

## Status Report on Sustainability for 2018

### Brief Summary

The status report on sustainability provides an overview of the current status of company activities and goals in the areas of economy, ecology and society.

The status report is meant to both increase transparency within the company and to enable shareholders, customers, suppliers, service providers, sub-contractors and other affected community groups to acquaint themselves with our activities and goals in the area of sustainability in a concise and understandable form.

---

### Preparation and Responsibility

Jörg Niescher

Name

+49 6102 45 2150

Telephone number

CEO Office

Corporate Department

joerg.niescher@apleona.com

E-mail address

### Approval

Dr. Jochen Keysberg

Name

Group CEO

Position

## Table of Contents

|  |           |
|--|-----------|
| <b>1. Introduction</b>   | <b>3</b>  |
| 1.1 Current Status   | 3         |
| 1.2 Organisational structure, Sustainability / CSR   | 4         |
| 1.3 Reporting Standard   | 5         |
| 1.4 Materiality Analysis   | 5         |
| 1.5 Sustainable Development Goals (SDG) of the UN Global Compact                             | 6         |
| <b>2. Economic Aspects</b>   | <b>7</b>  |
| 2.1 Professionals Retention / Operational Excellence / Further Training                      | 7         |
| 2.2 Customer Satisfaction  | 8         |
| 2.3 Profitable Growth / Economic Performance   | 8         |
| 2.4 Compliance / Data Protection   | 8         |
| 2.5 Risk Management  | 9         |
| 2.6 Information Security   | 9         |
| 2.7 Digitalisation / Innovation / Digital Customer Solutions                                 | 10        |
| 2.8 Sustainable Supply Chain   | 10        |
| <b>3. Ecological Aspects</b>   | <b>11</b> |
| 3.1 Resource Conservation and Climate Protection   | 11        |
| 3.1.1 Company Property Use   | 11        |
| 3.1.2 Vehicle Fleet  | 12        |
| 3.1.3 Business Travel  | 12        |
| 3.2 Promotion of environmentally-friendly technologies and Sustainable Facilities Operations | 12        |
| 3.3 Environmental Protection / Environmental Management                                      | 13        |
| 3.4 Waste Management / Recycling   | 13        |
| 3.5 Water / Waste Water  | 13        |
| <b>4. Social / Socio-cultural Aspects</b>  | <b>13</b> |
| 4.1 Occupational Safety and Health   | 13        |
| 4.2 Attractive Workplace / Well-being  | 14        |
| 4.3 Diversity / Equal Opportunity  | 14        |
| 4.4 Proportion of Women in Management Positions / overall                                    | 14        |
| 4.5 Community Outreach   | 14        |
| 4.6 Working Conditions   | 15        |
| 4.7 Freedom of Association/ Right to Collective Bargaining                                   | 15        |
| 4.8 Human Rights / Combating Child Labour  | 15        |
| <b>5. Amendment History</b>  | <b>16</b> |
| <b>6. Appendix: Summaries</b>  |           |
| 6.1 Structure of Corporate Social Responsibility   | 17        |
| 6.2 List of Topics, Materiality Analysis   | 18        |
| 6.3 Materiality Matrix   | 19        |

## 1. Introduction

### 1.1 Current Status

With 20,000 employees and annual revenues of roughly 2 billion euros, Apleona is one of Europe's largest providers of real-estate services. Our services help our customers operate properties, plants and production processes as efficiently as possible in terms of resources and costs. But we also strive to operate our own properties and engage in the mobility associated with assisting our customers on site as efficiently as possible. Our objective in doing so is the continuous reduction in the consumption of resources in order to generate economic, ecological and social benefits for ourselves as well as our customers.

We believe that the company will only be successful over the long term by taking into account legal requirements and ethical concerns so as to bring economic, ecological and social-cultural considerations into balance. In exercising our social responsibility, we are guided by the three pillars of sustainability. The chart below provides an overview of how our value system is structured, the individual aspects of which

- are described in seven core issues of social responsibility in accordance to DIN ISO 26000 together with
- the ten principles of responsible corporate management according to the UN Global Compact

(See Figure 1):

| Corporate Social Responsibility (CSR)  |  |   |  |  |   |   |                                       |
|--|--|---|--|--|---|---|---------------------------------------|
| Corporate Sustainability Leadership  |  |   |  |  |   |   |                                       |
| ZIA German Property Federation<br>ICG Institute for Corporate Governance<br>in the German Real Estate Industry | Economic sustainability  |   | Ecological sustainability  | Social sustainability  |   |   |                                       |
|  | Corporate Governance   | Economy   | Ecology  | Sociocultural  | Corporate Citizenship   |   |                                       |
|  | Compliance / Anti-corruption measures  | Market opportunities (including through sustainability)   | Resource / Materials efficiency  | Diversity management   | Corporate donations   |   |                                       |
|  | Leadership culture / Corporate ethics  | Earnings optimisation / Cost efficiency   | Climate protection (Energy management ISO 50001, CO <sub>2</sub> reduction)                    | Health & safety in the workplace   | Corporate sponsoring  |   |                                       |
|  | Transparency / Reporting   | Risk management   | Circular economy (reuse, disposal)   | Employee orientation / Advanced training   | Company foundations   |   |                                       |
|  | Management systems (ISO 9001)  | Value-added chain management  | Voluntary certifications (DGNB, BREEM, GEFIA 190, ISO 14001)                                   | Occupational safety / Work-Life-Balance  | Charitable commitment   |   |                                       |
| DIN ISO 26000  | 1. Organisation<br>5. Fair operating and business practices (Compliance)<br>3. Consumer concerns               |   | 4. Environment   | 2. Human rights<br>3. Work practices<br>7. Integration and community development   |   |   |                                       |
| UN Global Compact  | 10. Corruption prevention  |   | 7. 9. Environment and climate  | 1. 2. Human rights<br>3-6. Labour standards  |   |   |                                       |
| DNK German Sustainability Code   | <b>Strategy</b><br>1. Strategic analysis and measures<br>2. Materiality<br>3. Goals<br>4. Depth of value chain | <b>Process management</b><br>5. Responsibility<br>6. Rules and processes<br>7. Controlling<br>8. Incentive systems<br>9. Participation of shareholders<br>10. Innovation and product management | <b>Compliance</b><br>19. Political lobbying<br>20. Behavior conformable to laws and guidelines | <b>Environmental concerns</b><br>11. Use of natural resources<br>12. Resource management<br>13. Climate relevant emissions | <b>Labor concerns</b><br>14. Labor rights<br>15. Equal opportunities<br>16. Qualification | <b>Human rights</b><br>17. Human rights | <b>Society</b><br>18. Local community |

