

Housing with a vision

Sustainability Report 2022



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Editorial

Dear readers,

A question increasingly being raised in the social debate is: What is ultimately more important, climate protection or affordable rents? For TAG, this is not an either/or question. Because one thing is clear: affordable housing and future-oriented climate protection can and must be considered together and in social terms. This is also and especially true in challenging times fraught with rising energy prices, general inflation, and higher construction costs. And so, for us, 'Housing with a vision' means providing housing that is both socially acceptable and climate-friendly, for all generations. We are devoting all our energy to tackling the challenges associated with this goal. For example, in the year under review, we developed socially acceptable solutions to at least partially offset the uncertainty many tenants face mainly due to increased energy costs and high inflation. On the other hand, we also continued to implement our decarbonisation strategy and further reduced the CO₂ emissions of our portfolio in Germany.

In our decarbonisation strategy, we pursue the goal of making our building stock nearly climate-neutral by 2045, and thereby doing our part in limiting global warming to below 1.5 degrees Celsius. Since energy consumption is responsible for most of the CO₂ emissions in residential buildings, we are primarily implementing measures to modernise heating systems in our portfolios and switching to more efficient system controls and the use of non-fossil fuels. We are also gradually modernising building shells, planning initial projects in the area of serial refurbishment, and realising our new buildings in Poland in an energy-efficient manner. In the long term, all these energy improvements not only benefit climate protection, but also ensure lower energy costs.

Digital solutions are another way to save energy and CO₂ emissions, so we are equipping more and more flats with smart metering technology. But digitisation is not only an important building block in building modernisation; it also helps us to keep optimising processes in our Company and expanding our services in customer communications – for example, through the tenant app. The app lets our tenants quickly reach us at any time of day or night, and enables them to flexibly and conveniently clarify housing-related issues. We also continue to rely on personal exchange. In 2022, we held our first tenant workshop in order to get to know, understand, and incorporate our tenants' needs even better.

Home is where you live your life – which is why customer focus at TAG also means creating a living environment that is more than just an agglomeration of flats: it should be a home for our tenants, where they live together – across generations. In many of our residential quarters, we offer 'Aktiv-Treffs' (Activity Lounges) for tenant events that strengthen a neighbourhood spirit. In 2022, too, we opened new 'Aktiv-Treffs', sponsored initiatives, and offered assistance. In particular, we also undertook efforts to help refugees from Ukraine. Our TAG Miteinander Stiftung (TAG Together Foundation) also aims to provide support to children and youths, families and senior citizens, as well as people who have fallen on hard times and are in need of help. In Poland, we likewise work to improve the quality of life for residents in their neighbourhoods by investing in infrastructure, outdoor facilities, and green spaces.

Everything we set in motion in 2022 would not have been possible without the dedication of our employees – which is why it is important to us to offer them an attractive working environment, flexible working time models, and a wide range of development opportunities so that they will enjoy working for TAG long-term. We are building on a solid foundation: around 70 percent of our employees are happy with TAG as an employer. This is the result of the Great Place to Work survey we conducted in 2022.

Our commitment to sustainable corporate development is recognised and rewarded by rating agencies as well. A January 2023 report published by Sustainalytics, one of the leading companies for market research, ratings and data on ESG issues, ranked TAG in 10th place out of more than 1,000 real estate companies analysed worldwide, putting it in the top 2 percent of all companies in our sector. On 20 January 2022, TAG was rated 'AA' (previously 'A') by MSCI ESG Ratings, and thus holds the second highest of a total of seven possible ratings by this renowned ESG rating provider.

TAG will keep moving forward on this path in 2023 as we continue our decarbonisation strategy, further expand our customer service, promote interaction between neighbours in our neighbourhoods, and work to further increase the satisfaction rate among our tenants and employees.

And now, we wish you a stimulating read – and cordially invite you to enter into dialogue with us. Your feedback helps us to keep effectively shaping our path towards a sustainable future. We welcome your suggestions and wishes as well as any constructive criticism. Feel free to contact us directly or write to us at nachhaltiger@tag-ag.com.

Sincerely yours,



Claudia Hoyer
COO



Martin Thiel
CFO

Who we are

Our business model: Affordable housing and service with quality

[GRI 102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-7, 102-10, 103-1, 103-2, 103-3, 201-1]

We are listed on the German Stock Exchange's MDAX index, as well as on the EPRA Europe and EPRA Germany.

TAG is headquartered in Hamburg. We have other offices in Germany in the regions of Berlin, Chemnitz, Dresden, Erfurt, Gera, Leipzig, Rhine-Ruhr, Rostock and Salzgitter, and in Poland in Warsaw, Wrocław, Gdańsk, Poznań, and Łódź.

We acquire, develop, let, and sell residential properties. They are located in various regions of Northern and Eastern Germany as well as in North Rhine-Westphalia, and since FY 2020 in several Polish cities as well. At the end of the reporting year, TAG managed around 86,900 units in Germany (including some 85,700 flats and around 1,100 commercial units located in the housing estates). The total value of the German portfolio at the reporting date is EUR 6,328.8m.

With the acquisition of the Wrocław-based Polish company Vantage Development S.A. (Vantage) at the turn of 2019/2020, we laid the foundation for our Company's regional expansion beyond Germany. In December 2021, we acquired ROBYG S.A. (ROBYG), the leading developer of apartments in Poland with a strong position in the Warsaw and Gdańsk markets. This transaction became legally effective on 31 March 2022. Through the acquisition of ROBYG, we will substantially expand our investments in the Polish residential market, with a focus on new-build flats.

In the medium to long term, we plan to build a rental housing portfolio of around 20,000 flats in Poland, in order to become the leading provider in the Polish residential real estate market. As of 31 December 2022, we had a rental portfolio in Poland of around 1,150 finished flats. Another approximately 2,200 rental flats were under construction. In addition, a land reserve exists for the construction of another 10,100 rental flats. In the sales business, approx. 6,400 flats were under construction as of the reporting date (including approx. 360 finished and not yet sold flats), and the land reserve in this business segment comprises another approx. 12,600 future flats. The total value of the portfolio in Poland amounted to EUR 1,153m as of the reporting date.

We have set up a strategic sustainability programme with concrete goals in our four action areas. One of our goals is to make affordable housing available to our tenants from a variety of social groups (see ↘ 'Our responsibility to society' section). It is also important to us to offer secure jobs to our employees and future generations (see ↘ 'Our employees shape our future' section). We want to assure attractive returns for our shareholders and an ideally low-risk return on their capital for our lenders (see ↘ 'Our path to tomorrow' section). We are also continuously working to make our real estate portfolio more climate-friendly and improve our carbon footprint (see ↘ 'Developing our portfolio responsibly' section). To this end, in 2021 we finalised the long-term decarbonisation strategy that was formally adopted by our Management and Supervisory Boards, and underpinned it with a timetable and specific measures. In accordance with the Paris Climate Agreement, our goal is to have a nearly climate-neutral building stock by 2045.

Through subsidiaries we also offer our customers a range of additional residential services (see ↘ 'Our corporate structure' section). By doing so, we establish consistent and efficient processes, can operate more independently of third-party service providers, and achieve planning reliability in calculating prices. We can also actively control the quality and time of execution of services, creating added value for our tenants and our Company.

At the end of the reporting year we had 1,746 employees, 1,281 of them in Germany and 465 in Poland. We are actively involved in neighbourhood management locally and support towns and municipalities in contributing to the positive development of the regions. Our non-profit ↘ TAG Miteinander Stiftung (TAG Together Foundation) supports our social commitment. The foundation focuses on supporting children and youths, families and senior citizens, as well as people who have fallen on hard times and are in need of help (see ↘ 'Liveable neighbourhoods' section).

The majority of TAG shares are held by national and international investors with a long-view investment strategy. The largest individual shareholders as at 31 December 2022 were MFS Massachusetts Financial Services Company, USA (9.9%), BayernInvest Kapitalverwaltungsgesellschaft mbH, Germany (4.9%), Flossbach von Storch AG, Germany (4.8%), Versorgungsanstalt des Bundes und der Länder, Germany (4.7%), BlackRock, Inc., USA (4.1%) and Norges Bank, Norway (3.0%). ESG issues are becoming more and more important for our investors as well, and are increasingly the subject of our discussions. Particularly regarding climate protection, we have noticed a significant increase in the capital market's interest in information about the targets we have set in the decarbonisation strategy for our portfolio.

↘ tag-ag.com/shareholder-structure

Our [Annual Report 2022](#) contains further information on our portfolio strategy and key economic indicators.

Our corporate structure: A combination of centralised and decentralised management

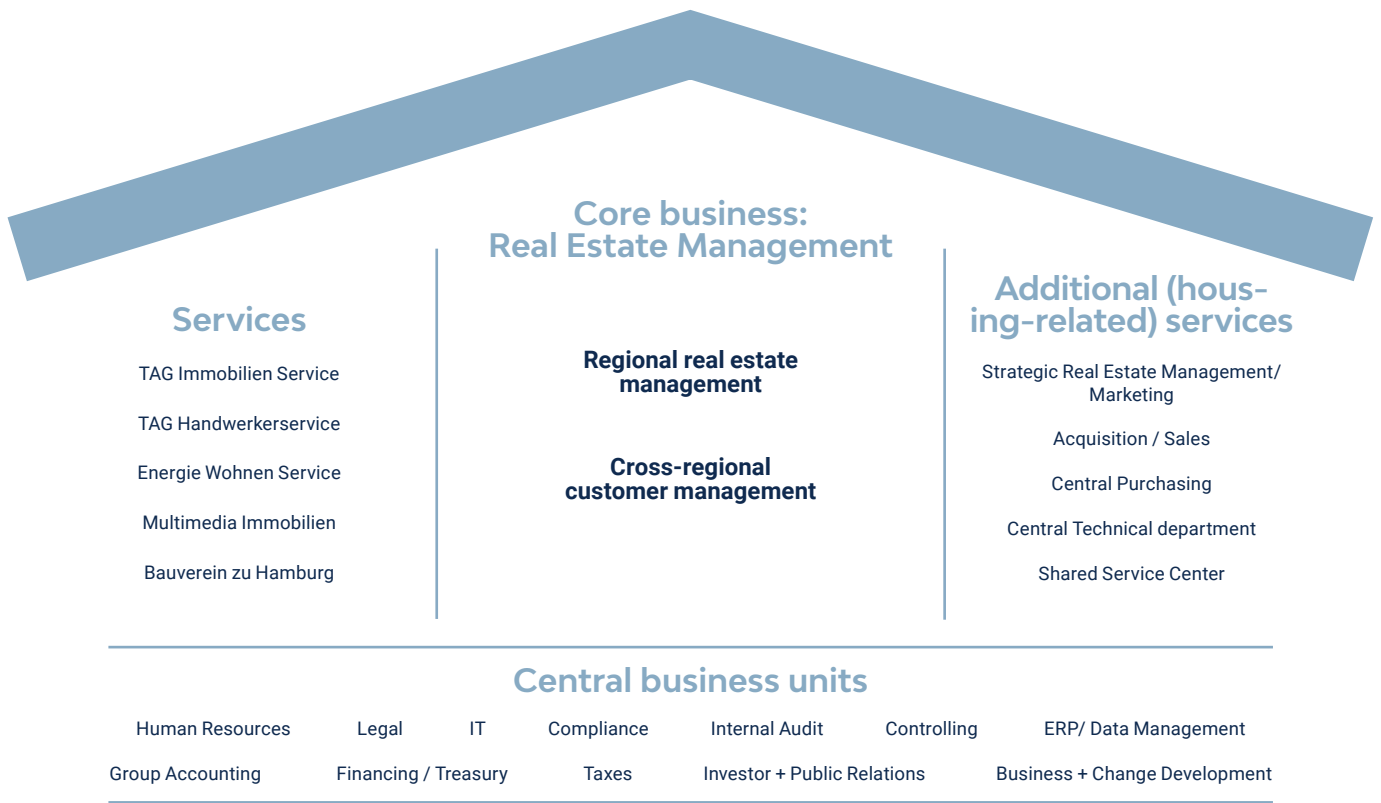
[GRI 102-1, 102-7, 102-9, 102-10, 102-45, 103-1, 103-2, 103-3]

Our corporate structure is divided into centralised and decentralised functional areas ([see chart on page 5](#)). This ensures that we can manage our portfolios efficiently while at the same time responding flexibly to the special aspects of the respective housing market.

TAG Immobilien AG essentially serves as a management holding company, and in this capacity fulfils tasks for the entire group of companies, across the Company. The central business units are assigned to it. These include Group Accounting, Finance, Controlling, Legal and Tax, Investor and Public Relations, ERP/Data Management, IT, Human Resources, Compliance and Internal Audit.

Strategic Real Estate Management serves as the interface to our locations in Germany. These are assigned to ten so-called 'LIM regions' and our nationwide Customer Management. The LIM regions are managed in a decentralised manner by our Heads of Real Estate Management (Leiter Immobilienmanagement – 'LIMs'). Our nationwide Customer Management serves as the first port of contact for our tenants, primarily by phone and in writing. Acquisition and Sales, Facility Management Services, Craftsman Services, Central Purchasing and Business Development are managed centrally for all branches. All matters of accounting, including utility bills, are also handled centrally by the Shared Service Center.

New construction is carried out exclusively in Poland and is therefore also managed from there. As in the rest of the Group, the organisational structure of the operating business in Poland has flat hierarchies and short decision-making paths. The business is structured into a Rental business, which is operated by Vantage, and a Sales business, which is mainly conducted by ROBYG. ROBYG also provides construction services for the business in Poland. Although Vantage and ROBYG continue to be independent companies in purely legal terms, they are nevertheless a unified organisation under the same management. Central decisions are made in close consultation with TAG's Management Board and the operating divisions in Germany.



Once the first rental projects in Poland were completed, the 'Vantage Rent' rental brand was launched in the Polish residential market. In the course of this, a department for tenant services was formed. It serves as the contact point for all tenants once the contract has been signed. The sales and marketing department is responsible for all tasks, including communication, related to the 'new leases' process. Digital communication formats are especially popular with the predominantly young tenants Vantage Rent offers furnished and fully equipped flats in modern buildings in good locations, close to public transport, shops and services, parks, and schools in Wrocław, Poznań, and Łódź.

Real estate management focused on customer satisfaction

Our real estate management works both centrally and de-centrally. The decentralised organisation of our LIM regions makes it possible for the local LIMs to consider specific characteristics and challenges of their locale. They report directly to the Management Board and are for the most part autonomously responsible for developing and managing their assigned real estate portfolio in their LIM area within the framework of the approved budgets. Flat hierarchies and short decision-making paths facilitate independent action (see [↘ 'A company culture of appreciation, transparency, and participation'](#) section).

In the LIM regions, real estate management is structured into the two main areas of letting and property management. The region's property managers and landlords are responsible for customer concerns through personal contact in the neighbourhoods, for commercial and technical property management, as well as for inspecting vacant flats and letting them locally. They also offer our tenants the additional services provided by our subsidiaries.

Alongside this, since 2021, there is a nationwide Central Customer Management unit that serves as the first point of contact for processing the concerns of our tenants. Its Quality Management team ensures the quality of the work processes in close coordination with the other departments, and is responsible for improving processes.

The Central Technical department is responsible for larger investment projects, major maintenance measures, and other technical and overarching measures across the entire TAG portfolio. The technicians in Property Management can concentrate on smaller maintenance projects and especially on readying vacant properties for rent.

This division of housing management tasks also frees up more time for personal support of tenants on site and for all

concerns regarding the properties in our portfolio. The real estate management team is specialised and focused on its core processes and concentrates on the related strengths and goals.

In-house service companies guarantee quality standards

Part of our corporate strategy is also to provide as many services as possible ourselves, with our own employees. This enables us to better assert product and quality standards and thus optimise services for our tenants.

The TAG group includes several service companies. TAG Immobilien Service GmbH has been our caretaker company since 2012. Around 500 caretakers, cleaners, and grounds maintenance staff ensure that the residential buildings and outdoor facilities are well maintained at all our major locations. Our caretakers also support our property managers in monitoring traffic safety in and around our housing estates.

In the greater areas of Brandenburg an der Havel, Nauen, Chemnitz, Döbeln, Dresden, Leipzig, Magdeburg, and Schwerin, TAG Handwerkerservice GmbH handles craftsman services in our residential properties. In particular, this enables us to prepare flats for new lettings more quickly and efficiently, and also to offer repair services at some locations.

We ensure a well-functioning energy supply and efficient energy management through our subsidiary Energie Wohnen Service GmbH (EWS). By renovating heating systems and switching to new technologies, EWS also makes a significant contribution to reducing CO₂ emissions in the existing portfolio. In this way, we also take responsibility for the environment and help to save energy and conserve resources. (see [↘ 'Developing our portfolio responsibly'](#) section).

Our subsidiary Multimedia Immobilien GmbH specialises in the organisation, commercial and technical support, and operational management of broadband cable networks. Long-term framework agreements with signal suppliers enable us to provide our tenants with cable TV and other multimedia services such as phone and internet at a low cost.

Through Bau-Verein zu Hamburg Hausverwaltungsgesellschaft mbH, we provide real estate services for homeowners (homeowner management), and manage rented residential portfolios on behalf of third parties (third-party management). Here, we make use of existing expertise and generate added value for third parties and for TAG.

Besides the parent company and service companies, our Group is divided into further property companies, each of

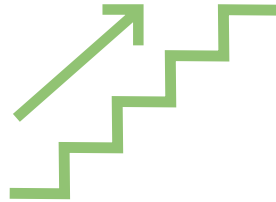
which is the owner of a portfolio of properties. Our entire portfolio is managed and administered by TAG Wohnen & Service GmbH.

At 31 December 2022, the TAG Immobilien Group comprised 187 fully consolidated companies including the Polish subsidiaries. The Polish subsidiaries form a separate subgroup within the Group. In the reporting year, apart from the completion of the ROBYG S.A. acquisition in Poland, there were no other material changes regarding TAG's size or structure, or its supply chain.

Expansion of the new-build business in Poland

By acquiring ROBYG S.A., one of the largest project developers in Poland, TAG expanded its platform in the fast-growing Polish residential market. Headquartered in Warsaw, ROBYG has been designing, building and managing multifunctional residential developments in attractive Polish locations for over 20 years. The acquisition expands our portfolio in the Wrocław, Poznań, and Tricity regions. In Warsaw, the acquisition enables us to enter the market comprehensively. Since the acquisition of ROBYG, our focus has shifted to the sale of flats in addition to the rental business. In particular, we invest in new flats in large Polish cities showing a favourable population development, close to universities, and with a well-developed infrastructure. We offer new-build flats with a high standard of fittings and modern technologies that are individually tailored to our customers' wishes. The portfolio includes small flats designed as first homes as well as flats for families or senior citizens. (see also highlight page [↘ 'Responsible growth'](#)).

TAG Services	Serviced portfolio	
TAG Immobilien Service GmbH	Caretaker services, cleaning, yard maintenance (since 2012)	approx. 77,400 units Expansion to approx. 80,000 units planned in the medium term, approx. 92 % of the total portfolio)
TAG Handwerkerservice GmbH	Craftsman services, including modernisation, refurbishment of empty flats (since 2015)	6 regions Brandenburg a.d.H. incl. Nauen, Leipzig incl. Magdeburg, Chemnitz, Döbeln, Dresden, Schwerin
Energie Wohnen Service GmbH	Heat supply, energy management, facility management (since 2016)	approx. 41,600 units (Expansion to approx. 70,000-75,000 units planned in the long term, approx. 90 % of the total portfolio)
Multimedia Immobilien GmbH	TV supply and other multimedia services (since 2016)	approx. 60,400 units (Expansion to approx. 70,000-75,000 units planned in the long term, approx. 90 % of the total portfolio)
Bau-Verein zu Hamburg Hausverwaltungsgesellschaft mbH	Homeowner management and third-party management (since 2001)	approx. 9,700 units 4 main regions: Berlin, Erfurt, Gera, Hamburg



Our path to tomorrow

Material topic

Sub-topics

Economic stability



- › Long-view business strategy including sustainability goals
- › Risk management (including climate-related risks)
- › Breakdown/disclosure of the impact of climate-related risks and opportunities
- › Sustainable financing

Dialogue with tenants, municipalities and other stakeholders



- › Stakeholder dialogue/requirements/orientation
- › Shareholder democracy
- › Transparent communication
- › Stakeholder engagement (on site)

Integrity and ethics, fair business and compliance



- › Corporate governance
- › Conduct in compliance with laws and guidelines
- › Tax compliance/transparency
- › Values, guiding principles, principles incl. respect for international standards of conduct and internal codes
- › Data protection and information management
- › Quality management system and certification
- › Prohibition of child, forced or compulsory labour
- › Anti-corruption
- › Participation in political discourse

Our sustainability strategy

Housing is a basic need and has become even more important given its social and ecological dimension. As a large housing company, we are therefore aware of our corporate responsibility. We realise that our actions have an impact on society, the environment, and the economy.

A future-oriented housing industry is no longer conceivable without sustainability. TAG's business policy is therefore geared not only to economic but also to ecological and social aspects. The provision of affordable housing has always been our core business, so sustainability is traditionally anchored in our corporate actions.

At TAG, the field of sustainability is assigned directly to the Management Board. Accordingly, in the year under review, sustainability issues such as the implementation of our ESG targets were regularly among the topics discussed by the Management Board and the Supervisory Board.

TAG understands sustainable corporate development as a holistic system that enables positive interdependencies between economic stability, ecological measures, and social commitment. Our sustainability strategy takes into account recent developments such as demographic change, climate change, urbanisation and technological progress (see [↘ 'Developing our portfolio responsibly'](#) section). We also consider the macroeconomic conditions, in particular rising energy prices, high inflation rates, and rising interest rates and construction costs in 2022. In addition, we look at the effects of the Ukraine war on our activities as a housing company.

In our sustainability strategy, we also include all economic, ecological, and social impacts of our actions across the value chain or entire life cycle of a property. In addition to our Business Principles, various [↘ ESG guidelines](#), in which we have specified our requirements and goals, contribute to this. The intensified sustainability communications with our stakeholders, too, is increasing the importance of considering the effects of our actions on the entire life cycle of the properties.

In practice, however, external factors also lead to conflicts in achieving our sustainability goals. This development has been further exacerbated by the current framework conditions. We want to face the challenges associated with this. One of the biggest challenges at present is affordable yet climate-friendly housing. To ensure this, we will continue to develop our portfolios with a sense of proportion. We believe that housing should be affordable for all our tenants. Through

efficient and targeted modernisation, we make an effective contribution to climate protection on the one hand, while also striving to do justice to other requirements, such as barrier-free living for the elderly. On the other hand, we do not exceed the budgets of our tenants.

