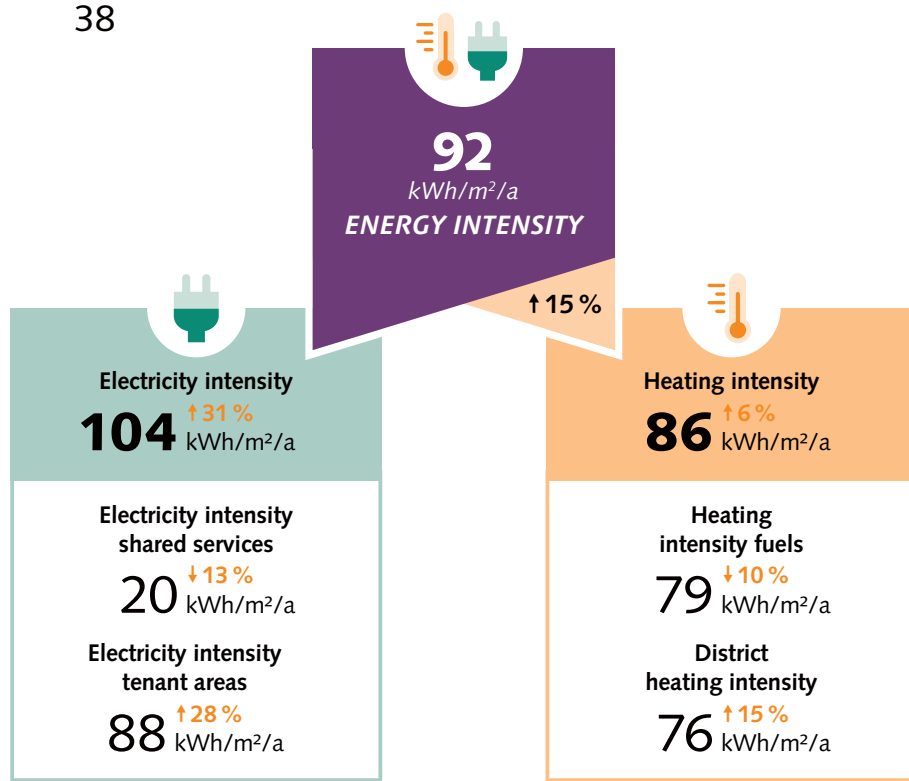
Understanding the different types of utility procurement is particularly important to us for determining the proper portfolio-wide performance measures. The procurement in our portfolio is organized in two types: the landlord-obtained energy and the tenant-obtained energy. As a landlord, we are solely responsible for the energy consumed from the shared services in the common areas of our buildings and for the energy consumed in our corporate offices. The energy procured in tenant areas is either obtained by alstria and sub-metered to our tenants or exclusively supplied to them by different energy providers. More precisely, the energy for the shared services in the common areas consists of the energy consumption directly in those areas, such as staircase lighting, and of the energy consumption in common technical areas. This includes services provided to the tenants, such as mechanical ventilation and cooling systems.

We are continually encouraging our tenants to share their exclusive energy consumption data with us. However, to which extent they cooperate is entirely up to them, and we therefore cannot directly influence their energy behaviors. In many cases, these data are provided to us, and we are thus able to report on them. Yet, alstria has no control over, or means with which to verify, these records.

The largest share of energy consumption (approx. 91%) originates from the tenant areas. The remaining part (approx. 9%) results from the energy consumption in the common areas of our buildings and in our corporate offices. In 2015, the absolute energy consumption from our portfolio increased by 19% compared to 2014. Considering the fact that the size of our portfolio doubled at the end of 2015, we are expecting to see an analogous increase in the total energy consumption results in 2016.

A full like-for-like comparison of the portfolio consumptions is provided within Appendix E. The like-for-like figures for electricity from landlord shared services show a reduction of 10%, which can be attributed to our efforts to reduce the energy consumption in the areas of our main influence. On the contrary, the like-for-like figures for electricity in the tenant areas show an increase of 5%.

The overall heating consumption, including district heating and heating with fuels, shows an overall increase of approximately 9–10% compared to the heating needs of the significantly milder winter of 2014. The same tendencies can be observed in the analysis of the building energy intensities of our whole portfolio. Compared to the previous reporting year, the energy intensity of landlord- and tenant-obtained energies increased by 15%. This reflects an increase in the heating and electricity consumption of tenants, mainly due to a longer heating period as a consequence of a heavier winter.



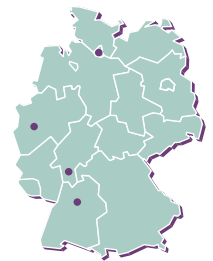
**Building energy intensity by age of buildings**

	1868–1945	1950–1979	1980–1989	1990–1999	2000–2009
Share in total portfolio	13 %	18 %	16 %	38 %	15 %
<b>in kWh/m<sup>2</sup>/a</b>					
Electricity intensity shared services	29 ↓ 15 %	18 ↓ 38 %	9 0 %	26 ↑ 11 %	15 ↑ 7 %
Electricity intensity tenant areas	30 ↓ 12 %	56 ↑ 53 %	199 ↓ 13 %	18 ↓ 17 %	n/a
Heating intensity tenant areas	71 ↑ 2 %	92 ↓ 4 %	108 ↑ 8 %	78 ↑ 25 %	73 ↑ 28 %
<b>Energy intensity</b>	<b>101</b> ↓ 11 %	<b>131</b> ↑ 4 %	<b>262</b> ↑ 7 %	<b>95</b> ↑ 11 %	<b>75</b> ↑ 3 %

Furthermore, we applied two approaches to the analysis of the energy intensity of our portfolio: by year of building construction and by region.

The comparison by **year of construction** shows what we had already been suspecting over the past few years: The office buildings from the era before 1945 have good energetic behaviors thanks to their typical sturdy structures with solid facades and basic but efficient building services. Buildings from the period of the 1950s to the 1970s are lacking in energy efficiency, as during that time, new building technologies were developed and applied without considering energy consumption. Not surprisingly, buildings from the 1980s appear to have the worst building efficiency in our portfolio. The extensive use of poor-quality glass façades and non-efficient building technologies in an age of massive corporations' expansion makes them perfect candidates for future refurbishment. Finally, in the 1990s and the following two decades, building efficiency appears to have gotten steadily better as new energy conservation laws and innovative building solutions demonstrate their positive effects already.

The **regional analysis** of our portfolio shows a wide spectrum of energy intensities. This is directly linked to the predominant building ages of the regional portfolios. Most of the oldest buildings of our portfolio are located in Hamburg, enriched with many buildings from the 1950s to the 1970s. The regional portfolio with the youngest building construction age is concentrated in the Rhein/Ruhr area, whereas in Stuttgart, our portfolio consists mostly of building complexes from the 1980s.



**Building energy intensity by region**

	Hamburg	Rhine/Ruhr	Rhine/Main	Stuttgart	Berlin	Other
Share in total portfolio	19 %	28 %	16 %	16 %	7 %	14 %
<b>in kWh/m<sup>2</sup>/a</b>						
Electricity intensity shared services	n/a	22 ↓ 8 %	28 ↓ 8 %	n/a	25 ↑ 107 %	32 ↑ 4 %
Electricity intensity tenant areas	32 ↑ 21 %	n/a	n/a	255 ↑ 6 %	n/a	92 ↑ 68 %
Heating intensity tenant areas	83 ↑ 5 %	67 ↑ 12 %	85 ↑ 15 %	126 ↑ 12 %	97 ↑ 29 %	68 ↑ 18 %
<b>Energy intensity</b>	<b>108</b> ↑ 4 %	<b>81</b> ↓ 8 %	<b>98</b> ↑ 3 %	<b>316</b> ↑ 9 %	<b>104</b> ↑ 29 %	<b>130</b> ↑ 11 %

### Our vision for a climate-friendly portfolio

Germany and the European Union (EU) have committed themselves to the goal of reducing greenhouse gas emissions by 80–95 percent by 2050 and thereby playing their part in limiting the average global temperature rise to well below 2 degrees Celsius above pre-industrial levels. En route to realizing this ambitious but necessary target, all business sectors, including real estate, need to take action. One of the top priorities for our long-term strategy is to reduce the total energy consumption of our portfolio.

This will require, among other things, the good will of our tenants because their user behaviors can have a direct impact on the total consumption. This is also heavily linked to the Company's economic feasibility and the implementation of new innovative technologies. Our short- and medium-term actions are concentrated on procurement strategies for renewable energies to allow a quick start into a carbon neutral future.



### Electricity

We started buying energy from renewable sources in 2013 for covering the electricity demand of our controlled areas and when acquiring it on behalf of our tenants. In 2015, we decided to enter into a framework agreement for procuring **100 % of our electricity from renewable sources** (hydropower) over a four-year period. With this action, we showed our ambition and commitment to running our business with the less harm possible to the environment.

Our ultimate goal is to stimulate our tenants in adopting similar environmentally sound practices, and thus, we offer them an opportunity to procure electricity from renewable sources with the same conditions of the framework contract. More information for our tenant electricity pool is available online at > [www.mieterstrompool.de](http://www.mieterstrompool.de). While we understand that the electricity actually used in the assets might still be generated by fossil fuels, our intention is to increase the demand in the market place for 'green' electricity and consequently incentivize investment in that field.

German privacy- and energy-related laws until today made it impossible for landlords to acquire directly electricity consumption data in the tenant areas. This problem is expected to be solved with the new digital metering law 'Digitalisierung der Energiewende' that was passed in July 2016. This law will enable landlords to be fully responsible for the implementation and maintenance of smart metering systems in their buildings. Immediately upon being informed of the enactment of the current law, we made the decision to start by the end of 2016 with the rollout of smart metering systems for shared services in our buildings. The rollout of smart metering for electricity in the tenant areas will follow in 2017. This will give us an opportunity to receive all of the consumption data of our portfolio and design the appropriate energy-efficient measures.



### Heating

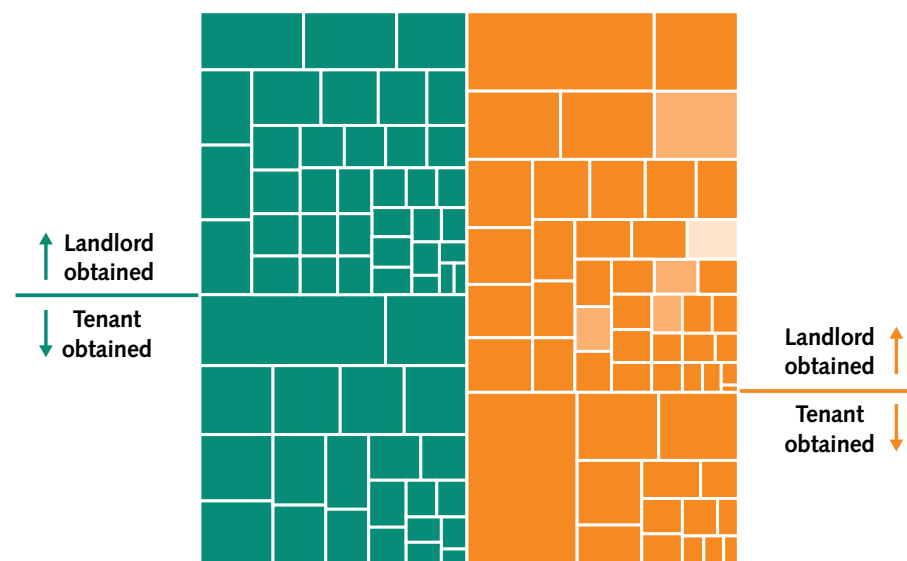
Our preferred solution with regard to heating systems is district heating. Germany's district heating supply system uses waste heat from refuse incineration plants and combined heat and power plants (CHPs). This process saves energy that otherwise would be lost and substantially reduces carbon emissions and pollutants. Our second choice when it comes to choosing a heating supply system is natural gas. As of 2015, we were responsible for most of the procurement of natural gas in our buildings (34 of 48 buildings). With the beginning of our new framework agreement in 2016, all natural gas we obtain will be carbon neutral via offsetting.

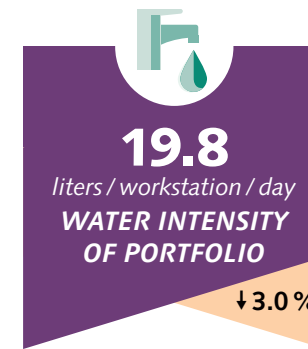
However, carbon offsetting is not the path we want to pursue. We are strongly convinced that district heating is the better option, and we thus replace whenever possible fuel-based heating systems with district heating. In the case where our buildings have no access to a district heating grid, we choose to replace the old heating systems, such as oil, to 'cleaner' and more efficient natural gas.

Over the medium term, we assume that district heating will become more carbon neutral – a development that we will monitor. Electric heating, generated by heat pumps, is also another system we expect to grow in demand in the market. Currently, it is not typically used in large office buildings. Yet, we believe that heating with electricity from renewable sources will be a good carbon-neutral alternative for offices in the long run. In the future, we might consider switching the heating systems in some of our buildings to alternatives, such as biogas, hydrogen and electricity, if those present us with better carbon-neutral choices. By 2050, we expect that most heating consumption will be 100 % carbon neutral.

**District heating**  
49 % of lettable area  
59 buildings

**Heating with fuels**  
51 % of lettable area  
48 buildings with natural gas  
4 buildings with oil  
1 building with heat pumps





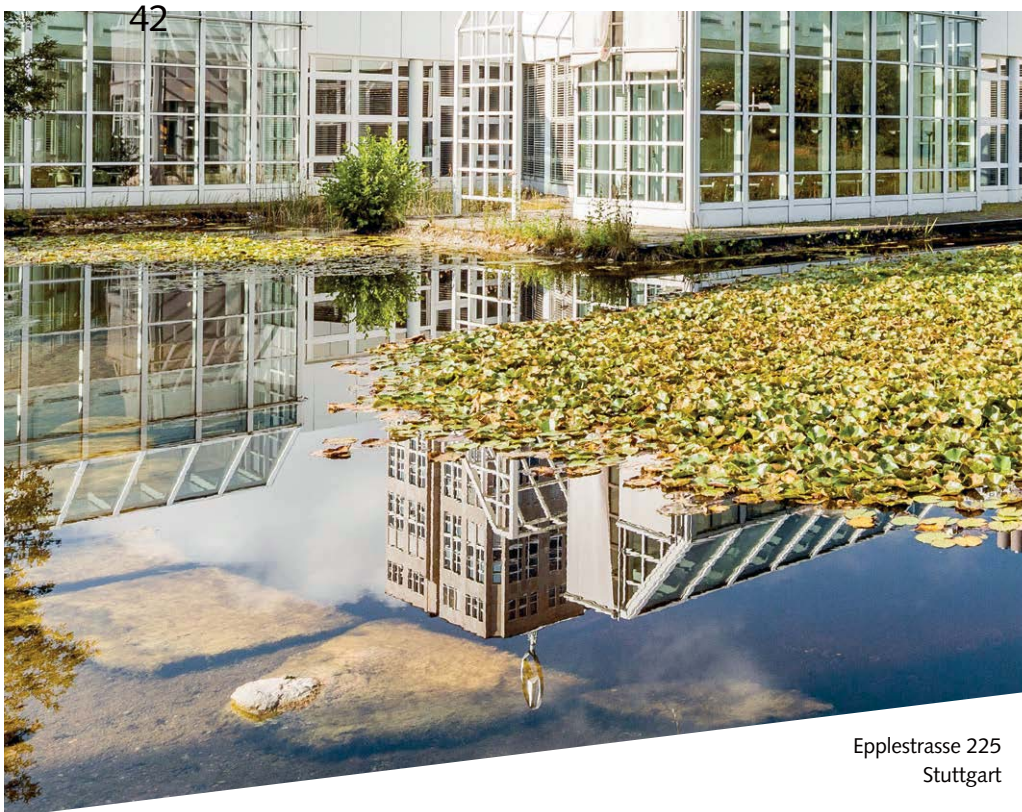
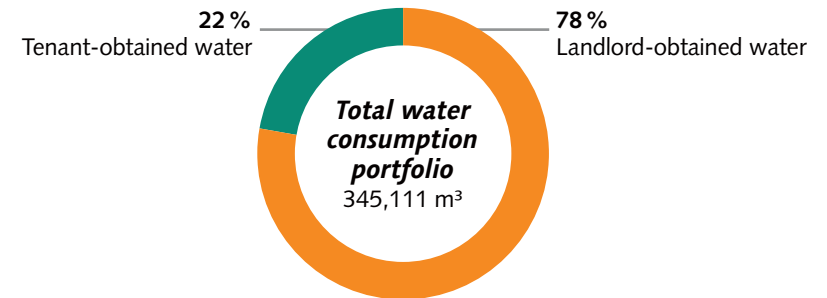
**Water consumption**

In 2015, the total water consumption (landlord and tenant obtained) from our portfolio increased by 54 % compared to 2014, which corresponds to the significantly bigger portfolio size following the DO acquisition.

The like-for-like figures for landlord-obtained water consumption show an increase of 12.5 % and for tenant-obtained water consumption an increase of 2.4 %. A full like-for-like comparison of the water consumption is provided within Appendix E.

Contrary to the previous figures, the water intensity of our portfolio has dropped down by 3 % and remains (0,289 m<sup>3</sup>/m<sup>2</sup>/day) half as much as the average German office water intensity usage (0,6 m<sup>3</sup>/m<sup>2</sup>/day)\*.

\*Greenprint Performance Report™, Volume 6, by ULI Greenprint Center for Building Performance.



Epplestrasse 225  
Stuttgart

**USE OF RESOURCES**

The use of water and the generation of waste in our organizational boundaries are divided into three parts: resources used in tenant areas, resources used in our corporate offices and resources used during the redevelopment phase of our buildings.

As all of our business operations take place in Germany, the water challenges we face are mostly related to an increasingly scaling rate of rainfall events. Especially, the water suppliers of the metropolitan regions have to confront problems such as overloaded sewers and water sources, groundwater salinization and finding new ways of attaining high rates of self-sufficiency in wastewater treatment processes. For the biggest part of our portfolio (98 of 113 buildings), we procure water and then exclusively sub-meter it to our tenants. We believe that, by measuring water consumption properly, we can manage water more effectively; therefore, we publish and share our water usage data every year.

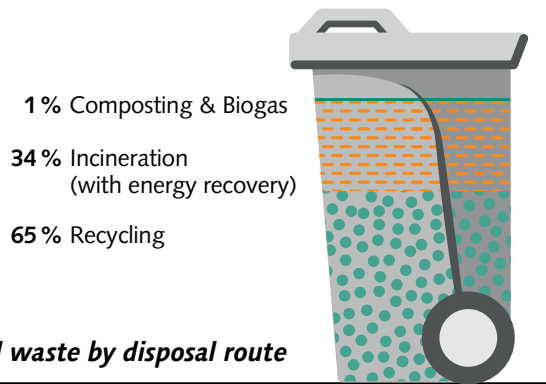
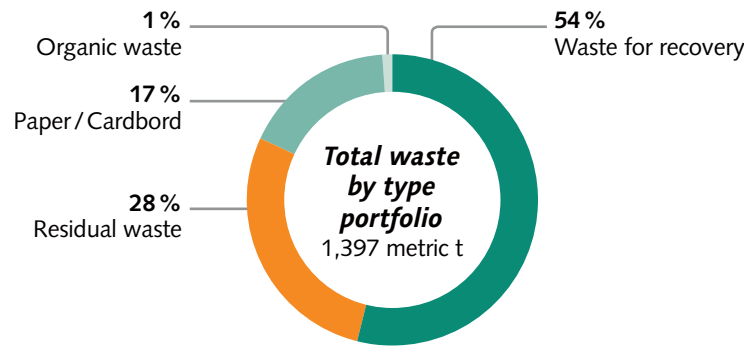
The same applies to the measurement of the waste generation of our portfolio. To increase the recycling rate of materials in our portfolio, we have successfully applied a waste management system in 54 out of 113 buildings of our portfolio. The newly acquired Deutsche Office portfolio was also immediately introduced to our waste management system, and we expect to see the first results in the next year.