Fig. 1: Structure of Social Responsibility

Apleona strives to publish an annual report on sustainability that describes all the economic, ecological and social aspects relating to our company's activities. After the company was formed, Apleona prepared the first status report on sustainability (hereinafter: status report) in November of 2018 after the sale of business units had been completed. This allows us to provide an annual update of our sustainability reporting based on how our business units are currently structured.

| APLEONA                                   |               |  |                     |  |
|---|---------------|--|---------------------|--|
| <b>APLEONA</b><br>HSG Facility Management |               | <b>APLEONA</b><br>Real Estate Management |                     | <b>APLEONA</b><br>Wolfferts Gebäudetechnik |
| <b>APLEONA</b><br>R&M Ausbau              |               |  |                     |  |
| Real Estate & Facility Management         |               |  | Installations       |  |
| Germany - Austria - Switzerland           | International | International Corporate Clients          | Building Technology | Interior Works                             |

Fig. 2: Structure of Business Units

Through the publication of this status report we aim to offer a transparent accounting of our goals, activities and the current status of significant economic, ecological and social-cultural factors (hereinafter: sustainability factors). The status report is available for download on our website and can be downloaded by our stakeholders, including owners, banks, customers, business partners, suppliers, service providers, non-governmental organisations as well as interested professionals at the following link:

- German: <http://www.apleona.com/ueber-apleona/verantwortung/>
- English: <http://www.apleona.com/en/about-apleona/responsibility/>

The goal is to progressively improve reporting through the detailed and standardised collection of data from across the group on significant sustainability factors. The report will be updated annually and published on our website.

## 1.2 Organisational Structure, Sustainability / CSR

Sustainability, or corporate social responsibility, is an important interdisciplinary issue that directly or indirectly touches on all business units from an economic, ecological and social-cultural perspective. For that reason, issues of “social responsibility” as well as “sustainable and value-based corporate management” are an integral part of our corporate values. They are safeguarded and continually further developed through the clear allocation of management responsibility and specific corporate guidelines and directives.



Fig. 3 Structure of Governance Documents relating to Sustainability

Organisationally, the overarching issue of sustainability is the responsibility of the Management Board. Current operational developments and events and their impacts on significant aspects of sustainability are discussed and evaluated in periodic meetings of this body. If needed, measures are implemented or company procedures are modified in order to achieve defined sustainability goals. Significant sustainability goals are stipulated and documented in specific corporate guidelines and directives for support functions such as Human Resources, HSEQ, Compliance, Procurement, CREM, Risk Management, etc. Key performance indicators (KPIs) are used in managing and monitoring defined sustainability goals.

The Management Board receives expert advice from an interdisciplinary working group (“Network Sustainability and CSR”) made up of internal staff. This working group meets at least four times per year. It discusses significant existing and newly identified sustainability issues. Where needed, these issues are put forward to the Management Board, together with specific measures and KPIs, for the purpose of management and monitoring. The internal network consists of employees from various departments and specialised areas as well as sustainability experts. The heads of the respective business units are responsible for the implementation of sustainability goals.

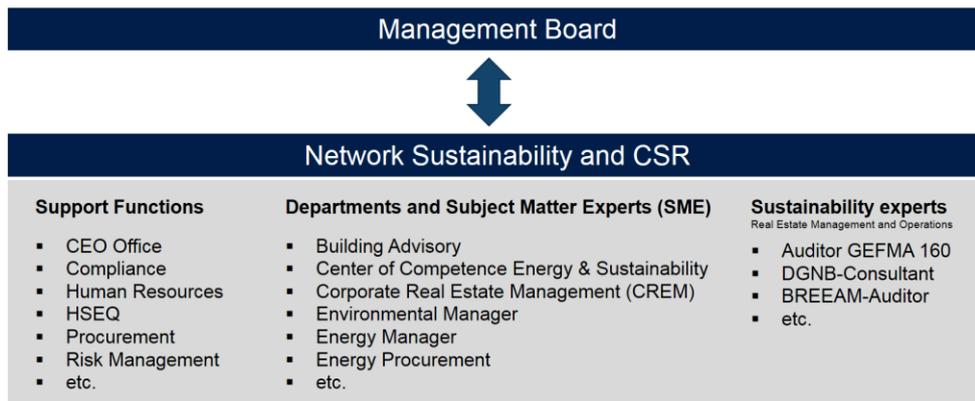


Fig. 4 Organisational Approach to Sustainability Factors

### 1.3 Reporting Standard

The following standards have been established for sustainability reporting:

- German Sustainability Code (Deutscher Nachhaltigkeitskodex, DNK)
- GRI Global Reporting Initiative

Apleona will incorporate several aspects of these reporting standards in its initial status report, it will not however fully implement any of these standards in their entirety. To start with, only the most important sustainability factors are to be discussed and the level of detail progressively expanded. The Management Board will make a decision regarding the selection of future obligatory reporting standards at a later date.

The selection of reported issues is derived from the materiality analysis described in the following chapter 1.4.

### 1.4 Materiality Analysis

Materiality analysis serves to identify significant sustainability factors that are affected by Apleona's business activities. Special emphasis is placed on those factors

- that are affected by our own actions,
- that have the greatest impact on sustainability and
- that present the greatest risk going forward.

The first phase involved describing our most important business processes, which are essential in rendering our services.

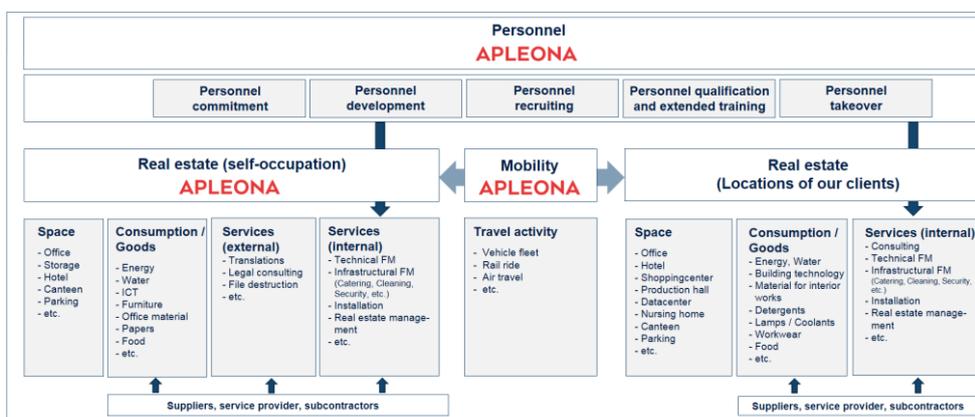


Fig. 5: Overview of Business Activities and their Impacts on Sustainability

This produced a range of significant issues, which are discussed in detail in the following chapters 2-4 (economic, ecological and social-cultural factors).