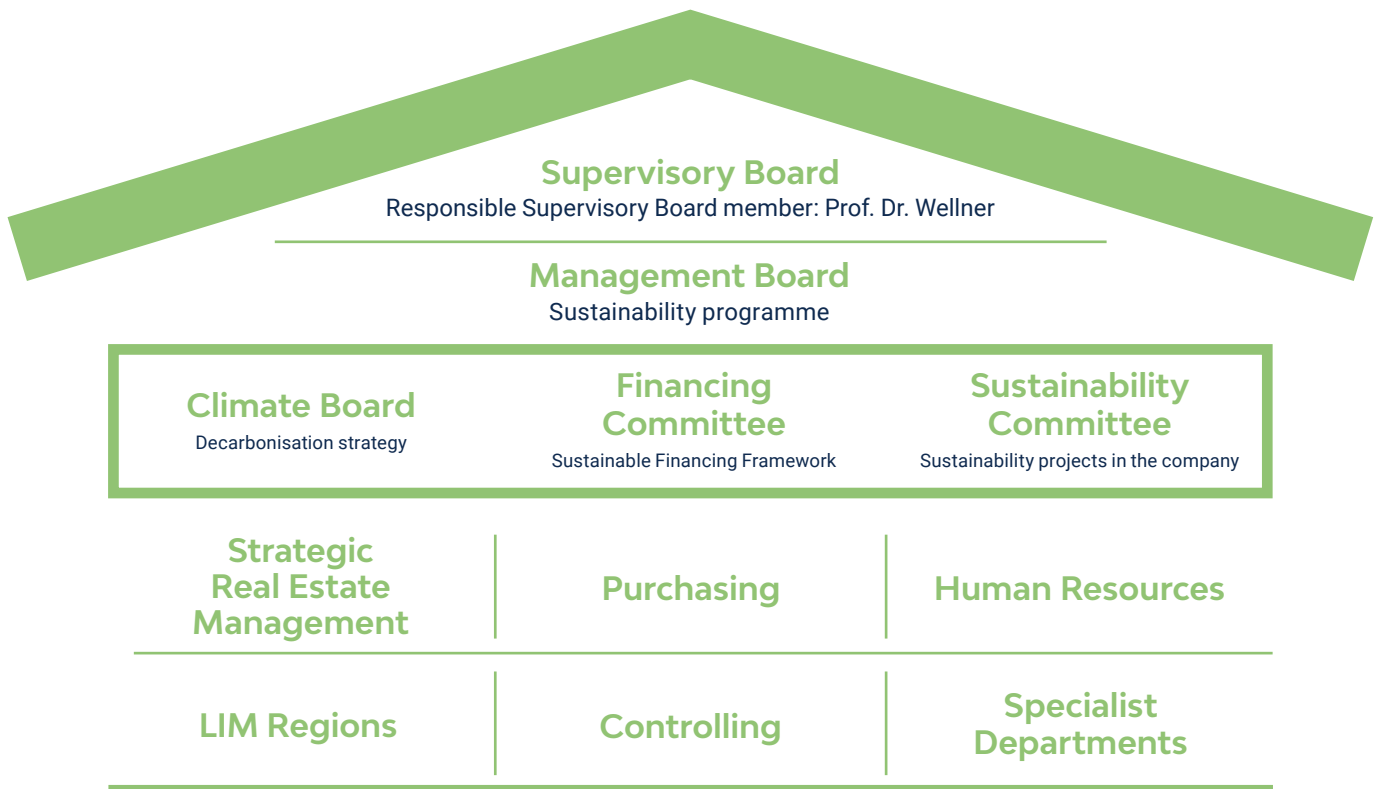
Going forward, the Corporate Sustainability Reporting Directive (CSRD), which came into force on 5 January 2023 as a further development of the Non-Financial Reporting Directive (NFRD), will place new regulatory requirements on our sustainability strategy. The CSRD contains uniform EU standards for sustainability reporting, the European Sustainability Reporting Standards (ESRS). They were published in draft form on 15 November 2022 and their adoption is planned by the end of June 2023. It is becoming apparent that the ESRS will be accompanied by key changes for the areas of materiality analysis and risk management, among others. In the coming months, TAG will therefore analyse what impact these requirements have on its strategy and structures in the area of sustainability. Any identified necessary steps for adjustments will then be successively taken in order to be able to report in accordance with the ESRS starting with FY 2024.

Central coordination of sustainability topics

[GRI 2-12, 2-19]

Sustainability issues are dealt with and managed in the central Strategic Real Estate Management division. The division reports directly to the Chief Operating Officer (COO). On the Supervisory Board, Prof. Dr. Kristin Wellner is responsible for ESG issues (Environment, Social, Governance). The sustainability programme sets out the departments' responsibilities for the various topics, targets, and implementation measures.

Strategic Real Estate Management is also the point of contact for all of TAG's operational divisions in matters of sustainability. The development of the Company's sustainability management is advanced through regular exchange with the specialist departments and the summary of segment and departmental reports. Strategic Real Estate Management raises the awareness of all employees for corporate responsibility (CR) and the urgency of CR measures. We have established a dedicated project team for putting our decarbonisation strategy into practise and mainstreaming it in our operations: the 'Climate Board'. It includes representatives from the relevant departments – Energy Management, Central Technology and Strategic Real Estate Management. The Climate Board plans, monitors, and evaluates the measures and reports to the Management Board. In the reporting year, the focus was on measures to improve energy efficiency and realise energy savings (see also highlight page [↘ 'On the way to climate neutrality'](#)).



Sustainability criteria are taken into account in the individual areas of responsibility and expertise depending on their relevance. The overarching coordination takes place at the management level, so as to advance the Group-wide implementation. Employees are involved according to their areas of responsibility and implement the measures. With the founding of the Central Technical department, we have also created the basis to further develop, among other things, technical standards in the portfolio as well as data collection, evaluation and documentation in a more targeted manner throughout the Company.

Sustainability issues regularly play an important role in company-wide information for our employees. With the project 'Wir für eine bunte TAG' (Together for a colourful TAG), we have established a Group-wide network for dealing with sustainability issues. The core of the project is a sustainability committee consisting of employees from various departments and LIM regions. This committee steers and coordinates sustainability topics and measures throughout the Company and acts on an equal footing with Strategic Real Estate Management. It collects new ideas and develops them further, initiates and coordinates pilot projects and creates concepts and guidelines for

the Group-wide implementation of sustainability measures in our neighbourhoods and at our office locations. The Sustainability Committee regularly consults with the Management Board (COO). The Sustainability Committee meets once a month and has defined fixed project responsibilities in order to better coordinate, communicate and advance the various Group-wide projects and ideas.

Together for a colourful TAG



Because its members come from a wide variety of departments, the Sustainability Committee gives sustainability issues a wide reach and network. On the one hand, the committee members know the requirements of their departments well and can take these into account when planning and implementing measures. On the other hand, they carry the sustainability topics and criteria into all the professional and operational areas of the Company, where they are taken into account according to their relevance. They involve their colleagues in the departments in the implementation of measures, are available for questions, and encourage everyone in the Company to contribute their own ideas. The committee then incorporates these ideas into decisions at the management level.

All colleagues in the Company were invited to apply for the Sustainability Committee. Employees are kept informed about the committee's work and other sustainability topics via the intranet. As part of our external communication, we also use a variety of channels to regularly report on the various sustainability activities in our neighbourhoods.

In Poland, we also have a cross-divisional ESG team that prepares and evaluates sustainability issues in the Company and initiates and coordinates projects and measures within the Company. This team is in regular contact with TAG's Strategic Real Estate Management in Germany.

The requirements for sustainability management are constantly evolving. Whenever regulations are changed by the legislator, we immediately update our operational implementation. In preparation for the requirements of the EU Taxonomy Regulation² and the German Act on Corporate Due Diligence Obligations in Supply Chains (Lieferkettensorgfaltspflichten-gesetz), which will apply from 2023, the Management Board adopted [↘ the policy statement on respecting and complying with human rights](#) in the year under review and published it on the TAG website and intranet. We have revised [↘ the Business Partner Code](#) accordingly with regard to human rights due diligence. Its integration into existing and future business relationships is currently being implemented.

Our material topics

[GRI 2-4, 3-1, 3-2]

Our material topics are the result of a regular analysis of the impact of our business activities on the environment and on society, and the importance of Environmental, Social and Governance (ESG) aspects for our business development. They are based on the evaluation of comments, data and information from the dialogue with our stakeholders and from the discussions between the TAG departments and the TAG Management Board.

Since 2019, the topics classified as material for our Company have been categorised into our four concrete action areas. In the reporting year, these topics continue to be considered material and are backed up with concrete goals and measures as part of our sustainability management. In the course of revising our sustainability programme in 2021, we sharpened the classification of the topics and further mainstreamed them in our operations. On this basis, we also reviewed and updated the key topics in the reporting year, allowing us to present progress in a direct year-on-year comparison in the 2022 report. Where required by external conditions or internal developments, measures were adapted or supplemented in response to new challenges. A strong focus in the reporting year is also on the execution of our decarbonisation strategy.

In order to meet the changed requirements of the new ESRS standards under the CSRD, an update of the materiality analysis is planned for 2023. It will incorporate the feedback received from our relevant stakeholders on various communication channels. In addition, the entire process for determining material issues will become more extensive because the requirements for determining the impact of the Company and the financial risks and opportunities for the Company are increasing. To prepare for the new requirements, TAG will first look at the cross-sectoral ESRS. There are no sector-specific standards yet. We will include these when they are defined.

For our sustainability reporting in Poland, representatives from a range of stakeholder groups were interviewed about the issues that are most important to them. Respondents included tenants, sales customers, local authorities, business partners, non-governmental organisations (NGOs) and local community representatives. The results are included in the reporting on the implementation of sustainability activities by our Polish subsidiaries (see [↘ 'Our responsibility to society'](#) section).

² The EU Taxonomy Regulation applies from 2022 and is part of the 'Action Plan for Financing Sustainable Growth'. The regulation seeks to advance the reduction of EU-wide CO₂ emissions by channeling capital flows into environmentally sustainable economic activities.

Our latest materiality matrix shows the classification of all material topics under three aspects. The horizontal axis shows how strong the impact of TAG's actions is on the various economic, ecological and social topics. The size of the issue points symbolises the impact of the issues on TAG and its business success. The vertical axis summarises the importance of the issues for the different stakeholder groups. This evaluation is based on the assessments we have gained through the ongoing exchange with our stakeholders.

Materiality matrix



- A) Economic stability
 - B) Integrity and ethics, fair business conduct, and compliance
 - C) Marketable portfolio development for broad sections of the population including reasonable rents
 - D) Liveable neighbourhoods
 - E) Customer focus and service quality
 - F) Company culture of appreciation, transparency, and participation
- G) Employee qualification and training
 - H) Work-life balance, family-friendliness, and diversity
 - I) Optimising energy efficiency and emissions
 - J) Sustainable resource management
 - K) Dialogue with tenants, local authorities, and other stakeholders
 - L) Sustainability in the value and supply chain



A) Economic stability

Economic stability is the prerequisite for our ecological and social efforts. At the same time, our ecological and social measures are indispensable for our economic success. This correlation is the focus of our sustainability management, with the aim of securing TAG's future viability and competitiveness.

The successful management and letting of residential space forms the basis for our Company's survival in the market. Our core business is geared towards long-term economic success, solid growth, and stability. We pursue this goal with our portfolio strategy in Germany with a focus on A sites in B locations and B sites in A locations (ABBA strategy). Since 2020, we have also been active in the Polish market and, here for the first time, in the new-build business. At the end of 2022, around 1,150 newly built flats were already let. Together with the rental flats under construction, we will have a rental housing portfolio of around 3,350 units in major Polish cities by sometime during the 2024 financial year. With the acquisition of ROBYG, which took effect on 31 March 2022, we intend to continue this strategy and become Poland's largest private residential landlord in the medium to long term.

We take ecological aspects into account in all areas of the Company, from the procurement of materials and the economical use of products to the renovation of buildings and facilities. We also incorporate our tenants' requirements for affordable housing and attractive neighbourhoods, and those of our employees for optimal working conditions and career development opportunities. For instance, we consider potential ESG risks in our central risk management. We have also started to implement sustainable financing. In accordance with the criteria of our Sustainable Finance Framework, we issued green promissory note loans totalling EUR 74.5 million in the year under review.

In the reporting year, we also continued our quarterly risk reporting with regard to potential ESG risks. The analysis and evaluation of potential physical and transitory risks, and the implementation of human rights aspects in our regulations were further developed.



B) Integrity and ethics, fair business conduct, and compliance

Responsible corporate governance forms the regulatory framework for our business activities. Fairness and responsible conduct are essential for us (see [↘ 'Integrity and ethics, fair business conduct, and compliance'](#) section). We also expect this from our business partners and other market players.

In our understanding, ethically and morally correct corporate behaviour goes far beyond individual matters such as avoiding and fighting corruption. The Management Board has implemented a compliance programme that guides all business activities and our corporate culture accordingly. We place a great priority on ensuring that our day-to-day work is characterised by mutual respect, team spirit, openness, and professionalism.

We also regularly review whether and to what extent queries and assessments need to be adjusted. We have a whistleblowing system with internal and external reporting points, including the option of submitting information anonymously.

As part of our annual compliance training, we build awareness among our employees on possible compliance risks – e.g. to avoid and combat corruption and bribery – on data security, and on human rights.



C) Marketable portfolio development for broad sections of the population

As we develop our properties in line with market conditions, we work together with regional craftsmen. Ecological requirements and social aspects play an important role in this (see ↘ **'Marketable portfolio development for broad sections of the population'** section). In all modernisation measures, we also consider the needs and financial possibilities of our tenants.

With this focus, we pursue the goal of maintaining and increasing the value of our properties. We also strive to increase the satisfaction of our tenants by providing attractive flats at reasonable prices. We protect their health by observing ecological requirements and complying with all technical guidelines. We strive for low fluctuation and good rentability. A vacancy rate of around 4.4 % in our flats in Germany at the end of 2022 confirms that our business model is well received by our tenants.

We want to create attractive housing on the Polish market as well. In 2020, we entered the new-build housing segment for the first time there. In the medium to long term, we plan to build an inventory of around 20,000 rental units in Poland. Sustainability criteria apply to new construction as well as to our portfolio development and management in Poland, and we are continuously developing them. For example, when building new flats, we focus on energy efficiency and the use of resources from the very beginning, so as to reduce CO₂ emissions and pursue the goal of increasingly using renewable energies. In addition, we build almost all of our flats according to the Green Standard. This standard comprises ecological design guidelines for the construction of buildings, the use of materials, for water and wastewater solutions and the design of green spaces. For customers, the standard leads to modern, environmentally friendly solutions, such as smart home systems, which also reduce the costs of daily living.



D) Liveable neighbourhoods

Given its social and ecological dimension, the role of housing has become even more central to society. For us, good housing goes beyond your own four walls. Therefore, we contribute to the creation of liveable neighbourhoods with various measures within the framework of neighbourhood development (see ↘ **'Liveable Neighbourhoods'** section).

We pay attention to a balanced tenant structure to facilitate a harmonious coexistence. We want our tenants to feel comfortable and safe in our neighbourhoods. Well-maintained green spaces, trees, seating areas, and playgrounds, increase the quality of life in their immediate residential environments. We also participate in developing multi-modal and environmentally friendly mobility options in and for our neighbourhoods.

We support neighbourhood initiatives at all major locations as well as in connected neighbourhoods and initiate social projects with cooperation partners for all target groups. To fulfil our social responsibility for our regions, we provide financial support to kindergartens, schools and sports clubs. In our TAG Miteinander Stiftung (TAG together foundation), we focus our community efforts on children and youths, families, and senior citizens. We actively work to improve living conditions and the social and cultural environment in TAG Wohnen's neighbourhoods. This commitment was particularly important to us during the Covid-19 pandemic.

Neighbourhood development can only be successful if different stakeholders work together on site. We often take the initiative in this. After all, an attractive residential

environment also ensures low fluctuation and low vacancy rates. These principles are anchored in our principles and guidelines for social engagement. (↘ [Social Policy](#))

When designing new neighbourhoods in Poland, we also focus on a high quality of life for the residents and good neighbourhoods. For example, we have been working closely with the municipalities of Wrocław and Poznań for many years and support their initiatives and projects (see ↘ [‘Liveable neighbourhoods’](#) section).



E) Customer focus and service quality

Tenant satisfaction and proximity to tenants are basic principles of our actions (see ↘ [‘Our responsibility to society’](#) section). In order to live up to these principles, we continuously work on improving our service quality.

All our holdings are managed by our LIM regions; all rental and management decisions are made directly on site. Our Central Customer Management is the first point of contact for our tenants. In addition, our local property management staff handle the concerns of our tenants in person, by phone or by email. Contact persons are also available to our tenants in person at 45 regional tenant offices. More than 80 % of our employees are involved in the management and administration of the properties, in providing support for our tenants and customers, and in property sales and construction – i.e. they are directly involved in operations.

We strive to be easily accessible for our tenants and prospective tenants and to make information easily and quickly available. Digital communication with our tenants has also become more relevant in recent years; we have expanded it and are constantly developing it further.

For example, we have introduced our TAG Tenant App across our portfolio. It has enabled us to maintain a high level of service for our tenants despite the temporary closure of tenant offices during the Covid-19 pandemic. New features are regularly added to the tenant app. In the course of this, we were able to further increase the number of users. At the same time, we seek to maintain personal contact with our customers through our regional tenant offices.

To find out how satisfied our tenants are and what they want, we conduct a tenant survey every three years. In addition, we regularly give our tenants the opportunity to evaluate the service quality of our external service providers as part of our service monitoring. Our last tenant survey in 2021 and the ongoing feedback from our tenants once again confirmed that good customer service and reliable caretaker services are very important to them. Since December 2022, we have also conducted a monthly sample survey of existing and new tenants on how satisfied they are with our service. To expand our knowledge of the housing markets and regional specifics, we participate in studies and research projects in cooperation with universities, e.g. on topics like climate protection and mobility concepts in residential neighbourhoods.

We strive to offer our tenants fast service and high quality. That is why we aim to provide as many services as possible in-house. Our services include caretaker and craftsman services, multimedia, mobility, and smart home offers, as well as energy management. In addition, we have also expanded our service for tenants by revising our ↘ [TAG Wohnen website](#) the user-friendliness of which we are constantly improving.



F) A company culture of appreciation, transparency, and participation

At TAG, all employees work independently and on their own responsibility – but they are not alone (see ↘ **‘A company culture of appreciation, transparency, and participation’** section). Our employees know our business objective, and together we work to achieve it. Every activity is valued and contributes to the Company’s success. We promote personal responsibility among our employees and encourage them to actively contribute their ideas. It goes without saying that we actively practice statutory co-determination, which is possible both through involvement in the works council and through representation on the supervisory board. Two employee representatives sit on our Supervisory Board (see ↘ **‘Our corporate governance principles’** section). At the same time, close cooperation between the Management Board and the works council is important to us. We also involve employees in the further development of the Company through workshops and participation in cross-divisional and group-wide projects. Our cooperation is characterised by respectful, rule-compliant, and transparent cooperation, which we are constantly strengthening.



G) Employee qualification and training

The advancement of our employees’ professional and personal skills is a material topic for TAG (see ↘ **‘Employee qualification and training’** section). After all, training and upskilling benefits not only our employees and tenants, but the whole Company.

The expertise, experience, inventiveness, commitment, and loyalty of our employees are the essential basis for our success. That is why we support our employees according to their potential. The expansion of professional, social or methodological skills also contributes to their personal development. We also especially encourage and support the sharing of experience and transfer of knowledge within the workforce through in-house training opportunities. By implementing further information and upskilling formats, we meet the evolving wishes of employees and new opportunities for further training. We want to attract potential employees to join TAG by offering training and a targeted promotion of young talent.



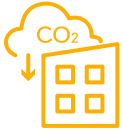
H) Work-life balance, family friendliness, and diversity

Committed and qualified employees are crucial to our business success. The satisfaction of our employees therefore plays an important role for us as an attractive employer. One prerequisite for this is a sense of loyalty to the Company, to which, among other things, a good work-life balance contributes. This aspect continues to be a high priority, as confirmed by our employee survey in the reporting year (see ↘ **‘Work-Life Balance, Family Friendliness and Diversity’** section).

At TAG, there are many offers that make it possible for our employees to strike a healthy balance between work and their personal and family life. Our model of trust-based working hours gives employees the opportunity to balance their personal and work commitments. We also offer flexible working hours, part-time work, and the option of working remotely, e.g. from home.

In order to promote the health of our employees and maintain their working capacity, we motivate them to take part in sporting activities and preventive care as part of our company health management.

The diversity of our employees provides our Company with suggestions and ideas for further development. That is why we actively promote the exchange between colleagues with different areas of responsibility, from different generations and different origins (see [↘ 'Diversity as an asset for the Company'](#) section). We also pay attention to diversity in our recruitment process. Our tenants, too, benefit from this.



I) Optimising energy efficiency and emissions

Our goal is to make our building stock almost climate-neutral by 2045. To achieve this, we have adopted a long-term decarbonisation strategy with specific and measurable interim targets. Action plans and timetables are integrated into the strategy so that it can serve as our guide. By reducing CO₂ emissions, we are doing our part towards meeting national climate targets, and aim to keep the additional costs arising from CO₂ pricing as low as possible for TAG and our tenants.

In our measures, we focus on areas of the building shell and building technology that we can influence, as well as the supply of heating energy. This also includes, in particular, the renovation of heating systems, energy management, and options for more efficient systems control. In our efforts, we always strive for the best possible cost-benefit ratio. After all, ecological measures have economic consequences for our tenants (see [↘ 'Optimising energy efficiency and emissions'](#) and [↘ 'Marketable portfolio development for broad sections of the population'](#) sections).



J) Sustainable resource management

A sustainable use of resources has positive effects for the environment and an economic benefit for TAG and our tenants (see [↘ 'Sustainable resource management'](#) section).

Therefore, a conscious use of resources is anchored in our Company across the entire value chain. Processes in the Company are always evaluated from the perspective of resource conservation and possible reuse or recycling, and adapted if necessary. To this end, we consider the entire life cycle of the buildings, with our various possibilities of influence.

Our entry into the new construction business segment in the Polish market expanded TAG's value chain. This means that the consideration of the life cycle of our real estate now also extends to the planning and construction of buildings. We take a holistic view of sustainability impacts along the life cycle in order to further improve energy efficiency and sustainable resource management.

As our guidelines (especially on the environment and procurement) become ever more specific, the corresponding criteria are recorded, processed, and monitored more systematically.



K) Dialogue with tenants, municipalities and other stakeholders

Communication at eye level is the basis for any form of cooperation. It is also the prerequisite for understanding our stakeholders' needs and requirements of (see [↘ 'Customer focus and service quality'](#) section).

An intensive and transparent exchange with each other is therefore anchored in all corporate divisions and processes. We use a variety of modern communication formats that are tailored to our needs. In order to align our sustainability strategy even better

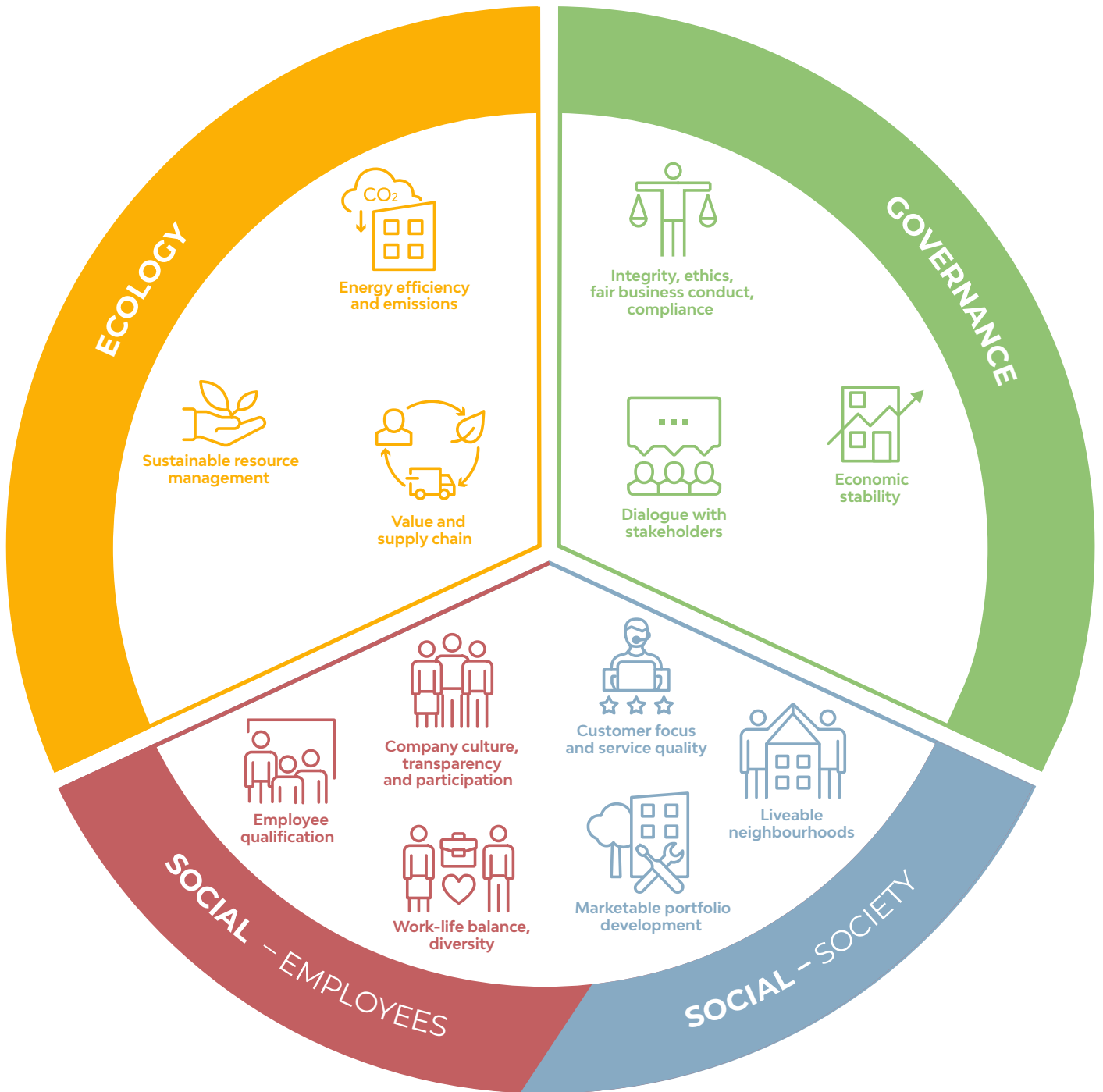
with the expectations of our stakeholders, we are intensifying the dialogue with them, among other things through targeted surveys on matters of sustainability.