**Waste generation**

In 2015, the total waste generated in the operations of our portfolio increased by 5 % compared to 2014. The like-for-like figures for the waste generated in business operations show a slight increase of 2.6 %. A full like-for-like comparison of the portfolio waste consumption is provided within Appendix E.

Reporting on the types and disposal methods of our portfolio's waste helps us to increase our general understanding on the topic and thus design an appropriate strategy.



**Total waste by disposal route**

**Our vision for waste management**

According to United Nations estimates, the construction industry in Europe accounts for almost 50 % of raw material consumption. At the same time, the construction industry in Germany is responsible for almost 60 % of generated waste.\*

Our building approach to retrofitting assets generates much lower waste and uses much fewer resources and less energy than the full demolition and rebuilding of an asset.

In this way, we share the responsibility of minimizing the waste generated during our refurbishment / deconstruction operations and save the embodied energy of our buildings. Our targets for the coming years are concentrated on increasing the recycling rates of the materials of our portfolio by introducing a waste management system to the majority of our buildings.

\*German Federal Statistical Office, October 2015.



Construction site Ditzingen 2015

**REDEVELOPMENT**

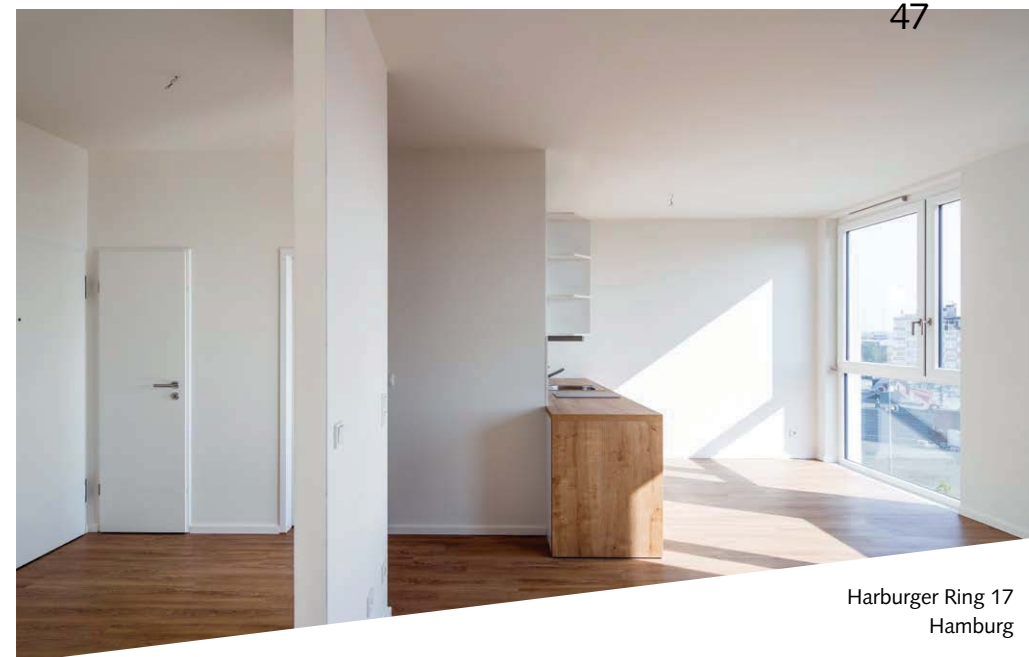
As a long-term real estate investor, we hold assets over their entire lifecycles. During an asset's lifetime, two key moments can result in the creation of significant value. The first is when a lease expires and a new lease needs to be put in place. This is the 'bread and butter' of each and every real estate company. The second moment is when an asset undergoes refurbishment or redevelopment. This is the process that shapes the asset for the next 20 to 30 years. It defines its future cash flow, its ability to be let, and the experience of its occupiers.

At alstria, we design for the safety, health and comfort of the building's users, including aspects such as natural lighting and thermal insulation. Having the choice between a standard building technology and an energy-efficient one, we are likely to select a solution subject to the Best Available Technology at No Extra Cost (BATNEC approach). We also design to enhance the quality of life around our buildings. We thus try to integrate an asset within a vivid environment, including access to essential day-to-day needs and connectivity to public transport.

Our business model involves an annual review of each of our assets to determine the need for any preventive capital expenditure and renovations. In 2015, we invested approximately EUR 28 million in refurbishment measures and EUR 11.7 million in development projects. The following table summarizes the highlights of our development activity in 2015.



Development projects	Scheduled delivery date	Lettable area (m <sup>2</sup> )	Asset class
<b>Mundsburg Center</b> Complete refurbishment of existing building services; new building management system; better design for visitor's guide; LED lighting; new efficient cooling and mechanical ventilation of cinema complex, linked directly to the cinema ticket system, results in 40–50 % energy savings; new waste management; milestone project helped to enhance urban surroundings.	2015	12,400	retail
<b>Harburger Ring</b> New efficient façade and roof isolation; 40 % LED lighting; new efficient heating plant; reuse of robust building parts, such as radiators.	2016	3,400	office/ residential/ retail
<b>Hagebaumarkt Ditzingen</b> 900 m <sup>2</sup> solar panels installed on rooftop for the tenant's own use; 100 % recycling of demolition waste onsite; new stormwater detention tank with a capacity of 670 m <sup>3</sup> that is reused by the gardening center onsite; 50 % green façade placement that contributes to improving biodiversity.	2016	23,800	retail
<b>Wehrhahn Center</b> Complete refurbishment of building services; new efficient building shell; new roof terraces for office users; flexible office layout; demand-driven mechanical ventilation with heat recovery; exterior window shades; new green courtyard.	2018	23,200	office/ retail
<b>Bieberhaus</b> New efficient heating plant and building services; refurbishment of old heritage-listed façade; new roof and roof isolation.	2018	12,000	office
<b>Development pipeline – Planning starts in 2016</b>			
Amsinckstrasse 28 & 34	2018	14,300 m <sup>2</sup>	office
Besenbinderhof	2019	5,000 m <sup>2</sup>	office
Gustav-Nachtigal-Strasse	2019	16,000 m <sup>2</sup>	office
Carl-Reiß-Platz	2019	17,500 m <sup>2</sup>	office



Harburger Ring 17  
Hamburg

### ***Our vision for new building technologies***

With the rapidly changing technological realm, the building sector faces new options for how to conduct business. At alstria, we do not strive to adopt all trends necessarily, but we are looking to the ones that make sense both economically and ecologically, to minimize the use of resources and to contribute to a long-term reduction in costs.

A building's efficiency is mostly dependent on two components: the building shell with the roof and façade, and the building services, such as heating, ventilation and air conditioning (HVAC). The first component is crucial to the behavior of the building in its interaction with the environment. A climate-adaptive building shell can induce an optimal indoor environmental quality and contribute to energy savings for heating, cooling, ventilation and lighting. The second component, the building services, manages the distribution of energy in a building. Currently, those services are seldom smart monitored or smart managed. Associated consumption data are usually available on an annual and rarely on a monthly basis.

In the long term, we will concentrate on improving the isolation of the building shell in our assets. Following the ever-changing climate conditions, we will also focus on applying optimal external shading techniques and cooling methods to our buildings.

We believe that offices are perfectly suitable for the use of solar power, as they usually operate during daytime. We will be able to start using our buildings' shell for producing solar energy, once the German law with regard to the allowance of selling self-produced electricity to tenants is revised.

Over the medium term, we will intensify the monitoring of our existing building services and eventually replace them with high-efficient components. Building services will potentially achieve a higher degree of efficiency over the coming years, thanks to new technologies to come, such as thermoelectric/passive cooling, predictive analytics, and very-low emission automations.

Onsite energy storage for self-produced energy will become a key technology for lessening the heavy dependency of today's office buildings on energy grids (electricity, natural gas, district heating).

We envision a future where buildings will be self-sustainable. They will produce and store more energy than they need to run their operations and will use minimal ground water, generate nearly zero waste, and preserve most of their embodied energy. Such an approach should by no means impact the comfort levels of our tenants.

## PRODUCTIVE BUILDINGS

Our buildings every day are welcoming thousands of employees, visitors, tenants, suppliers and contractors. They provide space for businesses to operate more effectively and to contribute to the well-being of their occupants.

Our goal when we design an office space is the creation of long-term value for our tenants, our local communities, our partners and ourselves. We consider the following factors to be important to increase the immaterial value of our office buildings:

- › Health and safety
- › Visual and thermal comfort
- › Indoor air quality
- › Ease of access to recreation areas and transport

### Health and comfort

We understand the pivotal role that our buildings play in their environment and the risks they may impose to the health of their occupants and the communities surrounding them. At alstria, we take the health, safety and comfort of our employees, tenants, suppliers, contractors and local communities very seriously. We comply with applicable German health and safety regulations.

Our main focus is to prevent potential risks for people and the environment. Our objective is to rebuild or refurbish buildings to make them more durable and increase the occupants' well-being. To achieve this, we run for every building that we acquire a due-diligence process that includes the monitoring of technical, regulatory, environmental, and health and safety procedures and risks, including soil pollution and climate change.

During the redevelopment of an asset, we communicate our construction activities and our time plan to the affected tenants and to the immediate neighbors beforehand. In the occasion of a conflict of interest, we aim to find solutions and to reduce the negative effects for our tenants. This includes minimizing the incremental noise generated by our activities on all construction sites.

Every construction company working for us is responsible for the safety and training of its workers. To ensure optimal work in a construction site, 'BG BAU,' the German Social Accident Insurance Institution for the building trade, supervises all of our sites regularly for the safety and training of workers. Additionally, 'Si-Ge-Ko,' the safety and health coordinator, is entitled to visit on our behalf the construction sites and even to proceed with their closure or with the termination of workers' contracts when proved necessary. Since the founding of the Company in 2006, there have been no fatal accidents neither at our offices nor at our constructions sites.

### Accessibility to transport

When it comes to real estate, location is everything. In the context of growing cities, the locations of office buildings and their access to transportation networks determine in part their lettable. Due to the immobile nature of our assets and the limited control we have over their surroundings, it is essential for us to know their connectivity to the urban fabric. For this reason, we have decided to run a survey on our complete portfolio (119 buildings) to examine their accessibility to existing transportation systems.

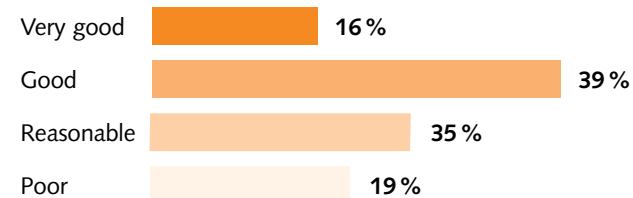
To define the level of accessibility to transport, we set 13 rating criteria in five broader categories: type of transport, number of transport lines, frequency of transport, innovative transportation models, distance to local supplies and recreational areas.

The five categories of the survey are:

- › **Public transport:** distance to metro / bus / tram stations, bicycle-sharing, car parking
- › **Long distance transport:** access / distance to airport, central railway stations, highways
- › **Innovative transport:** access / distance to e-mobility, charging stations, car-sharing
- › **Local supply:** access / distance to food supply, drugstores, pharmacies, ATM / banks
- › **Recreation areas:** access / distance to public parks, green areas

The study was focused on the typical interests of the occupants of our buildings. Each criterion was evaluated based on two parameters – distance and access to existing transportation systems – and was then rated accordingly on a top-down scale: 'very good', 'good', 'reasonable' and 'poor'.

### Access to transport of our buildings



The results of this analysis show that more than 55 % of our buildings have a 'good' to 'very good' access to transportation systems and local supplies. This can mainly be attributed to the composition of our portfolio, with most of our buildings located in dense metropolitan areas.

More than 41 % of our buildings were found to have a charging station for electric cars in a distance of less than 500 meters. Following this new trend, many of our tenants started in cooperation with us to install charging points in their parking lots for new electric vehicles. To support the transition to e-mobility, we will continue exploring our sites for potential public charging stations. Following this survey, we will review the buildings that received a 'poor' rating and define the appropriate measures we need to take to improve their transport accessibility.

## INNOVATIVE BUSINESS

**We adopt and adapt necessary technologies to keep our business fresh and our ideas sharper.** The real estate sector is manifested by innovations and technologies, but still, there are only a few companies in the REIT industry spending money on R&D. At alstria, we started thinking about supporting fundamental research, as we tried to identify the trends we should incorporate into our analysis of our portfolio.

After initially supporting the research of Professor Chabinyč's lab at the University of California, Santa Barbara, and his work on organic photovoltaics last year, we have decided to continue supporting it for another year. We consider that this key technological development will allow for better usage of building structures to produce energy and consequently will allow us to be energy independent in the years to come.

A major milestone we achieved in this year was the creation of the first co-working place 'Beehive' in Hamburg. We are proud to be the first German real estate company to move in that direction, as we believe that tomorrow's offices will need to be flexible and creative.

### Organic Solar Cells

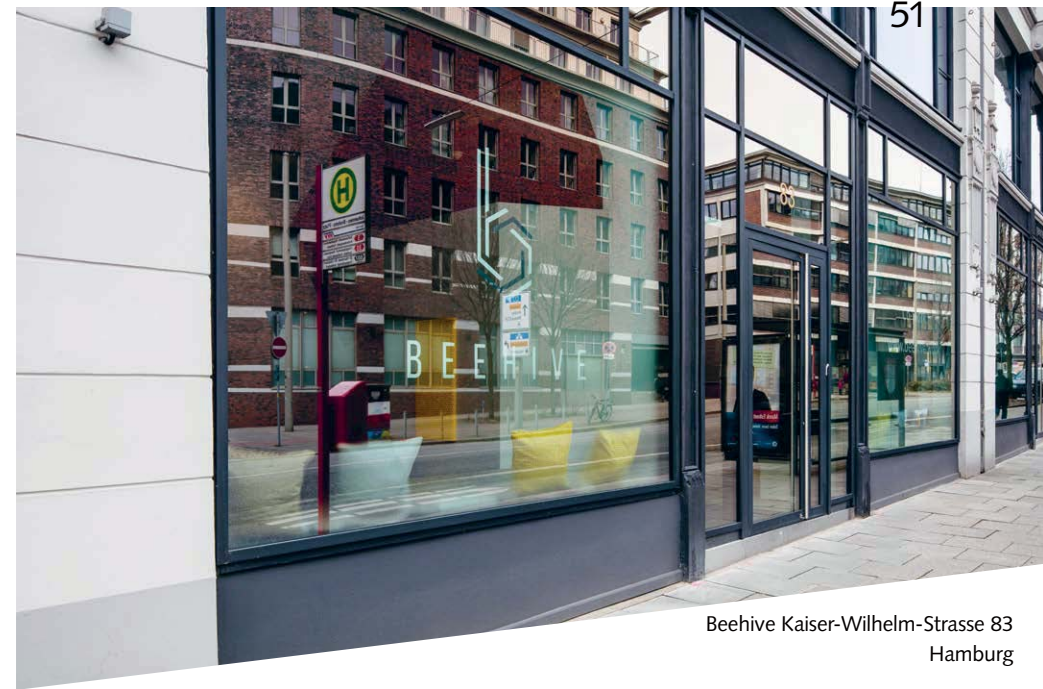
'Solar cells convert sunlight directly into electricity, harvesting energy that would otherwise be wasted. If materials can be designed to harvest light from the sun outside of visible light, semi-transparent solar cells could be integrated with windows to harvest energy in buildings without notice. Although solar cells can be made from many materials, the dominant player is silicon, which is the basis of modern computer chips. Silicon cannot be easily formed into semi-transparent solar cells. Alternatively, efficient solar cells can also be formed from many materials, including simple dyes or pigments. These materials allow for the fabrication of solar cells on virtually any surface, including plastic, to make flexible and lightweight energy-harvesting devices. Carbon-based dyes can be designed to transmit visible light and to capture light with other energies, making solar windows possible.

An important challenge for all solar cells is their stability over the long time spans necessary to make them cost-competitive sources of energy. The structure that makes carbon-based, referred to as 'organic,' solar cells efficient also creates problems for their lifetimes. In efficient organic solar cells, the components separate into two regions, like oil and water. If oil and water are mixed vigorously, small droplets form, but over time, they coalesce, and the two form large separate regions. The materials in organic solar cells behave similarly to oil and water,

except the driving force for the separation is the formation of highly ordered structures, i. e., crystallization. Efficient solar cells have small regions of two materials, at the scale of hundreds of nanometers, and if these regions grow, their performance decreases. If crystallization can be controlled in organic solar cells, this will lead to longer lifetime-efficient devices.

The organic materials in solar cells can crystallize into ordered structures, like building blocks, but uncovering the route by which different materials crystallize is very challenging. At the University of California Santa Barbara, student researchers studied how blends of organic molecules used in solar cells can be used to impede crystallization. By using state-of-the-art X-ray facilities at the Stanford Synchrotron Radiation Light-source, they found that subtle differences in the shapes of molecules can determine whether they pack together into ordered structures. Surprisingly, a change in one atom out of ~100 can prevent two molecules from stacking together into ordered structures. These studies suggest that blending molecules with very similar structures could preserve the performance of organic solar cells over long time spans. The next steps are to make prototype solar cells to test how their longevity can be improved by this discovery.'

Professor Michael Chabinyč  
University of California, Santa Barbara



Beehive Kaiser-Wilhelm-Strasse 83  
Hamburg

### Beehive

'Co-working seems to be the new fashionable office concept this year. It might therefore seem a bit too easy for us to come up with a new story about our own co-working concept. However, the truth is our co-working journey started in September 2012, when we had a first look at the concept and tried to put our head around it, and it landed this year with the Beehive launch. What started as a pure real estate project led us deep into a technology and sociology discussion that we have never imagined we would have in a real estate company.

There are as many co-working space concepts out there as there are people speaking about them. However, the core issues of this new way of working are always similar.

The first question is: How can we make the economics work? Co-working, or a flexible workspace, generates by definition a very volatile revenue base (from potentially highly volatile customers), while operating in a high-fixed-cost environment. Most of the business models we have examined tend to work well during boom times but are very vulnerable to slowing demand from customer bases.

The second question is: How do you manage your co-working community properly? Co-working is based on the idea that one is able to generate within a given space a community where different kinds of people will

try to emulate one another. This community should allow each individual to outperform, compared to a situation where he will be working on his own.

We have worked for four years to try to find answers to these two questions. This involved a lot of technology and ultimately led us to seek for the first time in alstria history to patent what we developed. It also involved some sociologic, ad group behavior analysis. The result is what we have called **Beehive**. Since we launched our first space in Hamburg in the summer 2016, we have learnt more about co-working than in the combined four years where we were speaking about it. We are now in the process of refining the concept and of rolling it within our portfolio.

Reading this article probably does not tell one much about what Beehive is really about. That is mainly because there is more to it than what will fit on this page. The best way to figure it out is to try it. It is easy, flexible and affordable. As Beehive's tagline says: **'Tomorrow's offices are available today'**. The only question left is, are you ready for it?'

Olivier Elamine  
Chief Executive Officer  
alstria office REIT-AG

# OUR CORPORATE OFFICES

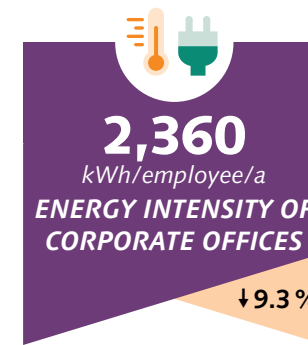
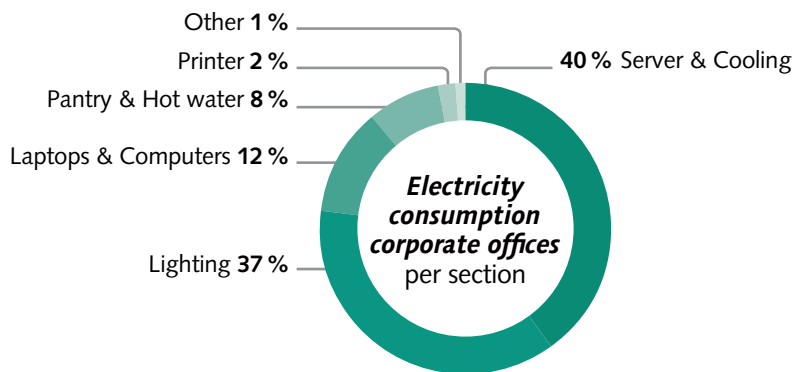


As a leader in the German real estate office market, we bear the responsibility of leading by example the sustainable management of offices.