Fig. 6: Sustainability Factors Identified

The issues that were identified were arranged in a matrix in order to prioritise sustainability factors. The x axis estimates the impact each factor has on business activity and the y axis assesses the suspected relevance for our stakeholder groups. We will provide a validation of the individual factors we identified and their relevance for our stakeholders groups sometime in 2019 by means of a stakeholder survey in order to add any factors we may have missed or to reorder priorities.



Fig. 7: Materiality analysis, Apleona Group (own appraisal)

## 1.5 Sustainable Development Goals (SDG) of the UN Global Compact

On 11 September 2017, Apleona joined the United Nations Global Compact (UNGC) initiative. As part of our affiliation with this initiative, we are pursuing the following two out of the total of 17 sustainable development goals (SDG), because of the particular know-how we possess in these areas.

- Goal 3: Good health and well-being
- Goal 13: Climate Action



Fig. 8: 17 Sustainable Development Goals of the UN Global Compact

The specific measures we are taking with regard to these two goals are described in the relevant chapters 4 (Social-cultural Aspects) and 3 (Ecological Aspects). We will issue a separate report (COP: Communications on Progress) on 11 December 2018 on the United Nations website at the following link:

<https://www.unglobalcompact.org/what-is-gc/participants/120401-Apleona-GmbH>

## 2. Economic Aspects

### 2.1 Professionals Retention/ Operational Excellence / Further Training

Given our ambitious growth strategy, effective recruitment of staff is an essential factor in securing the company's future success. In parallel with that, seeing that we retain our existing teams is essential to being able to continue drawing on their years of experience.

As a real estate services provider, we depend on having a well-trained, experienced and customer-focused staff who are able to ensure the success of our company through their expertise and commitment. Each and every employee we lose through self-termination must therefore be prevented, because the departure of quality employees and the search for an equivalent replacement has a negative economic impact for Apleona. We therefore concentrate on seeing that all employees are provided with a physical and cultural environment in which they feel well and where they can develop their individual strengths.

Customers rightly expect that we will provide services at a level of quality that meets both legal requirements as well as specific customer needs. The foundation for this consists in having well-trained employees, who possess the professional and social skills to provide services where they are needed. Quality control involves, among other things, internal audits, training as well as further training and qualification programmes for our employees. Apleona offers a broad range of internal and external education and training aimed at developing professional as well as personal abilities. These programmes are continually updated in cooperation with operational units. With over 330 trainees in more than 30 vocational qualification programmes in Germany, Apleona is an attractive company for apprenticeships in technical, commercial and business professions, supports dual study programmes and has a comprehensive, mainly technical trainee programme for college graduates.

## 2.2 Customer Satisfaction

Providing customer satisfaction takes centre stage in everything we do. That is why we place great value on making sure we provide outstanding services and that the services delivered by our suppliers, service providers and sub-contractors are likewise in terms of quality, environmental protection as well as occupational safety and health. To maintain a lasting relationship with the customer it is important to recognise changing customer needs in a timely manner and be able to provide appropriate services quickly and reliably. This requires close communication with the customer, along with a detailed knowledge of the customer's core processes as well as the technical and functional features of his properties, plants and production sites.

Our business units conduct customer satisfaction surveys at periodic intervals. This allows us to identify and pursue opportunities for improving our services, recognize newly emerging customer needs, present innovative solutions and recommend measures to enhance the efficiency of property management. Subsequent feedback provided directly from the customer after we render our services is important in optimally adapting our services to the individual, site-specific needs and wishes of our customers.

## 2.3 Profitable Growth / Economic Performance

Our goal is to continue expanding our position as Europe's market leader in real estate services. In order to increase cost effectiveness, we are continually improving our internal processes, procedures and use of resources. Digitisation and automation of our internal processes as well as coordinating our knowledge management and internal communication via digital platforms or collaboration tools offer important means of leverage in this regard. We provide a basic outline of our digitisation strategy on our website.

German: <http://www.apleona.com/apleona-digital-solutions/apleona-digitalisierungsstrategie/>

English: <http://www.apleona.com/en/apleona-digital-solutions/apleona-digitalization-strategy/>

## 2.4 Compliance / Data Protection

Apleona uses a compliance management system (CMS) to ensure that the group, its individual companies, bodies, their constituent members and staff conduct themselves in a manner consistent with rules and ethical norms and that avoids violations of these rules and breaches of our ethical standards. The CMS at Apleona is continually being updated and adjusted to meet changing real-world circumstance, regulatory environments and risks. The compliance rulebook consists of a code of conduct and associated corporate guidelines and directives. The current Apleona CMS was certified by the independent Institut für Corporate Governance in der deutschen Immobilienwirtschaft e.V. following an intensive auditing process conducted in July of 2018 pursuant to the internally recognised IDW PS 980 standard. The certification is available for retrieval by customers, business partners and other interested professionals at the following link:

- German: [http://intranet.apleona.net/fileadmin/res/tools/compliance/Apleona\\_Zertifikat\\_Compliance.pdf](http://intranet.apleona.net/fileadmin/res/tools/compliance/Apleona_Zertifikat_Compliance.pdf)
- English: [http://intranet.apleona.net/fileadmin/res/aktuelles/meldungen/2018/08/G18\\_APLE\\_M026\\_Ur-kunde ICT\\_v01-2.pdf](http://intranet.apleona.net/fileadmin/res/aktuelles/meldungen/2018/08/G18_APLE_M026_Ur-kunde ICT_v01-2.pdf)

PC-based e-learning programmes and in-class sessions provide employees with information and training on compliance rules, proper conduct in combating corruption, competition and anti-trust law, HR compliance as well as the prevention of money laundering. Apleona's HR departments are responsible for administering e-learning programmes as well as recording and documenting in-class training sessions.

Handling confidential information requires care and good judgement on the part of those persons who receive this information during the course of performing their duties. Personal data of all types must be properly protected against unauthorised access and misuse by unauthorised outsider parties as well as by persons within the company. Our customers also expect that any sensitive information they provide will be treated as confidential and handled with care and in conformity with law. Our corporate guidelines on data protection govern the handling of personal data and are based on statutory provisions promulgated by the German Federal Data Protection Act (Bundesdatenschutzgesetz, BDSG), the EU's General Data Protection Regulation and other data protection requirements. Appropriate training measures serve to make our employees better aware of this issue and help ensure proper conduct in actual practice.