L) Sustainability in the value and supply chain

Fair, resource-conserving and socially responsible procurement practices are an integral part of our Procurement Policy and are anchored in TAG's human rights declaration. With our suppliers and business partners, we attach great importance to long-term partnerships based on trust. In addition, compliance with quality, social and environmental standards is important to us in all areas of the Company (see [▶ 'Sustainability in the value and supply chain'](#) section). When awarding contracts, we prefer to work with regional companies and service providers as well as partners and manufacturers with whom we have framework contracts.

To ensure an even more efficient and environmentally friendly resource management, we regularly review our procurement practices. We also continuously monitor the contracts with our business and framework contract partners and successively add further sustainability criteria to them.



Our sustainability goals

With our sustainability management, we seek to do our part for a sustainable business, a society worth living in, and the protection of the environment. We have specified our targets, and especially our ecological targets, as part of our decarbonisation strategy. We have also adopted a strategic sustainability programme that gives us clear guidance for the future. It forms the basis for managing our sustainability-related objectives, which also contribute to achieving our corporate goals. Our sustainability programme consists of strategy- and operations-related goals, concrete metrics and the associated measures. A clear assignment of responsibilities means that the various departments are even more closely involved in the achievement of targets and the planning of measures. Employees from different areas of responsibility and departments are appointed as 'sponsors' or 'owners', making them responsible for the achievement of a given goal or measure. The sponsors' job is to check how the achievement of goals is progressing and to report regularly to the Management Board. The owners, in turn, are responsible for putting the measures into practice in operations to achieve the goals. We document the progress and the degree of target achievement in the areas concerned.

Our economic goal is to secure our future viability (see [↘ 'Developing our portfolio responsibly'](#) section). To achieve this, we want to maintain and increase the value of our properties. In this way, we seek to ensure a positive earnings development for our stakeholders. Responsible corporate governance is the basis for our sustainable corporate success.

One of our social goals is to further increase the satisfaction of our tenants and employees (see [↘ 'Our responsibility to society'](#) and [↘ 'Our employees shape our future'](#) sections). In this way, we would like to further increase the loyalty of our tenants and employees to our Company. We also focus on continuing our social commitment and increasing the quality of life in our neighbourhoods.

Our ecological goal is to consume fewer resources, optimise the use of resources, and further improve the energy efficiency of our portfolio. Through environmentally friendly portfolio management, we contribute to reducing CO₂ emissions and achieving the climate targets in our inventory (see [↘ 'Sustainable resource management'](#) and [↘ 'Optimising energy efficiency and emissions'](#) sections).

In order to achieve these goals, Strategic Real Estate Management has worked with the relevant departments to develop a plan with targets and measures for each action area. The corresponding business figures and quality indicators are evaluated monthly at the management level. Based on this, team leaders and employees are then involved.






In addition, we are integrating the Sustainable Development Goals (SDGs), the 17 United Nations Sustainable Development Goals (SDGs), even more strongly into our sustainability strategy, and now regularly provide information on them as part of our reporting (see [↘ 'Our efforts to implement the Sustainable Development Goals'](#) section).

The following table gives an overview of how far along we are in achieving the operational and strategic targets in our sustainability programme.

Action areas: Our path to tomorrow







Material topic: Economic stability



Sub-topics: Long-term business strategy including sustainability goals, risk management (also related to climate), disaggregation/disclosure of impacts of climate-related risks and opportunities, sustainable financing

Goals	Time horizon	Status 2022	
Implement TCFD recommendations regarding disclosure and integration of climate-related risks and opportunities into the organisational structure	Beginning 2023	Expand the governance structure for climate-related risks and opportunities <ul style="list-style-type: none"> In implementation: final structures, responsibilities, processes for the 2nd sub-project on climate risk analysis to be defined by end of H1-2023 	
		Scenario-based analysis of climate-related risks and opportunities and their impact on business activity, strategy, and financial planning <ul style="list-style-type: none"> Goal achieved: in H2-2022, analysed and assessed physical climate risks for the entire portfolio (TAG Germany and Poland) in cooperation with a scientific partner based on four climate scenarios (completion in Q1-2023) 	
		Stronger integration and quantification of climate-related risks and opportunities in risk management (indicators, financial reporting) <ul style="list-style-type: none"> In implementation: analysis and assessment of transitory risks and opportunities using specific KPIs for integration in risk management and derivation of ranges in cooperation with a scientific partner by end of H1-2023 	
Increase transparency about sustainable business activities with a focus on sustainable investments and product developments	Beginning 2023	Implement a Sustainable Finance Framework <ul style="list-style-type: none"> Goal achieved: implemented and published in March 2022; EUR 74.5 m in 'green promissory notes' issued in 2022 	
		Expand the database on EU taxonomy reporting obligations <ul style="list-style-type: none"> In implementation: coordination within the TAG departments and with Polish subsidiaries on processes, responsibilities and evidence, especially on DNSH criteria for recycling, building materials, etc. 	

Material topic: Integrity and ethics, fair business and compliance





Subtopics: Values, guiding principles, principles incl. respect for international standards of conduct and internal codes, corporate governance, conduct in compliance with laws and regulations, tax compliance/transparency, data protection and information management, quality management system and certification, prohibition of child, forced or compulsory labour, anticorruption, participation in political discourse

Goals	Time horizon	Status 2022	
Stronger anchoring of sustainability in decision-making processes and incentive systems	Ongoing	Further expansion of the database for sustainability in the entire Group <ul style="list-style-type: none"> In implementation: ongoing expansion of the database and quality, both for ESG ratings and in preparation for the new ESRS with audit requirement by auditors, which will be mandatory from the 2024 reporting year 	
		In-house suggestions system on sustainability and implementation of project topics by sustainability committee <ul style="list-style-type: none"> Goal achieved: 2022 various sub-projects implemented (guidelines on flowering meadows and paper published, test of environmentally friendly cleaning agents, waste separation at office locations, testing of urban gardening concepts, initiation JobRad, and company car model change) 	
		Review and publication of variable Management Board remuneration linked to ESG criteria <ul style="list-style-type: none"> Goal achieved: STI published in Annual and Sustainability Report 	
Eliminate data protection breaches as defined by the GDPR, and secure information systems	Ongoing	Regular and mandatory data protection training for all employees and regular information on IT security guidelines and emergency plans <ul style="list-style-type: none"> In implementation: 2022 creation of a training concept for basic data protection topics; from 2023 annual data protection and IT training courses for all employees; information on IT security topics provided 	
		Regular penetration tests (PTs) to identify potential data protection vulnerabilities and attacks in IT <ul style="list-style-type: none"> Goal achieved: implementation of regular non-incident and incident-related PTs by the IT department 	
		Regular data protection audits <ul style="list-style-type: none"> In implementation: last audit in 2021; next audit planned for 2024 	

Zero violations if compliance with the relevant legal requirements and business principles (anti-corruption, anti-discrimination, procurement, social and environmental guidelines)	Ongoing	Whistleblower system for staff and third parties with ombudsman's office for anonymous communication • Goal achieved: whistleblower system with various reporting channels for internal and external parties has been established	
		Communication of compliance requirements and regular mandatory training • In implementation: from 2023, mandatory annual training on various compliance topics	

Material topic: Dialogue with tenants, municipalities and other stakeholders





Sub-topics: Stakeholder dialogue/ requirements/orientation, shareholder democracy, transparent communication, stakeholder engagement (on the ground)

Goals	Time horizon	Status 2022	
Expand regular stakeholder dialogue to identify and take into account key requirements and create opportunities for participation	Ongoing	Establish a variety of dialogue formats for exchanges with various stakeholders • Goal achieved: ongoing and regular dialogue with our various stakeholder groups via numerous formats and channels	
		Regular stakeholder surveys • Goal achieved: staff survey implemented via GPTW; regular surveys of our tenants via service provider monitoring and newly introduced monthly random sample surveys	
		Dialogue concept for stakeholder participation • In implementation: finalisation planned for H2-2023	
		Raise awareness of relevant stakeholder groups for resource-conserving behaviour • Goal achieved: communication and awareness-raising, especially among tenants, employees and business partners/suppliers, on the topic of energy consumption	

Action areas: Developing our portfolio responsibly

Material topic: Optimising energy efficiency and emissions

Sub-topics: Energy efficiency/ consumption/ intensity/ supply, share of renewable energies, energy refurbishment/ modernisation, emission savings, promote innovation (e.g. for climate change mitigation and environment), (employee) mobility, climate strategy

Goals	Time horizon	Status 2022	
Reduce (total) CO ₂ emissions in the portfolio by approx. 30 % to approx. 22.0 kg CO ₂ /sqm p.a. by 2030 compared to the baseline year 2019 (initial accounting)	By 2030	Convert EWS heating oil systems (portfolio) • Goal achieved: 2022 share of heating oil systems of EWS portfolio below 1 %	
		Heating system refurbishment • In implementation: 104 heating systems refurbished in 2022 • expected reduction of CO ₂ emissions by approx. 800 tonnes p.a.	
		Building refurbishments • In implementation: 2022 building refurbishments led to reduction of CO ₂ emissions of approx. 700 tonnes; established TAG as a partner in dena's Energiesprung project for serial refurbishments	
Sub-goal: • Reduce (total) CO ₂ emissions in the portfolio by approx. 10 to 12 % to approx. 28.0 kg CO ₂ /sqm p.a. by 2025 compared to the baseline year 2019 (initial accounting)	Sub-target by 2025		
Expand the decarbonisation strategy to include the new-build portfolio (existing and sales portfolio, taking into account the specifics of the Polish energy market)	End 2023	Concept and catalogue of criteria for low-emission new-build developments • In implementation: implementation of the 15-minute neighbourhoods concept and the ROBYG Green Standard for new-build developments (low-emission solutions, design standards, and design guidelines for use of materials, water/ wastewater solutions, and design of outdoor/green spaces)	

Goals	Time horizon	Status 2022	
Further operationalise and implement the decarbonisation strategy and further develop carbon footprinting	Ongoing	Further develop the travel policy • In implementation: coordination of targeted measures (e.g. largely forego business trips by air within Germany)	
		Offer subsidised use of public transport for commuting to work, e.g. by subsidising monthly tickets • In implementation: 39 % (December 2022) of our employees have the opportunity to use a 'JobTicket'	
		Create mobility concept that includes expanding the range of environmentally friendly vehicles • Goal achieved: mobility concept implemented (fleet guideline with CO ₂ limits for Company vehicles, purchase of e-vehicles as Company vehicles, JobRad offer for employees, charging infrastructure concept for business operations)	
		Successively collect Scope 3 data and prepare carbon footprint • In implementation: for reporting year 2021, carbon footprint for Scope 1 and Scope 2 and first Scope 3 emissions according to GHG Protocol Standard	
Successively increase energy efficiency through energy-efficient refurbishment of existing buildings, energy-efficient new construction, and savings in administration	Ongoing	Increase the share of existing buildings with an energy efficiency class of at least 'C' (less than 100 kWh) • In implementation: share with energy certificate C or better is at 63 % (31 Dec 2022)	
		Equip heating centres with remote monitoring technology • In implementation: currently around 50 % of natural gas-fired heat generation plants are equipped with smart metering system KUGU; around 300 plants were equipped in 2022	
		Pilot projects for installation of PV systems, CHP units, etc. • In implementation: installation of PV in existing buildings in Gera; CHP units postponed due to the question of 'gas as an energy source'	
		Expand purchase of electricity from renewable sources • In implementation: 2022 purchased of 1 GWh (approx. 50 %) green electricity for administrative offices	
		Invest in thermal insulation and insulate existing buildings • In implementation: 2022 around EUR 22.5 million invested in energy-efficient building refurbishment	
		Implement regulatory energy audits • In implementation: last implementation 2020/21, next planned 2025/26	
		Increase data transparency through energy balance • In implementation: ongoing expansion of data collection and processing	






Material topic: Sustainable resource management

Sub-topics: Resource conservation (procurement of sustainable/regional materials) incl. waste management/recycling/circularity, environmental management system, land use and nature conservation, biodiversity, water/wastewater management

Goals	Time horizon	Status 2022	
Increase material efficiency through a holistic view of material flows according to the principle of circularity in our business activities Sub-objective: • Develop a holistic concept and specify targets for reducing waste-to-landfill	Long-term	Long-term strategy for circularity • In implementation: examination of waste and recycling flow on the basis of the large construction site in Görden (Brandenburg a. d. Havel); expansion of cooperation with start-up Wastebox to optimise and digitalise disposal processes on construction sites	
	Sub-target: 2023	Analyse material flows along the value chain • In implementation: analysis with regard to components of the materials used on the basis of the large construction site Görden (Brandenburg a. d. Havel)	
		Include recyclability of materials and products in supplier selection • In implementation: discussions with suppliers regarding recyclability and use of sustainable products; pilots for material use, e.g. for floor coverings, paints, tiles planned for 2023	
		Expand professional waste management • In implementation: all waste bins of the waste sites on the properties managed by Immobilien Service and Musterknaben have been registered; implementation of optimisation measures planned for 2023	
		Review waste management and paper cycle at office locations • In implementation: optimisation of waste separation at TAG office locations; internal policies on waste separation and paper published on intranet as guidelines for employees	
		Expand data collection and revise waste management approach • In implementation: solution for craftsmen's service implemented, solution for real estate service to follow	
		Analyse properties for expansion of wild green spaces in cooperation with Bernburg University of Applied Sciences • In implementation: results of a supra-regional workshop (necessity of using regionally specific seeds, development of optimal mixing concepts for the establishment of perennial flowering meadows for TAG sites, etc.) will be put into action from Q1-2023 onwards	
Optimise neighbourhood sites for sustainable land use and biodiversity	Ongoing	Review sealed surfaces for possible conversion to extensive/biodiverse areas • In implementation: initial explorations have been carried out; concept creation in planning for 2023	
		Continue systematic tree care • Goal achieved: tree care tool implemented in the Group; tree care is ongoing process	
		Analyse potential for façade and roof greening • Goal achieved: analysis of façade and roof greening carried out; currently not pursued further due to unfavourable cost-benefit ratio	

Material topic: Sustainability in the value and supply chain








Sub-topics: Compliance and verification of internal Company standards as well as legal requirements along the entire supply chain = due diligence, supplier and business partner relations/fair partnerships

Goals	Time horizon	Status 2022	
Compliance with internal Company standards and legal due diligence obligations along the entire supply chain (Supply Chain Due Diligence Act (LkSG)) Sub-goal: • Expand existing structures to comply with the LkSG	Ongoing	Review and add sustainability requirements to supplier contracts • In implementation: ongoing process against the backdrop of regulatory requirements (e.g. EU taxonomy and Supply Chain Due Diligence Act (LkSG))	
	Sub-target: by end of 2023	Expand resource-saving digital ordering and billing process • In implementation: current rate of small-scale maintenance 31 Dec 2022: 58.4 % (2021: 57.6 %)	
		Analyse due diligence obligations in accordance with §3 of the LkSG as to need for action on the part of TAG, and derive corresponding measures including the expansion of risk management, the definition of internal responsibility, the conduct of regular risk analyses, etc. (LkSG) • In implementation: planned by end of 2023	
		Update human rights and environmental requirements from the Supply Chain Due Diligence Act (LkSG) • In implementation: human rights requirements integrated (business partner code updated and human rights declaration implemented in December 2022)	
		Include human rights and environmental risks in supplier controlling • In implementation: introduction of a supporting software solution for supplier controlling planned for 2023	

Action areas: Our responsibility in society

Key issue: Marketable portfolio development for broad sections of the population, including appropriate rents

Sub-issues: Housing in line with needs (demographic change, inclusion, disabled-access), contribution to new construction in urban areas, transparent pricing/fair & socially acceptable rents, maintenance and modernisation of existing properties, social impact of the product portfolio

Goals	Time horizon	Status 2022	
Demand-oriented portfolio development with special consideration of inclusion, disabled-access, and age-appropriate design (for young and old)	Ongoing	Increase the portfolio of barrier-free flats • In implementation: approx. 14,300 barrier-free or age-appropriate flats in German portfolio	
		Housing offers for young people • In implementation: currently 17 locations for 'young housing', e.g. Bernburg	
		Region-specific needs analyses for different target groups • In implementation: needs assessment through local/regional market analyses and on-site exchange	
Maintain the portfolio and ensure long-term lettable and socially acceptable portfolio development	Ongoing	Investments in portfolio in Germany • Goal achieved: at EUR 123.7 million, around 1.9 % of the value of the real estate assets (start of 2022: EUR 6,387.4 million) invested in the portfolio in 2022	
		Expansion of the indicators table to include relevant investment indicators • Goal achieved: is taken into account	
		Expansion of affordable housing supply through targeted portfolio acquisition • Goal achieved: 2022 purchase of 360 flats in Halle with a net cold rent of EUR 5.05 per sqm	
		Exchange on rent increases • Goal achieved: ongoing exchange with tenants in case of rent increases and related compromise solutions	









Material topic: Liveable neighbourhoods

Sub-topics: Infrastructure and neighbourhood development incl. increasing the quality of stay and sustainable transport development, smart cities/smart homes, strengthen diversity and solidarity in neighbourhoods, social engagement (foundations, corporate volunteering, donations/sponsorships, public-private partnerships)

Goals	Time horizon	Status 2022	
Increase the quality of stay/ life in the neighbourhoods and expand the multimodal range of sustainable mobility on offer	Ongoing	Participate in future-oriented mobility projects <ul style="list-style-type: none"> Goal achieved: KIMI project (light e-vehicle for young people) in cooperation with Opel in Gera; delivery robot project in Gera and Freiberg with Schmalkalden University of Applied Sciences, City of Gera and Senior Citizens' Advisory Council; cooperation with VCD continued; signed 'Intelligent mobility in residential neighbourhoods' charter; participated in various mobility events; Letter of intent (LOI) for the 'GERAdewegs' project with Erfurt University of Applied Sciences on street-scape design and mobility islands; networking events on sustainable mobility with the Thuringian Ministry of the Environment; Federal Ministry for Digital and Transport approved our grant application for creating an electromobility concept for our residential neighbourhoods 	
		Cooperate with car sharing providers for discounted offers for tenants <ul style="list-style-type: none"> Goal achieved: portfolio-wide cooperation with Flinkster and teilAuto; new car sharing stations in Dresden and Erfurt with teilAuto; cooperation in Leipzig with e-scooter provider VOI 	
		E-charging stations in neighbourhoods <ul style="list-style-type: none"> Goal achieved: new charging stations in Rostock and Merseburg, among others, with more planned 	
		Parcel stations in residential areas <ul style="list-style-type: none"> Goal achieved: 53 lockers in Gera, Berlin, Chemnitz, Erfurt, Cologne and Leipzig as well as 25 public lockers (also usable for non-tenants) 	
		Tenant surveys in TAG neighbourhoods on mobility offers <ul style="list-style-type: none"> In implementation: survey carried out in Thuringia; presentation of results and measures derived from them planned for Q1-2023 	
		Cooperations for district upgrading through meadow orchards and insect meadows <ul style="list-style-type: none"> Goal achieved: more than 42,000 sqm of meadow orchards and insect meadows in our neighbourhoods (end of 2022) 	
		Involvement of tenants in the design of outdoor spaces <ul style="list-style-type: none"> In implementation: e.g. tenant survey in Merseburg; continuation of planting campaigns 	
Expand the TAG Miteinander foundation's commitment to promoting social and cultural projects with a donation volume of at least TEUR 150 per year	Ongoing	Continue neighbourhood work, e.g. through donations and sponsorship of social projects <ul style="list-style-type: none"> Goal achieved: TAG Miteinander Stiftung has committed or paid out funding of six non-profit organisations with a total of more than EUR 300,000 (support for children and young people, support for families and senior citizens) 	
		Continue cooperation with local social organisations <ul style="list-style-type: none"> Goal achieved: 27 meeting places in our neighbourhoods, accessible to about 1/3 of our tenant households; numerous events e.g. in Aktiv-Treffs or in cooperation with Jumpers and Sempers, and in other meeting centers; expansion of the offerings of the History Workshop Gera 	
		Promote our employee's social commitment through the 'Everyday Heroes' project <ul style="list-style-type: none"> Goal achieved: joint campaigns 'Together for Ukraine' and 'Mail with a Heart' carried out in 2022 	

Main topic: Customer orientation and service quality

Sub-topics: Customer/tenant satisfaction and safety (through proximity to tenants), sensitisation and education of tenants regarding resource-saving behaviour, digitalisation (service)

Goals	Time horizon	Status 2022	
<p>Achieve and maintain a satisfaction rate (proportion of tenants who are very satisfied or satisfied with TAG as landlord) of at least 70 %</p> <p>Sub-goal:</p> <ul style="list-style-type: none"> Maintain long-term tenancies with an average length of tenancy of currently 10 years at least (ongoing) 	Ongoing	<p>Tenant satisfaction surveys</p> <ul style="list-style-type: none"> In implementation: last portfolio-wide tenant survey in 2021, next planned for 2024; in addition, monthly random sample surveys since end of 2022 	
		<p>Service monitoring including survey of tenant households</p> <ul style="list-style-type: none"> Goal achieved: location-based sample tenant surveys were conducted at least semi-annually as part of the service provider monitoring, at larger locations quarterly or monthly 	
		<p>Further develop the communication formats with customers</p> <ul style="list-style-type: none"> Goal achieved: usage rate of tenant app at 26 % (December 2022); hosted a tenant workshop; the TAG-Wohnen brand at all locations has had a social media presence since December 2022 	
		<p>Services and support for tenants</p> <ul style="list-style-type: none"> Goal achieved: continued our collaboration with Sorgenfrei Zuhause, Dignicare, Sempers, BeHome, exchange with senior citizens' councils (e.g. state conference in Thuringia) and 'Vertrautes Wohnen' as part of the SMARTCity Gera project 	
		<p>Offer to equip flats with smart assistance and emergency call systems in Gera</p> <ul style="list-style-type: none"> In implementation: since the start of the project in June 2021, over 100 consultation appointments have been held with interested parties on site in Gera; more than 70 participants actively use the offer; expansion of offers for portfolios in Eisenach, Sangerhausen and Salzgitter; opening of a 'Vertrautes Wohnen' showroom in Gera 	
		<p>Sustainable products for TAG tenants</p> <ul style="list-style-type: none"> Goal achieved: ongoing cooperations e.g. with Everdrop, Kleany (environmentally friendly cleaning agents), Lekker Strom (green electricity) and etepetete (salvaged organic food) as offers for our tenants, including via the tenant app; new offers since 2022 e.g. with Plant Box (balcony planting) and Bookbeat (audiobooks) 	
		<p>Reduce response and processing times for tenant enquiries</p> <ul style="list-style-type: none"> Goal not (yet) achieved: after process optimisations, processing times were reduced in the first half of the year; in the second half of the year, a strong increase in daily tenant enquiries via our central Customer Management, especially in connection with the energy crisis and energy saving regulations; measures: among other things, we provided extensive information to tenants (letters, TAG Wohnen website) 	
		<p>Digital service offers</p> <ul style="list-style-type: none"> Goal achieved: regular exchange with tenants on current and future service offers (e.g. TAG marketplace) and expansion of services based on demand and need 	

Action areas: Our employees shape our future







Material topic: Appreciative corporate culture, transparency and co-determination

Sub-topics: Co-determination and freedom of association of employees, transparency about remuneration of the board of directors, anti-discrimination/equal opportunities/integration/diversity, cooperative working culture – workplace as community

Goals	Time horizon	Status 2022	
Maintain and strengthen a culture of employee co-determination in the Company	Ongoing	Employee share programme • Goal achieved: 50,500 employee shares subscribed in 2022	
		Annual bonus for all employees • Goal achieved: 2022 payment of a total extra payment of around EUR 840,000 to all employees (not including employees still in probationary period)	
		'Together for a colourful TAG' project to involve employees in sustainability issues • Goal achieved: various sub-projects implemented or initiated in 2022; sustainability section set up on the intranet	
		Employee representation • Goal achieved: works council elections in eight regions in 2022; 52 employees active in works councils; eight regional works councils (five to seven employees each) in addition to the general works council; two employee representatives on the Supervisory Board of TAG	
		Employee participation via in-house projects • Goal achieved: employees participate in cross-divisional workshops and projects, e.g. sustainability committee, 'Everyday Heroes', climate board	
		Social intranet for digital staff and project communication • Goal achieved: used by staff for (project-related) internal communication	