We have a long history of maintaining good relationships with our tenants and try to remain always available to help them to design and operate healthier and more productive working environments for their own employees. We would like to be their advisors and share our expertise about energy efficiency in office buildings. We thus test a variety of available technological trends first in our own offices before handing them out to our tenants. This includes heating-automation appliances that regulate the temperature of an office room depending on a given user profile. Our ultimate concern is to encourage everybody to act responsibly and to make use of our buildings in a sustainable manner. We are proud to be one of the first real estate companies to implement an energy

management system according to the International Organization for Standardization (ISO) 50001 for our operations in July 2015. This system helps us to improve our understanding of the energy efficiency of our own offices and subsequently the efficiency of the offices of our tenants. The energy management system receives internal and external third-party auditing every year. A complete copy of our energy policy is provided within Appendix D.

In 2015, we conducted our business from our corporate offices in Hamburg (1,668 m<sup>2</sup>) and Düsseldorf (264 m<sup>2</sup>). With the takeover of the Deutsche Office ending in 2015, our portfolio expanded, and so did our corporate offices. In the beginning of 2016, we relocated our office in Düsseldorf to a new building (448 m<sup>2</sup>), and we opened a new office in Frankfurt (300 m<sup>2</sup>) and in Stuttgart (188 m<sup>2</sup>) as well.

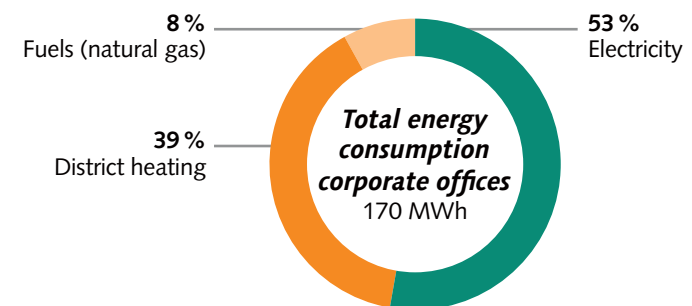


## ENERGY CONSUMPTION

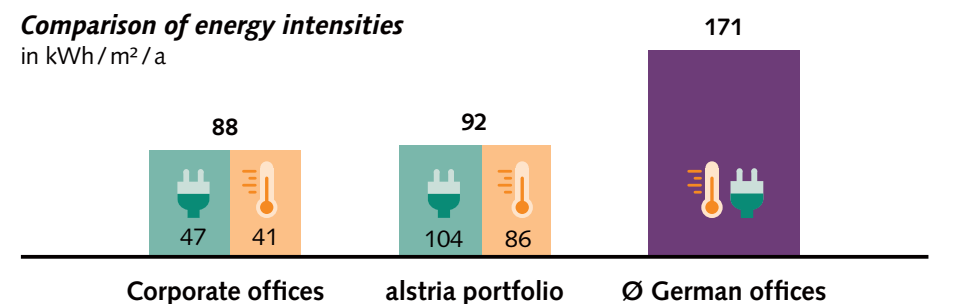
In 2015, the energy consumption of our offices increased by 4 % compared to 2014. Conversely, the energy intensity per employee dropped by 9 %, while the number of employees working in the same bureau premises increased significantly. As part of our annual energy management system review, we were able to take a closer look at our total energy consumption by sections. The results of this analysis show that we had no significant material changes as compared to last year. The predominant consumer groups responsible for approximately 77 % of the total electricity usage of our offices remain the servers and lighting.

Concentrating our efforts on both sections, we have started to replace light bulbs with LED lighting and to update our server with modern and more efficient components. As we consider ourselves a typical office user in terms of these parameters, a similar scenario can be applied to most of our tenants' office buildings. This acquired knowledge helps us to support our tenants with the application of efficiency-improvement measures in their office areas. Comparing the energy intensity of our corporate offices to the energy intensity of our portfolio and the average German office premises\*, it is apparent that our offices are already reasonably efficient.

In 2015, the solar panels installed on the rooftop of our headquarters in Hamburg generated 1,478 kWh (+80 % to 2014) of solar energy. This energy was fed into the power grid and covered around 2 % of our corporate offices' demand for electricity.



### Comparison of energy intensities in kWh/m<sup>2</sup>/a



\*Greenprint Performance Report™, Volume 6, by ULI Greenprint Center for Building Performance.



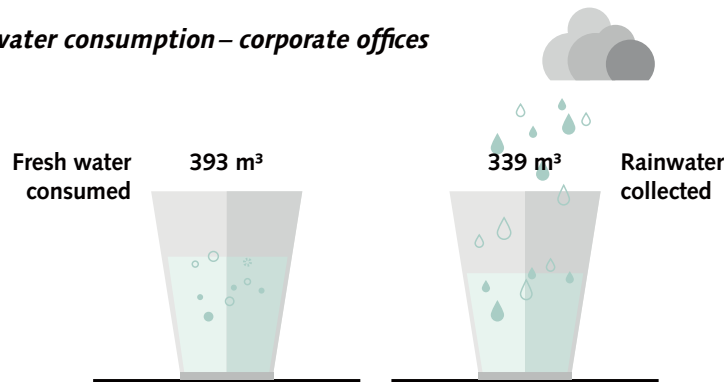
**USE OF RESOURCES**

**Water consumption**

Our goal is to conserve as much water as possible. In 2015, the total consumption of fresh water in our corporate offices in Hamburg and Düsseldorf increased by 6 % in comparison to the previous year. Conversely, the water intensity per employee per day dropped down by 7 %. Toward our goal for water conservation, we have installed a rainwater tank at our headquarters in Hamburg. This enables us to collect rainwater, direct it into the undrinkable water distribution system and thus reduce the amount of water required to operate the entire building. The rainwater collected helped us to save approximately 40 % of our annual fresh water demand. Similarly, rainwater and water detention tanks have been installed in two of our buildings in Steinstrasse, in Hamburg and Siemensstrasse, and in Ditzingen. The latter has a capacity of 700 m<sup>3</sup> of storm water.

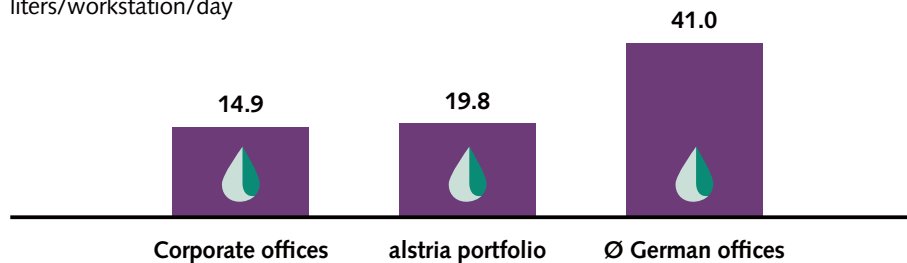
Comparing the water intensity of our corporate offices to the water intensity of our portfolio and the average German office premises\*, it is apparent that our water consumption is reasonably low.

**Total water consumption – corporate offices**



**Comparison of water intensities**

liters/workstation/day



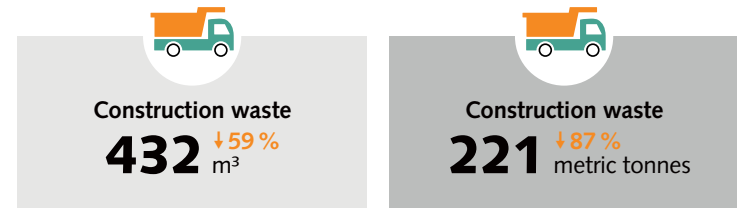
\*Greenprint Performance Report™, Volume 6, by ULI Greenprint Center for Building Performance.

**Construction waste**

We report on the waste of our redevelopment projects on a regular basis. However, a comparison of these data is not possible, due to the different designs of our buildings and the different types of waste that are generated. Moreover, our development projects are at different stages, so even a comparison between two reporting periods of one project is not feasible.

During 2015, construction waste was generated due to the refurbishment of one asset in Hamburg, the Harburger Ring. In our development project in Ditzingen, we were able to recycle almost the entire demolition waste on site in 2015. More than 24,000 tonnes of concrete and construction waste were re-introduced into the new construction and not transported to any landfill site.

In 2015, we printed 1,560 kg (equal to 300,000 sheets of paper). This corresponds to 16 sheets of paper per employee per working day. The paper used is FSC certified. The printers consumed 2 % of our annual electricity consumption in our offices.



**Our vision for climate-friendly offices**

Leading by example requires taking the right steps toward healthier and environmentally friendlier offices. From our energy management system, we have defined the following targets:

- › Decrease our own demand for electricity by concentrating on the efficiency measures on the server and lighting sections of our offices.
- › Increase transparency by visualizing the energy intensity data of our properties in our own data bank on a monthly basis.
- › Simplify data collection methods, and increase the density of information by using digital smart meters.
- › Manage the procurement of renewable energy for the whole portfolio.
- › Keep offering our tenants the same favorable conditions for renewable energy procurement.
- › Raise environmental awareness among our employees and tenants by using innovative marketing.
- › Increase the motivation of our employees to come up with innovative and efficient solutions for us and our tenants.
- › Introduce more green lease clauses into our lease contract template.

# CARBON FOOTPRINT



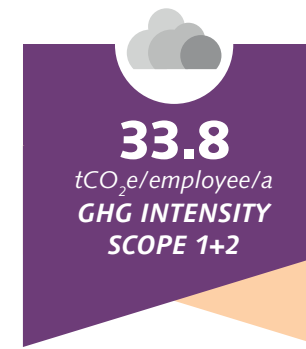
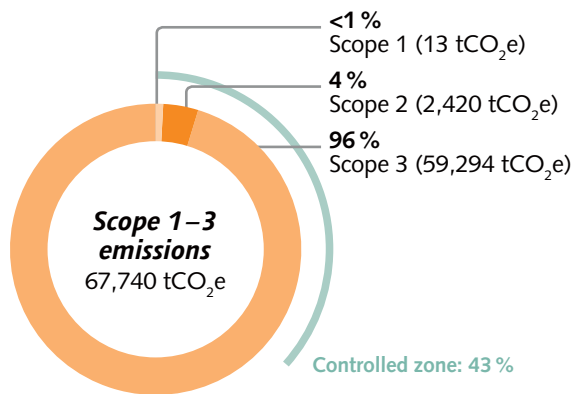
Climate change is a reality that we cannot deny. At alstria, we have focused on reducing our carbon footprint since 2009. However, it was not until 2013 that we received the first positive results of our climate strategy that gave us our first Climate Disclosure Project (CDP) award. Since then, we have managed to reduce our emissions to a substantial degree and have received follow-up CDP awards.

Our approach to climate change starts with focusing on the business areas in which we can assert control continuously, as well as the areas we cannot control but certainly can influence. In other words, we received our first significant reductions due to the procurement of renewable energies for the landlord shared services of our buildings, and we target further reductions by influencing

our tenants to procure renewable energies and to reduce their energy consumption. Understanding the given landlord and tenant arrangement of a property is particularly meaningful to us with respect to the reporting of greenhouse gas (GHG) emissions. We report on our total GHG emissions in line with two standards: the GHG Protocol and the EPRA Like-for-like approach. Software provided by the GHG Protocol helps us to report with accuracy on our emissions.

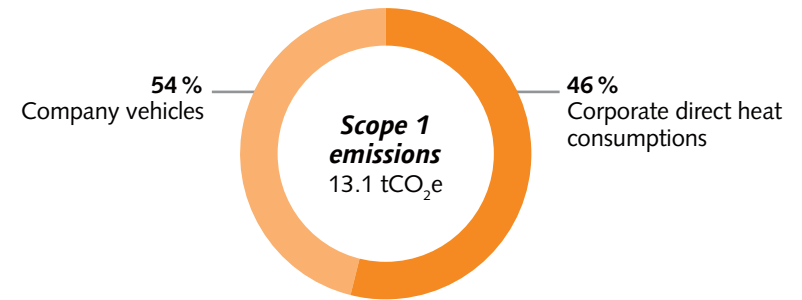
Following the recommendations of the GHG Protocol, the GHG emissions deriving from our business activities are divided into three categories:

- Scope 1: All direct GHG emissions
- Scope 2: All indirect GHG emissions
- Scope 3: All other indirect GHG emissions



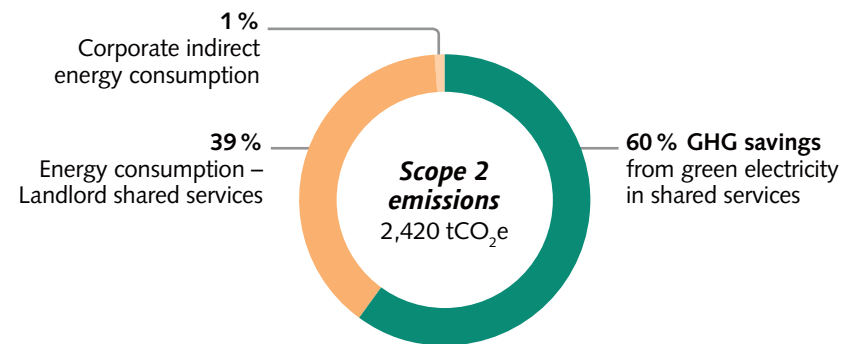
## Scope 1 – Direct GHG emissions

Direct GHG emissions result from sources that we generate or control, such as fuels for heating or purposes of mobility. Scope 1 disclosure covers our office in Düsseldorf that was heated with natural gas and our company vehicles.



## Scope 2 – Indirect GHG emissions

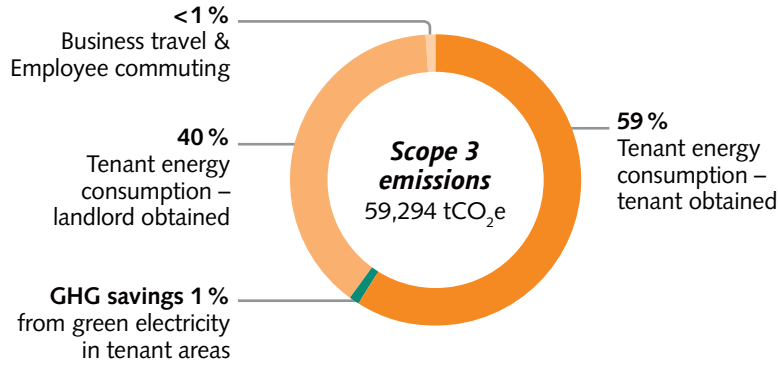
Indirect emissions are associated with the consumption of intermediate energy, such as electricity and district heating. Scope 2 disclosure covers the consumption of both electricity and heating for the landlord shared services of our buildings, as well as the energy consumption of our corporate offices in Hamburg and Düsseldorf.



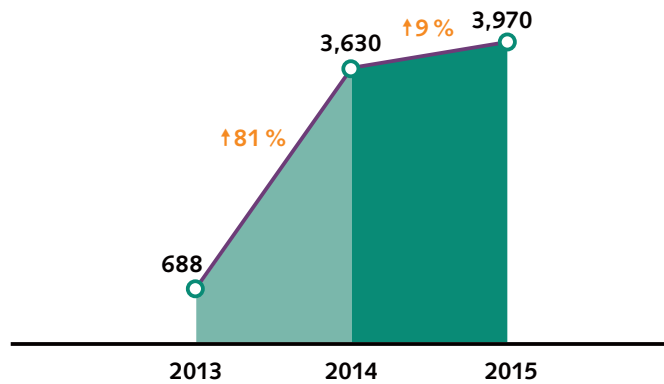
After the takeover of the Deutsche Office, our portfolio grew substantially. Even though those buildings were part of our portfolio for the last two months of 2015, we decided to report on their energy consumptions for landlord shared services and associated emissions (scope 2) in the same manner as we do for our existing buildings. Due to this fact, the total scope 2 emissions appear to have grown in comparison to the previous years. This will change significantly once our efficient measures and our procurement strategies are implemented in the new portfolio.

**Scope 3 – Other indirect GHG emissions**

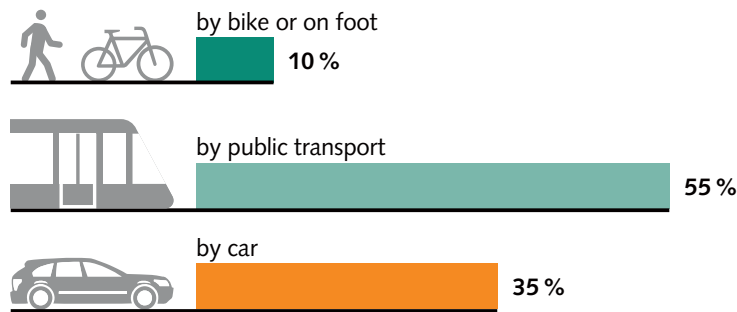
Indirect emissions, other than those covered in scope 2, are classified in scope 3. Scope 3 is an optional reporting category that allows for the reporting of all other indirect emissions, both upstream and downstream, resulting from the company's operations. Scope 3 disclosure covers emissions arising from business travel, employee commuting and the energy consumption in tenant areas.



**GHG savings through renewable energy procurement**  
in tCO<sub>2</sub>e/a



**Employee commuting**



**Driving emissions reductions**

The biggest part of our GHG emissions reduction is linked to the procurement of renewable energy, which is equivalent to the annual emissions of around 179 German households\*.

As a company occupying office space for our own operations, we aim to set a good example and have implemented a number of energy-efficient measures that we recommend to our tenants. These include the use of LED lighting and solar panels. At our development project in Ditzingen, we installed approximately 900 m<sup>2</sup> of solar panels on the building's rooftop. At a supply of 68,000 kWh per year, it covers more than 10 % of our tenant's annual electricity consumption.

Our approach to switch to renewable energy sources whenever feasible doesn't stop at our own activities. The new framework contract for renewable energy covers all procured electricity and natural gas that we either control or manage.

From 2016 on, most of the electricity that will be consumed for shared services (approx. 99 % of our scope 2 emissions) and all natural gas procured by us on behalf of our tenants (approx. 23 % of our scope 3 emissions) will be from either renewable sources or carbon neutral. Even though this accomplishment makes us very happy, we prefer to keep focusing on further reductions of tenant consumptions, given the fact that they account for more than 95 % of our total portfolio's carbon footprint (scopes 1–3). We thus continually encourage our tenants to make use of our buildings in a sustainable manner and

offer them the same conditions for regenerative energy procurement via our tenant electricity pool > [www.mieterstrompool.de](http://www.mieterstrompool.de)

Toward further reductions, we acknowledge the fact that electricity and heating consumptions are not the only sources responsible for our company's emissions, but business travel and employee commuting are as well. To reduce the emissions of business travel, we favor rail transportation over flying for distances of less than 300 km. In 2015, we took 869 business trips by plane (2014: 934), which represents a cumulative distance of approximately 474,732 km (+10 % to 2014). With our new local offices in Frankfurt and Stuttgart the need for business travel will be further decreased from 2016 onwards.

In an effort to reduce the carbon footprint of commuting, we offer our employees subsidies for local public transportation to encourage them to make use of climate-friendly means of transportation, rather than choosing to travel with cars. This initiative has proved to be successful for this year yet again, as the majority of our employees commuted to work by means of regional public transportation. For business purposes, we prefer to use the company's electric cars. Currently, we have one available at our headquarters in Hamburg, but we plan to expand their use to our other office locations in the future. Finally, our CEO commits himself to driving a plug-in hybrid car and encourages in this way peers and employees to follow the same practices and to change their ecological behaviors.

\*Statista, Inc. and Statistische Ämter des Bundes und der Länder, October 2015.