## 2.5 Risk Management

Apleona has an internal control system (ICS) that identifies financial and operational risks in a timely manner and, where necessary, implements targeted measures. It assesses the following processes in particular:

- Purchasing processes (purchase to pay)
- Sales processes (order to cash)
- General company processes
- Personnel processes (hire to retire)
- Financial/accounting processes (financial reporting)

The ICS generally assists the company in complying with statutory provisions, managing risks, avoiding fraud and errors and encourages modern business management practices. The Apleona ICS undergoes continual development.

Our management system and associated tools minimise risks to Apleona business units. These include, for example:

- a standardised document management system for corporate guidelines and documentation (uniform data structure and defined procedures for contract execution)
- implementation teams and procedures when acquiring new orders
- continuous improvement or reduction of risks via an integrated management system and existing ISO certifications
- internal and external audits: risks are identified through the internal management system and minimised through appropriate measures
- assessing opportunities/risks in our corporate processes via a central process and document management system based on Apleona governance
- 4P Critical Engineering Framework: structured risk management approach conceived for the operation and management of critical technical facilities in order to ensure the maximum possible reliability of these systems

## 2.6 Information Security

Communication via digital media is essential to efficient and fast information flow. Protecting our information and communications infrastructure (ICT) requires that measures be taken to prevent sabotage or cyber-attacks. In addition to providing employees with training internally on information security, technical security measures are also implemented to make unauthorised access to our ICT systems significantly more difficult or impossible. In the event of a technical outage of our communications systems, appropriate measures, such as the use of alternate communications channels, are initiated through the application of business continuity management in order to ensure that operations can continue. A business continuity plan will be in place by mid-2019.

## 2.7 Digitalisation / Innovation / Digital Customer Solutions

Our customers are in great need of technical and organisational solutions aimed at improving the use of buildings and other facilities in order to enhance user convenience for their own employees or other building occupants. The goal is improved user experience, for example through easy and dependable reservation and allocation of meeting rooms, the indication of open parking slots using sensors, or by providing digital complaint management via an easy-to-use incident app. Together with our customers we develop data-assisted products and services that use real-time data collected from properties and from user activities. It is primarily about data-assisted decision-making tools for property management, portfolio management or maintenance and to provide for greater transparency in performing services. Through a partnership with IBM, we aim to expedite the pace of development for digital customer solutions. A selection of our digital customer solutions is available on our website.

German: <http://www.apleona.com/apleona-digital-solutions/digitale-kundenloesungen/>

English: <http://www.apleona.com/en/apleona-digital-solutions/digital-customer-solutions/>

## 2.8 Sustainable Supply Chain

Apleona practices social responsibility not only within the company, it also requires that its suppliers, sub-contractors and service providers likewise take into consideration economic, ecological and social sustainability factors. They all must subscribe to our code of conduct for suppliers and sub-contractors. All pertinent records and certificates from our suppliers and sub-contractors are documented and managed in our procurement portal and are requested of new suppliers and then evaluated as part of a pre-qualification procedure. This is part of the goal of seeing that our rules and mandatory standards are followed and complied with throughout the entire supply chain. We are planning special training sessions starting in 2020 to further develop and integrate sustainability into our procurement process.

Issues like compliance (prevention of corruption) and supply chain management play a major role in addressing economic aspects. The goal is to establish and cultivate a stable and lasting relationship with our service providers, suppliers and sub-contractors in order to be able to provide our customers with high quality, dependability and competitive prices over the long term. As part of this, we will be conducting supplier evaluations on all key suppliers starting at the end of 2018. To combat corruption, suppliers, service providers and sub-contractors but also and especially potential sales broker and (co-operation) partner will be reviewed risk-orientated through an integrity validation by means of our IT-tool Third Party Check. Further, accounts payable will be reviewed against terrorism and sanction lists. We have concluded framework agreements with multiple vendors in essential product categories. By bundling procurement volumes, we are to achieve economies of scale in purchasing. During the course of fiscal 2019, we will be enhancing the transparency of procurement volumes through the project entitled "Definition and Implementation of Product Category Codes". In a second step (2020), sustainability plans will be developed in cooperation with key suppliers.

With respect to ecological factors, we comply with environmental standards in providing services, and compliance is monitored by our local project managers. Moreover, in the coming years we plan to gradually provide greater specificity with respect to our requirements for sustainable products and services and to communicate these to our service providers, suppliers and sub-contractors. This includes, for example, integrating requirements for the sustainable operation of facilities in accordance with GEFMA 160 as well as providing environmentally friendly products and production procedures.

With respect to social factors, we call on our suppliers, service providers and sub-contractors to respect fundamental employee rights. Violations of social standards can be reported via the Apleona Compliance Communications reporting system, including anonymously where desired. We will be optimising product category management by the 2nd quarter of 2019, so that we can obtain detailed information about incoming goods. This will allow us, for example, to identify product categories produced outside Europe so that we can submit the associated supply chains to critical review as part of our obligation to exercise due diligence with respect to human rights (see item 4.8 Human Rights / Combating Child Labour).

## 3. Ecological Aspects

### 3.1 Resource Conservation and Climate Protection

We are aware that properties can have environmental impacts throughout their entire lifecycles. Significant environmental impacts arise from CO<sub>2</sub> emissions from fossil energy sources through the generation of heat and electricity during the operating phase. But even a new or renovated building consumes resources in the form of construction materials, space and energy and generate waste materials that have to be disposed of, all of which have impacts on the environment. Those areas where we can potentially exercise an influence through our business activities are described in greater detail below.

#### 3.1.1 Company Property Use

In the course of carrying out our business activities we have an opportunity to reduce CO<sub>2</sub> emissions in those areas where we bear responsibility by making more efficient use of the space and energy available to us in our own properties. Corporate Real Estate Management (CREM) is responsible for managing, monitoring and improving the use of properties and receives support from the person tasked with property management in each business unit. Responsibilities include periodic compilation of resource consumption for electricity and heat used in determining the generation greenhouse gas emissions and in verifying the energy efficiency of buildings under the EU energy efficiency guidelines of 25/10/2012 (2012/27/EU). Accounting for CO<sub>2</sub> emissions is currently based generally on extrapolations according to the following schema:

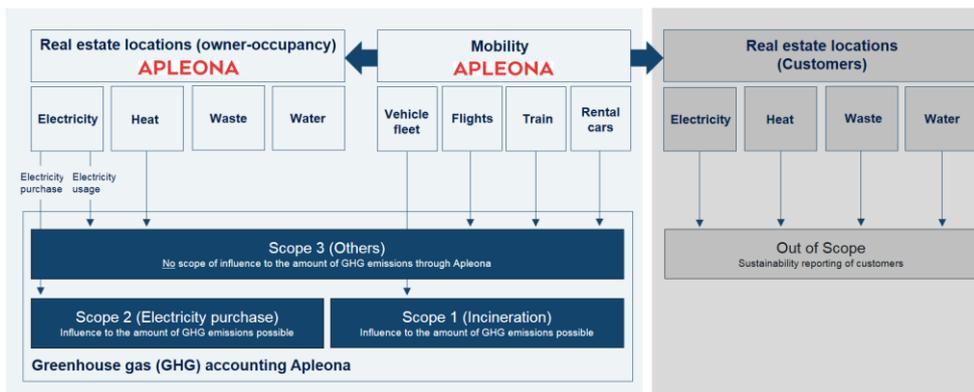


Fig. 9: Calculation Schema for Greenhouse Gas Emissions

In estimating total emissions for 2017 and 2018, consumption measured at offices in Germany, Austria and Switzerland where approx. 30% of the employees are subject to an energy management system per DIN 50001 was extrapolated for all Apleona locations. The goal going forward, however, is to collect at least 80% of energy consumption data directly from all the properties Apleona uses starting in 2019. The properties we use at our customer sites are managed by the customers themselves and therefore are not subject to our influence (out of scope) and are not included in the CO<sub>2</sub> accounting. This pertains to spaces we use, e.g. break rooms in hospitals or retirement homes or offices in shopping centres and on plant sites.

### 3.1.2 Vehicle Fleet

The Apleona Group provides its customers with services for buildings, facilities and secondary processes in production and is active both domestically and internationally. This requires a local presence, in order, for example, to correct malfunctions, perform construction, maintenance and repair measures, provide property management services or to hold coordination meetings with owners and service providers in the affected object. Proximity to customers and mobility are therefore key success factors in quickly, properly and reliably dealing with customer needs at each respective location.

We are endeavouring to gradually reduce CO2 emissions generated by our vehicle fleet. To do so, we have modified the guidelines for company vehicles, setting permissible engine horsepower ratings and upper limits for CO2 emissions for a variety of vehicle models that apply corporate-wide. Since 01/01/2018, the maximum allowable CO2 emission for newly ordered passenger vehicles shall not exceed 120g/km for standard car makes and 140g/km for premium car makes. The goal is to reduce these limits by at least 2.5% per year (approx. 3.0-3.5 g CO2/km). No separate limit has been defined for commercial vehicles, however the environmental impact should be kept as low possible. Each employee is encouraged to limit his or her mobility to the minimum necessary and to reduce fuel consumption by practising defensive driving. The goal here is for our leasing service provider to compile fuel consumption data on our vehicle fleet consolidated and on an anonymously basis starting in 2019 and to see it gradually reduced over the coming years.

### 3.1.3 Business Travel

Business meetings held off site are part of business relationships and the exchange of information and generally take place at the customer's location, Apleona sites or other event sites. In order to reduce mobility costs and lower the associated CO2 emissions, we see to it that business travel is kept to the minimum necessary and that alternatives means of exchanging information are used, such as phone/video/internet-based conferences, so that cost- and time-intensive travel can be avoided. CO2 emissions can be reduced both by avoiding mobility as well as by choosing environmentally-friendly means of transport, such as the train. Beginning in 2019, we plan to draw on the help of our travel services provider to document CO2 emissions consolidated and on an anonymously and annual basis (particularly plane, train and rental car). We will be able to generate the initial reports from our group-wide, digital travel booking and accounting system starting in 2020, including retroactively for fiscal 2019.

## 3.2 Promotion of environmentally-friendly technologies and Sustainable Facility Operations

Apleona is a real estate services provider active in the areas of facility management, real estate management, interior construction and building technology. Each employee is encouraged to support the use of forward-looking technologies that make efficient use of resources.

We focus on improving resource efficiency for operational workflows specific to each customer. This generally occurs through comprehensive customer counselling regarding his properties, facilities and secondary processes. The wide range of consulting and other services that we offer as part of our sustainable property services are documented on our website:

- German: <http://www.apleona.com/ueber-apleona/nachhaltige-dienstleistungen/>
- English: <http://www.apleona.com/en/about-apleona/sustainable-services/>

Energy efficiency and plant availability play a major role in this regard. For example, we offer our customers special services in optimising data centres:

- German: <http://www.apleona.com/ueber-apleona/best-practice/facility-management-sammlung/rechenzentren-und-kritische-anlagen/>
- English: <http://www.apleona.com/en/about-apleona/best-practice/facility-management-sammlung/data-centers-and-critical-environment/>

### 3.3 Environmental Protection / Environmental Management

Part of our corporate responsibility involves having as little impact on the environment as possible and protecting it to the best of our ability. This is why we integrate environmental protection into our service processes. Our activities are focused on compliance with statutory requirements as well as the continuous improvement of our environmental performance both at our company as well as while providing services to our customers. Many of our business units' companies have certified environmental management systems that accord with DIN ISO 14001. In keeping with statutory requirements and customer needs, companies and employees possess the necessary qualifications, licenses and skills to perform environmentally-related activities. The systematic approach results in both the continuous improvement of environmental performance as well as of the environmental management system itself, among other things through appropriate organisational structure, managed documentation and implementation of measures based on agreed environmental programmes. This results in minimising negative impacts on the environment. The targeted training of our employees serves to further enhance awareness of the need to conserve resources and greater sensitivity regarding environmental issues. Periodic internal and external audits monitor compliance with standards and our environmental performance in providing services to our customers.

### 3.4 Waste Management / Recycling

Each Apleona location is tasked in cooperation with the responsible for HSEQ with preparing a plan on how to handle waste, which includes information specifically on separating wastes. Disposal processes and records for hazardous waste are to be documented by the waste generator in accordance with statutes. Given that we primarily use office properties, we hardly incur any hazardous waste. Wastes collected at our office properties are separated and disposed of (paper, packaging, biodegradable waste, residual waste). Our goal is to raise awareness at our sites of measures that conserve resources (e.g. reducing paper use, proper separation of waste, etc.). Those responsible for HSEQ at our sites receive training in this regard. As part of providing services to our customers, we pursue projects in resource conservation, waste prevention and materials optimisation.

### 3.5 Water / Waste Water

Apleona provides its services primarily in office properties, except where our employees use spaces at the customer's site. Water use is therefore limited to the common points of consumption (e.g. toilet facilities, break rooms, grounds maintenance). Due to the lack of individual metres in leased properties, Apleona's specific water consumption in most cases cannot be measured precisely and is generally allocated by the lessor using an allocation formula based on leased space. Given the limited savings opportunities and environmental relevance, additional water conservation measures and the monitoring of particular KPIs is not planned.