Material topic: Employee qualification and further training







Sub-topics: Training and further education/ HR development, promotion of young generation talent





Goals	Time horizon	Status 2022	
Attractive working environment with targeted staff development and long-term employment relationships	Ongoing	Continue and expand the STEP training concept with at least 8 training hours per staff member and year • Goal achieved: 2022 approx. 8 training hours per staff member; seminars and workshops offered via STEP expanded	
		Employees as Company ambassadors • Goal achieved: employees increasingly visible as Company ambassadors (on the careers page on the internet, in job listings, and in the tenant magazine on the TAG Wohnen website, on external platforms, e.g. kununu.de and LinkedIn)	
		Train TAG specialists to become trainers • Goal achieved: train-the-trainer format, e.g. knowledge transfer in online formats, how to handle changed group dynamics in digital trainings	
		Integration of the continuing education platform into the intranet • Goal achieved: STEP@TAG continuing education concept for seminar selection and registration implemented and linked to employee portal	
		Promotion of individual further training • Goal achieved: in 2022, three graduates with a degree in real estate management or facility management and 15 employees with a degree in energy consulting	
		'Trainers' workshop': training on new learning methods on motivation and expectations of the younger generation • Goal achieved: 2022 training for 10 trainers takes place	

Main topic: Work-life balance, family friendliness and diversity

Sub-topics: Work-life balance, attractiveness as an employer incl. employee satisfaction, age structure of employees, health and safety of employees, transparency in recruiting, mobile/flexible working, gender sensitivity/gender pay gap, retirement provisions for employees

Goals	Time horizon	Status 2022	
Ensure at least 70 % of employees are very satisfied or satisfied with their current work situation Sub-goal: • Keep employee terminations at a consistently low level	Ongoing	Incentive and motivation tools for employee retention • In implementation: option of remote working; offer of preventive health measures such as medical check-ups; employee-side contract terminations in 2022: 9.1 %	
		Annual topic-specific employee surveys • Goal achieved: employee survey with GPTW in autumn 2022 (satisfaction rate with TAG as an employer: 69 %); survey of the works council on occupational health management	
		Company-wide events (at least two per year) • Goal achieved: 2022 TAG relay race, summer party and departmental Christmas parties	
		Reconciliation of private and official duties through flexible working time models • Goal achieved: for all employees, working time within the framework of the contractual weekly working time can be divided flexibly and independently (trust-based working time); possibility of working at home (Company agreement)	
Structure health-promoting measures in the Company and develop a Company health management system	By end of 2023	Offer job bikes • Goal achieved: JobRad for employees implemented since mid-2022; at end of 2022, 80 employees were using this offer	
		Train and upskill internal safety officers, fire safety officers, first aiders, and evacuation assistants • Goal achieved: in 2022, 11 new safety officers, first aiders and fire safety assistants took over their roles and received further training	
		Ensure SARS-CoV-2 occupational health and safety standards during the Covid-19 pandemic • Goal achieved: 2022 specifications implemented and regularly updated, and briefings conducted	
		Health and safety briefings • Goal achieved: annual briefing of staff by managers; additional specialist safety briefings, e.g. in the caretaker and craftsmen areas	
		Committee meetings on occupational safety • Goal achieved: 4 annual ASA meetings held in 2022	
		Regular workplace inspections • Goal achieved: workplace inspections carried out at several sites in 2022	
		Annual Group-wide health day • Goal not achieved: no health day held in 2022 due to the pandemic; planned for 2023	
		Workplace integration management • Goal achieved: 20 offers of talks for reintegration	
		Expand training concept for preventive health care • In implementation: 2022 e.g. training on stress management carried out	
		Supplementary health insurance for employees • In implementation: currently being reviewed	
Develop a health concept • In implementation: 2022 established work group on occupational health management; cross-departmental workshop for possible future action areas; derived further measures, including from results of Group-wide employee survey and feedback from managers and General Works Council			

Goals	Time horizon	Status 2022	
Structure measures and initiatives to promote a healthy work-life balance, and communicate it as a holistic working model	By end 2023	Structure established, flexible working time models for a holistic approach • In implementation: continuation of individual measures: Trust-based working time; various options for part-time work, temporary reduction of weekly working time; mobile working; possibility of changing locations within the Company; project working time with flexible deployment time after end of parental leave	
Ensure equality for all employees and a diverse workforce with balanced gender quotas	Ongoing	Incorporate the topic in Business Principles and reporting to the Management Board • Goal achieved: anchored in business principles, internal and external guidelines	
Sub-targets: • Women make up at least 50 % of the total workforce • Share of women in management positions (1 st and 2 nd management levels) of at least 30 % (target 2021: at least 40 %) • Share of women on the Supervisory Board of at least 25 %, both for shareholder representatives and for entire Board • Proportion of women on the Management Board of at least 33 %		Anti-discrimination policy is part of the Business Principles and the Business Partner Code • Goal achieved: anti-discrimination policy implemented as part of the Business Principles; anti-discrimination incorporated in Business Partner Code and Human Rights Declaration and published on website	
		Monitor violations of anti-discrimination policy • Goal achieved: no violations in 2022	
		Determine and communicate gender pay ratio and gender distribution according to various criteria • In implementation: 2022: general gender pay ratio 99.8 %; Managers: 85.2 %; Employees: 103.7 %; Further details, e.g. according to management levels, planned for 2023	
		Gender distribution • target for 2022 achieved: • Share of women in total workforce: 48 % • Share of women in 1 st and 2 nd management level below the Management Board: 57.6 % • Share of women on the Supervisory Board (shareholders): 25 % • Share of women on the Supervisory Board (entire body): 33 % • Share of women on the Management Board: 50 %	

- Legende:
-  Goal achieved
 -  Goal achieved, will be continued
 -  Goal not achieved
 -  In implementation

Our efforts to implement the Sustainable Development Goals

At their General Assembly in 2015, the member states of the United Nations unanimously adopted the 2030 Agenda. The 17 Sustainable Development Goals (SDGs) form the core of the Agenda. They are intended to initiate a global transformation towards a more just and sustainable society. For the first time, the SDGs equally consider all three dimensions of sustainability: social, environmental and economic. They apply equally to all countries of the world: developing countries, emerging economies, and industrialised nations. Everyone is called upon to do their part to enable a decent life worldwide and preserving the earth's natural resources. The interplay between politics, business, science and civil society is crucial.

We at TAG consider it part of our corporate responsibility to do our part for the implementation of the SDGs. We are convinced that business, and especially the housing industry, plays a key role in shaping a sustainable future. Residential buildings are an essential part of our living spaces – and thus an important factor for their responsible development with regard to social, ecological and economic aspects. At

the same time, the SDGs provide us with orientation when reviewing our sustainability goals.

In 2020, we identified the SDGs relevant for TAG for the first time, and in 2022 we reviewed and added to them. The selection was made based on our material topics and focus areas. Our contribution focuses on the goals to which we can make a significant contribution through our business activities. These include: Good Health and Well-being (SDG 3), Gender Equality (SDG 5), Affordable and Clean Energy (SDG 7), Reduced Inequalities (SDG 10), Sustainable Cities and Communities (SDG 11), Climate Action (SDG 13), Life on Land (SDG 15) and Partnerships for the Goals (SDG 17).

By integrating the SDGs into our sustainability reporting and linking them to our goals, we make our performance visible and highlight potential for further development. Our Polish subsidiary ROBYG is also one of the signatories of the UN Global Compact.

Our contribution to achieving the goals



SDG 3 Good Health and Well-being

Material topics: Sustainable resource management, customer focus and service quality, work-life balance, family friendliness, and diversity

Because the health and safety of our tenants is important to us, we always take ecological aspects and health protection into account in our purchasing and in our measures. We guarantee the road safety of our buildings, our technical facilities, and existing areas, and of course ensure compliance with the legally prescribed road safety obligations. By complying with ecological requirements and technical guidelines, we protect the health of our tenants.

In our measures, we place particular emphasis on the use of environmentally friendly, durable, and health-compatible products and materials. If possible and economically justifiable, certified products and materials are preferred. However, hazardous substances cannot be completely avoided in individual cases. If they are used infrequently, for example when applying floor coverings, or if materials containing hazardous substances have to be removed in isolated cases during renovation work, we ensure that they are handled carefully in accordance with legal requirements, take the necessary safety precautions, and ensure that they are disposed of properly.

TAG also places a priority on occupational health and safety for our employees. It goes without saying that we provide all employees with workplaces that meet contemporary health standards. External specialists assist in the regular review and implementation

of occupational health, safety, and medicine. At least once a year, all employees are instructed on topics relevant to occupational health and safety, and our business locations undergo on-site inspections.



SDG 5 Gender Equality

Material topics: Work-life balance, family friendliness, and diversity

Promoting diversity and preventing discrimination of any kind is an integral part of our corporate culture and anchored in our Business Principles. This naturally includes the equal participation of women. 48 % of our employees and 41 % of our managers³ in Germany are women. Women make up 50 % of the Management Board and 33 % of the Supervisory Board. Salaries are independent of gender and are influenced solely by the requirements profile for the position, professional experience, and existing additional qualifications. We promote the compatibility of work and family, among other things through flexible working time models and the possibility of working from home. Around one third of the employees currently on parental leave at TAG are male (see [↘ 'Our employees shape our future'](#) section). New ideas and solutions emerge from having a diverse workforce and a variety of perspectives. That is why we actively promote cross-generational exchange between colleagues with different jobs and from different backgrounds.



SDG 7 Affordable and Clean Energy

Material topic: Optimising energy efficiency and emissions

Around 63 % of our buildings have an energy certificate C or higher classification. On this solid basis, we continue to improve the energy efficiency of our portfolio through energy renovations of buildings and heating systems. In addition, we use low-emission solutions in new construction and employ new technologies to reduce CO₂ emissions. These measures, as well as the expansion of renewable energies, are also part of our decarbonisation strategy with the aim of achieving a nearly climate-neutral building stock by 2045 (see [↘ 'Developing our portfolio responsibly'](#) section). We are always careful to ensure an appropriate cost-benefit ratio so that rents and heating costs remain affordable for our tenants.



SDG 10 Reducing Inequalities

Material topics: Liveable neighbourhoods, customer focus, and service quality

In promoting equal opportunities, we place a special focus on supporting children and young people as well as the elderly, especially those from economically weaker sections of the population. We promote a variety of leisure activities and offer social assistance for different target groups. We also take the needs of senior citizens into account in new construction or renovations, e.g. by making our buildings barrier-free and providing housing-related counselling. In almost all of our new buildings in Poland, lifts provide barrier-free access. In the German rental stock, around 14,000 flats are now accessible by lift. We are committed to a service-oriented infrastructure in our neighbourhoods, with low-threshold offers for all generations. A non-discriminatory allocation of housing is laid down in our Anti-Discrimination Policy. We are also involved in various projects to promote equal opportunities and prevent discrimination. For example, we are involved in a programme to integrate the long-term unemployed, as well as in the project 'Gewaltfrei Lernen' (Learning without violence), which teaches children and young people about non-violent communication. Our social responsibility efforts are supported by the TAG Miteinander Stiftung (TAG Together Foundation) (see [↘ 'Our responsibility to society'](#) section).

³ Upper and middle management level below the Management Board.



SDG 11 Sustainable Cities and Communities

Material topics: Marketable portfolio development for broad sections of the population, including appropriate rents, liveable neighbourhoods

Housing is a basic need. Our core business is to provide affordable, needs-based and attractive housing for broad sections of the population. At the end of 2022, the average rent for our residential units in Germany was 5.64 EUR/sqm per month. We ensure the quality and sustainability of our portfolio through ongoing investments in the maintenance and refurbishment of our buildings, amounting to around 1.5% of our property value each year. In our neighbourhoods, we take care to ensure an appropriate social mix and actively contribute to a good quality of living and life. To this end, we support local initiatives, associations, social institutions and cultural projects (see [↘ 'Our responsibility to society'](#) section) as part of our neighbourhood development efforts. We also strengthen our neighbourhoods through environmental protection measures and mobility offers.

In our new-build business in Poland, the concept of the 15-minute city or short distances is part of our neighbourhood design policy, i.e. residents should have the possibility to reach the most important services and things they need on a daily basis within 15 minutes on foot or by bicycle. Accordingly, we invest in a cross-generational infrastructure in the neighbourhoods: from roads, cycle paths, and parking spaces to playgrounds, kindergartens, gyms, and parks. Barrier-free access to the flats is also an important part of sustainable neighbourhood design, and enables older people and people with limited mobility in particular to continue living in their own homes.



SDG 13 Climate Action

Material topic: Optimisation of energy efficiency and emissions

In 2021, we completed our decarbonisation strategy to further reduce CO₂ emissions and already put the first measures into action in 2022, so as to do our part in achieving the 1.5 degree target (see [↘ 'Developing our portfolio responsibly'](#) section). We use resources sparingly, both in the refurbishment of existing properties and in new construction. This is also true within the Company: we apply environmental criteria when selecting suppliers, and we look into new digital and technological solutions.

Our risk management includes the analysis of potential risks resulting from climate change and the evaluation of adaptation measures to counter the effects of climate change. For further in-depth analysis, we conducted a scientifically based climate scenario analysis of our real estate portfolio in Germany and Poland in the reporting year as part of putting the TCFD recommendations into practice (see [↘ 'Implementation of the TCFD recommendations'](#) section).



SDG 15 Life on Land

Material topics: Sustainable resource management, liveable neighbourhoods

The management of our existing spaces is carried out according to defined quality standards and processes. In Germany, TAG is responsible for around 43,100 trees on its properties. The introduction of a central tree register, in which the entire tree population is recorded, facilitates systematic tree care, planning for new and replacement plantings, and ensuring compliance with road safety obligations. We make the green cuttings from our tree care and management available to biogas plants and regional farmers for further use.

By organising tree planting campaigns and creating orchards or insect meadows in the neighbourhoods, we contribute to the preservation of habitats for animals and plants and to biodiversity. In 2022, we redesigned additional existing spaces to offer insects, small animals and birds better development opportunities.

Together with the Sustainability Committee, we created a guideline for biodiversity-enhancing measures that complements our Environmental Policy Guideline. On this basis, we promote biodiversity in our outdoor areas, but also the environmental awareness of the tenants and increase the quality of life in the neighbourhood.

In our new-build projects in Poland, too, we take care to minimise our impact on the surrounding area and to avoid negative effects, e.g. on ground surfaces. Environmental guidelines, guidelines for landscape architects and planners on the protection of biodiversity and the management of green spaces, as well as guidelines for the land use plan are used during all three phases of new construction. Specialists with natural history know-how support us in the planning as well as in the construction and use.

During the site analysis that always takes place before a land acquisition, we carry out a due diligence check. For example, we look at whether the site is located in a nature reserve. We check the purity of the soil and the previous land use, analyse the flora and fauna, and determine whether there are any protected species among them. During the construction phase, we protect trees and animals e.g. by relocating habitats or creating tree protection zones, and ensure the preservation of existing green spaces outside the development zone. With a view to the consequences of climate change, we integrate solutions into our neighbourhoods that contribute to reducing the temperature in summer. These include light-coloured, sun-reflecting façades or climbing plants on walls, as well as green roofs. We plant hedges, create tenant gardens, flowerbeds, and flower meadows to create semi-natural habitats. Rainwater retention systems that we integrate into the neighbourhoods can be used to irrigate the green spaces. By setting up insect hotels and bird houses, we create a home for animals as well.



SDG 17 Partnerships for the Goals

Material topics: Liveable neighbourhoods, dialogue with tenants, municipalities, and other stakeholders

We rely on good and fair partnerships in many areas. In our neighbourhoods, we work with various social and cultural institutions, neighbourhood initiatives and other associations to support our tenants in their everyday lives and to maintain or increase the quality of life in the residential environment. This includes mobility projects, for example. We are also in continuous dialogue with cities and municipalities. TAG is a multiple winner of the Braunschweig Chamber of Industry and Commerce's Social Transfer Award (see ↘ **'Our responsibility to society'** section). In working with our business partners and in innovative projects, we also rely on the pooling of various competences through memberships in networks and initiatives, e.g. in dena's Energiesprong initiative (see also the ↘ **'On the way to climate neutrality'** highlight page). In Poland, too, we are involved in numerous initiatives, networks and associations on sustainability issues, e.g. in the areas of climate protection, project development, ESG, and diversity.

Economic stability for a sustainable tomorrow

Our corporate governance principles

The Supervisory Board and Management Board of TAG consider excellent corporate governance to be an essential prerequisite for sustainable business success – because responsible corporate governance strengthens the confidence of our stakeholders in the implementation of a sustainable business model.

The premise for our entrepreneurial actions is always to safeguard the interests of our stakeholders, to justify decisions transparently and to manage risks appropriately.

In doing so, we work on the basis of the statutory regulations, the German Corporate Governance Code (GCGC) of the Federal Ministry of Justice and Consumer Protection, and the Company's Articles of Association. The GCGC contains recommendations and suggestions on corporate governance for listed companies. The Management Board and Supervisory Board of TAG undertook to comply with these requirements as early as 2002, and issue an annual declaration on their implementation, which is available on the [TAG website](#). We also make the working methods of the Supervisory Board and Management Board and the equal participation of women and men in management positions transparent [on our website](#).

Since January 2021, TAG has had a new system for Management Board remuneration that takes ESG targets into account as well. The criteria are redefined annually. For the reporting year, the ESG risk assessment of the external rating agency Sustainalytics is included in the variable remuneration (Short-Term Incentive Plan, STIP) of the Management Board (see [TAG Annual Report 2022](#) and [TAG remuneration system](#)). Starting in FY 2023, ESG targets will also be relevant in the Long-Term Incentive Plan (LTIP) of the Management Board's variable remuneration. These targets relate to successes in decarbonising the German real estate portfolio, in tenant satisfaction, and in community efforts in TAG's residential districts.

Management and supervisory bodies

[GRI 2-9, 2-10, 2-15]

TAG's business is managed by a Management Board, which has consisted of two persons since 1 January 2022. The members of the Management Board are appointed by the Supervisory Board. Their term of office is up to five years each.

Claudia Hoyer (Chief Operating Officer, COO) has been a member of the Management Board at the operational level since 1 July 2012. In her role, the business graduate and real estate economist is responsible for the areas of Real Estate and Customer management, Human Resources, Acquisitions and Sales, Strategic Real Management/Marketing, Shared Service Center, Facility Management Services (caretaker services), Craftsman Services, Central Purchasing, Change Management, Business Apartments, Energy Residential Services, Multimedia for the properties, Business Development, Digitalisation and Environmental Social Governance (ESG).

Martin Thiel (Chief Financial Officer, CFO) has served as Chief Financial Officer since 1 April 2014. A business graduate, he is in charge of Group Accounting, Financing and Treasury, Taxes, Controlling, Investor and Public Relations, ERP/Data Management, Legal, Judicial rent collection, IT, Compliance, Internal Audit, and Home-owner/Third-party Management.

The responsibilities of the Management Board are set out in detail in its rules of procedure and the schedule of responsibilities.

The Management Board is advised and supervised by the Supervisory Board. At least four times a year, the Management Board reports to the Supervisory Board in Supervisory Board meetings. The Supervisory Board is informed about business developments on a monthly basis. The Management Board involves the Supervisory Board in decisions of fundamental importance for the Company.

The regulations on the composition and term of office of the Supervisory Board are laid down in the law and in the TAG Immobilien AG [Articles of Association](#) (Chapter IV §§ 7 ff.) and in the rules of procedure of the Supervisory Board. The Articles of Association and rules of procedure are available on the TAG website. Four members of the six-member Supervisory Board are elected by the shareholders, two members by the employees. Three shareholder representatives each currently form an [audit committee and a HR committee](#). The Supervisory Board regularly reviews the effectiveness of the fulfilment of its tasks in its meetings.

The Management Board and Supervisory Board are subject to the processes and rules prescribed by law, including those for dealing with conflicts of interest. They are defined in the respective rules of procedure. The Management Board and the Supervisory Board also undertake, in the annual Statement of Compliance with the GCGC, to observe the recommendations contained therein on how to deal with conflicts of interest. Any potential or existing conflicts of interest shall be reported to the Supervisory Board and Management Board. The Supervisory Board reports to the General Meeting about any conflicts of interest that arose.

Group-wide risk management

[GRI 2-23]

The Management Board uses a central risk management system to ensure that all material risks are identified, measured, managed, and monitored throughout the Group. This is meant to reduce potential risks, safeguard the Group's continued existence, and support the successful further development of the TAG Group. The system is continuously refined in consultation with the Supervisory Board and Management Board.

As part of the internal, quarterly risk reporting, the following potential sustainability risks (so-called ESG risks) are also explicitly queried as a separate risk category:

- market valuation, ESG ratings
- legal framework, compliance violations
- supplier relations
- resource availability
- shortage of skilled workers, decreasing diversity
- declining employee satisfaction
- portfolio risks due to climate change, demographic changes, changes in tenant needs due to climate change or climate policy, social structure, and neighbourhood development

Each year, TAG's Management Board comments in detail on all significant risks for the Company in the risk report, which is integrated into the Annual Report (see [↘ Annual Report 2022](#), p. 65 ff.). In the year under review, the Management Board did not become aware of any risks that could threaten TAG as a going concern.

To manage our sustainability risks, we developed our [↘ principles and guidelines for sustainability](#) at TAG and continued to implement them in the reporting year. One focus of our risk assessment is on climate-related risks. With this in mind, we carried out and documented a comprehensive climate scenario analysis for our real estate portfolio in Germany and Poland in the year under review. In doing so, we are following the recommendations on the disclosure of climate-related financial risks published by the [↘ Task Force on Climate-Related Financial Disclosures \(TCFD\)](#). In its statement ([↘ Implementation of the recommendations of the Task Force on Climate-Related Financial Disclosures](#)), TAG commits to implementing the TCFD recommendations step by step, and refers to the relevant information in its Sustainability Report and Annual Report 2022.

In addition, Central Purchasing is currently working on identifying possible relevant risks from the supply chain, aggregat-

ing them, and systematically integrating them into the Company's risk management.

The aforementioned future changes to reporting through the CSRD and ESRS regulations also place new demands on the determination of risks and opportunities in connection with non-financial topics. In the future, there will already be a stronger focus on risks and opportunities when determining material issues in terms of business relevance. TAG is therefore currently reviewing what consequences this will have for risk management, so that the Company can take the necessary steps to adapt it in good time.

Dialogue with tenants, local authorities and other stakeholders

[GRI 2-12, 2-29]

We want to keep developing our sustainability strategy. To do this, we need to know the needs and expectations of our internal and external stakeholders. TAG therefore seeks continuous exchange with its stakeholders and involves them wherever possible. The selection of particularly relevant stakeholder groups is based on their proximity to TAG's core business. The following stakeholder groups are particularly relevant in this context:

Our tenants

Our tenants are our most important stakeholder group. Their wishes have a direct influence on our economic success. We offer our customers many different ways to reach us. At our locations, our teams are available as personal contact persons in 45 tenant offices. In addition, tenants can contact us by letter, phone, email, the tenant app, or by using the online form on the website of our residential brand as well as via social media such as Facebook and Instagram. We also use district conferences and roundtable discussions on housing for exchange. In addition, our customer management has been centralised to ensure better accessibility for our tenants and faster processing of their inquiries and concerns.

We provide our tenants with useful information on matters of housing on the website of our residential brand, in our tenant newsletter, and in various brochures. We have also further expanded our digital communications. Going forward, we plan to use our TAG-Wohnen website to publish even more event information, interviews, and helpful tips about housing for all

locations. Beyond this, we will continue to inform our tenants on analogue channels, e.g. via notices posted in the buildings (see [↘ 'Customer focus and service quality'](#) section). We also involve our tenants in construction and renovation measures in their respective neighbourhoods by means of tenant meetings.

With our tenant app, we also offer interested customers a mobile application for submitting their queries regarding the rental contract, conversions or repair measures, and other questions about housing. It can also be used to send feedback on customer service. Our tenant app is available in all TAG regions. In December 2022, it was used by around 26 % of our tenants, roughly a third of the interactions were specific enquiries to customer management. The app will be gradually expanded with additional features and offers, and improved in terms of user-friendliness.