# OUR PEOPLE

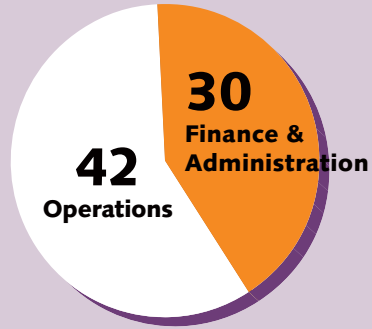
BEHIND EVERYTHING WE DO AND ACCOMPLISH STANDS AN EXPERT TEAM READY TO PROVIDE SOLUTIONS TO OUR CUSTOMERS FOR ANY GIVEN CHALLENGE. OUR EMPLOYEES' DEDICATION IS THE KEY TO OUR LONG-TERM SUCCESS. AT ALSTRIA, WE MAKE IT OUR MISSION TO OFFER EMPLOYEES AN ATTRACTIVE, SECURE, DIVERSE, AND OPPORTUNITY-RICH WORKING ENVIRONMENT, ONE THAT EMPOWERS HIGH-QUALITY PERFORMANCE.

alstria Headquarters  
Bäckerbreitengang 75  
Hamburg



# EMPLOYEE METRICS 2.0.1.5

## Employees by division



## Employees by location



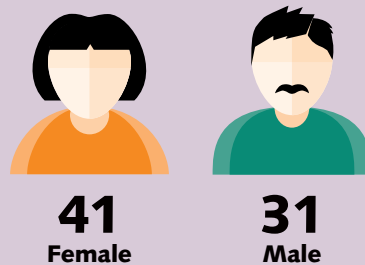
**33%**  
Female  
senior managers



## Employees in work-time models



## Employees by gender



**27**  
Training hours  
per employee



# EMPLOYEE DEVELOPMENT

We believe that our Company's future viability is inextricably linked the expertise and motivation of our employees. Recruiting good people and retaining them for the long term gives us a competitive advantage in the market.

At every step of our employees' careers, we invest in them and ensure that their interests remain focused on the long term and closely aligned with those of our clients and shareholders. We support entrepreneurship, encourage team work and reward excellence. All aspects related to our people are managed through HR strategies and principles designed to fulfil our vision of enabling our people to deliver quality work. These include:

- > Identification of employees' views to match those of the company
- > Promotion of people from within
- > Creation of suitable development opportunities

In conjunction with these priorities, our well-structured employee and recruitment policies offer a framework for how we manage our people. These policies include a set of guidelines addressing all relevant labor standards as well as employee rights and responsibilities. Our code of conduct for employees provides more detailed information available online at [www.alstria.com/uploads/media/Code\\_of\\_Conduct\\_for\\_Employees.PDF](http://www.alstria.com/uploads/media/Code_of_Conduct_for_Employees.PDF)

The Company's Compliance Officer is responsible for ensuring that employees follow our policies.

## WORKFORCE

alstria is constantly growing. The number of employees increased by 14 %, from 63 people in 2014 to 72 people in 2015. This significant increase can be attributed to the recent acquisition of the Deutsche Office, which nearly doubled the size of our portfolio and strengthened our workforce. More than half of our employees' tasks are related to operating activities, such as management, acquisition and development of real estate. The other part of the workforce is split between administrative departments such as finance & controlling, legal, reporting & accounting and office administration.

We offer secure jobs and provide long-term career prospects to our employees. In 2015, the number of employees under fixed-term contracts remained at 6 %. These contracts were mainly offered for replacement positions and two-year trainee program positions.

At alstria, when a business cycle closes or our staff's needs change, we take every possible measure to retain our people instead of releasing them. These measures include: employee transfer to equivalent positions in other departments and training them to succeed in their new roles; voluntary transfer to equivalent positions in different locations; and promotion from within in the event of an in-house vacancy. In 2015, 3 % of people were internally promoted. Our main target is to keep our annual employee turnover rate below 10 %. In 2015, we reached our goal, with having an employee turnover rate of 8 %.

With respect to the recent takeover of the Deutsche Office, we followed our principle of keeping our people, offering all of the Deutsche Office's employees a position at alstria. More than 30 % of Deutsche Office employees accepted this option. Those who decided not to join alstria were offered generous compensation packages.

## RECRUITMENT

Later retirements and longer life spans have resulted in four generations of people working together in the same workplace. This new 'normal' calls for flexibility and foresight. At alstria, our recruitment policies are designed to attract, develop and retain the best talents on the market. We strive to create an inclusive work environment where the contribution of each individual is valued and equal treatment is fostered.

Aside from specific positions that require certain expertise or technical know-how nearly all recruiting is handled in-house and guided by our HR specialists. The common recruitment process includes a two-step selection interview, attended by the associated senior manager, a team member and an HR specialist. In this interview, applicants are handled individually and are presented with a set of fundamental questions as well as case studies. Another common practice is the 'Applicant Days,' a program usually used to select young professionals for trainee positions. This offers us the advantage of getting to know the candidate better and simultaneously allows the candidate to learn more about our corporate culture and people.

All interviews are held fairly and objectively. We differentiate ourselves from our peers by holding a fast and inclusive recruitment process and by treating our applicants with transparency from the first encounter. The selection criteria are occasionally reviewed to ensure they are suitable for achieving the Company's objectives and preventing discrimination. As a matter of principle, we seek to hire people from the local community. We post available positions on our website, job portals and social media.

## TRAINEE PROGRAM

We consider trainee programs particularly favorable to our corporate culture, for they increase internal interdisciplinary cooperation and improve long-term succession planning within the Company. Therefore, we hire young professionals every year to complete a two-year trainee program especially designed to provide hands-on experience with our real estate business and our corporate culture. Since this program's inception in 2013, we have hired six trainees. Four have successfully finished their traineeship, and three now form part of our permanent staff.

## TRAINING & DEVELOPMENT

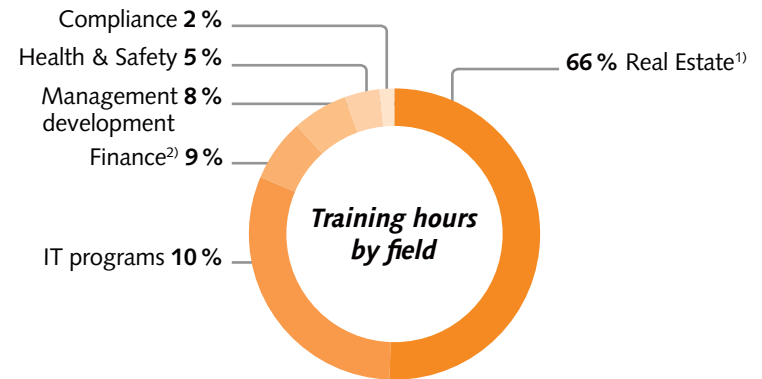
Everyone at alstria has the opportunity to learn and to improve skills while working. It is in our own best interest that employees continue their career development and extend their knowledge and qualifications as desired. For this reason, employees are offered a wide variety of learning and development opportunities that build on their strengths, grow their skills and help them achieve their full potential.

To this end, we offer flextime and pay our employees' training costs in most cases. In 2015, we spent approximately EUR 113,000 on training sessions (2014: EUR 131,000). This investment represented an average of EUR 1,570 per employee. Each employee received an average of 27 hours of training (2014: 25 hours). Female employees received an average of 29 hours of training and male employees received 25 hours.

Our training program is based on our business needs and employees' personal interests. At the start of the year, each employee undergoes an annual appraisal guided by the manager in charge, in which a variety of topics are discussed, including individual career development planning. After this session, the employee's specific training goals are further discussed and agreed upon by HR specialists. After the successful completion of training sessions, the employee is evaluated by his supervisor at the following annual appraisal.

This year's emphasis has been on supporting new employees in quickly adjusting to their new positions. Accordingly, on-boarding sessions and especially IT office programs amounted to 10 % of the total number of training hours. Topics related to real estate totaled the most hours, at 66 % of the total number of training hours provided within the Company. Another important program, which was fully implemented in 2015, provided senior managers with specific training to develop business and soft skills. Management training will continue to take place once a year, contributing to future successful senior management. A detailed breakdown of employee training is provided in the chart below.

Our training cycle ends each year with a unique two-day off-site team event. The main objective of this workshop is to inform all employees of the Company's annual performance and upcoming projects. During this workshop, employees receive training in various topics such as compliance mechanisms, human rights aspects, sustainability and energy strategy. At the same time, employees participate in team activities and have the opportunity to share their ideas on a variety of topics, which allows employees to genuinely contribute to the Company's corporate identity.



In the coming years, we will further strengthen our employee training and development program in order to expand our peoples' professional competence and skill sets. In an effort to gauge the effectiveness of our senior management staff, we are planning to establish regular feedback sessions.

<sup>1)</sup>Incl. real estate, development, transactions CSR and ISO 50001 topics.

<sup>2)</sup>Incl. legal, finance, controlling, accounting and office administration topics.

# DIVERSITY & EQUAL TREATMENT

The demographic shift in most European societies poses significant economic and social challenges. As a result of this shift, the population's diversity has increased.

At alstria, we believe that our Company benefits from the blending of different backgrounds, ideas and perspectives. Our focus is on sustaining a diverse and inclusive work environment, one that enhances innovation

and further increases our competitiveness in the market.

The process of developing a diverse workforce commences with hiring talented individuals regardless of their origin; promoting people based solely on their performance and having managers capable of fostering inclusive working environments.

## ENSURING EQUAL OPPORTUNITIES

Each and every one of our employees is treated fairly and respectfully by supervisors and other employees. We seek to prevent discrimination on any grounds throughout the Company's upstream and downstream activities.

alstria's 'Equal Treatment Policy' vehemently prohibits any sort of discrimination based on ethnic or national background, gender, sexual orientation, marital status, age, religion, ideology, political attitude, age, or any disability to affect the working relationship we have with our employees, from hiring to termination process. Additional details regarding the prohibition of discrimination and harassment in the workplace are included in the handbook provided to each of alstria's employees.

Employees experiencing or witnessing any discriminatory incidents must report such incidents to their direct supervisors or the Company's Compliance Officer. The Company's external compliance hotline lets employees anonymously and confidentially report any relevant breaches. Since the foundation of the Company in 2006, no concerns related to possible discrimination were officially addressed within alstria.

## PROMOTING FEMALE EMPLOYEES

At alstria, we honor variety and multiculturalism in our perspectives, as illustrated by the fact that our staff includes people from eight different nationalities, representing three different continents.

We are committed to promoting gender diversity and increasing the representation of women in management positions. As of September 2015, the Management Board has determined that female representation for the first management level below the Management Board shall not fall below 27.3 % until June 2017. A target quota for female representation for the second management level has not been determined, for the Company has no further management level with decision-making competence and budget responsibility. A similar target of 30 % for has been set for the Supervisory Board until 2017.

In 2015, we employed 41 women and 31 men. This equates to a female-to-male ratio of 57 % to 43 % (2014: 48 % to 52 %). The share of female employees in senior management positions was 33 % (+ 10 %, 2014: 30 %). In Germany, the equivalent proportion of women in senior positions was 13 % \*. In the Supervisory Board, the female representation was 16.7 %. In Germany, the equivalent proportion was 22.6 % \*.

We consider equal remuneration for female and male employees a key priority, even a necessity. In 2015, female employees at alstria earned 31 % less, on average, than male employees (2014: 13 %). In Germany, the equivalent difference in similar industries was 30–32 % \*. However, across equivalent positions, the salaries of female and male employees are aligned and do not differ more than 0–6 %.

## AGE DIVERSITY

With a business history spanning almost ten years, alstria has a relatively young workforce whose average age is 37 years old. Given that the number of years each employee works for the Company is increasing as is the retirement age, we expect to eventually have four generations of people working at the same place.

When it comes to the creation of a new location of operations or a new division, we recruit people regardless of age. For example, during our recent business expansion with local operational teams in Frankfurt, Düsseldorf, and Stuttgart, we recruited mixed-aged workforce from the beginning. This principle allows us to benefit from the special strengths of each age group and avoid future conflicts.

Options regarding gradual retirement have not yet been considered, as none of our employees has reached retirement age. Due consideration will be given once it is relevant.

The measures we take in order to benefit from the experiences of employees of different ages include programs to support the health of our employees. In addition, we offer flextime and remote work options. To complement this, we raise our managers' awareness of the challenges posed by mixed-age teams.

Over the next few years, we would like to intensify internal communication between our different office locations with an eye toward strengthening our corporate culture and ensuring that our core values are well established.

\*Statista, Das Statistik-Portal, 2016, at de.statista.com

## WORKING CONDITIONS



Beehive  
Kaiser-Wilhelm-Strasse 83  
Hamburg

We make it a priority to understand our employees' needs and offer them appropriate solutions that empower them to be their best. Our objective is to build, at each of our offices, a positive, supportive, and healthy working environment. Primarily, we place special emphasis on designing a thoughtful workplace that can improve our employees' comfort. To enable all employees to balance work and personal responsibilities, we provide a wide range of flexible work arrangements, which allows them to tailor their working hours and locations to their personal needs.

We also endeavor to increase their health and safety by using a combination of training, continuous communication on safety issues and medical support.

Finally, we believe in the benefits of involving employees in the Company's decision-making processes. That is why we regularly ask for their feedback. To enable short communication channels, we have implemented an open-door policy. In addition, we regularly host informational events, in which all employees are encouraged to raise questions or share ideas.

## FAIR WORKING CONTRACTS

Our employment contracts are based on the principles of collective bargaining agreements in the real estate sector. In principle, we compare our standard employment contracts to the ones proposed by collective bargaining on a regular basis to strengthen the position of our workforce. The main differences between our employment contracts and collective bargaining ones are the flextime model and our bonus payment. Most recommendations in the collective bargaining agreement with respect to paid holidays, termination notice, retirement age, sick payment, travel expenses, etc. are fully covered in our contracts. In most cases, they exceed these standards.

alstria follows the German labor laws and Constitution and all ratified labor standards by the International Labour Organization (ILO) in Germany. Freedom of association is a right guaranteed to employees in Germany. As such, the Company does not, by any means, restrict employees' rights as it operates under the rules of German law.

## OCCUPATIONAL HEALTH & SAFETY

The health, safety and wellness of our employees are a top priority at alstria. We actively foster a positive work environment that enables our employees to reach their full potential. To accomplish this, we have implemented a Health, Safety and Environmental (HSE) policy that specifies that we will:

- › meet or exceed all applicable national legal requirements;
- › prevent occupational injury and illness risks, and promote employee wellness;
- › offer our office tenants safe and environmentally sound products and services;
- › pursue pollution prevention, resource conservation and waste reduction in our operations;
- › work closely with related authorities, professional associations and institutions;
- › offer our employees training in HSE matters.

We ensure that occupational health and safety hazards are addressed before they result in possible injuries by carrying out authorized inspections in all our workplaces twice per year. In the event that a hazard is identified, the safety commissioner shall report this to the Committee for Safety at Work and propose an appropriate solution. The Committee is then responsible for removing, eliminating or guarding against this hazard (when removal and elimination are not possible).

In principle, the Committee for Safety at Work is accountable for guaranteeing the improvement of the Company's health and safety performance. It is comprised of the Management Board, the security officer, an external company's doctor and an industrial safety expert. The Committee organizes regular meetings with different departments to inform and discuss matters of safety and health protection.

At alstria, each employee receives specific training in health, safety and environmental practices upon hiring. This training is organized by the new employee's direct supervisor; this training is complemented by annual updates. Our employees individually bear responsibility for understanding and following our HSE policy as well as actively participating in training programs to expand their knowledge. Finally, we encourage our suppliers and contractors to adopt the same practices and conduct their operations in a socially and environmentally responsible manner.

## OFFICE DESIGN

We constantly strive to offer our employees the best atmosphere; a healthy working environment is essential to delivering good work results. To reduce the risk of absenteeism and improve the wellness of our employees, we have arranged our employees' workstations in accordance with the following principles:

### Visual comfort

All of our workstations and meeting rooms have natural daylight exposure. Blind rooms are only used for storage and / or technical rooms.

### Thermal comfort

Each office is equipped with heaters that can be individually regulated. Windows directly exposed to the sun have internal sunshades that can be individually controlled at each workstation.

### Privacy of speech / noise control

In the open space of our offices, closed rooms are equipped with telephones and docking stations for employees who want privacy or need to concentrate on work. Headsets are also available to all employees who perform a significant part of their work on the phone.

In addition to offering ergonomic workstation equipment, we provide diverse benefit plans to meet the health and wellness needs of various employee groups. These include a yearly vaccine against influenza, vision care, business travel accident insurance and work-life coaching. The aforementioned precautionary measures have contributed to low absenteeism due to illness in 2015, corresponding to 9.1 days per employee (2014: 8.2 days). We have reduced this rate by ten days in comparison to the German average of 19.5 days\*.

Finally, as a responsible employer, we offer adequate positions for employees suffering from chronic conditions or disabilities; we try to integrate these employees into our daily work life as best as possible. In such cases, we engage in long conversations with the affected employee and offer individualized solutions.

## WORK-LIFE BALANCE

### Workplace flexibility

We support our employees in maintaining a healthy work-life balance in many ways. In addition to the statutory working arrangements, we offer our employees flexible working hours and the possibility to work remotely. This means that each and every employee is free to arrange his personal time model in cooperation with the manager in charge in light of the business' needs; this schedule is based entirely on trust. Our employees are also encouraged to perform part of their job off-site. Such arrangements are mainly based on the nature of the work involved. In principle, most real estate operations include heavy in-house communication to tenants and suppliers, which results in managers tending to stay at the office. However, in cases of an employee caring for a child or other dependent, remote work may be the appropriate solution insofar as it enhances personal freedom and flexibility. To ensure instant remote work, we offer smart devices to the majority of our employees.

\*AOK, Bundesverband, 2015.

### Supporting parents

As an employer, it is our responsibility to offer adequate positions for employees with family and home care responsibilities. Therefore, we offer part-time work arrangements and job-sharing positions. The number of people employed part-time in 2015 amounted to 18 % of the total workforce (2014: 9 %). Among our senior female managers, approximately 67 % expressed a desire to work part-time due to family care responsibilities. We ensure that none of our part-time employees faces discrimination in terms of working conditions, salary, recruitment or training.

## ADDITIONAL CONTRIBUTION

We further invest in our people by offering a competitive range of other benefits in addition to those for health and well-being. These benefits are provided to both full- and part-time employees. Generally speaking, temporary employees are not eligible for the benefits outlined below:

### Public transport pass

We contribute a monthly payment for a public transportation ticket to all our employees that is limited to the city, for this is where our offices are located.

### Competitive vacation policy

We offer all our employees more vacation days than legally mandated.

### Tuition grant

Under certain conditions, we support our employees' academic pursuits of by helping with tuition fees and offering flextime.

### Company car provision

We provide managers, technicians and employees, i. e., those who must work off-site, with the opportunity to lease a company car.

### Sabbatical option

We offer our employees with more than five years with the Company a sabbatical option in agreement with their supervisor and HR.

### Pension plan

In addition to the legally mandated social pension, we offer a voluntary company pension plan to all employees (excluding the Management Board). The company matches employee contributions up to a limit of EUR 1,320 per year.

### Compensation in the event of an employee's demise

We continue paying the employee's fixed salary for 18 months to his heirs.

### Special occasion gifts

We give our employees gifts for their birthdays and weddings as well as in the event of childbirth.

### Profit participation program

This program grants employees stocks in the Company at preferential terms. For a detailed description of the program, please refer to the section 'Convertible profit participation rights program' in the Annual Report 2015, pages 126 to 127.

In terms of our work environment, the focus on the next few years will be on improving the ergonomic work equipment. We also plan on improving the work-life balance of our employees by offering maximum work flexibility. To further support parents, we aim to provide child care consulting on demand.



# *BUSINESS ETHICS*

**WE STRIVE TO CONDUCT OUR BUSINESS WITH INTEGRITY, FAIRNESS AND RESPECT FOR THE LAW – VALUES WE CONSIDER NECESSARY TO MAINTAIN THE TRUST OF OUR STAKEHOLDERS AND FLOURISH PROFITABLY. WE THEREFORE TREAT COMPLIANCE WITH ALL APPLICABLE LEGAL PROVISIONS AND ETHICAL STANDARDS AS TOP PRIORITIES AND ENCOURAGE OUR BUSINESS PARTNERS TO DO THE SAME.**

---

Mergenthaler Allee 45–47  
Eschborn

# CORPORATE GOVERNANCE

## GOVERNANCE

We maintain direct control of our company, and we pride ourselves on strong accountability with regard to public authorities and our stakeholders. Hence, we apply sound corporate governance practices at every level of our organization. The Company operates under a dual Management and Supervisory board system.