## 4. Social / Social-Cultural Aspects

### 4.1 Occupational Safety and Health

In all the services we provide it goes without saying that we identify hazards to personnel and the environment in order to assess and avoid the principal risks. Occupational safety is a function of management. Our management staff serve as role models, encourage employees to conduct themselves in a safety-conscious manner, establish safe working conditions and see that these conditions are maintained. We foster employee awareness of occupational safety by conducting periodic training sessions and by providing employees with professional assistance. Controlling of occupational safety through audits, on-site inspections, analysis of key performance indicators and reporting is an important part of the continuing development of our structures and procedures. As a service company, we are obligated to abide by our customers' occupational safety requirements and to provide them professional advice. This principle also applies to all sub-contractors.

The health and well-being of our employees and the avoidance of workplace injuries and accidents is our highest priority. We create workplace conditions that preserve and safeguard the health of our staff. We offer and utilise opportunities that passively and actively protect and preserve employee health. We encourage our employees to engage in health-conscious behaviour by conducting training sessions, workshops and health awareness campaigns. Health checks, preventative occupational healthcare and individual consultation with company physicians are essential elements of our health management system.

We monitor the effectiveness of our occupational safety goals through detailed actions plans on health, safety and environmental protection (HSE plans) and periodic assessment of key performance indicators, such as LTIF (lost-time injury frequency), ASR (accident severity rate) and LTCR (lost-time case ratio).

## 4.2 Attractive Workplace / Well-being

We offer our employees a workplace environment and culture in which they can apply their skills, abilities and innovative ideas and in which they are able to grow as individuals and enjoy a sense of well-being. Apleona supports its employees both professionally and personally. It does so through the following measures:

- A wide range of internal and external continuing training programmes
- Attractive employee benefits (direct insurance with two contracted partners for deferred compensation and disability insurance with enhanced terms through a group contract)
- Apleona corporate benefits (shopping portal for discounted consumer goods and services)
- Informational events on occupational safety, health and fitness (e.g. health awareness campaigns)
- Special terms for fitness studio memberships (including for spouses or life partners)

## 4.3 Diversity / Equal Opportunity

We make it clear in our mission statement, "We champion individuality", that we consider diversity a factor in the company's success. Given the wide range of services we provide in the field of real estate services, the skills, ideas, perspectives and characters of our employees are a good basis for applying their individual strengths in performing each assignment in a manner that is of most benefit to the company. All employees at Apleona enjoy the same opportunities at the start and during the course of their professional careers at the company. In light of the existing diversity and equality of opportunity at the company, Apleona sees no need to take any special measures or to institute monitoring via KPIs.

## 4.4 Proportion of Women in Management Positions / overall

The law on equality of opportunity for women and men in management positions in the private sector and in public service took effect in Germany on 01/05/2015. At Apleona the percentage of women in management positions (executive levels 1-3) stood at 18.5% at the end of 2017. The percentage of women in total stood at 38.0% at the end of 2017. The supervisory board for Apleona GmbH sets as its goal to increase the proportion of women in management positions and not to fall below the attained level of 2017. We use periodic personnel figures to track trends in the percentage of women at our company.

## 4.5 Community Outreach

Apleona makes an important contribution to the community by serving as an attractive employer with locations at multiple sites in Germany and Europe and a total of over 20,000 employees. In addition, we are involved in a number of different professional associations, bodies and academic institutions with the aim of professionalising, standardising and refining our know-how and engaging in an essential exchange of knowledge and experience. This makes it possible for us to participate in real estate-related discussions with a requisite degree of expertise and to contribute well-founded professional opinions.

Collaboration in specialised professional working groups or delivering professional presentations constitutes an important contribution to the continued development of the real estate industry and a way to pass our know-how on to young professionals. Our memberships and participation in associations and institutions are documented on our website:

German: <http://www.apleona.com/ueber-apleona/verantwortung/>

English: <http://www.apleona.com/en/about-apleona/responsibility/>

Our employees demonstrate exceptional enthusiasm for contributing to their local communities, to good causes or to society as a whole. This includes, for example, community and volunteer work, donations and sponsoring as well as participation in charitable sporting events. Community outreach by way of donations, services or contributions in kind is oriented around respective local needs and the specific opportunities and goals of our companies wherever they are and are initiated and put into practice under their separate authority.

We were actively involved in drafting the “Practical Guide to Effective Community Action in the German Real Estate Sector”, which includes practical tips on how companies in the real estate industry can become involved in community outreach. As part of our collaboration, we conducted a systematic customer survey on community involvement. The practical guide can be accessed at the following link:

German: [https://www.zia-deutschland.de/fileadmin/Redaktion/Meta\\_Service/PDF/Verantwortung\\_uebernehmen\\_Praxisleitfaden\\_CSR.pdf](https://www.zia-deutschland.de/fileadmin/Redaktion/Meta_Service/PDF/Verantwortung_uebernehmen_Praxisleitfaden_CSR.pdf)

## 4.6 Working Conditions

Apleona guarantees that its employees are provided with working conditions that fully comply with each respective host country’s statutory requirements. This relates, among other things, to workplace facilities, daily work hours and break times, holidays as well as compensation levels. The exploitation of persons is not consistent with our ethical values. We likewise oblige suppliers, sub-contractors and service providers that are part of our supply chain to practice fair conditions of employment by having them sign a “Code of Conduct for Sub-Contractors and Suppliers”.

## 4.7 Freedom of Association/ Right to Collective Bargaining

At Apleona, company management and the group works council work in close cooperation. Apleona ensures the formation of works councils at its companies and the right to engage in collective bargaining between the employer and the works council. We likewise oblige suppliers, sub-contractors and service providers that are part of our supply chain by having them sign a “Code of Conduct for Sub-Contractors and Suppliers”. Special measures or monitoring by means of particular KPIs are not currently contemplated.

## 4.8 Human Rights / Combating Child Labour

Apleona pledges to respect human rights within its sphere of influence, such as for example the elimination of all forms of forced or compulsory labour. In joining the UN Global Compact we pledged to respect, promote and secure international human rights and to not be complicit in violations of human rights, e.g. through inhumane conditions of production in the supply chain. We likewise oblige suppliers, sub-contractors and service providers that are part of our supply chain by having them sign a “Code of Conduct for Sub-Contractors and Suppliers”. If there is reasonable suspicion of a violation of the Code of Conduct by a sub-contractor or supplier or if a sub-contractor or supplier fails to adequately fulfil its obligation to cooperate and provide information where suspicion exists, Apleona can terminate the business relationship with the affected sub-contractor or supplier with immediate effect on the basis of existing contractual or statutory rights.