»My wife and I have been TAG tenants for over 30 years. From the beginning, we have felt well looked after and taken care of by their housing company. The staff are all friendly, nice, and if there is ever a problem, it is solved quickly. Thank you for letting us be TAG tenants!«

Karin und Klaus Malischewski,
Tenants in Gera

For several years now, we have offered housing consultations at our main locations. The focus here is on senior living and serviced living. At major locations, our tenants can also avail themselves of our social counselling services. New and existing tenants also have the opportunity to view model flats or showrooms, where they can get to know equipment variants and possible adaptation measures, such as grab bars in bathrooms or smart devices (see [↘ 'Customer focus and service quality'](#) section).

Every three years, we conduct a tenant survey across our entire portfolio to determine our tenants' satisfaction with TAG as a landlord and their wishes regarding housing. Beyond this, individual tenant groups are surveyed on specific topics once or several times a year. Since December 2022, for example, we have conducted a monthly random sample survey of existing and new tenants to find out how satisfied they are with our service. The last portfolio-wide tenant survey took place in 2021. The results show us once again that customer-friendliness and good service in and around the flats are very important to our tenants. Satisfaction with our own caretaker and craftsman services, which we have expanded since the last tenant survey, has also increased. We will continue to

expand our services in the future based on the needs of our tenants.

Our buyers

With TAG's entry into the project development business in Poland, a new stakeholder group, the buyers of the flats, has moved into the centre of attention. Their satisfaction is a high priority for us. Our customer service is available to the buyers from the sale to the after-sales service and the takeover of the property. To find out how satisfied our customers are with our service, we carry out a customer satisfaction survey after every flat sale. The results from 2022 show: 95 % of our customers are satisfied or very satisfied with the service provided by the advisors. 91 % of the customers surveyed would recommend us to their friends and relatives.

We also offer our clients a discount card through the ROBYG Club programme, which gives them up to 50 % off at 38 partners (shops and service providers) – for example, for furnishing and equipping their new flat. Medical and psychological services as well as restaurants are also among the partners. The ROBYG Club also has a referral programme: customers who recommend the purchase of a flat from a ROBYG Group company to their friends or families receive a bonus when the purchase is completed.

»I am the happy owner of a ROBYG flat in the 'Nadmotlawie' settlement in Gdańsk. The whole transaction went very smoothly, including the handover of the flat. The quality of the investment meets all my expectations. I recommend buying from ROBYG, an experienced developer.«

Maria Bek, Buyer

Our employees

With their efforts and commitment, our employees ensure that we have attractive residential portfolios and satisfied tenants. In return, they expect good working conditions, fair treatment, and opportunities to help shape the Company and pursue their personal development. Therefore, ongoing exchange with our employees is an essential part of our company culture (see [↘ 'A company culture of appreciation, transparency, and participation'](#) section).

We use various communication channels to inform our employees and promote interaction between teams. We provide

information on the intranet, the social intranet, and at our intranet terminals. Other established news and information formats include email distribution lists, brochures, and flyers. In addition, our project groups provide an opportunity for exchange across sites, disciplines, and hierarchies. The individual teams also meet regularly for team meetings and regular meeting dates.

At the sites and within the teams, we encourage our employees to actively raise concerns. To obtain feedback from our employees, we use the annual performance appraisals and regular employee surveys. In the reporting year, we conducted a comprehensive survey of our employees in Germany in cooperation with Great Place To Work (see [➤ 'Every voice counts'](#)). Team events, idea workshops, and joint celebrations or sports competitions provide additional opportunities to talk to each other.

»What I like most about my job is the varied workaday routine and the cooperation in our team. Getting to know and dealing with new people gives me the most pleasure.«

Maria Magdalena Meyer, Property Manager at TAG-Wohnen in Erfurt

We also continuously build awareness of sustainability among our employees and encourage them to get involved. On our intranet, we repeatedly call on our employees to develop ideas for sustainability measures at TAG and submit them. The ideas are checked for feasibility and further developed in the Sustainability Committee and in the specialist departments. In the reporting year, for example, further 'flowering meadow' projects were implemented in our neighbourhoods, pilot projects on the use of eco-friendly cleaning agents were carried out in our existing stock and at our offices, and the option of leasing company bicycles was introduced for employees. Further measures are being planned, such as the installation of bicycle garages in the neighbourhoods, the evaluation of urban gardening projects, and employee campaigns with a sustainability focus.

The regional works councils and the general works council share information on current topics at regular intervals, at the locations or in the Group. Information relevant to the Company is discussed with managers and the Management Board and thus made transparent. In the reporting year, for example, the works council was involved in the further optimisation of processes due to the restructuring of our operational property management.

Our business partners and suppliers

We work closely with suppliers and service providers in the management, maintenance, and modernisation of our inventories. As we expect from them, they likewise expect fair and reliable business practices from us (see [➤ 'Sustainability in the value and supply chain'](#) section).

We usually maintain long-standing relationships with our trade, commercial, and other partners. Mutual exchange is important here. Direct contact with their TAG contact persons takes place in person on site, by phone, or by email. We continually improve the connection to our partners by optimising digital processes, both by the Central Purchasing department and as part of our Group-wide digitalisation project 'Mission Zukunft' (see [➤ 'Sustainability in the value and supply chain'](#) section).

In the reporting year, beyond the technical collaboration between departments, there was an intensive exchange on updated reporting requirements resulting from the EU Taxonomy and the Supply Chain Due Diligence Act (Lieferketten-sorgfaltspflichtengesetz).

We provide our suppliers with information and contact details on our websites. We also send out information memos and invitations to tender. Furthermore, we operate an electronic craftsman portal for paperless order and invoice processing. We regularly check the work of our service providers and give the supplier immediate feedback.

»In view of the ever worsening situation on the housing market in Germany, especially in business metropolitan regions, housing and mobility are two aspects that must increasingly be considered together. This is why our cooperation with TAG Immobilien AG is so valuable. Under our cooperation, we not only mutually benefit from each other, but also have the opportunity to test innovative pilot projects and create new concepts. We greatly value our cooperation very much and are grateful for our dynamic partner, TAG.«

**Julia Meißner, Housing for employees
Health and Social Affairs, HBG
Deutsche Bahn AG
(national railway company of Germany)**

Shareholders, investors, banks and analysts

Our shareholders contribute their capital to our business activities and have confidence in our business model. Debt financing, e.g. from our partner banks and bond investors, also influences our business success. Sustainable financing is becoming increasingly important for TAG. We have therefore developed a framework for sustainable financing, which was finalised in March 2022. It defines criteria for green (eco) and social instruments for financing or refinancing of suitable sustainable investments in accordance with the relevant standards of international market practice. It is published on our TAG Immobilien website ([↗ Sustainable Finance Framework](#)).

We are in regular contact with shareholders and investors, banks and analysts. Transparent communication creates trust and is a key driver for a successful equity story. We are guided by this maxim, especially in a year like the last one, in which all financial market participants were faced with noticeable consequences for the economy and the capital market against the backdrop of the Ukraine war. For example, during the course of 2022, our shareholders saw a 75 % drop in the TAG share price and a waiver of the dividend payment for 2022. To explain the background to our stakeholders, we continuously publish information about the Company, quarterly financial reports, presentations, and press releases on TAG's website about our business model, our strategy and the prospects for our development. We also foster personal exchange at international conferences and roadshows, property tours, at the Annual General Meeting as well as at our bank and capital market days. We use these formats to discuss the economic development of the Company, market conditions and challenges with our stakeholders, but also to present the successes we have already achieved and our future prospects in the area of ESG.

In 2022, we held approximately 500 meetings involving some 100 appointments at international conferences and roadshows, both in person and virtually. At the end of April 2023, we will host a Capital Markets Day in Warsaw for analysts and investors, to talk about our decision to invest in the Polish residential real estate market, on the ground.

»We welcome your determined and quick response to the anticipated and still increasing turbulence in the area of your residential properties in Germany and the projects still to be implemented in Poland.«

Investor

Local neighbourhood initiatives

Our neighbourhood management (see [↗ 'Liveable neighbourhoods'](#) section) is geared towards establishing and maintaining socially balanced and liveable neighbourhoods. That is why we support local initiatives and interest groups as well as associations and social institutions at our locations.

We organise activities and events in our neighbourhoods, for example at 'Aktiv-Treffs' (Activity Lounges), at Jumpers events, the Sempers (Senioren mit Perspektive e.V. – Seniors with Prospects) and other meeting centres. We are directly and personally on site as part of our tenant support and neighbourhood management. We are open to suggestions and proposals and implement ideas that are a good fit for our company strategy. For example, in the reporting year we opened a new 'Aktiv-Treff' in the Hohenstücken district of Brandenburg, where we now offer a colourful programme of regular leisure activities for all generations in cooperation with a large independent organisation for youth outreach and educational work. In press releases and in the 'Magazine' section of the TAG website, we report on interesting activities and projects in our neighbourhoods. We also have a social media presence for all locations under our housing brand, where we report on events and ideas for the whole family.

»For nearly ten years, TAG Wohnen and Jumpers gGmbH have worked together in partnership to sustainably improve neighbourhoods, promote a neighbourhood spirit, and provide holistic support to families and children. The rooms are provided by TAG and filled by Jumpers with free educational, sporting, musical, and creative activities. Hand in hand, we are improving the personal as well as academic/vocational prospects of children and families and developing the neighbourhoods. We see and experience the progress in individuals and as a whole and are excited about the great impact of our joint efforts.«

Thorsten Riewesell, Managing Partner Jumpers – Youth with Perspective

In Poland, we are equally committed to a good and beneficial coexistence in the neighbourhoods. In 2022, e.g., Vantage planned four tenant events and implemented them together with our tenants: Tenants could have their bikes serviced and

repaired at a free bicycle service in our Buforowa 89 neighbourhood in Wrocław. A joint campaign to beautify the neighbourhood involved Christmas trees being decorated in the inner courtyard of Buforowa 89. Culinary highlights included online cooking on YouTube with a well-known starred chef and an Italian dinner for tenants and Vantage staff at a local restaurant in the Hawelańska 2 neighbourhood in Poznań, with activities for children.

Local politics and associations

As one of the largest private housing companies in Germany, we are also in the focus of local politics, associations, and urban planners, who actively involve us in real estate-related matters.

As part of our neighbourhood management, we are directly on site for all matters. In Eisenach, for example, we sit on the advisory board for integrated social planning and urban development. We participate in innovative model projects, such as Smart City Gera. Here we are the initiator of the digital 'Be-Home' project under the patronage of the City Mayor of Gera. When taking over properties in a new municipality, we often introduce ourselves and our business model to the municipality in person. We invite local politicians to special events in our neighbourhoods, e.g. the launch of new mobility services, the opening of meeting places or larger construction projects, and seek dialogue (see [» 'Liveable Neighbourhoods'](#) section). For example, at the opening of our showroom 'Vertrautes Wohnen' 2022 in Gera-Lusan, City Mayor Julian Vonarb was present as patron of the project. We invited City Mayor Sebastian Müller-Bahr to the symbolic handover of keys at the opening of the new 'Jumpers' lounge in Merseburg. For the school project 'Gewaltfrei Lernen – Gegen Gewalt und Mobbing' (Learning without violence – against violence and bullying) in Erfurt, Mayor Anke Hofmann-Domke has taken over the patronage.

»My message as patron of this project: I believe that together with strong protagonists and partners, good things can be achieved for the citizens of our city of Gera. With this SmartCity project, we not only leverage innovative technological potential, but also assume social responsibility. I am therefore proud that we have been given the opportunity to start the digital future of the city with BeHome.«

Julian Vonarb, Mayor of Gera

We allow politicians to visit our neighbourhoods at our main locations. We use these on-site meetings to exchange views on housing policy issues. We also actively participate in district conferences and round table discussions on housing.

When implementing our new construction projects in Poland, we work together with the respective local municipalities for the expansion and development of the infrastructure. Together, we address the issues of access roads, traffic lights, street lighting, cycle paths, pavements, parks, green spaces, bicycle parking and charging stations for e-vehicles.

Other stakeholders

The activities of other housing companies exert an indirect influence on our business actions. That is why we continuously monitor the market and our competitors. This is the only way we can respond promptly and appropriately to opportunities for investment or changes in the market.

We are in frequent exchange with these stakeholders in connection with neighbourhood projects. Dialogue also takes place at the Management Board and department head level. We regularly exchange ideas with colleagues from other companies on current topics in the housing industry, such as affordable ecological measures and neighbourhood solutions. In this way we can learn from each other, get ideas for projects, and work together more effectively on neighbourhood projects.

»The people at TAG win you over with a pleasant down-to-earthness, customer-oriented competence, pronounced motivation and a deeply felt sense of responsibility. Even as an outside partner, you feel this very directly, and it leads to mutual enrichment!«

Prof. Dr. Christian Ernst
Cologne University of Applied Sciences
Faculty of Business, Economics and Law

Integrity and ethics, fair business conduct, and compliance

Compliance as an instrument of corporate governance

[GRI 2-23]

For us, compliance is a fundamental corporate task that serves the fulfilment of good corporate governance. We understand the term to mean adhering to the rules for complying with all statutory laws, processes, and requirements that affect our Company. This includes voluntary commitments, internal guidelines and processes, as well as organisational measures. In addition, we adhere to societal rules as well as moral and ethical values.

Respect for and compliance with human rights and applicable law is a matter of course for us. The United Nations Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the eight core labour standards of the International Labour Organization (ILO) serve as the basis for our actions in accordance with human rights. We align our business activities with these standards and actively promote respect for and observance of human rights in our group of companies and also expect our business partners to follow legally and ethically impeccable business practices. We have adopted a corresponding declaration on respect for and observance of human rights and published it on [TAG's website](#) and on the intranet.

We expect all employees to comply with the relevant legal regulations and internal guidelines. Our Business Principles are our guidelines and are binding for the conduct of everyone in the TAG Group. They form the basis of all internal guidelines and work instructions.

Our Business Partner Code is designed to ensure that our business partners, too, conduct themselves in a compliant and ethical manner. We have updated the [Business Partner Code](#) with regard to human rights due diligence and published it on our website. Any proven violation of this code will be punished. No such situation occurred during the reporting year.

Compliance management system and business principles

[GRI 2-27, 3-3, 205-2, 418-1]

Our compliance programme ensures adherence to legal requirements and the Group's internal regulations. Our Business Principles form the basis for this. Among other things, they contain general rules on business relationships, non-competition clauses, conflicts of interest, and data protection. Responsibility for this area lies with the Management Board; the Compliance Officer appointed by the Management Board supervises the topic and reports directly to the Management Board.

Our Compliance Management System (CMS) has three components: prevent, identify, and respond. Prevention is ensured in particular by policy management, regular compliance training for our employees, and guidance from the Compliance Office. Risk analyses, incident-related investigations, and the whistleblower system enable and support the identification of compliance violations. In the event of compliance violations, the necessary measures are taken to remedy the violation and establish sanctions. Processes and structures designed to prevent compliance violations are reviewed and adjusted as needed. The compliance and risk management system as part of the internal monitoring system features various monitoring mechanisms. These instruments are used to identify potential compliance risks, so that violations can be prevented.

All new employees receive copies of the Business Principles, the IT Policy, and the Privacy Policy. Employees must acknowledge their receipt. All TAG employees are responsible for maintaining compliant conduct at all times. Violations will not be tolerated, but will be punished appropriately, for example by disciplinary and (labour) law measures.

Training on relevant compliance topics is carried out regularly and on an ad hoc basis several times a year. The focus is on departments that are exposed to a greater risk due to their activities, such as Central Technology, Leasing, or the Acquisition and Sales Department. Special topics are taught, new developments are presented or basics are repeated. In the reporting year, the focus was on basic knowledge about compliance, the contents of the Business Principles and corruption prevention.

Employees have various options for reporting possible legal or compliance violations, including possible human rights violations: They can inform their superiors by post or via a form on the intranet, or they can contact the TAG Group Compliance Office directly at compliance@tag-ag.com. External

parties, such as business partners and other third parties, can also contact the TAG Group Compliance Office to report possible compliance violations as well as possible violations of human rights. Alternatively, they can contact an external lawyer who acts as an independent ↘ **external reporting office**. If desired, the reports can also be made in a protected manner, i.e. anonymously. All reports and enquiries are documented and promptly investigated and reviewed. Depending on the nature of the incident, specific measures are taken. These include, in particular, disciplinary measures or consequences under labour law, claims for damages, or even criminal charges. If necessary, we will adapt our preventive measures accordingly.

In the reporting year 2022, there were a total of 45 reports at TAG and no major confirmed compliance violations. Most of the reports concerned reportable transactions such as cash receipts (rent, rent arrears, rent deposits) and rental requests made to employees and persons close to them. Three cases of suspected misconduct were reported and carefully investigated. Two suspected cases of employee misconduct were confirmed. They are to be classified as minor in terms of severity and were punished under labour law. The third suspected case involves allegations of the acceptance of benefits. This case is still under investigation.

In Poland, there is a basically independent risk and compliance management system. Risk reports are prepared quarterly, compliance reports semi-annually. Responsibility for risk management lies with the Legal department and the Finance department. In addition, there is a compliance officer. There were also no confirmed compliance violations in Poland during the reporting period.

Policy management and control mechanisms

Guidelines determine principles, framework conditions and objectives for legally and ethically impeccable action and in particular also for the correct exercise of processes in our Company. Important TAG guidelines include, in particular, the business principles, the underwriting and competence guidelines, the Whistleblowing Policy, the Compliance Policy (e.g. anti-corruption and bribery, anti-discrimination), the Data Protection Policy, the IT Policy, the Donations Policy, and the Policy on Capital Market Obligations. In the reporting year 2022, we also updated the Fleet Policy with new CO₂ limits and revised the Business Partner Code. In addition, the Declaration of Principles on Respect for and Observance of Human Rights was adopted and published. The German policies of the TAG group of companies apply in Germany. The companies based in Poland have implemented corresponding policies, taking into account country-specific legal re-

quirements. All policies are available on the intranet, the Data Protection and Privacy Policy on the TAG websites.

The dual control principle applies to all contracts and other documents related to financial liabilities or other obligations of TAG.

In the reporting year, there were no substantiated complaints regarding the applicable data protection provisions.

Comprehensive IT security measures

As part of our IT security concept, we have a comprehensive cybersecurity programme – supervised by the IT department, whose head reports directly to the Management Board (CFO). The cybersecurity programme was set up to protect TAG's IT systems against external attacks. It also serves to protect personal data and information about TAG's customers and suppliers. In addition, we have taken out cybersecurity insurance, which insures the Company against possible damages that may arise from cybersecurity attacks. Responsibilities and operational measures for monitoring and responding to data breaches and cyberattacks are regulated in our internal IT security policy. Measures include, for example, access and authorisation rules for server rooms or IT technical facilities, user authentication, and document encryption.

The cybersecurity programme includes regular internal and external security audits, penetration tests, and vulnerability assessments of our IT systems and processes. They take place at least annually, but usually more frequently, and provide valuable insights for even better protection of our systems.

The handling of IT-related issues is regulated in TAG's IT policy. All new employees receive this guideline together with the Business Principles and the Privacy Policy. In addition, a new emergency plan for acute cases has been published as instructions for action. The companies based in Poland have implemented their own IT policies, taking into account country-specific legal requirements.

In order to sensitise staff members to the issue of IT security and to provide them with instructions on how to act, we conduct regular IT Security trainings. Ad hoc training courses on IT security issues are held as needed. Employees in relevant positions in the area of cybersecurity are trained at least once a year by an external forensics company. We also regularly inform our employees on the intranet about current topics in the area of IT security, e.g. how to deal with phishing mails.

Prevention of corruption, bribery and political influence-mongering

[GRI 3-3, 205-2, 205-3, 415-1]

Preventing corruption and bribery is just as important for our long-term business success as it is for our stakeholders. Compliance with the rules is anchored for all TAG employees in the Business Principles, which also contain information on compliance with anti-money laundering laws. In addition, an Anti-Discrimination Policy and an Anti-Corruption Policy have been implemented that specify the stipulations of the Business Principles and regulate further responsibilities, structures and processes. We regularly inform our employees about anti-corruption guidelines and procedures and other compliance topics, and conduct topic- and event-specific training when there are new developments. In the reporting year, we provided training on the avoidance of corruption and bribery in the acquisition, sales and leasing business. An updated basic training course will be conducted in 2023.

Our 'WE Culture' project (see [↘ 'Achieving more as a team'](#) section) also carries our Business Principles into the Company. We attach great importance to respectful, social interaction, and take a clear stand against discrimination, bullying, corruption, and bribery.

Violations of our Business Principles and guidelines or laws are not tolerated. In the event of misconduct or suspected misconduct, the manager and the Compliance Officer must be informed immediately; this can also be done anonymously. The report can also be submitted via the external whistleblower system. This allows us to respond in good time and avert any damage to TAG.

TAG routinely checks for corruption and bribery risks. Various processes have been put in place for this purpose, primarily involving reporting obligations and automated checks. We have installed multi-stage approval and control processes, especially for purchases and sales of real estate. In addition, the internal audit department reviews the departments and specialist areas for corruption and bribery risks on a regular basis.

The dual control principle has proven its worth as a monitoring instrument in the prevention of corruption and bribery as well. In the reporting year, there were no confirmed incidents of corruption or bribery at TAG and no legal proceedings due to anti-competitive behaviour. Donations, sponsorships, and other promotional measures for politicians, political parties or political organisations are expressly prohibited in accordance with our Anti-Corruption Policy. Accordingly, no payments were made to political representatives, parties, or organisations in the reporting year.

Outlook 2023

We are focusing on the expansion and further optimisation of our compliance management. To this end, we plan to optimise the process structures, update the policy management, and intensify the communication of key compliance topics in 2023. Our training programmes are carried out and updated on a regular basis. The spectrum ranges from introductory training for every new employee to topic-specific training for specific departments, e.g. on avoiding corruption and bribery risks. We respond to new legal regulations such as the Supply Chain Due Diligence Act and the EU Taxonomy Regulation by implementing new required process structures or expanding existing process structures. A review and, if necessary, adjustment of our whistleblower system in line with the new German Whistleblower Protection Act is planned once the latter enters into force.

On the way to climate neutrality

The climate crisis has moved to the forefront of public awareness. By 2030, greenhouse gas emissions in Germany are to be reduced by 65 percent, and by 2045, Germany intends to be climate neutral. To do our part in achieving these goals, we are putting the decarbonisation strategy we adopted in 2021 into action with specific projects in our real estate portfolio.



In reducing CO₂ emissions, the optimisation of heating and building technologies, as well as the façades and roofs, offers particular potential for our portfolios. And so, in the year under review, there was a strong focus on refurbishing buildings and systems for energy efficiency, smart building technology, and serial refurbishment.

Energetic building refurbishment

In Döbeln, Saxony, for example, we converted a residential building from the 1980s into a modern residential complex that meets the climate and sustainability demands of the future. Its name: Wohnterrassen an der Pferdebahn ('Residential Terraces by the Horse-Drawn Tramway').

The name already hints at what was necessary for this transformation: besides gutting the entire complex, space was also created in one part for the terraces that give the project its name. This involved removing three storeys. To meet our own climate protection standards, the entire building ensemble was also renovated for energy efficiency, creating an 'Effizienzhaus' (Energy-efficient building), from the walls to the windows to the roof. Consequently, the heating concept, which is based on a local heating solution, also meets this standard. The necessary heating energy for the 'Residential Terraces on the Horse-Drawn Tramway' will be obtained from the nearby Niederwerder combined heat and power (CHP or cogeneration) plant. While conventional plants produce heat or electricity, this CHP plant will simultaneously generate electricity and heat on site in future, reducing primary energy consumption and CO₂ emissions. The investment volume for the refurbishment project amounts to around 5 million euros.

»Our residential terraces will provide modern, climate-friendly, and affordable living space for all generations right in the centre of Döbeln«,

says Heike Baumgart, TAG Wohnen Site Manager.

Spotlight on heat generation

Another step towards the goal of climate neutrality is the remote reading of data from the heat generation systems. Smart metering is used to determine precise data on the degree of utilisation, e.g., directly at the systems, and transmit it by radio. This allows for a quick initiation and execution of any optimisation, repair, or renovation measures.

We successfully piloted the smart meter system at select heating centres in 2017. Around half of our approximately 1,320 natural gas-fired heat generation facilities are now equipped with this system. Day-to-day use shows that this can lead to energy savings of around three to five percent.

Serial refurbishment

On the road to climate neutrality in Germany, the renovation and refurbishment of buildings play a decisive role. To ensure that it can gather momentum despite capacity bottlenecks, the 'Energiesprong' initiative was launched. (Energiesprong is Dutch for 'Energy Leap'; the programme originated in the Netherlands). The Federal Ministry of Economic Affairs and Climate Action (BMWK) has tasked the German Energy Agency (dena) with advancing the development of serial refurbishment in cooperation with policymakers and the building and housing industry. TAG has established itself as a permanent project partner and is contributing to the market development of serial refurbishment solutions in coordination with the other partners.