Our Management Board is responsible for, and committed to, leading and executing the Company's overall strategy as well as overseeing our corporate affairs. To successfully fulfil its responsibility, the Management Board advises the senior managers and receives regular updates on a wide variety of business matters affecting the Company. The Management Board, in turn, informs the Supervisory Board at least four times per year, ensuring comprehensive information on all matters pertaining to planning, business development, risk situations and risk management. This also includes new environmental strategies and targets. The Group\* complies with most recommendations included in the German Corporate Governance Code. The annual declaration of compliance, in accordance with Section 161 AktG, is permanently available to shareholders on the Company's website.

A full description of the Company's corporate governance, including a description of the structure and the function of the Supervisory and Management boards and details their roles, powers, limitations, activities and remuneration policies and fees, is available online as part of our Annual Report 2015, specifically the section on corporate governance (pages 149–174). This chapter also contains information on the Company's articles of association, the target quota for female participation on the Supervisory Board, general shareholder meetings, share capital and voting rights.

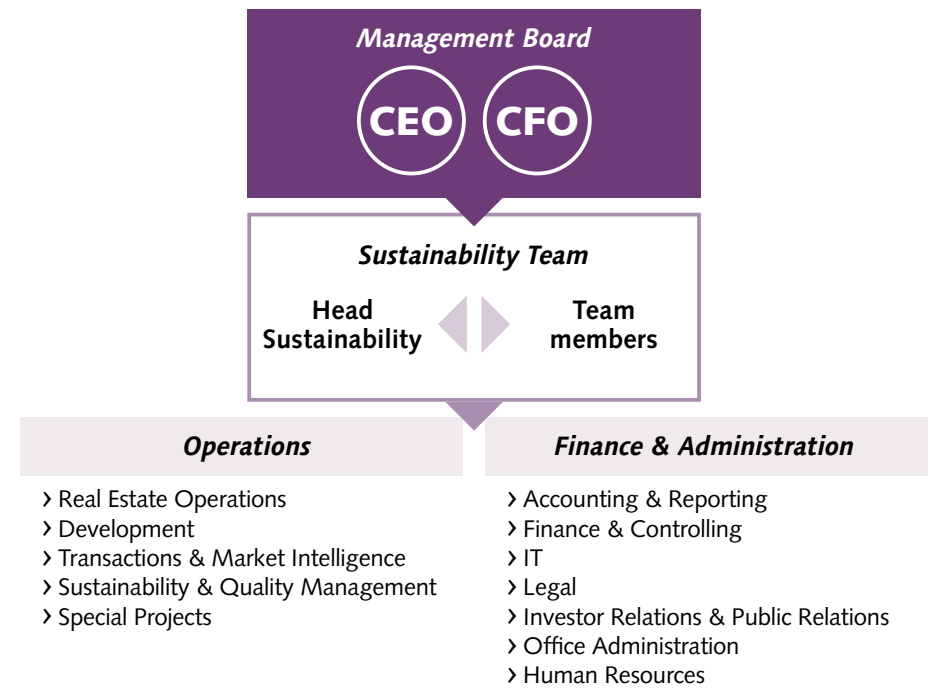
## GOVERNANCE RELATED TO SUSTAINABILITY

Our sustainability strategy has been gradually integrated into our everyday management. Depending on field of expertise, the Company's staff are increasingly involved in sustainable practices in recognition of the major impact that the real estate sector has on the environment. The highest level of direct responsibility for all decisions and issues concerning sustainable development within the company resides with the Chief Executive Officer (CEO). The Management Board, which consists of two members, the CEO and the Chief Financial Officer, is responsible for the Company's risk management practices. This concerns all risks, including those related to climate change.

In August 2014, alstria established a new department, Sustainability and Quality Management, and appointed a senior manager to expand its sustainability program. The responsibilities inherent to this position include development of the sustainability strategy and management of the implementation of this strategy in cooperation with the Real Estate Operations department. The Head of Sustainability and Quality Management is a member of the Company's leadership team and directly reports all relevant issues concerning sustainability to the CEO at least once per month.

At an operational level, the sustainability team is responsible for regularly assessing the level of implementation of the CSR program. The team collects and evaluates all adequate environmental performance data resulting from the Company's operations and is responsible for the annual publication of the corporate Sustainability Report. Moreover, it is responsible for implementing and controlling operational measures designed to improve the Company's nonfinancial performance.

\*alstria Group: alstria office REIT-AG and its subsidiaries.



Other staff members are equally responsible for maintaining the successful sustainability strategy of the company: asset managers, property managers and IT specialists. In particular, the HR department and the Sustainability and Quality Management department are jointly responsible for ensuring employees' environmental awareness and competence. Additionally, the Company's Investor Relations department is responsible for communicating all relevant issues and results to alstria's shareholders.

## REMUNERATION AND COMPENSATION

### Executives

The remuneration system for the members of the Management Board was determined by the Supervisory Board in 2009, and it is reviewed by the Nomination and Remuneration Committee accordingly. The Management Board remuneration consists of a fixed basic salary, a short-term and a long-term variable component (which vest over four years) and ancillary benefits for each Management Board member. The compensation is based on customary market terms and conditions, individual performance and the long-term success of the Company. For a detailed description of the Management Board's remuneration, please refer to 'Remuneration Report' section in the Annual Report 2015, pages 167 to 175.

### Employees

We offer competitive salaries and total compensation plans to both full- and part-time employees. We set our employees' compensation levels based on principles of collective bargaining agreements for the real estate sector. alstria follows equal remuneration policies with regard to women and men and complies with the applicable German legislation.

### Stock Ownership

alstria offers a convertible profit participation rights program as part of its overall remuneration package to its employees. This allows employees to participate in the future success of the Company and the development of its share price. Our employees began sharing the benefits of stock ownership in 2007, when the Company became a publicly listed. In 2015, approximately 81 % of full-time employees were granted profit participation rights.

# ETHICAL CONDUCT

We believe that the best way to maintain our good reputation, along with the trust of our business partners and the public, is to treat every element of our business with the highest level of integrity.

Operating with integrity means doing the right thing for the long-term success of the Company. In order to systematically protect the Company from compliance-related risks and promote ethical behavior among our employees, we created a code of conduct that defines, notably, the company's ethical

and legal guidelines and sets forth what kind of behavior is expected from employees.

Upon hiring, each employee receives a handbook that contains the code of conduct as well as the Company's internal policies. All employees are asked to confirm their acceptance of its terms in writing. To make sure that all employees can understand our guiding principles, we issue the employee handbook in both German and English. The code of conduct for employees is also available on the Company's website.

## OUR COMPLIANCE ORGANIZATION

In conjunction with the existing code of conduct, the Management Board has set up a compliance organization to strengthen the implementation of alstria's ethical standards within the company. A compliance officer was appointed to control compliance with the Company's internal guidelines and ensure that all employees are well informed.

Our employees are encouraged to raise concerns with regard to compliance, ethics or any other business conduct with their direct supervisor or the Compliance Officer. Accordingly, the Compliance Officer collects all complaints, breaches and actions taken and reports them directly to the Management Board. Employees may also use an external whistle-blower hotline, through which they can anonymously report any violations of the code of conduct or the Company's internal guidelines. Our policy is explicit in that it affords protection for the whistle-blower, and employees will face no sanctions due to reporting of incidents.

To ensure consistent compliance with our internal guidelines, we offer regular training to all employees. These courses include all important information concerning alstria's anti-corruption policies, data privacy protection and unlawful behavior. All new employees receive specific training regarding the compliance policy of the Company upon hiring. Moreover, 'refresher' courses are delivered each year to all employees. Finally, with regard to new policy amendments, we immediately update our employees. All relevant information is available via the Company's intranet and is available to all employees.

### Inside our employee handbook


#### Our employee handbook mainly deals with:

- › Compliance with applicable laws and regulations
- › Health and safety in the work environment
- › Group's refusal to tolerate discrimination, harassment or intimidation in any form
- › Reporting potential misconduct
- › Ethical conduct including measures against corruption
- › Dealing with office bearers
- › Managing of conflicts of interest
- › Protection of confidential information and personal data
- › Procedure with regard to insider information
- › Relations with business partners
- › Guidelines to prevent money laundering

## ANTI-CORRUPTION

Corruption is understood as the acceptance or granting of advantages or benefits used to unfairly influence business or official decisions. A possible failure to prevent corrupt behavior can have consequences not only for the individual but can also negatively affect alstria's business, financial condition and results of operations. It could also lead to an imminent loss of alstria's reputation in the real estate market and thereby negatively affect future business opportunities.

alstria's operations are located exclusively in Germany, where the legal environment and business practices against corruption, bribery and labor rights abuse are binding and mature. In order to systematically protect the Group from corruption-related risks, we have implemented an early-warning risk identification system that evaluates and monitors all associated risks at least on a quarterly basis. This evaluation helps define specific prevention measures, which include various controls and access security measures. The Group's anti-corruption policies are supervised by the Compliance Officer. Moreover, we maintain a 'two-man' rule as a control mechanism for most internal processes. The materialization of compliance risks (including corruption) is assessed as unlikely unchanged from the previous year.

 To safeguard the company from potential compliance risks, we are planning to strengthen our process for risk assessment and enhance the principles that govern employee behavior.



# SUPPLIER MANAGEMENT

We are aware that a significant amount of the impact we have on issues concerned with environmental and social responsibility is derived from processes that, both upstream and downstream, lie beyond the Company's control. Therefore, our performance is significantly dependent on our service providers and suppliers, service contractors, consultants and builders.

We encourage our business partners to join our environmental goals as much as possible. We also attempt to familiarize them with corporate fairness and a perspective that is committed to sustainability in the real estate business.

## LEVEL OF CONTROL

To us, every service provider is equally important and can have both a positive or negative impact on the Company's reputation. Therefore, when entering into new business relationships, we prefer to trust service providers that have been previously vetted with respect to certain activities that may expose us to high compliance risks.

As a result, we have established a 'green list' that includes all the providers with whom the Company is allowed to enter into a business relationship. Contractors on this list have been vetted for reputation and market behavior prior to the Company's engagement in any business with them. The 'green list' is compiled by all senior managers and supervised by the Compliance Officer on an annual basis.

Over the last few years, we have developed many strategies and key tools to support relationships with our service providers and suppliers. Since 2014, we have included a range of issues in our contracts, such as energy efficiency, waste recycling and the use of eco-friendly materials. Furthermore we have enhanced most of our building contracts with provisions covering protection of minimum wages.

The most important step we took this year, with regard to improving our supplier relationship management, was the creation of a code of conduct for service providers and suppliers. This code, similar to the one for employees, defines the Company's ethical and legal guidelines and sets forth the specific behavior expected from our service providers and suppliers. We direct all existing and potential business partners to read the code of conduct on the Company's website and be aware that compliance with the code is recommended. The code is available online in German and English, at [www.alstria.de/fileadmin/user\\_upload\\_de/ccsp.pdf](http://www.alstria.de/fileadmin/user_upload_de/ccsp.pdf)

### *Inside our code of conduct for service providers and suppliers*


#### Our code of conduct mainly deals with:

- › Compliance with applicable laws and regulations
- › Respect for employees' basic labor rights, including minimum wage
- › Ethical conduct, including measures against corruption
- › Prohibition of bribery, including facilitation payments
- › Group's refusal to tolerate discrimination, harassment or intimidation in any form
- › Managing conflicts of interest
- › Reporting potential misconduct

## ENGAGING WITH LOCAL SUPPLIERS

We engage third-party suppliers in our development projects as well as in the regular maintenance of our buildings. As our business is local, we aim to engage, whenever possible, with local small- and medium-sized enterprises (SMEs).

Given that our business is continually expanding, we invested over EUR 52.3 million in the refurbishment, development and maintenance of our buildings this year. This corresponds to supporting 324 jobs in the construction sector (2014: 205 jobs). This year, we continued working with local SMEs and hired approximately 30 % locally-based suppliers and contractors.

 We will continue our intensive efforts to engage our suppliers in following ethical business practices. We will also continue to expand our training with regard to compliance practices to all new office locations.

# APPENDIX

Georg-Glock-Strasse 18  
Düsseldorf



Every year, since 2009, we issue a sustainability report that provides readers with comprehensive information on the progress we have made in environmental, financial, governance and social areas. In this 2015/2016 Sustainability Report, all of the quantitative data cover the financial year from January 1 to December 31, 2015. Some of the information we provide in this report reflect decisions and events that took place in 2016, so that readers receive more up-to date information.

The report is organized and presented based on the GRI G4 framework, using the 'Core' option. We also present our sector's specific information, as specified by the 'Construction and Real Estate Sector Supplement (CRESS)' as well as the 'European Public Real Estate Association (EPRA) Best Practices Recommendations on Sustainability Reporting.' More information on GRI and EPRA is available at > [www.globalreporting.org](http://www.globalreporting.org) > [www.epra.com](http://www.epra.com)

For the first time, we have ran a third-party assurance for all our energy and resources consumption data. Those data were audited by Deloitte GmbH, with limited assurance in accordance with ISAE 3000. Indicators from the area of occupational health and safety were reviewed by external experts in accordance with the German Directive 89/391/EWG. Finally our energy management system receives internal and external third-party auditing every year.

## REPORTING SCOPE

We report every year on the environmental performance of our buildings, including those used from us as corporate offices. The data provided, refer to electricity, heating and resources consumptions of the whole portfolio. Unless otherwise stated those data do not include joint ventures. In order to increase comparability between years, we provide results on the most recent two full reporting years. By applying this 'like-for-like' approach to our portfolio, we are able to disregard assets that were added or excluded from the portfolio during the reporting period and solely focus on the ones that have contributed over the entire period. However, a like-for-like comparison can only be applied to absolute indicators, whereas intensity indicators take the total portfolio at the date of reporting into account. For measuring properly our carbon footprint, we apply the operational control approach of the Greenhouse Gas Protocol Initiative. This approach clearly identifies emissions in areas over which we have direct control and where emissions accrue due to the Company's activities. Overall, no adjustments for special circumstances, such as weather patterns or the age of the buildings in question, have been made.

All information covering the consolidated financial statements of alstria Group are prepared in accordance with the International Financial Reporting Standards (IFRS) and receive annually third-party assurance. A detailed description of our financial performance can be found in our Annual Report 2015, available online at > [www.alstria.com/investors/reports-events/financial-reports/](http://www.alstria.com/investors/reports-events/financial-reports/)

Calculation methods and data disclosure are explained in footnotes to the respective charts.

The alstria Sustainability Report is published on the alstria website. The next Sustainability Report will be published in the third-quarter of 2017.

GRI GENERAL STANDARD DISCLOSURES			
GRI No.	Description > pages	Comments	External Assurance
<b>Strategy and analysis</b>			
G4-1	Statement from the most senior decision-maker > page 5		
G4-2	Key impacts, risks, and opportunities concerning sustainability > pages 21, 24–29		
<b>Organizational profile</b>			
G4-3	Name of the organization > page 1		
G4-4	Primary products services and brands > page 1		
G4-5	Location of organization's headquarters > page 1		
G4-6	Countries in which the organization operates > page 1	Germany	✓ <sup>1)</sup>
G4-7	Nature of ownership and legal form > page 1		✓ <sup>1)</sup>
G4-8	Markets served > page 1		✓ <sup>1)</sup>
G4-9	Scale of the reporting organization > page 1		
G4-10	Workforce by type, gender and region > page 62–63, 89–90		
G4-11	Percentage of employees under collective agreements > page 69	alstria guarantees workers freedom of association and the right to collective bargaining. At 2015, there was no union representation within alstria.	
G4-12	Organization's supply chain > pages 6–7		
G4-13	Significant changes during the reporting period > pages 25, 82		
G4-14	Implementation of the precautionary principle > Annual Report 2015, p. 23–40		
G4-15	External initiatives that the organization endorses > pages 16–17		
G4-16	Memberships in industry associations > pages 16–17		
<b>Identified material aspects and boundaries</b>			
G4-17	Entities included in the consolidated financial statements > Annual Report 2015, p. 62–72		
G4-18	Process for defining the report content > pages 18–21, 82		

<sup>1)</sup>Aligned with the audited section of the alstria Annual Report 2015.

GRI GENERAL STANDARD DISCLOSURES			
No.	Description › pages	Comments	External Assurance
G4-19	Identified material aspects › page 18, 89	The material topics for alstria did not change as of 2015. In order to present them better to the reader, we have decided to rename them, where appropriate. The updated names are provided on page 89.	
G4-20	Aspect boundaries within the organization › page 89		
G4-21	Aspect boundaries outside the organization › page 89		
G4-22	Restatements of information provided in previous reports	Correction of energy and resources consumption data due to miscalculations. Where necessary and possible, restatements are explained in footnotes to the respective graphics.	
G4-23	Significant changes in the scope and aspect boundaries › Appendix A: Reporting, p. 82		
<b>Stakeholder engagement</b>			
G4-24	Stakeholder groups engaged by the organization › page 15		
G4-25	Identification and selection of stakeholders › pages 18–21		
G4-26	Organizations' approach to stakeholder engagement and frequency › pages 18–21		
G4-27	Key topics and concerns of stakeholders › pages 18–21		
<b>Report profile</b>			
G4-28	Reporting period › Appendix A: Reporting, p. 82		
G4-29	Date of most recent previous report	06.11.2015	
G4-30	Reporting cycle › Appendix A: Reporting, p. 82		
G4-31	Contact point › page 112		
G4-32	In accordance option with GRI and context index chosen › Appendix B: GRI Index, p. 83		
G4-33	External verification of the report › Appendix C: Assurance, p. 92	Annual Report 2015, p. 147–148	
<b>Governance</b>			
G4-34	Governance structure › Page 74, Annual Report 2015, p. 149–163		✓ <sup>(1)</sup>
G4-35	Process for delegating authority for economic, environmental and social topics › pages 74–75		
G4-36	Executive-level position for economic, environmental and social topics › pages 74–75, Annual Report 2015, p. 162		
G4-37	Processes for consultation between stakeholders and the highest governance body › Annual Report 2015, p. 162		✓ <sup>(1)</sup>

<sup>1)</sup>Aligned with the audited section of the alstria Annual Report 2015.

GRI GENERAL STANDARD DISCLOSURES			
No.	Description › pages	Comments	External Assurance
G4-38	Composition of the highest governance body and its committee › Annual Report 2015, page 161		✓ <sup>(1)</sup>
G4-39	Independence of the Chair of the highest governance body › Annual Report 2015, p. 155–157		✓ <sup>(1)</sup>
G4-40	Nomination and selection process for the highest governance body › Annual Report 2015, p. 175		✓ <sup>(1)</sup>
G4-41	Process for avoiding conflicts of interest › Annual Report 2015, p. 156–161	No conflicts of interest arose during financial year 2015, concerning both members of the Supervisory Board and the Management Board.	✓ <sup>(1)</sup>
G4-42	Highest governance body's role concerning strategy and goals › pages 74–75		
G4-43	Measures taken concerning the highest governance body's knowledge in sustainability issues › pages 74–75		
G4-44	Evaluation of the highest governance body's performance concerning sustainability › Annual Report 2015, p. 23–40		
G4-45	Highest governance body's role concerning risks and opportunities › Annual Report 2015, p. 23–40		✓ <sup>(1)</sup>
G4-46	Highest governance body's role concerning effectiveness of risk management › Annual Report 2015, p. 23–40		✓ <sup>(1)</sup>
G4-47	Frequency of the highest governance body's review of sustainability impacts, risks and opportunities › pages 74–75		✓ <sup>(1)</sup>
G4-48	Highest committee that formally reviews and approves the Sustainability Report	The Management Board formally reviews and approves the Sustainability Report of alstria. Besides of the formal process that alstria follows with regard to its communication with the public, our shareholders have the opportunity to voice their concerns to alstria at the Annual General Meeting. Our employees can address their concerns to the Compliance Officer or make use of the hotline provided for this purpose.	
G4-49	Process for communicating critical concerns to the highest governance body › Annual Report 2015, p. 160–162		✓ <sup>(1)</sup>
G4-50	Critical concerns that were communicate to the highest governance body	This information is confidential and is not communicated externally by alstria.	
G4-51	Remuneration policies for the highest governance body and senior executives › Annual Report 2015, 'Remuneration Report', p. 167–173		✓ <sup>(1)</sup>

<sup>1)</sup>Aligned with the audited section of the alstria Annual Report 2015.