Apleona assists in combating child labour within its sphere of influence. In joining the UN Global Compact we pledged to advocate on behalf of the elimination of child labour. We likewise obliged suppliers, sub-contractors and service providers that are part of our supply chain by having them sign a “Code of Conduct for Sub-Contractors and Suppliers”. We will be optimising product category management by the 2nd quarter of 2019, so that we can obtain detailed information about incoming goods. Going forward this will make it possible for us to identify product categories produced outside Europe so that we can submit their supply chains to critical review as part of our obligation to exercise due diligence with respect to human rights.

Special measures or monitoring by means of particular KPIs are not currently contemplated.

## 5. Amendment History

| Date       | Version | Amended contents        |
|------------|---------|-------------------------|
| 18/01/2019 | 1       | <b>Initial creation</b> |

# Status Report on Sustainability 2018

## 6.1 Annex: Structure of Corporate Social Responsibility

|   |  |   |
|---|--|---|
| ZIA German Property Federation  | Corporate Social Responsibility (CSR)  |   |
| ICG Institute for Corporate Governance in the German Real Estate Industry | Corporate Sustainability Leadership  |   |
| DIN ISO 26000   | Economic sustainability  | Social sustainability   |
|   | Economy  | Sociocultural   |
| UN Global Compact   | Corporate Governance   | Ecological sustainability   |
|   | Compliance / Anti-corruption measures  | Ecology   |
| DKN Sustainability Code   | Leadership culture / Corporate ethics  | Resource / Materials efficiency   |
|   | Transparency / Reporting   | Climate protection (Energy management ISO 50001, CO <sub>2</sub> reduction)   |
| DIN ISO 26000   | Management systems (ISO 9001)  | Circular economy (reuse, disposal)  |
|   | 5. Fair operating and business practices (Compliance)<br>6. Consumer concerns  | Voluntary certifications (DGNB, BREEAM, GEFMA 180, ISO 14001)   |
| DIN ISO 26000   | 1. Organisation and business practices (Compliance)<br>6. Consumer concerns  | 4. Environment  |
|   | 10. Corruption prevention  | 7-9. Environment and climate  |
| DKN Sustainability Code   | Strategy<br>1. Strategic analysis and measures<br>2. Materiality<br>3. Goals<br>4. Depth of value chain  | Environmental concerns<br>11. Use of natural resources<br>12. Resource management<br>13. Climate relevant emissions |
|   | Process management<br>5. Responsibility<br>6. Rules and processes<br>7. Controlling<br>8. Incentive systems<br>9. Participation of shareholders<br>10. Innovation and produkt management | Human rights<br>14. Labor rights<br>15. Equal opportunities<br>16. Qualification                                    |
| DIN ISO 26000   | Compliance<br>19. Political lobbying<br>20. Behavior conformable to laws and guidelines  | Labor concerns<br>14. Labor rights<br>15. Equal opportunities<br>16. Qualification                                  |
|   | 19. Political lobbying<br>20. Behavior conformable to laws and guidelines  | Human rights<br>17. Human rights  |
| DIN ISO 26000   | 1. Organisation and business practices (Compliance)<br>6. Consumer concerns  | 2. Human rights<br>3. Work practices<br>7. Integration and community development                                    |
|   | 10. Corruption prevention  | 1.-2. Human rights<br>3.-6. Labour standards  |
| DKN Sustainability Code   | Strategy<br>1. Strategic analysis and measures<br>2. Materiality<br>3. Goals<br>4. Depth of value chain  | Society<br>18. Local community  |
|   | Process management<br>5. Responsibility<br>6. Rules and processes<br>7. Controlling<br>8. Incentive systems<br>9. Participation of shareholders<br>10. Innovation and produkt management | Human rights<br>17. Human rights  |
| DIN ISO 26000   | 1. Organisation and business practices (Compliance)<br>6. Consumer concerns  | 2. Human rights<br>3. Work practices<br>7. Integration and community development                                    |
|   | 10. Corruption prevention  | 1.-2. Human rights<br>3.-6. Labour standards  |
| DKN Sustainability Code   | Strategy<br>1. Strategic analysis and measures<br>2. Materiality<br>3. Goals<br>4. Depth of value chain  | Labor concerns<br>14. Labor rights<br>15. Equal opportunities<br>16. Qualification                                  |
|   | Process management<br>5. Responsibility<br>6. Rules and processes<br>7. Controlling<br>8. Incentive systems<br>9. Participation of shareholders<br>10. Innovation and produkt management | Human rights<br>17. Human rights  |
| DIN ISO 26000   | 1. Organisation and business practices (Compliance)<br>6. Consumer concerns  | 2. Human rights<br>3. Work practices<br>7. Integration and community development                                    |
|   | 10. Corruption prevention  | 1.-2. Human rights<br>3.-6. Labour standards  |
| DKN Sustainability Code   | Strategy<br>1. Strategic analysis and measures<br>2. Materiality<br>3. Goals<br>4. Depth of value chain  | Society<br>18. Local community  |
|   | Process management<br>5. Responsibility<br>6. Rules and processes<br>7. Controlling<br>8. Incentive systems<br>9. Participation of shareholders<br>10. Innovation and produkt management | Human rights<br>17. Human rights  |