The Energiesprong principle also offers great potential for the refurbishment of our existing buildings, as it provides for the industrial prefabrication of building elements – such as roofs, windows, and façades – off-site, i.e. away from the construction site. This makes it possible to renovate buildings faster, easier, and more cost-effectively than before, in a way that is both climate-friendly and tenant-friendly. We are planning our first refurbishment project based on the Energiesprong principle in the second half of 2023 at the Merseburg site, with a construction volume of around 4.5 million euros. Going forward, serial refurbishment will serve as a building block in achieving our decarbonisation goals at other TAG locations as well.





Developing our portfolio responsibly

[GRI 3-3]

Material topic

Sub-topics

Sustainability in the value and supply chain



- › Compliance with and auditing of internal company standards as well as legal requirements across the entire supply chain (due diligence)
- › Supplier and business partner relations/fair partnerships

Sustainable resource management



- › Resource conservation (procurement of sustainable/regional materials) incl. waste management/recycling/circularity
- › Environmental management system
- › Water/wastewater management
- › Land use and nature conservation
- › Biodiversity

Optimising energy efficiency and emissions



- › Energy efficiency/consumption/intensity/supply
- › Share of renewable energies
- › Energy refurbishment/modernisation
- › Emission savings, innovation promotion (e.g. for climate and environment)
- › (Employee) mobility
- › Climate strategy

The operation of buildings is associated with a considerable ecological footprint. In Germany, for example, the building sector accounts for around 35% of final energy consumption and around 30% of CO₂ emissions.³ The basis of our business activity and a major adjustable in addressing these challenges is our housing portfolio. Our core competence in active real estate management is crucial to our long-term success. We strive to preserve real estate, systematically develop it, and reduce vacancy. The efficient use of resources in our portfolios and offices is an important concern both from an ecological point of view and for economic reasons – which is why we embrace ecological responsibility as we develop our portfolios in line with market requirements, and actively contribute to climate protection. We also consider social challenges like demographic change, affordable housing, and digitalisation in the sustainable management and development of our portfolio.



With our entry into the residential real estate market in Poland, we have also been active in the new-build sector since 2020. Our business model now covers the entire life cycle of a property. This entails additional challenges relating to climate and environmental protection, as well as in the supply chain. At the same time, however, it also opens up new opportunities for us to plan buildings sustainably and to incorporate climate protection and resource conservation at an early stage.

In the long term, we want to develop and manage a nearly climate-neutral portfolio. To this end, we have developed a comprehensive decarbonisation strategy, which was adopted by the Management Board and Supervisory Board in 2021. It contains specific targets and an investment schedule for an environmentally and climate-friendly portfolio (see [↘ 'More climate protection through our decarbonisation strategy' section](#)).

Our Climate Board continues developing the strategy and measure planning and manages the operational implementation.

As part of our decarbonisation strategy, we are working on practicable solutions to ensure that rents remain affordable in the long term. Otherwise, there is a risk that climate protection in existing buildings will lose acceptance among broad sections of the population. This would also reduce the opportunities for building owners to implement energy-efficient modernisation measures.⁴

Digitalisation offers another way to save energy and is also part of our decarbonisation strategy. Smart Home solutions in buildings, for example, can interconnect building technology and household appliances. Flexible mobility concepts in neighbourhoods also create opportunities to protect the environment. Mobility solutions such as car sharing and shuttle buses with electric drives can reduce air pollution. Besides better air, modern mobility concepts also ensure a better quality of life, especially for older people. According to EY and ZIA's 7th Digitisation Study (2022), digital districts are increasingly becoming the focus of real estate companies. The study indicated that more than 92% of the real estate companies surveyed expect a digital district to provide solutions to today's key issues such as liveable city centres, climate protection, and the mobility revolution. Smart metering, e-mobility, and the digital tenant portal are considered important tools in this context.⁵ TAG already successfully uses these tools in many of its neighbourhoods and has introduced a tenant app for all tenants.

In 2022, we worked on further digitalisation projects, which puts us in a position to realise concrete projects in 2023, e.g. in the area of smart technology or serial construction.

Our approach for a responsible development of our portfolio

[GRI 3-3, 303-5]

Key components of our portfolio strategy including optimising energy efficiency, reducing emissions, and eco-friendly resource management. After all, long-term and economically sensible growth is only possible if resources are conserved. In optimising our portfolio, our long-term aspiration is to have a near-climate-neutral building.

We achieve this through a mix of measures that builds on existing activities. The focus is on refurbishing building shells and heating systems, renewing building technology, using bridging technologies and digital measurement and control solutions, and increasing the use of renewable energies (see [↘ 'Optimizing energy efficiency and emissions' section](#)). We create further opportunities for energy-saving measures and more efficient use of resources by having our own energy management within the Group, for which we established our subsidiary EWS back in 2016 (see [↘ 'Our corporate structure' section](#)). It has numerous advantages. Among other things, we can manage the supply to our portfolios more efficiently and make optimum use of synergy effects through holistic approaches to modernisation measures.

³ German Environment Agency (<https://www.umweltbundesamt.de/themen/klima-energie/energiesparen/energiesparende-gebäude#gebäude-wichtig-für-den-klimaschutz>)

⁴ energietage.de – Wohngebäude: Klimaziele sozialverträglich erreichen (https://www.deutscher-verband.org/fileadmin/user_upload/documents/Positionspapier/Aktuelle_Positionen/12_20190910_Klimaziele_sozialvertraeglich_erreichen_DV-GdW-DMB.pdf) (Residential buildings: Achieving climate targets in a socially responsible way)

⁵ 7th Digitisation Study by EY and ZIA: The Digital Quarter | ZIA ([zia-deutschland.de](https://www.zia-deutschland.de))

We contribute to lowering energy consumption and thus CO₂ emissions by carrying out an annual refurbishment programme. This includes, among other things, measures for thermal insulation and the renewal of our heating systems. These are a key variable, because one in four heating systems in Germany is 25 years old or older and therefore no longer works efficiently.⁶ We also regularly review whether further energy-saving and efficiency-improving measures can be implemented. This also increases the attractiveness of our housing.

We only have a very limited influence on our tenants' individual consumption of electricity and water. However, we take specific measures and provide targeted information to promote responsible use and economical consumption. For example, we install motion detectors, use energy-saving light bulbs, and water-saving plumbing fixtures. We also inform our tenants about ways to save resources on the website of our residential brand and in brochures. Our staff in the tenant offices on site offer consultation on these matters as well.

Likewise, we take measures to save energy at our office locations. The most recent legally required DIN EN 16247-1 energy audit (completed in 2021) showed us approaches and recommendations for further energy savings at the office locations, which we consider in our planning.

The TAG Management Board has the overall responsibility for environmental issues in the Group. The individual measures are assigned to the respective specialist and regional departments, which are responsible for their operational implementation. Implementation, meanwhile, is centrally supervised, in coordination between the department heads and Strategic Real Estate Management, with the support of the Sustainability Committee and the Climate Board.

We updated our sustainability programme at the end of 2021 and specified the responsibilities for the individual targets and measures. This facilitates the monitoring of the individual measures and KPIs during the year and enables an early intervention in the event of target shortfalls. In the course of 2022, we successively reviewed the implementation of measures and the expected target achievement. For instance, at the end of the first and second half-year, all responsible persons met with the TAG Management Board to discuss the status of target achievement.

Our principles and guidelines for environmental protection are set down in our Environmental Policy. The regulations had already been incorporated into our business strategy and operational practice prior to this. The guideline contributes to a more stringent review and systematic application of sus-

tainability criteria in our portfolio management. It provides orientation for everyone involved and creates clarity. Using the guidelines helps our employees apply the sustainability checks in their business processes more naturally. Among other things, this leads to them making suggestions for improvement based on their daily work. For example, biodiversity-enhancing measures play an important role in the design of our landscaping. Accordingly, a guideline on this topic has now been prepared to facilitate the implementation of such measures across the Group. Other works of references on other environmental such as separating waste and saving paper, supplement our Environmental Policy and serve as working aids. As part of reviewing and revising our Business Principles, we will also update our principles and guidelines for protecting the environment in 2023. Our requirements for ethically and legally impeccable conduct are also anchored in our Business Partner Code (see [↘ 'Compliance and Integrity'](#) section).

The COO and the LIMs and department heads are responsible for property management, customer management, acquisition, and sales. Like the administration and management of our portfolios, our customer-focused tenant and leasing service is organised regionally and supported by a nationwide Customer Management department. Everyone involved works closely with the central administrative departments.

Energy management is part of our Group strategy and one of the focal points of our [↘ Environmental Policy](#). It is carried out by our subsidiary EWS, which acts as an internal service company (see [↘ 'Our corporate structure'](#) section). It is carried out by our subsidiary EWS, which acts as an internal service company (see [↘ 'Our corporate structure'](#) section). All measures are planned and implemented in coordination with the LIM regions and the Central Technical department.

We are careful to ensure fair business practices and compliance with social and ecological standards across the entire supply chain. Transparency and regular dialogue are important to us in our cooperation with suppliers. Our supplier relationships and the entire procurement management across the Group are controlled by the Central Purchasing department. Specific individual orders are then placed in the LIM regions.

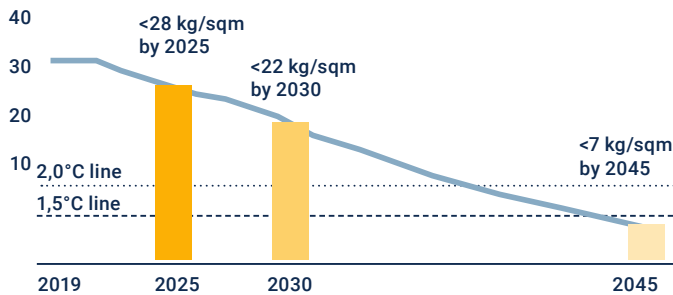
⁶ BDEW (<https://www.bdew.de/presse/presseinformationen/bdew-veroeffentlicht-heizkostenvergleich-alt-und-neubau-2021/>)

Implementation targets

[GRI 3-3]

Significantly reducing the CO₂ emissions in our portfolios is a focus of our sustainability strategy and our portfolio development. By 2025, we plan to reduce our carbon footprint in the German portfolio to about 28 kg per sqm, and to about 22 kg per sqm by 2030. Our long-view goal by 2045 is a reduction to below 7 kg per sqm, to do our part towards achieving the 1.5 degree target. We intend to achieve this with a total investment volume of around EUR 690 million, or increased average modernisation expenditure of approx. 19 EUR per sqm annually (up from approx. 13 EUR per sqm in the past).

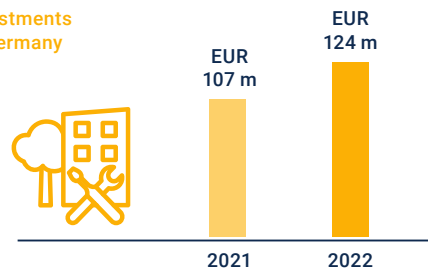
CO₂-emission development (kg/sqm p.a.)



In the year under review, TAG invested EUR 124 million in its portfolio in Germany alone, including maintenance expenses (2021: EUR 107 million). This went to preserving our portfolio and ensuring its long-term rentability, as well as to advancing our marketable development and carrying out projects to reduce CO₂.

In 2022, we increased our expenditure on modernisation measures to approx. EUR 87 million (2021: EUR 68 million). Another EUR 37 million (2021: EUR 39 million) was spent on maintenance, again always keeping our sustainability criteria in mind. In 2023, we plan to carry out a similarly high volume of modernisation measures. Once again, the focus will be on energy-conserving and emission-reducing measures. Specifically, besides energy-efficient refurbishments and comprehensive modernisation measures, we are planning individual modernisations such as insulating building shells, replacing windows, and renewing heating systems. We aim to achieve a reduction in CO₂ emissions by approx. 3,000 t from 2022 to 2024 as a result of building refurbishments.

Investments in Germany



We continually work on maintaining our network of framework contract partners in the area of maintenance, and on integrating these partners into our electronic craftsman portal (or craftsman interface: an external electronic interface with our in-house ERP system). Using the portal facilitates a time- and resource-saving ordering and billing process, which we plan to expand further and make simpler and faster for everyone involved. Currently, about 60 % of supplier orders in the area of small-scale maintenance and nearly 80 % in the area of empty flat refurbishment are processed paperlessly via the portal. Our goal is to increase this figure to 75 % in the area of small-scale maintenance. In the area of comprehensive modernisation measures, nearly 80 % of the investment volume is already being processed using partners with whom we have framework agreements. Going forward, we will continue our efforts to connect more craftsmen and suppliers to our craftsman interface under framework agreements.

We also digitised further sub-processes and moved closer to our goal of near-paperless communication. We intend to handle more work and communication processes paperlessly in future. Resources were also saved in the areas of janitorial services and waste management. This was achieved through efficient and responsible use of materials, recycling, and waste reduction. Moreover, our annual meter readings are now done digitally. This is not only more customer-friendly and efficient, it also saves paper. Since 2021, our caretakers have been integrated into the 'mobile flat change' process, a digital, tablet-based application for carrying out flat handovers. It enables immediate data transfer and handling of next steps in the process. As part of our sustainability programme, we are also developing a holistic concept for waste reduction across all our properties. For this, we are partnering with Musterknaben, a cooperative for neighbourhood and waste management, and TAG Immobilien Service.

The long-term plan is for EWS to cover the energy management and supply of around 90 % of our total portfolio. Currently, our subsidiary supplies 48 % of our portfolio with heat. We are also continuously optimising our energy management and sourcing of fuels as part of our decarbonisation strategy. For instance, our goal is to increase the share of fuels from renewable sources. We will continue to equip our heating systems with remote monitoring technologies. This is expected to

generate annual energy savings of around 3 to 5 %. Going forward, this technology should facilitate, to an even greater extent, a more efficient operation of the systems and enable any necessary measures to be taken faster. In the years ahead, we want to connect the majority of our heating systems to remote monitoring systems; we are working with external providers to this end. In the year under review, once again, more than 300 heating systems were equipped with this technology. Our goal is to equip another approx. 300 heating systems with remote monitoring technology by the end of 2023. The focus for now is on EWS's natural gas-powered systems.

Going forward, we will continue the successive renewal of our heating systems by EWS. This will enable us to achieve significant efficiency increases, which in turn will lead to energy, emission, and cost savings. We plan to reduce CO₂ emissions by around 3,000 tonnes between 2022 and 2024 by upgrading our heating systems. By the end of 2021, almost all heating oil systems in the EWS portfolio had been converted to lower-emission fuels. We have achieved the targeted share of remaining heating oil systems of less than 1 % and plan to maintain it. A complete reduction will probably not be possible in the next few years due to several purchases of properties, many of which still have old heating systems.

To reduce CO₂ emissions in the area of employee mobility as well, we plan to further optimise our employees' business trips and our use of vehicles. Moreover, we support our employees in reducing emissions on their commute to work by providing subsidies for public transport company tickets and bicycle leasing (see ↘ **'Internal measures for more environmental protection'** section). Company bicycles are available at numerous locations, and are especially used by our caretaker services on their job assignments. Besides regular bicycles, this also includes cargo bikes and e-bikes. Because the offer is well received, we plan to make more of them available going forward. TAG Handwerkerservice, our craftsman service company, has also begun adding electric vehicles to their fleet. As part of our sustainability programme, we regularly review and expand these measures. In 2022, developed a holistic mobility concept to better coordinate individual measures and further decarbonise our business operations. Important components include the introduction of CO₂ limits for company vehicles and concrete implementation targets for the next few years, minimum standards for vehicle operation, and a charging infrastructure concept.

Target evaluation

The operational portfolio ratios of our locations developed positively in the reporting year. Occupancy in our portfolios was high, with vacancy at 4.4 % in the Group's residential units at the end of the year. We recorded low tenant turnover

and no significant deficiencies during portfolio inspections and functional tests. The other key performance indicators that are part of the monthly or quarterly reporting to the Management Board also developed well. In addition, we constantly monitor the market and review the structure of our portfolio.

We regularly review our energy efficiency and emission reduction targets based on consumption trends. The sub-targets set in the decarbonisation strategy are reviewed at least every six months and reported to the Management Board.

As part of our monthly and quarterly reporting, specific individual topics are also evaluated. This exchange takes place at regional and national level. We also incorporate the feedback we receive from tenants, business partners, and local stakeholders.

Sustainability in the value and supply chain

Sustainability across the entire life cycle

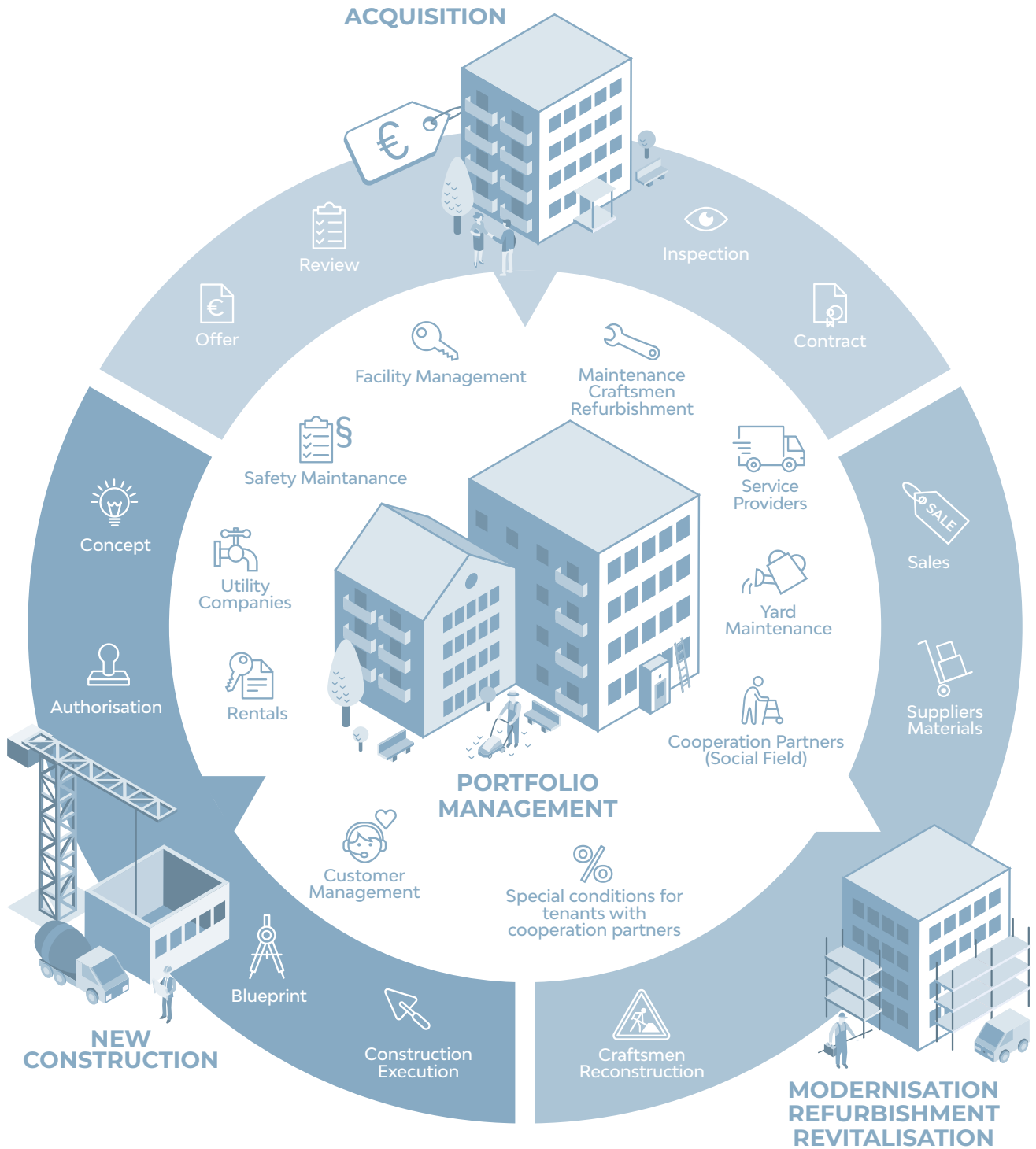
[GRI 2-2, 2-6, 3-3]

Whether selecting products, working with external service providers, on in construction projects, we always consider the entire expected life cycle of the products and the entire building.

We choose – as far as it is economically justifiable – an energy-efficient, environmentally friendly solution and durable materials and products. To achieve this, we use a standardised procurement process. We also save resources in commissioning and billing by digitising processes. We prefer to work with service providers from the region, because short journeys have less of an impact on the environment and enable fast response times. Besides, local companies are usually well networked in the regional market, which also speeds up processes and simplifies cooperation.

We also give preference to regional and recycled building materials at all locations. We try to exclude the use of materials that are harmful to health as far as possible by setting specific standards for our suppliers and service providers. We take care to ensure eco-friendly maintenance and promote biodiversity in our landscaping (see ↘ **'Sustainable resource management'** section). In construction projects, including our new-build projects in Poland, we place a focus on environmentally friendly construction site organisation and waste management.

The real estate life cycle at TAG



In the services we provide internally for our tenants, we place a priority on the use of environmentally friendly materials and energy-efficient processes. Our subsidiaries play an important role in our environmental efforts as well (see ↘ **‘Sustainable resource management’, ↘ ‘Optimising energy efficiency and emissions’** section) – by designing processes efficiently and using materials sparingly, they contribute to the implementation of our Group-wide standards and thus to the achievement of our environmental goals.

Once a year and when renewing contracts, we and our partners jointly review the volumes we have purchased of individual product groups. If necessary, we coordinate alternatives with our suppliers if products with similar properties but that have certain advantages are available. These include, for example, lower price, more resource efficient production processes, or better durability.

It is important to us to implement our sustainability concept even more stringently in our procurement management. With this in mind, we have specified our ‘Principles and Guidelines for Ecologically and Socially Responsible Procurement’ and summarised them in a separate ESG guideline. In addition, the Sustainability Committee is developing guidelines and work instructions for the implementation of certain focus topics, such as paper consumption and recycling. These principles and guidelines give our employees clear guidance and encourage them to make improvements. Since 2018, we have made it mandatory for companies that work with us to sign our Business Partner Code. We regularly review existing contracts, and we have already been able to add sustainability aspects to most of them. Likewise, we will continue to keep an eye on the ongoing updating of the contracts with regard to additional sustainability parameters. Thus, in 2023, we will also include requirements of the EU taxonomy regarding circularity, recyclability, and material components in the contracts, provided the construction sector is already able to meet these requirements.

TAG’s value chain

[GRI 3-3, 2-6]

Our core business is the letting of affordable housing. We manage the procedures and processes required for this both centrally and decentrally.

The Central Purchasing department manages all supplier relationships and the entire procurement management across the Group. Individual orders may also be issued decentrally. Central Purchasing determines the requirements of the entire Group and places them on the market, keeping an eye on ecological and economic aspects. Procurement is carried

out through framework agreements, into which compliance requirements and sustainability standards are integrated. In most cases, our construction service providers are additionally connected to our craftsmen's link – an online portal – in connection with vacant apartment refurbishment and partial maintenance measures. The eleven most important trades in interior construction are already connected to the portal; four of them were newly added in the reporting year. The number of framework agreement partners with whom we process orders via the craftsmen's portal once again decreased slightly in 2022. This is due, among other things, to cancellations due to the Covid-19 pandemic and our focus on general contractors. The total order volume for the existing framework agreement partners increased, however, as did the number of framework agreements.

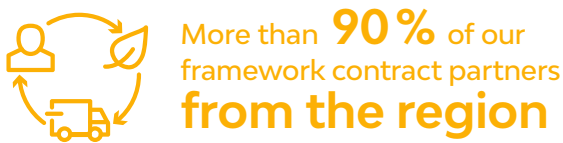
The performance of our suppliers is evaluated on a regular basis. Central Purchasing carries out the primary assessment according to economic criteria and sustainability aspects. Our service monitoring forms the second assessment level. For one, our tenants can rate the performance of our subcontractors. And for another, our employees assess their work. Beyond this, we continually review the framework agreements, evaluating, among other things, test certificates, quality reports, and controlling reports.