GRI GENERAL STANDARD DISCLOSURES			
No.	Description › pages	Comments	External Assurance
G4-52	Process for determining remuneration › Annual Report 2015, p. 167–173		✓ <sup>1)</sup>
G4-53	Stakeholders' views regarding remuneration › Annual Report 2015, p. 167–173		✓ <sup>1)</sup>
G4-54	Ratio of the highest annual total compensation to the median annual total compensation › page 90	The percentage increase in annual compensation is decided based on various factors such as the inflation rate.	
G4-55	Ratio of percentage increase in the highest annual total compensation › page 90		
<b>Ethics and integrity</b>			
G4-56	Values, principles, standards and norms of behaviour › pages 73–81		
G4-57	Mechanisms for seeking advice on ethical and lawful behaviour › pages 73–81		
G4-58	Mechanisms for reporting concerns about unethical and lawful behaviour › pages 73–81		
GRI SPECIFIC STANDARD DISCLOSURES			
No.	Description › pages	Comments	External Assurance
<b>Economic performance</b>			
DMA	Management approach › page 24		
G4-EC1	Direct economic value created and distributed › pages 24–31		✓ <sup>1)</sup>
G4-EC2	Risks and opportunities due to climate change › pages 27–29, Annual Report 2015, p. 23–40		✓ <sup>1)</sup>
G4-EC3	Defined benefit plan obligations › pages 24–31		
G4-EC4	Financial assistance received from government › pages 24–31		✓ <sup>1)</sup>
G4-EC7	Infrastructure investments for public benefit › pages 24–31		
G4-EC8	Indirect economic impacts › pages 24–31		
<b>Materials</b>			
DMA	Management approach › pages 44, 54–55		✓
G4-EN1	Materials used by weight or volume › page 55, Appendix E, p. 95–106		✓
G4-EN2	Percentage of materials used that are recycled input materials › pages 44, 55		✓
<b>Energy</b>			
DMA	Management approach › pages 34, 35, 40, 41, 52, 53, 55		✓
CRE 1	Building energy intensity › pages 34–45, 52–55, Appendix E, p. 95–106		✓

<sup>1)</sup>Aligned with the audited section of the alstria Annual Report 2015.

GRI SPECIFIC STANDARD DISCLOSURES			
No.	Description › pages	Comments	External Assurance
G4-EN3	Energy consumption within the organization › pages 34–45, 52–55, Appendix E, p. 95–106		✓
G4-EN4	Energy consumption outside of the organization › pages 34–45, 52–55, Appendix E, p. 95–106		✓
G4-EN5	Energy intensity › pages 34–45, 52–55, Appendix E, p. 95–106		✓
G4-EN6	Reduction of energy consumption › pages 33–59, Appendix E, p. 95–106		✓
<b>Water</b>			
G4-EN8	Water withdrawal › pages 43, 54, Appendix E, p. 95–106		✓
G4-EN10	Percentage and total volume of water recycled and reused › pages 43, 54, Appendix E, p. 95–106		✓
CRE 2	Building water intensity › pages 43, 54, Appendix E, p. 95–106		✓
<b>Emissions</b>			
DMA	Management approach › pages 56–59, Appendix E, p. 95–106		✓
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1) › pages 56–59, Appendix E, p. 95–106		✓
G4-EN16	Energy related indirect greenhouse gas (GHG) emissions (Scope 2) › pages 56–59, Appendix E, p. 95–106		✓
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3) › pages 56–59, Appendix E, p. 95–106		✓
G4-EN18	Intensity of greenhouse gas (GHG) emissions › pages 56–59, Appendix E, p. 95–106		✓
G4-EN19	Reduction of greenhouse gas (GHG) emissions › pages 56–59, Appendix E, p. 95–106		✓
CRE 3	Greenhouse gas emissions intensity from buildings › pages 56–59, Appendix E, p. 95–106		✓
<b>Waste</b>			
G4-EN23	Total weight of waste by type and disposal method › page 44, Appendix E, p. 95–106		✓
<b>Employment</b>			
DMA	Management approach › page 63		
G4-LA1	New employee hires and employee turnover › pages 89–90		
G4-LA2	Benefits provided to full time employees › page 71		
G4-LA3	Return to work after parental leave › pages 89–90		
<b>Occupational health and safety</b>			
DMA	Management approach › page 70		
G4-LA5	Percentage of total workforce represented in health and safety committees	The committee for safety at work consists of the Management Board, the Security officer (which is an employees' representative), a company's Doctor and a Specialist for industrial safety.	

GRI	SPECIFIC STANDARD DISCLOSURES		
No.	Description > pages	Comments	External Assurance
G4-LA6	Injuries, occupational diseases, lost days, absenteeism, and work-related fatalities > pages 62, 70, 89–91		
CRE 6	Health and safety management system > page 48	All our construction sites are subject to audits by the German public authorities with respect to labour law violations.	
<b>Training and education</b>			
DMA	Management approach > pages 64–65		
G4-LA9	Average hours of training > pages 89–91		
G4-LA10	Programmes for skills management and lifelong learning > page 65		
G4-LA11	Percentage of employees receiving regular performance and career development > pages 64–65		
<b>Diversity and equal opportunity</b>			
DMA	Management approach > pages 66–67		
G4-LA12	Breakdown of employees by category > pages 62–63, 89–91		
<b>Equal remuneration for women and men</b>			
G4-LA13	Ratio of salary of women to men > pages 66–67		
<b>Non-discrimination</b>			
DMA	Management approach > pages 66–67		
G4-HR3	Incidents of discrimination and corrective actions taken > page 66	There have been no, monetary or nonmonetary penalties, law suits or fines for cases of discrimination or unequal treatment so far.	
<b>Local communities</b>			
G4-SO1	Programs that assess and manage impacts of operations on communities > page 30–31		
G4-SO3	Percentage of operations assessed for risks related to corruption and risks identified > pages 76–77		
G4-SO4	Training on anti-corruption > page 77	Training is provided once per year to all employees.	
G4-SO5	Confirmed incidents of corruptions and actions taken > pages 76–77		
G4-SO7	Anti-competitive behaviour	In 2015 alstria was not involved in any proceedings regarding violations of anti-trust legislation.	
G4-SO8	Non-compliance of the organization with laws or regulations > page 76	alstria is compliant to applicable laws and regulation as of 2015.	

IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES OF ALSTRIA 2015 (2014)		
Material aspects G4-19	Internal impact G4-19	External impact G4-21
<b>Supplier management</b> (Level of control)	high	average
<b>Financial performance</b> (Financial performance)	very high	very high
<b>Energy consumption and carbon footprint</b> (Energy efficiency & procurement)	very high	high
<b>Use of resources – waste generation</b> (Waste management)	average	very high
<b>Use of resources – water consumption</b> (Water management)	average	average
<b>Contribution to communities</b> (Contribution to communities)	high	average
<b>Ethical conduct</b> (Ethics & integrity)	high	very high
<b>Employee development, Diversity &amp; equal treatment Working conditions</b> (Fair company)	very high	very high

EMPLOYEES BY CATEGORIES						
Employees by division G4-10	Operations			Finance & Administration		
	2015	2014	Change	2015	2014	Change
Total number of employees	42	38	11 %	30	25	20 %
Share in total number	58 %	60 %	+2 pp	42 %	40 %	-2 pp

Employees by employment type			
G4-10	2015	2014	Change
Full-time employees	61	58	5 %
Part-time employees	11	5	120 %
Employees with disabilities	0	0	0 %
Temporary workers	0	0	0 %

Employees by office location G4-10, G4-LA1	Hamburg		Düsseldorf		Total	
	2015	2014	2015	2014	2015	2014
New employees	9	10	0	1	9	11
Leaving employees	6	6	0	1	6	7
Total number of employees	66	57	6	6	72	63

Employees by gender G4-LA1, G4-10, G4-LA12	Female		Male		Total		Female ratio	
	2015	2014	2015	2014	2015	2014	2015	2014
New employees	6	3	3	8	9	11	67 %	27 %
Leaving employees	4	4	2	3	6	7	67 %	57 %
Employees in Operations	21	16	21	18	42	34	50 %	47 %
Employees in Finance & Administration	20	16	10	12	30	28	67 %	57 %
Management Board	0	0	2	2	2	2	0 %	0 %
Senior management level	4	2	8	7	12	9	33 %	22 %
Team members	37	31	23	21	60	52	62 %	60 %

EMPLOYEES BY CATEGORIES								
Employees by age group	21–30		31–40		41–50		51+	
	2015	2014	2015	2014	2015	2014	2015	2014
G4-LA1, G4-10								
New employees	3	3	4	6	2	2	0	0
Leaving employees	1	0	4	6	1	0	0	1
Management Board	0	0	0	0	2	2	0	0
Senior management level	0	0	6	7	6	4	0	0
Team members	13	11	35	30	10	9	2	2
	2015	2014						
Employee turnover rate	8 %	11 %						
Employee hiring rate	13 %	17 %						

Employee training hours by gender and level		
G4-LA9	Training hours	Share
Female employees	1,200	61 %
Male employees	778	39 %
Senior management level	694	35 %
Team members	1,283	65 %
<b>Total hours</b>	<b>1,977</b>	

Employees with family responsibilities by gender	Female		Male		Total	
	2015	2014	2015	2014	2015	2014
G4-LA3						
Employees entitled to parental leave	13	9	1	6	14	15
Employees took parental leave	13	9	1	3	14	12
Employees in parental leave who returned	8	0	1	3	9	3
Employees in parental leave due to return	4	6	0	0	4	6
Employees who returned last year and remained employed for 12 months	2	0	1	3	3	3
Employees who returned during the previous reporting year	2	0	1	3	3	3
Retention rate	full	full	full	full	full	full

Absenteeism by gender	Female		Male		Total	
	2015	2014	2015	2014	2015	2014
G4-LA6						
Average absent days	12.1	9.7	4.7	6.4	9.1	8.2
Absentee rate	4.8 %	3.8 %	1.8 %	2.5 %	3.6 %	3.2 %

Compensation by level of employment			
G4-54, G4-55	2015	2014	Change
Relation between the salary of highest-paid and average-paid individual (times)	15-to-1	26-to-1	-42 %
Increase of the total salary of the highest-paid individual	-35 %	101 %	-136pp
Increase of the total salary of the average-paid individual	14 %	-6 %	+20pp

BUSINESS TRAVEL			
Company cars by fuel type (Scope 1)			
G4-EN3	Unit	2015	2014
Diesel	km	21,831	14,507
Gasoline	km	13,803	12,638
Electric	km	7,180	2,265
<b>Total distance</b>	km	<b>42,814</b>	29,410

Business travel by type (Scope 3)	Distance in km		Number of Trips	
	2015	2014	2015	2014
G4-EN4				
Flights domestic	160,249	195,630	443	457
short-haul/economy class	207,304	152,070	347	401
short-haul/business class	38,932	27,610	58	56
long-haul/economy class	9,038	19,141	6	11
long-haul/business class	59,209	38,185	15	9
Total flights	474,732	432,636	869	934
Train trips	62,317	53,234	212	175
<b>Total business travel</b>	<b>537,049</b>	485,870	<b>1,081</b>	1,109

### **Independent Assurance Report To alstria office REIT-AG, Hamburg**

We have been engaged to perform a limited review of the quantitative and qualitative information within the sections 'Our portfolio – energy consumption', 'Our portfolio – use of resources', 'Our corporate offices', 'Carbon footprint' in the chapter 'Our Buildings' and the 'EPRA tables' in the appendix of the sustainability report (hereinafter: the report) of alstria office REIT-AG, Hamburg, for the business year starting January 1st to December 31st 2015. It was not part of our engagement to review any product or service related statements, any links to external sources, future-looking statements or statements from external experts in these sections.

#### **Management's Responsibility**

The Company's Board of Directors is responsible for the establishment of the report in accordance with the criteria stated in the Sustainability Reporting Guidelines G4 of the Global Reporting Initiative (GRI).

This responsibility includes the selection and application of appropriate methods to prepare the report as well as the usage of reasonable assumptions and estimates for individual sustainability disclosures. Furthermore, the responsibility includes designing, implementing and maintaining systems and processes relevant for the preparation of the report in a way that it is free of – intended or unintended – material misstatements.

#### **Our Independence and Quality Control**

We have met the requirements regarding independence along with the additional requirements relating to professional conduct of the IESBA Code of Ethics for Professional Accountants, which is based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional conduct worthy of the profession. The quality assurance system of Deloitte GmbH is based on the International Standard on Quality Control 1 'Quality Control for Audit, Assurance and Related Service Practices' (ISQC 1) and in addition to that, on national statutory requirements and professional standards, especially the Professional Code for Certified Accountants as well as the joint statement of WPK (Chamber of Public Accountants) and IDW (Institute of Public Auditors in Germany): Requirements for quality assurance in the auditing practice (VO 1/2006).

#### **Practitioner's Responsibility**

Our responsibility is to express a conclusion based on our work performed and the evidences obtained on the above mentioned sections of the report.

#### **Procedures and extend of the assurance engagement**

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): 'Assurance Engagements other than Audits or Reviews of Historical Financial Information'. This standard requires that we comply with our professional duties and give an at-testation, based on the results of our work, as to whether any matters have come to our knowledge that could give rise to the assumption that the information as stated the above mentioned sections within the Sustainability Report 2016 do not comply, in all material respects, with the above mentioned criteria of the Sustainability Reporting Guidelines G4 of the GRI. In a limited assurance engagement the evidence gathering procedures are more limited than in a reasonable assurance engagement. Hence, the scope of a limited review is less comprehensive and may not reasonably assure all material facts in comparison with a reasonable assurance. The selection of audit activities is subject to the auditor's own judgement. This includes the assessment of the risk of material misstatement in the report under consideration of the GRI reporting criteria.

Within the scope of our work, we performed amongst others the following procedures when conducting the limited assurance engagement:

- › Interviews with relevant staff at group level responsible for providing the data and information, carrying out internal control procedures and consolidating the data and information, including the explanatory notes
- › Analytical procedures on relevant data in the above mentioned sections
- › Inspection of process and system documentations on the environmental management system as well as the structure and procedures of the systems and processes for collecting, calculating, validating and aggregating environmental data

#### **Our Conclusion**

Based on our limited review, nothing has come to our knowledge that could give rise to the assumption that the quantitative and qualitative information as stated within the sections 'Our portfolio – energy consumption', 'Our portfolio – use of resources', 'Our corporate offices', 'Carbon footprint' in the chapter 'Our Buildings' and the 'EPRA tables' in the appendix of the sustainability report 2016 of alstria office REIT-AG, Hamburg, does not comply with the criteria of the Sustainability Reporting Guidelines G4 of the GRI.

#### **Recommendations**

Without qualifying our conclusion above, we make the following recommendations for the further development of the company's sustainability management and sustainability reporting:

- › Automation of data collection and validation of reported data
- › Further implementation of documentation of reporting processes with regard to responsibilities, internal control systems as well as defined workflows in order to ensure the process stability

This assurance report is issued based on an assurance engagement agreed upon with alstria office REIT-AG. The assurance engagement to obtain limited assurance is issued on purpose of alstria office REIT-AG and the report is solely for information purposes of alstria office REIT-AG on the results of the assurance engagement. This assurance report is not intended as a basis for (financial) decision-making by third parties of any kind. We have responsibility only towards alstria office REIT-AG. We do not assume any responsibilities for third parties.

Hamburg, 31st of October 2016

**Deloitte GmbH**  
Wirtschaftsprüfungsgesellschaft



Annika Deutsch  
(Wirtschaftsprüferin)



Vinzenz Fundel  
(Manager Sustainability)



**Responsibility**

As a responsible company, alstria office REIT-AG is committed to limiting the impact of its operations on the overall environment to the largest extent possible. In line with this objective, the Management Board recognizes the significance of energy management and provides all necessary reasonable resources for appropriate energy management. In particular, it ensures all of alstria's business activities will be performed in accordance with legal and regulatory obligations.

**Improvement**

We are committed to continually improving our energy management system through regular reviews. Our ultimate goal is to reduce our environmental footprint and, subsequently, our energy consumption. We believe that reducing our energy demand is the most sustainable path for alstria in the long term. Whenever possible, we endeavor to decrease our dependence on fossil fuels by increasing the use of renewable energy sources.

**Energy**

We ensure the responsible use of energy throughout all business operations. To this end, we will begin a process that allows us to monitor energy data for energy used in our operational processes. Through such measures (including operational energy audits), we will be able to analyze our energy requirements and identify all viable measures to save energy. The successful implementation of these measures ensures the optimal energy use, from an economic and environmental perspective.

**Awareness**

Through regular and specific training sessions, we keep our employees informed on our energy goals and encourage them to act responsibly and participate actively in our energy management program.

The Company's illustration and understanding of its own energy consumption effectively raises employees' awareness with regard to tenants' energy requirements.

**Communication**

We conduct open, objective and comprehensive dialogue with the public and our business partners. We also work closely with authorities and adequately inform stakeholders regarding relevant energy topics. In so doing, we develop a deeper mutual understanding.

This policy applies to all operations of alstria office REIT-AG.

**Methodology**

Absolute values (**Abs**) are used to report the indicators for the year in question. All consumption data refer to the whole year. Assets under major redevelopment and buildings that were only recently acquired without a set of consumption data for the whole running year are excluded.

The like-for-like figures (**LfL**) include all alstria buildings that have been consistently in operation, and their consumption data is available for the most recent two-full-year period. Although the Deutsche Office portfolio was acquired in the end of 2015, its consumption data is included in the like-for-like figures, depending on availability for the years 2014 and 2015.

Energy consumption data originates from different sources. In some cases, we possess only partial data from specific areas or services of our buildings, such as tenant or common area. In other cases, all building consumptions are managed by our tenants (single-tenant buildings) and we receive non-verifiable data (for all energy, water and waste data). However, all available data is used and no estimates were made to fill data gaps. The data from landlord shared services in common areas is a mix of direct consumption in those areas, such as staircase lighting, and consumption from shared services in common areas that are used in tenant areas, such as mechanical ventilation and cooling. When calculating the intensity metrics, we use the appropriate denominators, i. e. for the landlord-shared services in common areas, we use the combined common and tenant floor space.

Intensity indicators (**Int**) give the ratio between energy or water consumption and the corresponding floor space. For office buildings we use in addition to the **standard intensity denominator** 'per floor space' the **intensity of use denominator** 'per workstation' as well (one workstation equals 25 m<sup>2</sup> of office space).

Figures from 2014 have been restated, including intensity metrics, as additional or more accurate energy consumption data have been obtained since the previous Sustainability Report. Where necessary and possible, restatements are explained in footnotes to the respective graphics. All absolute figures from 2014 include only the former alstria portfolio.

All GHG emissions are reported under the operational control approach, rather than financial or procurement control.

Scope 1 includes only direct (**Dir**) emissions from alstria own use. Scope 2 includes energy from indirect (**Indir**) emissions from alstria own use and landlord shared services in common areas. Scope 3 includes landlord-obtained energy that was sub-metered to tenants and tenant-obtained energy.

No district cooling is used within our portfolio.

Water consumption data is only from water that was (sub)metered exclusively to tenants or was directly obtained by tenants (single-tenant buildings).