# Status Report on Sustainability 2018

## 6.2 Annex: List of Topics, Materiality Analysis

|   |  |  |  |   |  |   |  |  |  |                        |  |                         |  |   |  |  |  |
|---|--|--|--|---|--|---|--|--|--|------------------------|--|-------------------------|--|---|--|--|--|
| <b>Corporate Social Responsibility (CSR)</b>  |  |  |  |   |  |   |  |  |  |                        |  |                         |  |   |  |  |  |
| <b>Corporate Sustainability Leadership</b>  |  |  |  |   |  |   |  |  |  |                        |  |                         |  |   |  |  |  |
| <b>Economic Sustainability</b>  | <table border="1"> <tr> <td style="background-color: #E0F0E0;">1. Skilled Personnel Retention / Operational Excellence / Further training</td> <td style="background-color: #E0F0E0;"></td> </tr> <tr> <td style="background-color: #E0F0E0;">2. Customer Satisfaction</td> <td style="background-color: #E0F0E0;"></td> </tr> <tr> <td style="background-color: #E0F0E0;">3. Profitable Growth / Economic Performance</td> <td style="background-color: #E0F0E0;"></td> </tr> <tr> <td style="background-color: #E0F0E0;">4. Compliance / Data Protection</td> <td style="background-color: #E0F0E0;"></td> </tr> <tr> <td style="background-color: #E0F0E0;">5. Risk Management</td> <td style="background-color: #E0F0E0;"></td> </tr> <tr> <td style="background-color: #E0F0E0;">6. Information Security</td> <td style="background-color: #E0F0E0;"></td> </tr> <tr> <td style="background-color: #E0F0E0;">7. Digitalisation / Innovation / Digital Customer Solutions</td> <td style="background-color: #E0F0E0;"></td> </tr> <tr> <td style="background-color: #E0F0E0;">8. Sustainable Supply Chain</td> <td style="background-color: #E0F0E0;"></td> </tr> </table> | 1. Skilled Personnel Retention / Operational Excellence / Further training |  | 2. Customer Satisfaction  |  | 3. Profitable Growth / Economic Performance |  | 4. Compliance / Data Protection                          |  | 5. Risk Management     |  | 6. Information Security |  | 7. Digitalisation / Innovation / Digital Customer Solutions |  | 8. Sustainable Supply Chain              |  |
| 1. Skilled Personnel Retention / Operational Excellence / Further training                  |  |  |  |   |  |   |  |  |  |                        |  |                         |  |   |  |  |  |
| 2. Customer Satisfaction  |  |  |  |   |  |   |  |  |  |                        |  |                         |  |   |  |  |  |
| 3. Profitable Growth / Economic Performance   |  |  |  |   |  |   |  |  |  |                        |  |                         |  |   |  |  |  |
| 4. Compliance / Data Protection   |  |  |  |   |  |   |  |  |  |                        |  |                         |  |   |  |  |  |
| 5. Risk Management  |  |  |  |   |  |   |  |  |  |                        |  |                         |  |   |  |  |  |
| 6. Information Security   |  |  |  |   |  |   |  |  |  |                        |  |                         |  |   |  |  |  |
| 7. Digitalisation / Innovation / Digital Customer Solutions                                 |  |  |  |   |  |   |  |  |  |                        |  |                         |  |   |  |  |  |
| 8. Sustainable Supply Chain   |  |  |  |   |  |   |  |  |  |                        |  |                         |  |   |  |  |  |
| <b>Ecological Sustainability</b>  | <table border="1"> <tr> <td style="background-color: #E0F0E0;">1. Resource Conservation and Climate Protection</td> <td style="background-color: #E0F0E0;"></td> </tr> <tr> <td style="background-color: #E0F0E0;">2. Promotion of environmentally-friendly technologies and Sustainable Facilities Operations</td> <td style="background-color: #E0F0E0;"></td> </tr> <tr> <td style="background-color: #E0F0E0;">3. Environmental Protection and Management</td> <td style="background-color: #E0F0E0;"></td> </tr> <tr> <td style="background-color: #E0F0E0;">4. Waste Management / Recycling</td> <td style="background-color: #E0F0E0;"></td> </tr> <tr> <td style="background-color: #E0F0E0;">5. Water / Waste Water</td> <td style="background-color: #E0F0E0;"></td> </tr> </table>  | 1. Resource Conservation and Climate Protection                            |  | 2. Promotion of environmentally-friendly technologies and Sustainable Facilities Operations |  | 3. Environmental Protection and Management  |  | 4. Waste Management / Recycling                          |  | 5. Water / Waste Water |  |                         |  |   |  |  |  |
| 1. Resource Conservation and Climate Protection   |  |  |  |   |  |   |  |  |  |                        |  |                         |  |   |  |  |  |
| 2. Promotion of environmentally-friendly technologies and Sustainable Facilities Operations |  |  |  |   |  |   |  |  |  |                        |  |                         |  |   |  |  |  |
| 3. Environmental Protection and Management  |  |  |  |   |  |   |  |  |  |                        |  |                         |  |   |  |  |  |
| 4. Waste Management / Recycling   |  |  |  |   |  |   |  |  |  |                        |  |                         |  |   |  |  |  |
| 5. Water / Waste Water  |  |  |  |   |  |   |  |  |  |                        |  |                         |  |   |  |  |  |
| <b>Social Sustainability</b>  | <table border="1"> <tr> <td style="background-color: #E0F0E0;">1. Occupational Safety and Health</td> <td style="background-color: #E0F0E0;"></td> </tr> <tr> <td style="background-color: #E0F0E0;">2. Attractive Workplace / Well-being</td> <td style="background-color: #E0F0E0;"></td> </tr> <tr> <td style="background-color: #E0F0E0;">3. Diversity / Equal Opportunity</td> <td style="background-color: #E0F0E0;"></td> </tr> <tr> <td style="background-color: #E0F0E0;">4. Proportion of Women in Management Positions / overall</td> <td style="background-color: #E0F0E0;"></td> </tr> <tr> <td style="background-color: #E0F0E0;">5. Community Outreach</td> <td style="background-color: #E0F0E0;"></td> </tr> <tr> <td style="background-color: #E0F0E0;">6. Working Conditions</td> <td style="background-color: #E0F0E0;"></td> </tr> <tr> <td style="background-color: #E0F0E0;">7. Freedom of Association / Right to Collective Bargaining</td> <td style="background-color: #E0F0E0;"></td> </tr> <tr> <td style="background-color: #E0F0E0;">8. Human Rights / Combating Child Labour</td> <td style="background-color: #E0F0E0;"></td> </tr> </table>   | 1. Occupational Safety and Health  |  | 2. Attractive Workplace / Well-being  |  | 3. Diversity / Equal Opportunity            |  | 4. Proportion of Women in Management Positions / overall |  | 5. Community Outreach  |  | 6. Working Conditions   |  | 7. Freedom of Association / Right to Collective Bargaining  |  | 8. Human Rights / Combating Child Labour |  |
| 1. Occupational Safety and Health   |  |  |  |   |  |   |  |  |  |                        |  |                         |  |   |  |  |  |
| 2. Attractive Workplace / Well-being  |  |  |  |   |  |   |  |  |  |                        |  |                         |  |   |  |  |  |
| 3. Diversity / Equal Opportunity  |  |  |  |   |  |   |  |  |  |                        |  |                         |  |   |  |  |  |
| 4. Proportion of Women in Management Positions / overall                                    |  |  |  |   |  |   |  |  |  |                        |  |                         |  |   |  |  |  |
| 5. Community Outreach   |  |  |  |   |  |   |  |  |  |                        |  |                         |  |   |  |  |  |
| 6. Working Conditions   |  |  |  |   |  |   |  |  |  |                        |  |                         |  |   |  |  |  |
| 7. Freedom of Association / Right to Collective Bargaining                                  |  |  |  |   |  |   |  |  |  |                        |  |                         |  |   |  |  |  |
| 8. Human Rights / Combating Child Labour  |  |  |  |   |  |   |  |  |  |                        |  |                         |  |   |  |  |  |

Priority 1   
  Priority 2   
  Priority 3   
  Priority 4

# Status Report on Sustainability 2018

## 6.3 Annex: Materiality Matrix