Social and environmental sustainability in the supply chain

[GRI 3-3, 204-1, 308-1, 407-1, 409-1, 408-1, 412-2, 414-1, 419-1]

We select our service providers in standardised, transparent tender processes. Key selection criteria, aside from the tender price and technical suitability, are reliability, quality, regionality, as well as social and ecological criteria. We prefer to work with partners from the region who also produce in Germany. In the reporting year, approx. 94 % of our framework contract partners were regionally operating companies. Due to our primarily regional supply chains and the strictly controlled legislation that applies in Germany and Europe (e.g. compliance with human rights, prohibition of child and forced labour, prohibition of corruption, prohibition of discrimination, labour laws, environmental protection laws, etc.), there is basically no heightened risk of child or forced labour or undeclared work among our suppliers. Nevertheless, to ensure that our suppliers consistently comply with the requirements, we have explicitly anchored them in our supplier contracts. For example, we expressly point out that business partners must ensure that all goods to be delivered to TAG, such as materials and installed products, were procured or manufactured in compliance with applicable laws and respect for human rights. TAG does not accept any deviations from the relevant labour and social standards, to which we

are expressly committed. This includes, in particular, the ILO's core labour standards, the prohibition of forced labour and child labour, freedom of association, the right to form trade unions, the right to equal pay for work of equal value for women and men, and the elimination of discrimination in employment. With the Supply Chain Due Diligence Act in mind, we are planning to introduce a query and supplier tool for additional protection. Suppliers will be queried about relevant parameters so that we can carry out a risk assessment and draw conclusions based on this. Here, we are focusing in particular on the areas of maintenance and modernisation, which have a high order volume.



Beyond this, as part of our annual compliance training we sensitise our employees to the issues that are anchored in our Anti-Discrimination Policy and our Procurement Policy (Green & Social Procurement Policy). This includes in particular the protection of human rights.

Safety and health, sustainable and partly recyclable materials and natural raw materials, social aspects and standards, as well as fair business practices also play an important role in procurement. We specify the relevant product and material properties in our service specifications. We try to exclude or minimise further risks through concrete specifications in the bidding conditions and contracts. This is explicitly anchored in our Principles and Guidelines for Ecologically and Socially Responsible Procurement ([↘ Green & Social Procurement Policy](#)).

We do not consider any bidders who have violated the German Posted Workers Act (AEntG) and been fined. To minimise such a risk, we require a self-disclosure statement from each supplier. Since 2018, every contract partner has been obliged to comply with our Business Partner Code, which is part and parcel of our contracts.

Our Business Partner Code has been integrated into the Craftsman portal and can be viewed on our website. Existing supplier or framework agreements are regularly reviewed for any necessary addition of sustainability criteria and adapted as needed.

For example, all external service providers undertake to comply with environmental protection regulations when disposing of waste. We also seek to ensure that our quality and quantity standards are met by obliging our suppliers to train their employees on a regular basis. This includes, for exam-

ple, use of the craftsman portal and proper documentation. These competences are the basis for ensuring that services are provided on time and in the scope agreed. If contractual requirements are not met, the cooperation is terminated.

We have raised awareness for the issue of sustainability among all our external suppliers and internal service providers and of course take care to ensure occupational health, safety and security. For example, we conduct health and occupational safety training, as well as training in the use of tools and materials, for our craftsman service providers at least once a year. They include instruction on how to conserve resources and use materials sustainably. This training also encourages the workers to come up with their own suggestions for improvement. Our employees are instructed to immediately report any perceived violations to their respective superiors and to the Compliance Officer. Reports can also be submitted anonymously via our [↘ whistleblowing system on the TAG website](#).

In the event of non-compliance with our requirements, or of violations of our Business Partner Code, further steps will be taken. Proven violations can lead to exclusion from the awarding of contracts or to the termination of the existing business relationship and the contract or order as well as to the assertion of claims for damages.

Despite all the measures we take, we realise that we cannot completely rule out violations by our external suppliers against legal standards of labour law or social standards, against environmental protection regulations, or against the General Data Protection Regulation (GDPR). We are not aware of any such violations for the reporting year.

We have formulated criteria for sustainability in our supply chain for the new-build business in Poland as well. These will be further fine-tuned for different parts of the supply chain, taking into account country-specific regulations. Key requirements are regulated in the Procurement Policy and the Business Partner Code; they comprise legal regulations and standards including anti-corruption, anti-discrimination, compliance with human rights, as well as social and environmental standards.

Sustainable resource management

Use of sustainable materials

[GRI 3-3, 301-3]

In our measures, we place a particular priority on using environmentally friendly and durable products and materials. We are continuously optimising our use of materials and our specifications. The focus continues to be on a gradual changeover to higher-quality materials in order to increase living comfort and ensure lasting functionality. We ensure a reliable level of quality by maintaining long-term relationships with suppliers.

The quality and detailed properties for specific products and materials are set out in our overall specifications. We regularly obtain this information by means of audit documents. Among other things, it is important that the products are durable, recyclable, environmentally friendly, biologically harmless, as well as health-compatible and easy to maintain. If possible and economically justifiable, certified products and materials are preferred. However, hazardous substances cannot be completely avoided in individual cases. In the rare cases when they are used, e.g. when installing floor coverings, or if materials containing hazardous substances have to be removed during renovation work, we ensure that they are handled carefully in accordance with the legal requirements, take the necessary safety precautions, and make sure that they are disposed of properly. We are also in continuous dialogue with our suppliers about the origin and processing of the resources we use.

To conserve resources, whenever possible we reuse materials that meet the currently permissible standard. As part of the complete renovation of bathrooms, for example, we check whether bathtubs can continue to be used. If we specify certain product and material properties, they can be used relatively flexibly. If we specify certain product and material properties, they can be used in a relatively flexible way. In the electrical sector, for example, there is an obligation to install equipment with uniform standards that can be combined with each other.

All cleaning work is carried out in accordance with the applicable professional and hygienic principles. Only cleaning agents certified by the German Environment Agency are used. We are also testing the use of more environmentally friendly cleaning agents in the cleaning of our properties.

Use of materials in new construction

Likewise, in new construction we make sure to use sustainable materials. In the construction of a building, wherever possible regional materials are used that are durable and have good usage properties. For example, we use high-quality insulation materials with low lambda values for the insulation of buildings. This ensures low heat losses in winter and limits the heating-up of rooms in summer. For new building projects, high performance anti-smog coatings are used.

We also use low-emission adhesives and sealants in our investments. These contain only low amounts of solvents based on volatile organic compounds. We apply the same strategy to paints and coatings.

Our contribution to resource conservation

[GRI 3-3, 303-5]

Around 128 litres is about how much water the average person in Germany uses per day.⁷ Large amounts of energy are also required to produce hot water: 15 % of the energy consumption of an average household is used to provide hot water.⁸ So lower water consumption also helps to save energy.

Water consumption in our properties is primarily influenced by the behaviour of our tenants. However, we ourselves can indirectly control consumption through targeted, smaller measures. For example, we use sanitary appliances with water-saving functions. In this way, water consumption for showering, for example, can be reduced by around 50 %⁹. In addition, since 2021 we have also reported on water consumption in the portfolio for reasons of transparency, even though we have little influence on it. Since 2022, we no longer do so only during the year, but also report annual consumption (see ↪ 'Key Figures' section).

The use of rainwater also has a lot of potential, and is being examined for applications ranging from sustainable irrigation to the cooling of the environment and building elements. For example, a pilot project is underway in Chemnitz to demonstrate ways of using rainwater economically.

In Germany, around 483 kg of household waste was generated per capita in 2021. This means that the per capita amount increased by another 6 kilograms compared to 2020 – a new record.¹⁰ We want to counteract this development and have commissioned external service providers with waste management at our larger sites. Here, through stringent waste separation, systematic re-sorting of the waste and recyclable material containers, and appropriate consultation, the volume of residual waste is reduced and that of recyclable

⁷ co2online (<https://www.co2online.de/energie-sparen/wasser-sparen/wasserspartipps/wasser-sparen-die-10-besten-tipps/>)

⁸ German Federal Statistical Office (https://www.destatis.de/DE/Presse/Pressemitteilungen/Zahl-der-Woche/2022/PD22_12_p002.html)

⁹ German Consumer Association Energy Advice (<https://verbraucherzentrale-energieberatung.de/mit-wenig-aufwand-energie-sparen/>)

¹⁰ German Federal Statistical Office (https://www.destatis.de/DE/Presse/Pressemitteilungen/2022/12/PD22_546_321.html)

materials is increased (see ↘ **'Key Figures'** section). In Gera, we have operated a consultancy and learning office for waste management since 2015. Here, our TAG environmental ideas serve to illustrate proper waste separation. Beyond this, regular activities are held to introduce children to the topic in an age-appropriate way. In addition to waste separation consulting for tenants, there are notices at the waste collection points and information on the TAG-Wohnen website.

At some locations, e.g. in Chemnitz, our subsidiary TAG Immobilien Service GmbH is in charge of waste management. Here, too, the volume of residual waste is reduced and that of recyclable materials increased with stringent waste separation and appropriate consultation. Larger waste facilities were converted to chip-based waste volume recording, for example at the Nauen and Angermünde sites. At some sites, TAG Immobilien Service GmbH expanded its waste management, especially in the professional disposal of bulky waste, as large housing estates generate vast volumes of bulky waste. The amount increased especially during the Corona pandemic. In order to further optimise professional waste management in the housing stock and improve waste separation, we expanded our data collection. This allows us to determine, e.g., whether there are enough bins and whether they need to be re-sorted often. We are also currently analysing material flows in connection with construction measures.

Together with our employees, we also strive to conserve resources and reduce waste within our Company. To achieve this, we rely on digital document management and the increasing digitisation of business processes at our business locations, e.g. electronic approval procedures and archiving, and paperless order processing. In the reporting year, we saved approx. 374,000 pages of paper – which roughly corresponds to three 25-metre-high spruce trees¹¹ (see ↘ **'Internal measures for more environmental protection'** section).

Resource conservation in new construction

[GRI 303-4]

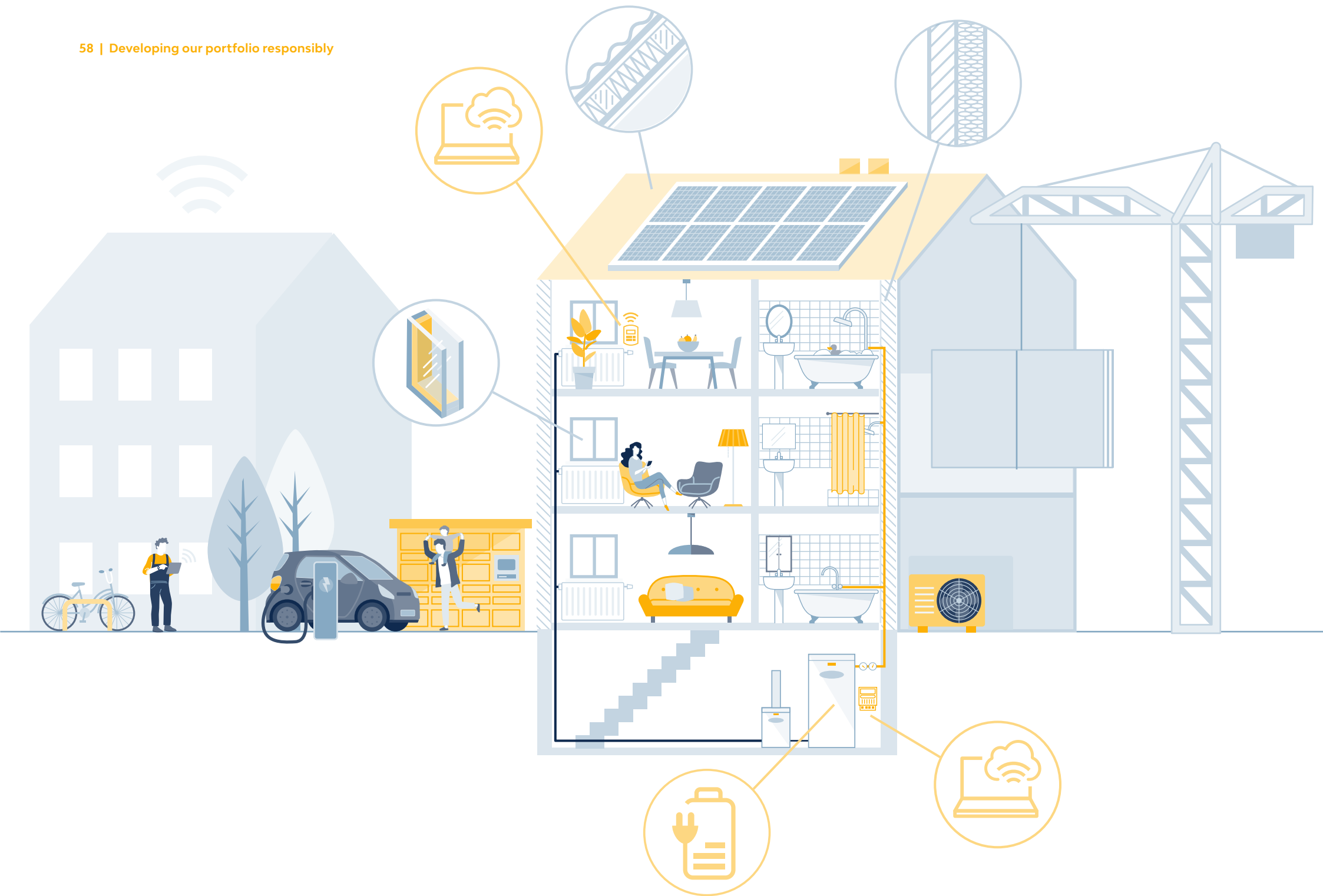
In Poland, we start protecting resources as early as the new-build planning stage. Our design solutions offer advantages with regard to water as a resource. They make it possible to keep the amount of rainwater discharged into the sewage system at the same level as before the building was constructed. By installing separators, two-stage filters, and drainage systems, we increase the quality of rainwater discharged into the sewage system. In addition, wherever possible, we collect rainwater for reuse in the irrigation of our green spaces. This solution is also implemented in rental projects.

Before we acquire a plot of land, we carry out a 'due diligence' review of the site. This involves examining important environmental aspects and determining what impact building there would have. For example, we analyse the proximity to nature reserves, historical land use and possible contamination of the soil, water supply and sewage disposal, as well as the endemic flora and fauna. We also consult nature conservation experts for our environmental assessments.

We always plan our construction activities with a view to minimising the impact on the environment. For example, we limit the construction work to the immediate vicinity of the building and minimise the volume of dust and soil particles released into the air. The work is carried out in such a way that any soil loss due to water or wind erosion during the construction phase is minimised.

Responsible waste management also plays an important role in planning the building and during the construction phase. Once the buildings are completed, we equip them with waste containers that allow for waste separation.

¹¹ Interesting facts about paper production (graspapier.de)



Responsible growth

The acquisition of ROBYG S. A. expands our portfolio in the field of developing new-build projects. This enables us to address the existing supply deficit in the market for mint condition buildings in neighbouring Poland.

Our focus on designing liveable neighbourhoods for residents is not limited to the German market. We have expanded our involvement in neighbouring Poland's fast-growing new-build market. Based in Poland's capital Warsaw, ROBYG has been successfully involved in real estate development since 2001 and has completed numerous new-build projects in that time. A perfect match for TAG. And so in Poland, too, we are focusing on sustainable, high-quality construction that meets the needs of our customers. New construction projects in Gdańsk and Warsaw testify to this.

Modern, family friendly living in Park Południe

Lush greenery surrounds the 'Park Południe' residential complex in the Chełm district of Gdańsk. With 565 apartments ranging in size from 25 to 75 square meters, the complex is ideal for singles, couples, and families alike. Freshly moved in, the residents of the neighbourhood, which was completed in 2022, enjoy living in a green environment yet close to the city. It is only about seven kilometres to downtown Gdańsk, a distance that can be quickly covered via two nearby ring roads. The expansion of local public transport is planned so that people will no longer need to use their cars in future.

And for all those for whom shopping is not high on the list of personal priorities: The approximately five-hectare complex, which has eight buildings, offers a resident-friendly 'sensory park' with a wide variety of green plants, small oases of tranquillity, and sufficient space for children who love to play on a good half of the grounds.



Key project data „Park Południe – South Park“

Land area	4.76 ha
Number of buildings	8
Number of flats	565
Flat sizes	25 – 75 sqm

On top of that, numerous green spaces in the surrounding area offer many opportunities for recreation and small 'time-outs' from the hustle and bustle of everyday life. Meanwhile, residents can enjoy all the amenities of urban life: kindergartens, schools and medical care are all within easy reach. And a visit to the beach on the Baltic Sea is just 15 kilometres away.

Ecological and sustainable

In Poland's capital Warsaw, we are putting the '15-minute city' concept into practice in the Ursus district with the project 'My Ursus – Mój Ursus'. The basic idea is that residents can reach everything they need in their daily lives within 15 minutes on foot or by bicycle. This makes it easy to abstain from short car journeys.

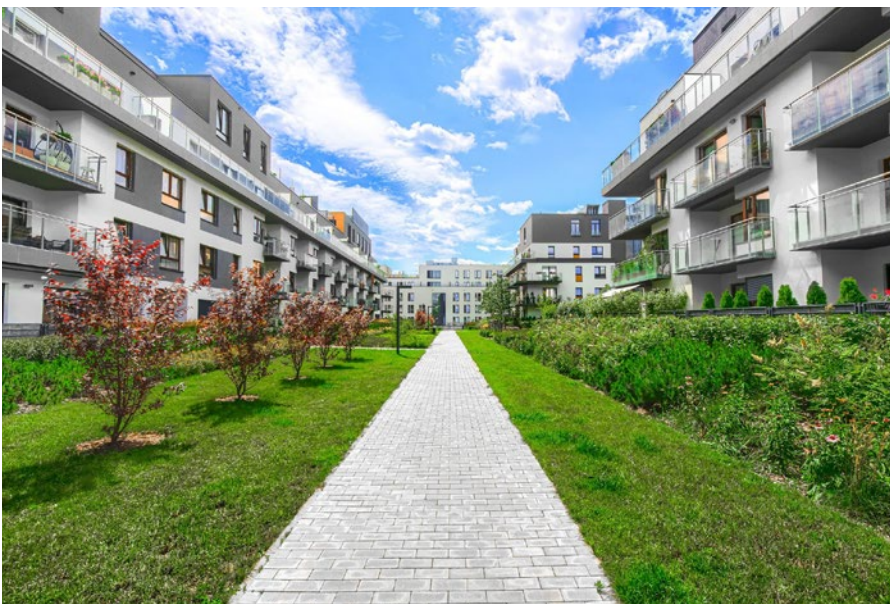
A total of 14 buildings with more than 2,200 flats are being built here on around 6.5 hectares. The entire development is designed to be energy-saving, which starts with energy-efficient construction methods and is also evident in the use of LED lighting, the smart home systems (Keemple) in the flats, and the photovoltaic systems.

Attractive green spaces are planned and the capital's first ecological park is being built on an area of five hectares in the immediate vicinity of the project. It will feature biodiversity trails, a playground and a gymnasium.

The Ursus district is well connected by public transport. The city centre and other districts of Warsaw are easy to reach from here. In Ursus itself, residents can quickly do their shopping along the wide network of footpaths and cycle paths, the youngest children can have fun in the nearby kindergartens, and of course schools and medical care are also within easy reach.

»The acquisition of ROBYG is an important step in the right direction for us,“ notes TAG Immobilien AG Management Board member Claudia Hoyer. “ROBYG’s extensive know-how in real estate development and its commitment to sustainable construction is a good match for us and our subsidiary Vantage, and enables us to pursue responsible growth.«

Claudia Hoyer, Vorstand der TAG



Key project data „Mój Ursus – My Ursus“

Land area	6.44 ha
Number of buildings	14
Number of flats	2,227
Flat sizes	25 – 95 sqm

Ongoing efforts for more biodiversity

[GRI 3-3]

The management of our existing spaces is carried out according to defined quality standards and processes. Central Purchasing manages the tendering process for our outdoor landscaping and green space maintenance. In the reporting year, we managed around 3 million sqm of green spaces in total, while the green space tendered by Central Purchasing was around 2.4 million sqm. These spaces are mainly at our sites in Erfurt, Gera, Dresden, Chemnitz, Brandenburg an der Havel, Angermünde, Eberswalde, Bestensee, Merseburg, Nauen, in the Lausitz region, Görlitz, Plauen, Elmshorn, and Salzgitter. We have concluded framework agreements for the care and maintenance of the approx. 43,100 trees in our portfolio as well. We make green waste available to biogas plants and regional farmers for further processing.

By organising tree planting campaigns and creating orchards or insect meadows in our neighbourhoods, we contribute to the preservation of habitats for animals and plants. We primarily work with local partners. In the reporting year, we redesigned further outdoor spaces to offer insects, small animals, and birds better opportunities to thrive. In Bernburg, we continue to cooperate with the university to increase biodiversity through near-natural residential environment design. In the reporting year, our TAG Immobilien Service added further outdoor spaces to its care and a nationwide project workshop took place. Expansion of the measures to further locations and the development of optimal utilisation concepts are planned. Gera-Lusan once again delivered TAG honey from the beehives on our flower meadow. In our Königshufen residential neighbourhood in Görlitz, a local tree nursery takes care of the newly planted trees and shrubs from the '950 Trees for Görlitz' campaign. When mowing the green spaces cared for by our TAG Immobilien Service, we use biodegradable mower strings. They replace the plastic mowing strings previously used and reduce the microplastics released into the environment.

In all of our landscaping, we eschew the use of chemical pesticides. Wild plants are removed either mechanically or using heat. This method is more time-consuming than using chemicals, but helps to better protect nature.

Our biodiversity measures also serve to boost the environmental awareness of the tenants and increase the quality of life in the neighbourhood (see [↘ 'Liveable Neighbourhoods'](#) section).

In 2019, we introduced a central tree register, in which the entire tree population under our management is recorded. The register facilitates systematic tree care, planning for new and replacement plantings, and compliance with road safety re-

quirements. All the inspection and maintenance companies we use are certified or accredited. For example, only tree inspectors trained according to recognised German standards carry out the inspection of the trees and determine the maintenance measures. In order to ensure that maintenance is carried out in a way that conserves resources and protects the environment, all maintenance companies work according to a standardised list of services. In drawing up these specifications, we followed the latest German standards. Our tree population not only provides more greenery in our neighbourhoods, it also contributes to climate protection by serving as a carbon sink. The trees in our neighbourhoods store around 1,000 tonnes of CO₂ annually.¹²



Over **43.000 trees**
in our neighbourhoods
store around
1,000 Tons of CO₂

In our new-build projects, we take care to reduce or compensate for negative impacts on biodiversity. For example, we make a point of preserving existing trees, green spaces and other plantings wherever possible and incorporating them into the plans. After the end of construction, we create new green spaces, flower beds, hedges, and tenant gardens. In addition, when designing the building we already consider solutions for limiting light pollution and preventing birds from colliding with buildings. Specifications to this end are set out in our environmental policy and other guidelines.

Optimising energy efficiency and emissions

More climate protection through our decarbonisation strategy

[GRI 3-3]

We have set ourselves the goal of doing our part to limit global warming by continuously reducing our CO₂ emissions. With this in mind, we worked with an external engineering company (EWUS Effiziente Wärme- und Stromlieferung GmbH) to develop a decarbonisation strategy in which we outline our path of CO₂ reduction through the year 2045. By minimising our CO₂ emissions, we can also keep down the added costs of CO₂ charging for TAG and our tenants, and contribute to fulfilling the national climate targets, which stipulate that Germany should produce 65 % less greenhouse gases in 2030 as compared to 1990 (1.5 degree target).

¹² How much CO₂ does a tree store per year? | ForTomorrow

In the first step of our strategy development, we collected and analysed all the key data so as to evaluate the entire portfolio under energy aspects and with regard to the CO₂ emissions generated. The average CO₂ emissions (CO₂ equivalents) determined for the entire portfolio were 31.9 kg per sqm (floor space) for the base year 2019, the year reviewed. In the next step, we developed concrete concepts and measures that we plan to implement by 2045. We will focus primarily on measures for the energy-related modernisation of heating systems and building shells, the changeover to more efficient system controls, and the use of non-fossil fuels.¹³

In the longer run, we will plan and schedule specific measures in the strategy. In the longer term, we will also consider steps that we will review and adapt over the years in light of the latest technical developments. For our goal is to introduce green technologies for a future-proof portfolio and to develop active investment strategies to ensure our competitiveness long-term. In several sub-project groups with different focuses, such as photovoltaics, smart technology, and data management, those responsible on the Climate Board oversee and facilitate the implementation of the measures and further develop our investment strategy in this regard.