### EPRA sBPR performance measurement – Portfolio

Total portfolio environment performance	Unit	2015	2014	2015	2014	Change
<b>Total electricity consumption</b>		<b>Elec-Abs</b>		<b>Elec-Lfl</b>		
For landlord shared services	MWh	13,547	10,419	12,255	13,562	-9.6%
Number of applicable properties	#	49 of 79	36 of 42	42		
Coverage of common area	%	81.7	90.3	69.5		
Total electricity from renewable sources in shared services	MWh	8,219	8,954			
Ratio of electricity from renewable sources	%	60.7	85.9			
(Sub)metered exclusively to tenants	MWh	n/a	n/a	n/a	n/a	
<b>Total landlord-obtained electricity</b>	<b>MWh</b>	<b>13,547</b>	<b>10,419</b>	<b>12,255</b>	<b>13,562</b>	<b>-9.6%</b>
Total tenant-obtained electricity	MWh	46,194	47,024	43,422	41,401	4.9%
Number of applicable properties	#	38 of 112	52 of 74	27		
Coverage of lettable area	%	31.8	76.3	24.6		
Total tenant-obtained electricity from renewable sources	MWh	779	n/a			
Ratio of electricity from renewable sources	%	1.7	n/a			
<b>Total district heating &amp; cooling consumption</b>		<b>DH&amp;C-Abs</b>		<b>DH&amp;C-Lfl</b>		
For landlord shared services	MWh	n/a	n/a	n/a	n/a	
(Sub)metered exclusively to tenants	MWh	24,135	23,068	18,285	16,619	10.0%
Number of applicable properties	#	29 of 37	32 of 33	24		
Coverage of lettable area	%	76.3	93.3	59.4		
<b>Total landlord-obtained DH&amp;C</b>	<b>MWh</b>	<b>24,135</b>	<b>23,068</b>	<b>18,285</b>	<b>16,619</b>	<b>10.0%</b>
Total tenant-obtained DH&C	MWh	15,829	11,919	15,829	14,508	9.1%
Number of applicable properties	#	15 of 22	13 of 13	15		
Coverage of lettable area	%	50.1	100	50.1		
<b>Total fuel consumption</b>		<b>Fuels-Abs</b>		<b>Fuels-Lfl</b>		
For landlord shared services	MWh	n/a	n/a	n/a	n/a	
(Sub)metered exclusively to tenants	MWh	30,713	14,913	30,198	27,731	8.9%
Number of applicable properties	#	21 of 39	18 of 24	19		
Coverage of lettable area	%	63.8	82.3	61.3		
<b>Total landlord-obtained fuels</b>	<b>MWh</b>	<b>30,713</b>	<b>14,913</b>	<b>30,198</b>	<b>27,731</b>	<b>8.9%</b>
Total tenant-obtained fuels	MWh	17,910	16,853	17,842	17,298	3.1%
Number of applicable properties	#	7 of 14	5 of 5	6		
Coverage of lettable area	%	53.4	100	50.4		



Total portfolio environment performance	Unit	2015	2014	2015	2014	Change
<b>Building energy intensity</b>		<b>Energy-Int</b>				
For landlord shared services (common + tenant area)	kWh/m <sup>2</sup> /year	20	23	-13.3%		
(Sub)metered exclusively to tenants (tenant area)	kWh/workstation/year	499	575			
(Sub)metered exclusively to tenants (tenant area)	kWh/m <sup>2</sup> /year	79	69	14.8%		
(Sub)metered exclusively to tenants (tenant area)	kWh/workstation/year	1,985	1,729			
<b>Total landlord-obtained energy (common + tenant area)</b>	<b>kWh/m<sup>2</sup>/year</b>	<b>92</b>	<b>81</b>	<b>13.3%</b>		
(common + tenant area)	<b>kWh/workstation/year</b>	<b>2,301</b>	<b>2,030</b>			
Total tenant-obtained energy (common + tenant area)	kWh/m <sup>2</sup> /year	92	79	17.0%		
(common + tenant area)	kWh/workstation/year	2,307	1,972			
<b>Total GHG emissions</b>		<b>GHG-Abs</b>				
Direct – Scope 1, GHG-Dir-Abs	tonnes CO <sub>2</sub> e	6	5	10.6%		
Indirect – Scope 2, GHG-Indir-Abs	tonnes CO <sub>2</sub> e	9,603	8,547	12.4%		
Other indirect – Scope 3, GHG-Indir-Abs	tonnes CO <sub>2</sub> e	59,807	50,196	19.1%		
Total (only Scope 1+2)	tonnes CO <sub>2</sub> e	9,609	8,553	12.4%		
Ratio Scope 1+2 and Scope 3	%	16.1	17.0			
<b>Total GHG intensity from building energy consumption</b>		<b>GHG-Int</b>				
For landlord shared services (common + tenant area)	kg CO <sub>2</sub> e/m <sup>2</sup> /year	9	10	-13.3%		
(Sub)metered exclusively to tenants (tenant area)	kg CO <sub>2</sub> e/workstation/year	220	254			
(Sub)metered exclusively to tenants (tenant area)	kg CO <sub>2</sub> e/m <sup>2</sup> /year	35	31	14.8%		
(Sub)metered exclusively to tenants (tenant area)	kg CO <sub>2</sub> e/workstation/year	876	763			
<b>Total landlord-obtained energy (common + tenant area)</b>	<b>kg CO<sub>2</sub>e/m<sup>2</sup>/year</b>	<b>41</b>	<b>36</b>	<b>13.3%</b>		
(common + tenant area)	<b>kg CO<sub>2</sub>e/workstation/year</b>	<b>1,015</b>	<b>896</b>			
Total tenant-obtained energy (common + tenant area)	kg CO <sub>2</sub> e/m <sup>2</sup> /year	41	35	17.0%		
(common + tenant area)	kg CO <sub>2</sub> e/workstation/year	1,018	870			
<b>Total portfolio environment performance</b>	<b>Unit</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>Change</b>
<b>Total water consumption</b>		<b>Water-Abs</b>		<b>Water-Lfl</b>		
(Sub)metered exclusively to tenants	m <sup>3</sup>	268,852	223,714	259,072	230,242	12.5%
Number of applicable properties	#	68 of 98	65 of 74	64		
Coverage of lettable area	%	72.5	84.2	69.2		
<b>Total landlord-obtained water</b>	<b>m<sup>3</sup></b>	<b>268,852</b>	<b>223,714</b>	<b>259,072</b>	<b>230,242</b>	<b>12.5%</b>
Total tenant-obtained water	m <sup>3</sup>	76,259	n/a	76,259	74,479	2.4%
Number of applicable properties	#	2 of 15	n/a	2		
Coverage of lettable area	%	31.2	n/a	31.2		
Rainwater collected	m <sup>3</sup>	339	204			66.1%



Total portfolio environment performance	Unit	2015	2014	Change
<b>Building water intensity</b>				
<b>Water-Int</b>				
(Sub)metered exclusively to tenants – Total landlord-obtained (tenant area)	m <sup>3</sup> /m <sup>2</sup> /year	0.289	0.297	
	litres/workstation/day	19.8	20.4	–2.9%
Number of applicable properties	#	68 of 98	65 of 74	
Coverage of lettable area	%	72.5	84.2	

Total portfolio environment performance	Unit	2015	2014	2015	2014	Change
<b>Total waste weight of waste by disposal route</b>						
<b>Waste-Abs</b>						
<b>Waste-Lfl</b>						
Waste for recovery	metric tonnes	750.8	805.9	709.4	758.7	–6.5%
Organic waste	metric tonnes	16.8	5.7	10.3	5.0	106.8%
Paper/Cardbord waste	metric tonnes	232.9	178.6	202.2	160.0	26.4%
Residual waste	metric tonnes	397.1	343.7	364.9	330.2	10.5%
<b>Total waste created in operations</b>	<b>metric tonnes</b>	<b>1,397</b>	<b>1,334</b>	<b>1,287</b>	<b>1,254</b>	<b>2.6%</b>
Number of applicable properties	#	54 of 113	54 of 74	48		
Coverage of lettable area	%	33.9	59.7	29.8		

Total portfolio environment performance	Unit	2015	2014	Change
<b>Total amount of waste by disposal route</b>				
<b>Waste-Abs / -Lfl</b>				
Recycling	metric tonnes	908.6	903.9	0.5%
Incineration (with energy recovery)	metric tonnes	472.2	424.3	11.3%
Composting & Biogas	metric tonnes	16.6	5.7	190.9%
<b>Proportion of waste by disposal route</b>				
<b>Waste-Abs / -Lfl</b>				
Recycling	%	65.0	67.8	–4.0%
Incineration (with energy recovery)	%	33.8	31.8	6.2%
Composting & Biogas	%	1.2	0.4	177.7%

Total portfolio environment performance	Unit	2015	2014	Change
<b>Type and number of sustainably certified assets</b>				
<b>Cert-Tot</b>				
BREEAM – good	#	2	1	100%
Coverage of total lettable area	%	0.9	0.6	
Leed – gold	#	1	n/a	100%
Coverage of total lettable area	%	1.8%	n/a	
DGNB Redevelopment – gold	#	1	1	0%
Coverage of total lettable area	%	0.7	1.1	
BREEAM In-Use	#	4	n/a	400%
Coverage of total lettable area	%	6.6	n/a	
<b>Total number of assets with sustainability certifications</b>	<b>#</b>	<b>8</b>	<b>2</b>	<b>400%</b>
Coverage of total lettable area	%	10.1	1.7	



## EPRA sBPR performance measurement – Office Portfolio

Office portfolio environment performance	Unit	2015	2014	2015	2014	Change
<b>Total electricity consumption</b>						
<b>Elec-Abs</b>						
<b>Elec-Lfl</b>						
For landlord shared services	MWh	13,263	8,881	11,990	13,315	–10.0%
Number of applicable properties	#	47 of 74	35 of 41	41		
Coverage of common area	%	83.1	81.0	69.7		
(Sub)metered exclusively to tenants	MWh	n/a	n/a	n/a	n/a	
<b>Total landlord-obtained electricity</b>	<b>MWh</b>	<b>13,263</b>	<b>8,881</b>	<b>11,990</b>	<b>13,315</b>	<b>–10.0%</b>
Total tenant-obtained electricity	MWh	46,194	46,911	43,422	41,401	4.9%
Number of applicable properties	#	38 of 104	52 of 73	27		
Coverage of lettable area	%	34.3	76.3	26.6		

Total district heating & cooling consumption	Unit	2015	2014	2015	2014	Change
<b>DH&amp;C-Abs</b>						
<b>DH&amp;C-Lfl</b>						
For landlord shared services	MWh	n/a	n/a	n/a	n/a	
(Sub)metered exclusively to tenants	MWh	22,009	21,529	16,159	15,080	7.2%
Number of applicable properties	#	28 of 36	31 of 33	23		
Coverage of lettable area	%	75.6	93.1	58.2		
<b>Total landlord-obtained DH&amp;C</b>	<b>MWh</b>	<b>22,009</b>	<b>21,529</b>	<b>16,159</b>	<b>15,080</b>	<b>7.2%</b>
Total tenant-obtained DH&C	MWh	15,829	11,919	15,829	14,508	9.1%
Number of applicable properties	#	15 of 21	13 of 13	15		
Coverage of lettable area	%	53.4	100.0	53.4		

Total fuel consumption	Unit	2015	2014	2015	2014	Change
<b>Fuels-Abs</b>						
<b>Fuels-Lfl</b>						
For landlord shared services	MWh	n/a	n/a	n/a	n/a	
(Sub)metered exclusively to tenants	MWh	29,816	14,913	29,300	26,963	8.7%
Number of applicable properties	#	20 of 36	18 of 24	18		
Coverage of lettable area	%	66.0	82.3	63.4		
<b>Total landlord-obtained fuels</b>	<b>MWh</b>	<b>29,816</b>	<b>14,913</b>	<b>29,300</b>	<b>26,963</b>	<b>8.7%</b>
Total tenant-obtained fuels	MWh	17,910	16,853	17,842	17,298	3.1%
Number of applicable properties	#	7 of 12	5 of 5	6		
Coverage of lettable area	%	64.3	100.0	60.7		

Office portfolio environment performance	Unit	2015	2014	Change
<b>Building energy intensity</b>				
<b>Energy-Int</b>				
For landlord shared services (common + tenant area)	kWh/m <sup>2</sup> /year	21	18	13.2%
	kWh/workstation/year	517	456	
(Sub)metered exclusively to tenants (tenant area)	kWh/m <sup>2</sup> /year	78	68	15.1%
	kWh/workstation/year	1,952	1,696	
<b>Total landlord-obtained energy (common + tenant area)</b>	<b>kWh/m<sup>2</sup>/year</b>	<b>91</b>	<b>78</b>	<b>17.1%</b>
	<b>kWh/workstation/year</b>	<b>2,273</b>	<b>1,940</b>	
Total tenant-obtained energy (common + tenant area)	kWh/m <sup>2</sup> /year	92	80	15.7%
	kWh/workstation/year	2,307	1,994	



Office portfolio environment performance	Unit	2015	2014	2015	2014	Change
		<b>GHG-Dir-Abs</b>		<b>GHG-Dir-Lfl</b>		
		<b>GHG-Indir-Abs</b>		<b>GHG-Indir-Lfl</b>		
<b>Total GHG emissions</b>						
Direct – Scope 1	tonnes CO <sub>2</sub> e	0	0	0	0	0.0%
Indirect – Scope 2	tonnes CO <sub>2</sub> e	5,851	3,918	5,290	5,874	-10.0%
Other indirect – Scope 3	tonnes CO <sub>2</sub> e	58,129	49,467	54,068	50,846	6.3%
<b>Total (only Scope 1+2)</b>	tonnes CO <sub>2</sub> e	<b>5,851</b>	<b>3,918</b>			
Ratio Scope 1+2 and Scope 3	%	10.1	7.9			

Office portfolio environment performance	Unit	2015	2014	Change
<b>GHG intensity from building energy consumption</b>		<b>GHG-Int</b>		
For landlord shared services (common + tenant area)	kg CO <sub>2</sub> e/m <sup>2</sup> /year	9	8	13.2%
	kg CO <sub>2</sub> e/workstation/year	228	201	
(Sub)metered exclusively to tenants (tenant area)	kg CO <sub>2</sub> e/m <sup>2</sup> /year	34	30	15.1%
	kg CO <sub>2</sub> e/workstation/year	861	748	
<b>Total landlord-obtained energy (common + tenant area)</b>	<b>kg CO<sub>2</sub>e/m<sup>2</sup>/year</b>	<b>40</b>	<b>34</b>	<b>17.1%</b>
	<b>kg CO<sub>2</sub>e/workstation/year</b>	<b>1,003</b>	<b>856</b>	
Total tenant-obtained energy (common + tenant area)	kg CO <sub>2</sub> e/m <sup>2</sup> /year	41	35	15.7%
	kg CO <sub>2</sub> e/workstation/year	1,018	880	

Office portfolio environment performance	Unit	2015	2014	2015	2014	Change
<b>Total water consumption</b>		<b>Water-Abs</b>		<b>Water-Lfl</b>		
(Sub)metered exclusively to tenants	m <sup>3</sup>	252,351	222,031	242,571	213,897	13.4%
Number of applicable properties	#	66 of 91	64 of 74	62		
Coverage of lettable area	%	76.0	82.9	72.5		
<b>Total landlord-obtained water</b>	<b>m<sup>3</sup></b>	<b>252,351</b>	<b>222,031</b>	<b>242,571</b>	<b>213,897</b>	<b>13.4%</b>
Total tenant-obtained water	m <sup>3</sup>	76,259	n/a	76,259	74,479	2.4%
Number of applicable properties	#	2 of 14	n/a	2		
Coverage of lettable area	%	33.30	n/a	33.3		

Office portfolio environment performance	Unit	2015	2014	Change
<b>Building water intensity</b>		<b>Energy-Int</b>		
(Sub)metered exclusively to tenants – Total landlord-obtained (tenant area)	m <sup>3</sup> /m <sup>2</sup> /year	0.280	0.300	-6.6%
	litres/workstation/day	19.2	20.5	
Number of applicable properties	#	66 of 91	64 of 74	
Coverage of lettable area	%	76.0	82.9	

Office portfolio environment performance	Unit	2015	2014	2015	2014	Change
<b>Total waste weight of waste by disposal route</b>		<b>Waste-Abs</b>		<b>Waste-Lfl</b>		
Waste for recovery	metric tonnes	604.0	668.7	562.6	644.4	-12.7%
Organic waste	metric tonnes	16.6	5.7	10.3	5.0	106.8%
Paper/Cardbord waste	metric tonnes	232.9	169.4	202.2	160.0	26.4%
Residual waste	metric tonnes	391.4	337.1	359.1	330.2	8.8%
<b>Total waste created in operations</b>	<b>metric tonnes</b>	<b>1,245</b>	<b>1,181</b>	<b>1,134</b>	<b>1,140</b>	<b>-0.5%</b>
Number of applicable properties	#	53 of 113	50 of 74	47		
Coverage of lettable area	%	35.8	59.1	31.4		



Office portfolio environment performance	Unit	2015	2014	Change
<b>Total amount of waste by disposal route</b>		<b>Waste-Abs / -Lfl</b>		
Recycling	metric tonnes	776.4	771.2	0.7%
Incineration (with energy recovery)	metric tonnes	451.8	404.0	11.8%
Composting & Biogas	metric tonnes	16.6	5.7	190.9%
<b>Proportion of waste by disposal route</b>		<b>Waste-Abs / -Lfl</b>		
Recycling	%	62.4	65.3	-4.5%
Incineration (with energy recovery)	%	36.3	34.2	6.1%
Composting & Biogas	%	1.3	0.5	175.9%

### EPRA sBPR performance measurement – Retail Portfolio

Retail portfolio environment performance	Unit	2015	2014	2015	2014	Change
<b>Total electricity consumption</b>		<b>Elec-Abs</b>		<b>Elec-Lfl</b>		
For landlord shared services	MWh	19	n/a	n/a	n/a	n/a
Number of applicable properties	#	1 of 1	n/a	n/a		
Coverage of common area	%	100.0	n/a	n/a		
(Sub)metered exclusively to tenants	MWh	n/a	n/a	n/a		
<b>Total landlord-obtained electricity</b>	<b>MWh</b>	<b>19</b>	<b>0</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
Total tenant-obtained electricity	MWh	n/a	n/a	n/a		n/a

<b>Total district heating &amp; cooling consumption</b>		<b>DH&amp;C-Abs</b>		<b>DH&amp;C-Lfl</b>		
For landlord shared services	MWh	n/a	n/a	n/a	n/a	n/a
(Sub)metered exclusively to tenants	MWh	2,126	1,539	2,126	1,539	38.1%
Number of applicable properties	#	1 of 1	1 of 1	1		
Coverage of lettable area	%	100.0	100.0	100.0		
<b>Total landlord-obtained DH&amp;C</b>	<b>MWh</b>	<b>2,126</b>	<b>1,539</b>	<b>2,126</b>	<b>1,539</b>	<b>38.1%</b>
Total tenant-obtained DH&C	MWh	n/a	n/a	n/a	n/a	n/a

<b>Total fuel consumption</b>		<b>Fuels-Abs</b>		<b>Fuels-Lfl</b>		
<b>Total landlord-obtained fuels</b>	<b>MWh</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
Total tenant-obtained fuels	MWh	n/a	n/a	n/a	n/a	n/a

Retail portfolio environment performance	Unit	2015	2014	Change
<b>Building energy intensity</b>		<b>Energy-Int</b>		
For landlord shared services (common + tenant area)	kWh/m <sup>2</sup> /year	n/a	n/a	n/a
(Sub)metered exclusively to tenants (tenant area)	kWh/m <sup>2</sup> /year	172	128	34.3%
<b>Total landlord-obtained energy (common + tenant area)</b>	<b>kWh/m<sup>2</sup>/year</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
Total tenant-obtained energy (common + tenant area)	kWh/m <sup>2</sup> /year	n/a	n/a	n/a



Retail portfolio environment performance		Unit	2015	2014	2015	2014	Change
<b>Total weight of waste by disposal route</b>			<b>Waste-Abs</b>		<b>Waste-Lfl</b>		
Waste for recovery	metric tonnes	146.9	114.3	146.9	114.3	28.5%	
Organic waste	metric tonnes	0.0	0.0	0.0	0.0	0.0%	
Paper/cardbord waste	metric tonnes	0.0	0.0	0.0	0.0	0.0%	
Residual waste	metric tonnes	5.7	0.0	5.7	0.0	570%	
<b>Total waste created</b>	<b>metric tonnes</b>	<b>153</b>	<b>114</b>	<b>153</b>	<b>114</b>	<b>33.5%</b>	
Number of applicable properties	#	1 of 1	1 of 1	1			
Coverage of lettable area	%	100.0	100.0	100.0			

Retail portfolio environment performance		Unit	2015	2014	Change
<b>Total amount of waste by disposal route</b>			<b>Waste-Abs / -Lfl</b>		
Recycling	metric tonnes	132.2	102.8	28.5%	
Incineration (with energy recovery)	metric tonnes	20.4	11.4	78.6%	
Composting & Biogas	metric tonnes	0.0	0.0	0.0%	
<b>Proportion of waste by disposal route</b>			<b>Waste-Abs / -Lfl</b>		
Recycling	%	86.6	90.0	-3.7%	
Incineration (with energy recovery)	%	13.4	10.0	33.7%	
Composting & Biogas	%	0.0	0.0	0.0%	

No Electricity, Water or GHG consumption available for retail buildings in 2014 and 2015.



### EPRA sBPR performance measurement – Logistic Portfolio

Logistic portfolio environment performance		Unit	2015	2014	2015	2014	Change
<b>Total electricity consumption</b>			<b>Elec-Abs</b>		<b>Elec-Lfl</b>		
<b>Total landlord-obtained electricity</b>	MWh	n/a	n/a	n/a	n/a	n/a	
Total tenant-obtained electricity	MWh	n/a	n/a	n/a	n/a	n/a	
<b>Total district heating &amp; cooling consumption</b>			<b>DH&amp;C-Abs</b>		<b>DH&amp;C-Lfl</b>		
<b>Total landlord-obtained DH&amp;C</b>	MWh	n/a	n/a	n/a	n/a	n/a	
Total tenant-obtained DH&C	MWh	n/a	n/a	n/a	n/a	n/a	
<b>Total fuel consumption</b>			<b>Fuels-Abs</b>		<b>Fuels-Lfl</b>		
For landlord shared services	MWh	n/a	n/a	n/a	n/a	n/a	
(Sub)metered exclusively to tenants	MWh	898	n/a	898	768	16.9%	
Number of applicable properties	#	1 of 3	n/a	1			
Coverage of lettable area	%	24.9	n/a	24.9			
<b>Total landlord-obtained fuels</b>	<b>MWh</b>	<b>898</b>	<b>n/a</b>	<b>898</b>	<b>768</b>	<b>16.9%</b>	
Total tenant-obtained fuels	MWh	n/a	n/a	n/a	n/a	n/a	
<b>Total water consumption</b>			<b>Water-Abs</b>		<b>Water-Lfl</b>		
(Sub)metered exclusively to tenants	m <sup>3</sup>	16,501	n/a	16,501	16,345	1.0%	
Number of applicable properties	#	2 of 3	n/a	2			
Coverage of lettable area	%	49.9	n/a	49.9			
<b>Total landlord-obtained water</b>	<b>m<sup>3</sup></b>	<b>16,501</b>	<b>n/a</b>	<b>16,501</b>	<b>16,345</b>	<b>1.0%</b>	
Total tenant-obtained water	m <sup>3</sup>	n/a	n/a	n/a	n/a	n/a	

Logistic portfolio environment performance		Unit	2015	2014	Change
<b>Building water intensity</b>			<b>Water-Int</b>		
(Sub)metered exclusively to tenants –	m <sup>3</sup> /m <sup>2</sup> /year	0.556	n/a		
Total landlord-obtained (tenant area)	litres/workstation/day	38.1	n/a		
Number of applicable properties	#	2 of 3	n/a		
Coverage of lettable area	%	49.9	n/a		

No Electricity, Waste or GHG consumption available for logistic buildings in 2014 and 2015



### EPRA sBPR performance measurement – Corporate offices

Corporate offices portfolio environment performance	Unit	2015	2014	Change
<b>Total electricity consumption</b>		<b>Elec-Abs</b>		
For landlord shared services	kWh	90,341	89,032	1.5%
Number of applicable properties	#	2 of 2	2 of 2	
Office area	m <sup>2</sup>	1,932	1,932	
Solar generation onsite & sold to grid	kWh	1,478	820	80.2%
<b>Building electricity intensity</b>		<b>Elec-Int</b>		
Intensity per employee	kWh/employee	1,255	1,413	-11.2%
Intensity per office area	kWh/m <sup>2</sup> /year	47	46	
<b>Total district heating &amp; cooling consumption</b>		<b>DH&amp;C-Abs</b>		
For landlord shared services	kWh	65,966	62,559	5.4%
Number of applicable properties	#	1 of 1	1 of 1	
Office area (HH)	m <sup>2</sup>	1,668	1,668	
<b>Total fuel consumption</b>		<b>Fuels-Abs</b>		
For landlord shared services	kWh	13,623	12,313	10.6%
Number of applicable properties	#	1 of 1	1 of 1	
Office area (DU)	m <sup>2</sup>	264	264	
<b>Building heating intensity</b>		<b>Heating-Int</b>		
Intensity per employee	kWh/employee	1.105	1.188	-7.0%
Intensity per office area	kWh/m <sup>2</sup> /year	41	39	6.3%
<b>Building energy consumptions</b>		<b>Energy-Int</b>		
For landlord shared services	kWh	169,930	163,904	3.7%
Intensity per employee	kWh/employee	2,360	2,602	-9.3%
Intensity per office area	kWh/m <sup>2</sup> /year	88	85	
<b>Total GHG emissions</b>		<b>GHG-Abs</b>		
Direct – Scope 1, GHG-Dir-Abs	tonnes CO <sub>2</sub> e	6	5.4	10.6%
Indirect – Scope 2, GHG-Indir-Abs	tonnes CO <sub>2</sub> e	69	66.9	3.1%
<b>Total Scope 1+2</b>	<b>tonnes CO<sub>2</sub>e</b>	<b>75</b>	<b>72.3</b>	<b>3.7%</b>
<b>GHG intensity from building energy consumption</b>		<b>GHG-Int</b>		
For landlord shared services	kg CO <sub>2</sub> e/employee/year	1,041	1,148	-9.3%
<b>Total water consumption</b>		<b>Water-Abs</b>		
For landlord shared services	m <sup>3</sup>	393	370	6.2%
Number of applicable properties	#	2 of 2	2 of 2	
<b>Building water intensity</b>		<b>Water-Int</b>		
Intensity per employee per working days	litres/employee/day	14.9	16.1	-7.1%
Rainwater collected, recycled & reused	m <sup>3</sup>	339	204	66.1%



Corporate offices portfolio environment performance	Unit	2015	2014	Change
<b>Construction waste by type, volume and weight</b>		<b>Abs</b>		
Construction waste mixed	m <sup>3</sup>	0	28	
Demolition waste, concrete, bricks	m <sup>3</sup>	350	990	
Demolition waste contaminated (asbestos)	m <sup>3</sup>	40	0	
Gypsum-based building materials	m <sup>3</sup>	30	0	
Insulating materials	m <sup>3</sup>	12	34	
Bituminous mixtures	m <sup>3</sup>	0	140	
<b>Total volume of waste by type</b>	<b>m<sup>3</sup></b>	<b>432</b>	<b>1,052</b>	<b>-59.0%</b>
Construction waste, mixed	metric tonnes	44	1,000	
Demolition waste, concrete, bricks	metric tonnes	0	56	
Demolition waste contaminated (asbestos)	metric tonnes	5	96	
Gypsum-based building materials	metric tonnes	164	0	
Insulating materials	metric tonnes	5	112	
Wood	metric tonnes	0	36	
Mixed metals	metric tonnes	0	5	
Bituminous mixtures	metric tonnes	4	450	
<b>Total weight of waste by type</b>	<b>metric tonnes</b>	<b>221</b>	<b>1,755</b>	<b>-87.0%</b>



### EPRA sBPR performance measurement – Greenhouse gas emissions

Greenhouse gas emissions portfolio environment performance	Unit	2015	2014	Change
<b>Total direct GHG emissions – Scope 1</b>		<b>GHG-Dir-Abs</b>		
Company vehicles	tonnes CO <sub>2</sub> e	7.1	7.6	-6.9%
Corporate direct heat consumption	tonnes CO <sub>2</sub> e	6.0	5.4	10.6%
<b>Total Scope 1 emissions</b>	<b>tonnes CO<sub>2</sub>e</b>	<b>13.1</b>	<b>13.0</b>	<b>0.4%</b>
<b>Total indirect GHG emissions, Scope 2</b>		<b>GHG-Indir-Abs</b>		
Corporate indirect energy consumption	tonnes CO <sub>2</sub> e	69	67	3.1%
Energy consumption for landlord shared services	tonnes CO <sub>2</sub> e	5,977	4,173	43.2%
GHG savings from green electricity in shared services	tonnes CO <sub>2</sub> e	-3,626	-3,630	-0.1%
<b>Total Scope 2 emissions</b>	<b>tonnes CO<sub>2</sub>e</b>	<b>2,420</b>	<b>609</b>	<b>297%</b>
Ratio of GHG savings in Scope 2	%	-60	-86	
<b>Total indirect other GHG emissions, Scope 3</b>		<b>GHG-Indir-Abs</b>		
Business travelling	tonnes CO <sub>2</sub> e	61	68	-11.3%
Employee commuting	tonnes CO <sub>2</sub> e	114	84	36.2%
Tenant energy consumption – landlord obtained	tonnes CO <sub>2</sub> e	24,198	16,756	44.4%
Tenant energy consumption – tenant obtained	tonnes CO <sub>2</sub> e	35,265	33,440	5.5%
GHG savings from green tenant electricity	tonnes CO <sub>2</sub> e	-344	0	
<b>Total Scope 3 emissions</b>	<b>tonnes CO<sub>2</sub>e</b>	<b>59,294</b>	<b>50,348</b>	<b>17.8%</b>
Ratio of GHG savings in Scope 3	%	-1.0	0.0	
<b>Total direct &amp; indirect GHG emissions, Scope 1–3</b>		<b>GHG-Abs</b>		
<b>Total Scope 1+2 emissions</b>	<b>tonnes CO<sub>2</sub>e</b>	<b>2,433</b>	<b>622</b>	<b>291%</b>
Ratio of Scope 1+2 in relation to Scope 3	%	4.1	1.2	
<b>Total Scope 1+2+3 emissions</b>	<b>tonnes CO<sub>2</sub>e</b>	<b>61,740</b>	<b>50,984</b>	<b>21.1%</b>
Ratio of Scope 3 in relation to Scope 1+2	%	95.9	98.8	
<b>GHG intensities</b>		<b>GHG-Int</b>		
<b>Scope 1 – GHG intensity</b>	<b>tCO<sub>2</sub>e/employee/year</b>	<b>0.2</b>	<b>0.2</b>	<b>-12.2%</b>
<b>Scope 2 – GHG intensity</b>	<b>tCO<sub>2</sub>e/employee/year</b>	<b>34</b>	<b>10</b>	<b>247%</b>
<b>GHG intensity, Scope 1 + 2</b>		<b>GHG-Int</b>		
GHG intensity per employee	tCO <sub>2</sub> e/employee/year	33.8	9.9	242%
GHG intensity per total lettable area	kgCO <sub>2</sub> e/m <sup>2</sup> /year	1.46	0.70	110%
GHG intensity per total OMV	gCO <sub>2</sub> e/EUR/year	0.76	0.35	115%
<b>GHG intensity, Scope 3</b>		<b>GHG-Int</b>		
GHG intensity per employee	tCO <sub>2</sub> e/employee/year	824	799	3%
GHG intensity per total lettable area	kgCO <sub>2</sub> e/m <sup>2</sup> /year	35.61	56.36	-37%
GHG intensity per total OMV	gCO <sub>2</sub> e/EUR/year	18.56	28.66	-35%

## GLOSSARY

Value-driven management and / or optimization of real estate investments through letting management, refurbishment, repositioning and tenant management. **Asset management**

The Building Research Establishment Environmental Assessment Method is a rating system for sustainable building design, construction and operation and for the measurement of a building's environmental performance. **BREEAM**

The Carbon Disclosure Project is an independent not-for-profit organization working to drive greenhouse gas emissions reduction and sustainable water use by businesses and cities. It aims to set up a global database for carbon emissions. **CDP**

Carbon dioxide, a gas produced primarily through the combustion of fossil fuels, is believed to be the main cause of climate change. **CO<sub>2</sub>**

A formal statement including the values and business practices of a company together with a pledge by the company to observe them. **Code of Conduct**

Areas which are shared with other occupants in multi-let buildings, including entrance areas, corridors, lifts, staircases, waste stores, communal kitchen or breakout facilities and any other parts within the asset and outside which are intended for the use of the occupiers of that asset. **Common areas**

The system by which business corporations are directed and controlled. A set of relationships between a company's management, its board, its shareholders and other stakeholders. **Corporate governance**

The Construction and Real Estate Sector Supplement is a supplement to the GRI guidelines for the special disclosure requirements of companies from the real estate and construction sector. **CRESS**

Corporate social responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. **CSR**

The development program together with proposed developments. **Development pipeline**

The Deutsche Gesellschaft für Nachhaltiges Bauen (German Sustainable Building Council) establishes a system for the assessment and certification of sustainable buildings. **DGNB**

An investigation or audit of a potential investment that serves to confirm all material facts in regard to a sale. **Due Diligence**

<b>Energy Management System</b>	ISO 50001 supports efforts by organizations in all sectors to use energy more efficiently, through the development of an energy management system (EnMS).
<b>EnEV</b>	The German Energy Savings Ordinance regulates the energy performance of buildings and building stock as well as the energy certification of buildings.
<b>EPRA</b>	The European Public Real Estate Association is an organization that represents the interests of the major European property management companies and supports the development and market presence of European public property companies.
<b>Fair value or open market value (OMV)</b>	The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value for alstria's investment properties is reviewed regularly by external appraisers.
<b>FFO</b>	Funds from operations are result from real estate management. alstria's FFO represents the operating result, excluding valuation effects and other adjustments such as noncash expenses/income and nonrecurring effects.
<b>FSC</b>	The Forest Stewardship Council is an independent, nongovernmental, not-for-profit organization, which established a certification program for the labelling of products from sustainable sources.
<b>G-REIT</b>	Real Estate Investment Trusts are public listed companies, fully tax-transparent, which solely invest in properties.
<b>GHG Protocol</b>	The Greenhouse Gas Protocol is the most widely used international accounting tool for government and business leaders to understand, quantify and manage greenhouse gas emissions.
<b>GRI</b>	The Global Reporting Initiative is a network-based organization that releases widely used sustainability reporting guidelines. These guidelines are for voluntary use by organizations for reporting on the economic, environmental and social dimensions of their activities, products and services.
<b>IPD</b>	The Investment Property Database is an organization that analyzes the performance of real estate.
<b>Joint venture</b>	Legally independent entity formed between two or more parties to undertake economic activity together. It is jointly controlled by the parties under a contractual arrangement whereby decisions on financial and operating policies essential to the operation, performance and financial position of the venture require each party's consent.
<b>kWh/MWh</b>	A Kilowatt / Megawatt hour is an unit of energy.

Consumption of a portfolio that has been consistently in operation, and not under development, during the most recent two full reporting years.	<b>Like-for-Like</b>
Mid Cap Index; it contains, with variable weighting, the prices of the 50 most important, in terms of market capitalization and turnover, German joint stock companies which are not included in DAX30. In addition to dividend payments, subscription right proceeds are also included when calculating the index.	<b>MDAX</b>
The boundaries that determine the direct and indirect emissions associated with operations owned or controlled by the reporting company.	<b>Operational approach</b>
Property where at least 75 % of the lettable area is destined for office use (disregarding potential ground-floor retail).	<b>Office building</b>
Property management is the management of real estate assets including the processes, systems and manpower required to manage the life cycle of a building.	<b>Property management</b>
RE100 is a collaborative, global initiative of influential businesses committed to 100 % renewable electricity, working to massively increase demand for – and delivery of – renewable energy.	<b>RE100</b>
A measure of the probability that damage to life, health, property and/or the environment will occur as a result of a given hazard. Risk is measured in terms of impact and likelihood.	<b>Risk</b>
The introduction of change or control measures with the intention of eliminating or bringing the level of risk associated with a hazard within acceptable limits.	<b>Risk management</b>
Corporate presentations to institutional investors.	<b>Roadshows</b>
Research and development.	<b>R &amp; D</b>
The term 'share' describes both the membership rights (holding in the joint stock company) and the security that embodies these rights. The holder of a share (shareholder) is a 'sharer' in the assets of the joint stock company. Their rights are protected by the regulations contained in the Companies Act.	<b>Share</b>
An individual, community or organization that affects or is affected by some aspect of an organization's products, operations, markets, industries and outcomes.	<b>Stakeholder</b>
The Supervisory Board is one of the three executive bodies of a joint stock company: Annual General Meeting, Management Board and Supervisory Board. The Supervisory Board appoints the Management Board and provides supervision and advice regarding management of the company's business.	<b>Supervisory Board</b>



---

<b>Transparency</b>	A principle that allows those affected by administrative decisions, business transactions or charitable work to know not only the basic facts and figures but also the mechanisms and processes. It is the duty of civil servants, managers and trustees to act visibly, predictably and understandably.
<b>ULI Greenprint Center for Building Performance</b>	The Urban Land Institute Greenprint Center is a worldwide alliance of leading real estate owners, investors and strategic partners committed to improving the environmental performance of the global real estate industry.
<b>UNESCO</b>	United Nations Educational, Scientific and Cultural Organization, the purpose of which is to contribute to peace and security by promoting international collaboration through education, science and culture in order to further universal respect for justice, the rule of law and human rights along with fundamental freedoms proclaimed in the UN Charter.
<b>UNICEF</b>	The United Nations Children's Fund is an agency, created by the United Nations General Assembly in 1946 that is concerned with improving the health and nutrition of children and mothers throughout the world.
<b>ZIA</b>	Zentraler Immobilienausschuss. The German Property Federation is a regulatory and economic lobby group for policy in the property sector.

---

All the information in this report has been compiled in good faith and from various sources with great care. To the best of our knowledge, the information and data contained in this report reflect the truth. Nevertheless, we cannot assume liability for the correctness or completeness of the information provided herein that is not under our direct control.

In particular, this also applies to any forward-looking statements made with respect to the development of business matters and the financial results of alstria office REIT-AG; such statements are based on our current plans, assessments, prognoses and expectations, as well as on economic, political and other developments and factors that are, to the most extent, beyond our scope of influence. The actual results and developments may, therefore, differ significantly from the assumptions we have made at this point in time. We furthermore do not assume any obligation to update any forward-looking statements if new information is obtained or unexpected events occur. Insofar as the masculine form is used in the contents of this report, it is assumed that the underlying reference is to both genders on equal terms.

We would like to thank all colleagues and external partners for their friendly support in compiling this report.

#### **Note**

This report is published in English (original version) and German (nonbinding translation).

<b>Picture Credits</b>	<b>Page</b>
alstria	45
Andreas Vallbracht	30
Annika Feuss	12 / 13, 22 / 23, 32 / 33, 42, 60 / 61, 72 / 73, 80 / 81
Carsten Brüggemann	47, 51
Meike Hansen	68

#### **Design & Layout**

> Teresa Henkel  
> Sustainability Team

#### **Please send us your feedback**

[www.alstria.com/en/sustainability/feedback/](http://www.alstria.com/en/sustainability/feedback/)

#### **Sustainability contact**

Robert Kitel  
+49 (0) 40 22 63 41-300  
[sustainability@alstria.de](mailto:sustainability@alstria.de)  
[www.alstria.com/en/sustainability/](http://www.alstria.com/en/sustainability/)

#### **Social media**



[www.alstria.blogspot.de](http://www.alstria.blogspot.de)  
[www.twitter.com/alstria\\_REIT](http://www.twitter.com/alstria_REIT)  
[www.facebook.com/alstriareit](http://www.facebook.com/alstriareit)  
[www.linkedin.com/company/alstria-office-reit-ag](http://www.linkedin.com/company/alstria-office-reit-ag)  
[www.xing.com/companies/alstriaofficereit-ag](http://www.xing.com/companies/alstriaofficereit-ag)