One important component in achieving our goals is our subsidiary EWS, which ensures professional energy management for the TAG Group and again helped to reduce our emissions in the reporting year. This was achieved primarily through the ongoing modernisation of heating systems and the efficient use of energy sources.

Environmentally friendly energy supply and reduction of emissions

[GRI 3-3, 302-2, 305-5]

When it comes to energy efficiency, German properties still have some catching up to do. For example, only around 13 % were assigned to energy efficiency classes A, A+, and B in 2021.¹⁴ We want to do our part and create further opportunities for energy savings and a more efficient use of resources. To this end, we are further expanding our Energy Management line of business. EWS currently supplies 48 % of our portfolio with heat and hot water (approx. 41,600 units as of 31 December 2022), and is responsible for maintaining and modernising the heating systems.

It performs functional checks, maintenance, and efficiency audits on the heating systems at regular intervals. We continuously optimise the mix of our fuels in our sourcing. An integrated energy management ensures greater efficiency. Our focus is on optimal control of the heating systems and efficient heat generation.

In these areas, we achieve CO₂ savings primarily by switching to fuels with lower emission factors. By modernising the systems, we increase energy efficiency. This reduces primary energy consumption and CO₂ emissions. In the year under review, EWS continued the renewal of heating systems and achieved the target set in the previous year for the renovation or renewal of approx. 100 to 120 heating systems. A total of 104 heating systems were professionally modernised in 2022, the figure for 2021 was 119. We predominantly relied on the regionally available supply infrastructure, converting most of the heating systems, e.g. at the Dresden site, from natural gas to district heating, in cooperation with the regional district heating suppliers. These modernisations measures will enable us to save more primary energy in fuels starting in the year ahead and achieve a further reduction in CO₂ emissions. We will continue to refurbish the heating systems going forward. In accordance with our decarbonisation strategy, we will primarily focus on the volume of the associated reduction in CO₂ emissions when determining the target values.

Beyond this, the expansion of our central database increases transparency. This allows us to evaluate data in a more targeted manner, detect errors more quickly, and take immediate countermeasures if necessary. Having a central database also facilitates cross-divisional cooperation and coordination between the decarbonisation team, our subsidiary EWS, and the technicians from the LIM regions and Central Technology in complex building modernisation projects.

The Central Technical department, newly created in 2021, is mainly responsible for major construction, refurbishment, and maintenance measures as well as for developing projects in connection with the decarbonisation strategy. It coordinates with the regional real estate management teams and with EWS. In addition, Central Technology contributes its expertise to the work of the Climate Board, e.g. on the topics of photovoltaics, smart technology, and serial refurbishment.

For several years now, we have been working with cooperation partners to introduce remote meter reading at various locations. The smart meter systems enable that enable real-time monitoring of system efficiency, and rapid countermeasures if necessary. They record consumption and efficiency indicators and automatically analyse technical optimisation options such as night setback, or adjustments to the heating characteristic curve. Through the planned widespread use of this remote monitoring technology, we want to optimise the systems' operation and reduce primary energy consumption by 3 % to 5 %, which will lead to further CO₂ reductions. In the year under review, another approx. 300 heating systems were equipped with remote monitoring.

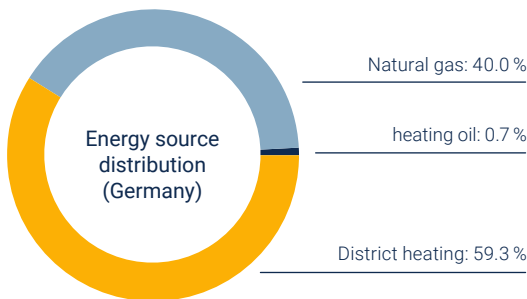
¹³ Our total real estate area is around 5.2 million sqm (as at 31 December 2022). Of this, we use around 29,900 sqm for our administrative activities. This corresponds to a share of around 0.6 % of the total area. This means that – from our point of view – we do not have a significant influence on total energy and water consumption. For this reason, we do not differentiate between internal and tenant-used space in our reporting of ecological indicators.

¹⁴ Statista (<https://de.statista.com/statistik/daten/studie/1284714/umfrage/verteilung-energieeffizienzklassen-immobilien/>)

In 2022, we also implemented the regulations resulting from the Ukraine war to secure the energy supply, and in particular to optimise heating systems e.g. through performance testing and hydraulic balancing.

For this report, the actual heat and electricity consumption (for heating) of the entire portfolio¹⁵ was evaluated in detail by energy source for the year 2021. We will report on the consumption data for 2022 in the following year. This also includes the consumption data of what used to be known as the 'EWS Analysis portfolio', with which we had begun our reporting in previous years.

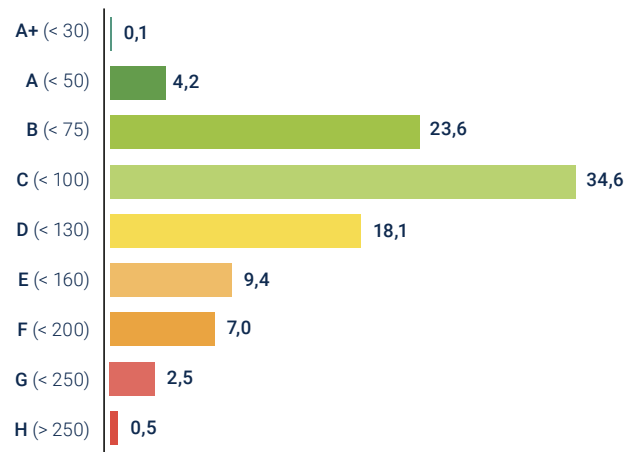
As of the reporting date 31 December 2021, 59.3% of the units in the entire 2021 portfolio were heated with district heating, 40.0% with natural gas, and 0.7% with heating oil. Energy consumption in relation to floor space including proportionate general electricity was of 143.5 kWh per sqm on average in 2021 (energy intensity), and has thus improved further compared with previous years (2020: 149.7 kWh per sqm of floor space). The calculated CO₂ emissions (CO₂ equivalents) dropped by 1 kg CO₂eq per sqm to an average of 30.5 kg CO₂eq per sqm within one year (2020: 31.5 kg CO₂eq per sqm of floor space). This is attributable, among other things, to the fuel switch in portfolio buildings previously supplied with heating oil.



In the year under review, TAG reinvested about one third of its rental income in the future viability of its portfolios. In the course of these portfolio modernisations, we are also improving the energy efficiency of our buildings. Based on the energy performance certificates for our portfolio (as of 31 December 2022), the average energy efficiency is 109.1 kWh per sqm of floor space (31 December 2021: 111.1 kWh/sqm). This means that around 63% of our flats currently have an energy rating in energy efficiency class C (below 100 kWh/sqma) or better. By the end of 2025, we plan to increase the share of these buildings in our portfolio to 65%. In this way, we will successively further improve the energy efficiency of our portfolio. Further investments in buildings in the lowest efficiency classes also result from the requirements of the EU Buildings Directive, which requires owners to improve the energy efficiency of such buildings by no later than 2033.¹⁶

Besides the comprehensive modernisation of the heat supply in our properties, we also regularly carry out other maintenance and modernisation measures at all our locations. By doing so, we maintain and increase the value of our properties and enable a resource-efficient management of our portfolio. Moreover, we adapt our properties to the requirements of our tenants and the market.

Energy certificates Germany



Small-scale construction measures and regular tenant information also contribute to energy savings. For example, when modernising, we convert windowless bathrooms into daylight bathrooms wherever possible. This helps to reduce the electricity demand. The use of water-saving sanitary products and low-wear fittings ensures long-lasting functionality and saves energy. We also advise our tenants on energy-saving living at our tenant offices. When we modernise heating systems, we specifically provide information on how they can save energy through correct heating and ventilation habits. In addition, we provide relevant information on our website and in brochures. In our common areas, we reduce electricity consumption e.g. by installing motion detectors and energy-saving lamps.

¹⁵ Portfolio 2020 without home-owner and sales properties.
¹⁶ EU Buildings Directive (EPBD) – Bundesarchitektenkammer e.V. (bak.de)

For every major modernisation measure, we check whether the use of renewable energies is technically and economically feasible and makes sense. The assessment is made based on the specific property's energy footprint. In the planning process, we also take into account that, according to the law, new heating systems must use 65 % renewable energies from 2024 onwards.¹⁷

In Cologne, a photovoltaic system has been in operation in a rental property on Zollstockgürtel since 2021. Working with EINHUNDERT Energie GmbH as our partner for operating the facility, we offer tenants the option of using the green electricity generated on site in the form of a tenant electricity model. In addition, tenants can view their consumption and the costs incurred via an app. The system is expected to save around 22 tonnes of CO₂ per year. We are also planning to install photovoltaic systems at other locations as well, such as Gera and Merseburg. Furthermore, we want to integrate photovoltaic solutions into serial refurbishment projects – a matter we are currently working on intensively in cooperation with **dena (German Energy Agency)**. We aim to carry out the first serial refurbishment project on a building in 2023 and to plan further projects (see also topic page on decarbonisation strategy). The cooperation with dena also enables us to obtain additional funding to refinance energy refurbishments. Training our own in-house energy consultants also resulted in flexible, in-depth energy footprinting of planned energy refurbishment projects in the reporting year. In the context of supplying our buildings with energy, we also made further progress in the use of resource-saving systems technology. We plan to implement the first pilots in 2023.

Reducing emissions in new construction

When building new flats, we take energy efficiency and the use of resources into account from the very beginning to save CO₂ emissions. We design the buildings to be efficient and ensure that specific measures are taken during construction. Inspectors monitor the operation and performance of basic building systems such as heating, ventilation and air conditioning, lighting, hot water, and power generation systems. The inspectors are involved in the design and development phase and check the systems as part of building maintenance.

One of our goals is to increasingly use renewable energies. With this in mind, we place a significant focus on installing photovoltaic systems in rental properties. The electricity generated in this way is primarily used for common areas such as hallways and stairwells.

For instance, photovoltaic panels have been installed at our 'Buforowa 89' residential project in Wrocław since 2020 to

generate electricity from solar energy while also reducing the heat island effect on the roof. Since 2022, these have not only supplied the common areas, but also building services. In the near future, we will install photovoltaic panels in all our new-build rental projects. We also plan to incorporate more green roofs into our projects, as was done in the 'Buforowa 89' project. The implementation of tenant electricity models is being reviewed.

Our lighting concepts also serve to save emissions in new construction. They include energy-efficient LED technology as well as traffic and twilight sensors, and zoning of the lighting in the stairwells. Wherever possible, we work with natural lighting in the stairwells. Overall, these measures reduce lighting costs by 70 to 80 %.

Also, we do not use CFC-based refrigerants in air-conditioning and central ventilation systems.

The Green Standard in our new-build projects in Poland includes key initiatives and targets to reduce emissions in new construction. In the reporting year, at least five low-emission solutions such as photovoltaic panels or smart home systems were installed in all new construction projects. Starting in 2025, the energy consumed on the construction sites is to come entirely from renewable sources.

Internal measures for more environmental protection

[GRI 3-3, 302-1]

As part of the statutory energy audit in accordance with DIN EN 16247-1, external experts regularly examine where we can save further energy and CO₂ emissions at our own and at rented office locations in Germany. The last assessment was carried out in 2020/21. Proposed measures are developed on the basis of energy consumption profiles for the building equipment and technology, and reviewed for their technical feasibility, structural practicability, and economic viability. In particular, the recommended actions involved a switch to energy-saving lighting at larger locations as well as individual facility optimisation measures. The accelerated implementation of these measures was reviewed in 2022, partly with the regulations to secure energy supply in mind. Employees are also made aware of the need to save energy in the workplace. In light of the energy crisis, we have stepped up our employee information in this matter, among other things by posting specific tips on how to save energy on the intranet.

In 2021, we began switching some of our office locations to green electricity. We started with mostly the larger branches and administrative locations with higher electricity consump-

¹⁷ Target for new heating systems from 2024: 65 percent renewable energies: VKU - German Association of Local Public Utilities

tion. In the reporting year, we extended the selection to other locations and increased the total amount of 100 % certified green electricity from about 600,000 kWh to about 1,000,000 kWh. Thus, around 50 % of our administrative locations are currently supplied with green electricity.



We save cooling energy and electricity at our data centre in Düsseldorf by using 'Green IT'. In our guidelines and directives, we urge our employees to use electronic devices in an energy-saving mode.

In addition, we ensure economical paper consumption, give preference to environmentally friendly recycled paper, and collect waste paper for recycling. We guarantee the return of waste paper for 100 % raw material recovery through other partners. And by digitalising processes and reducing the number of printed documents, we were able to reduce the consumption of copier paper by nearly 25 % compared to 2020.

When communicating between various locations or with business partners, we use online conferencing and conference calls whenever possible. This makes it possible to reduce business travel and save resources. Although this development was influenced by the Covid-19 pandemic, we expect that after the end of the pandemic, digital channels will continue to be used more intensively and that fewer business trips will be made as a result. Especially in the Company-wide projects 'Mission '21' and 'Mission Future', 'WE Culture, Triple E and the Sustainability Committee, virtual project rooms with shared document access and chat facilities are now predominantly used for communication.

Our employees also exchange ideas on sustainability issues and contribute further ideas on how to save resources as part of the 'Wir für eine bunte TAG' (Together for a colourful TAG) project. For example, at the request of the employees, water dispensers are available for use instead of individual beverage bottles at our larger locations. In the year under review, we switched to more eco-friendly office and promotional products, as well as consumables and cleaning agents.

We also provide our employees with personal vehicles or pool cars for the performance of their official duties. In the reporting year, we developed a company mobility concept in order to expand the range of environmentally friendly vehicles. In the course of this, we were able to further increase the share of electric and hybrid vehicles in our fleet, e.g. at

the Leipzig and Düsseldorf locations. A gradual conversion of the vehicle fleet to electric drives is planned. Taking the train is always preferred over driving a car. We also promote travel by public transport by subsidising job tickets. In addition, we offer our employees the option of leasing a job bike. 80 employees are already taking advantage of this option. Company bicycles, including e-bikes, are available at various locations. These are mainly used by our TAG Immobilien Service teams. Larger bicycle basements have also been set up at some locations. In addition, all of our employees can also avail themselves of the discounted mobility offers that we extend to our tenants, e.g. car sharing under our cooperation with Flinkster and teilauto.

In 2022, 1,235 business trips were made by train (2021: 179, due to the pandemic). The number of kilometres travelled by train thus increased from around 158,000 to 340,000. Nevertheless, train use is below pre-Covid-19 levels, as team and project meetings continued to take place digitally in many cases. Use of passenger cars increased again slightly, especially because our core business necessitates many on-site visits, e.g. for the maintenance and inspection of the portfolio by caretakers, craftspeople, technicians, and property managers. Appointments of this kind can hardly be reduced and, due to the regional distribution of the portfolio and the transport of materials, cannot be done completely by bicycle. For example, CO₂ emissions from the use of diesel and petrol vehicles increased by a total of 9.1 % compared to 2021. If the final energy consumption including the upstream chain is taken into account, we consumed around 217,000 kWh less energy in the reporting year through rail use compared to cars and thus saved around 73,000 kg CO₂.

In Poland, too, various environmental protection measures have been implemented since 2019. Here, filtered tap water is now available to employees at certain locations after water filters were installed in the kitchen faucets. This eliminates the need to buy bottled drinking water. There is also a rule that waste must be collected separately. Only recycled paper is used for printing. Paperless documentation and communication was expanded in 2021. This applied to business relations with customers in the first step, and in the second step was extended to other business partners. A pilot project at the construction stage was carried out, and the findings were applied to other construction projects. In connection with the move to a new office in Wrocław, further eco-friendly solutions for the offices were researched as early as the planning phase. The new office building, which was moved into in February 2023, is certified according to the BREEAM standard. Among other things, it features energy-saving facility management systems.

Environmental compliance

[GRI 3-3, 2-27]

No violations of environmental protection laws and regulations were recorded in the reporting year 2022.

All contracts with our external suppliers contain the relevant specifications to which suppliers and their subcontractors must adhere (see [↘ 'Sustainability in the value and supply chain'](#) section). These guidelines are also part of our 'Principles and Guidelines for the Protection of the Environment' and our 'Principles and Guidelines for Ecologically and Socially Responsible Procurement,' which came into force in 2020 and apply across the Group. The guidelines, which summarise and substantiate our previous regulations, can be viewed by all employees on the intranet. In addition, an [↘ excerpt](#) from the principles has been published on the TAG website. Implementation of our environmental protection targets is reviewed at least once a year.

Our principles and guidelines apply at Vantage and ROBYG in Poland as well. Moreover, our business activities in Poland are carried out in accordance with national requirements and laws.

Risks of climate change: Prevention measures in our portfolio

[GRI 3-3, 201-2]

Climate-related changes may cause an increase in 'physical risks' in Germany and Poland as elsewhere and cause damage to inventories and neighbourhoods. These risks include extreme weather events such as heavy rain, storms, or drought and heat. TAG sites may also be affected. Therefore, it is important to recognise these risks at an early stage and to prevent them by taking appropriate measures.

Risks from extreme weather events are already part of TAG's risk management and are reviewed quarterly. In the event of such events occurring (physical risks), damages are examined and necessary measures are identified and implemented. Possible climate changes are always reviewed, in coordination with insurance reports and assessments by the regional managers (LIMs). Should permanent changes in risks or their hazard potential become apparent, our risk management would be adjusted accordingly. To date we have not recorded any increase in related building damage, so to date there has been no associated need for additional investment in protective measures, nor has there been an impact on building insurance costs. In the reporting year, we also started developing a climate scenario analysis with the support of a partner in science and academe. We were able to complete the physical risk analysis in January 2023; the

results are explained in the [↘ 'Implementation of the TCFD recommendations'](#) section.

To prevent risks, during construction measures we take care to minimise soil sealing, for example. When renovating façades and roofs, we calculate larger volumes of water for rainwater drainage and in drainage planning in general. Increasingly, we are also incorporating new technologies for climate control (heating and cooling) into the planning of measures. The potential of greening existing façades and roofs for climate control was also analysed during the reporting year. This includes, for example, rainwater harvesting systems, photovoltaic surfaces, and greening of buildings. The idea is to store rainwater on the façade in a collection system. It can then be released into the environment through evaporation or used for controlled cooling of photovoltaic elements, for example. However, the planning of initial pilot projects in the German stock has been suspended for the time being due to a lack of economic viability. Alternative solutions are being examined for the future.

Climate regulation measures also play an important role in new construction. In the reporting year, for example, we created around 130,000 sqm of green spaces, shrubs and flower meadows and planted more than 1,600 trees as part of the new-build projects in Poland. In addition, around 18,000 sqm of green roofs were created, as well as some 6,000 sqm of rain gardens equipped with a rainwater irrigation system.

We use our monitoring and documentation system to regularly check whether the measures taken are effective. To this end, we carry out inspections in accordance with regulations, as well as maintenance checks and risk assessments. We guarantee compliance with our road safety obligations in this way as well (see [↘ 'Health and safety'](#) section).



Our responsibility to society

[GRI 3-3]

Material topic

Sub-topics

Marketable development of the portfolio for broad sections of the population, including appropriate rents



- › Housing as needed (demographic change, inclusion, accessibility)
- › Contribution to new construction in densely populated areas
- › Transparent pricing/fair & socially acceptable rents
- › Maintenance and modernisation of existing properties
- › Social impact of the product portfolio

Customer focus and quality of service



- › Customer/tenant satisfaction and security (through proximity to tenants)
- › Digitalisation (service)
- › Education & awareness-building of tenants regarding resource-saving behaviour

Liveable neighbourhoods



- › Infrastructure & neighbourhood development incl. increasing the quality of stay and sustainable transport development
- › Smart cities/smart homes
- › Strengthening diversity and cohesion in neighbourhoods
- › Foundations
- › Corporate volunteering
- › Donations/sponsoring
- › Public-private partnerships

Due to demographic, social, and ecological change, ensuring affordable housing that is also adequate to the demand and climate-friendly has become a task for society as a whole. As a housing company, we are prepared for the changes that have been forecast, especially as a result of demographic change. Yet we, too, find that current developments keep presenting us with challenges, which we meet with a sense of social responsibility and flexible solutions. In 2022, the energy crisis became a particular focus.

Alongside this, demographic change continues to require adjustments in the design of housing and neighbourhoods. Statistical surveys indicate that the demographic situation in the housing market will continue to change. According to Federal Statistical Office of Germany, the number of people over the age of 67 in Germany is expected to rise by around 22 % to 20 million by 2035. To ensure that this elderly population can continue to participate in social life, many of our locations will require new housing concepts. The need for innovative mobility and care concepts is also increasing.¹⁸ A modern infrastructure of this kind, which reduces greenhouse gases, is also indispensable in view of climate change.



By 2035 approx.
¼ of the population
in Germany will be
older than 67

After many years of steadily increasing urbanisation, a new trend has emerged since the Covid-19 pandemic: more and more people are moving out of the big city into smaller towns or the countryside. The reasons for this are manifold; housing shortages and increased rents are among the triggers.¹⁹ Since 1995, rents in large cities have risen continuously, as the development of the rent price index shows.²⁰

In this challenging environment, because we are a provider of attractive, affordable housing for broad sections of the population in the A-grade locations of B-grade cities and the B-grade locations of A-grade cities, we take responsibility, towards society and in particular towards TAG's tenants and their living conditions. Living up to our role as a provider of attractive housing, we work to promote neighbourly communities and create recreational activities for all generations.

We offer our tenants social support and invest in properties and neighbourhoods worth living in. To this end, we work closely with local policymakers, associations and other local protagonists. This is part of our basic principle of fair management and treatment of all stakeholders, which is why it is codified in our ESG guidelines.

Since 2020, we have initiated social activities to improve the living conditions in our neighbourhoods in an even more targeted way under the aegis of our non-profit TAG **↘ TAG Miteinander Stiftung**. With the foundation, we want to contribute to people living in good conditions, enjoying a spirit of community, and treating each other as good neighbours. Our efforts focus on supporting children and young people, families and senior citizens, as well people in need who have fallen on hard times. In the year under review, TAG Miteinander Stiftung committed or paid out funding totalling more than TEUR 300 to six charitable organisations



After the Covid-19 pandemic presented special challenges for our tenants in 2021, right now the energy crisis in particular is causing uncertainty among them. In an effort to answer their questions about the increased energy prices as far as possible, we have published extensive information and referred them to our individual counselling services. In this way, tenants can seek advice from TAG by phone or in person in the event of payment difficulties as well as other matters.

Our receivables management teams have always seen themselves as debt counsellors and try to help rent debtors in such a way that they can continue to live in their apartments. For instance, we offer tenants the option of instalment payments or deferrals, as well as assistance in applying for government subsidies. We also participate in many aid projects and, for example, initiate neighbourhood assistance programmes to specifically provide local support. We are in constant contact with our social partners and various aid organisations in this connection. In the reporting year, we were particularly involved in aid for Ukraine. For instance, we compiled information for refugees from Ukraine on how to find a place to live and supported various campaigns at our locations.

In Poland, too, we are committed to social responsibility. Our projects influence urban development as well as the residents' quality of life in our neighbourhoods. The Group's new-build activities have a significant impact on the existing space and the immediate external environment. On the one hand, this refers to the construction of buildings and associated infrastructure (playgrounds, roads, footpaths, cycle paths, recreational areas). On the other hand, it refers to our community involvement as a company – our cooperation with local organisations and support for charitable initiatives. We have engaged ourselves locally for many years, working closely with local communities and supporting their initiatives and projects. Since February 2022, we have also been particularly strongly involved in supporting Ukrainian refugees.

¹⁸ 4 million more people aged 67 or over will live in Germany in 2035 - German Federal Statistical Office (destatis.de)

¹⁹ Federal Institute for Population Research (BiB) – Press releases – Cities' migration losses reach high level of the 1990s (bund.de; in German only)

²⁰ Statista.de – Entwicklung des Mietpreisindex für Deutschland in den Jahren von 1995 bis 2021 (in German only)

On-site service and commitment for our tenants

[GRI 3-3]

With regard to our tenants' satisfaction, we see four areas as key: a market-oriented development of our portfolio for broad sections of the population, including reasonable rents; liveable neighbourhoods; customer focus and service quality, and dialogue with tenants, local authorities, and other stakeholders (see [↘ materiality matrix on page 13](#) section).

Our properties are located in the vicinity and wider catchment area of large cities and in medium-sized and smaller towns. These so-called 'B-locations' enable us to offer attractive and affordable housing for broad sections of the population. As of 31 December 2022, average rent across our residential units was EUR 5.64 per sqm and month. We consider our markets to be very stable and not very susceptible to economic cycles.

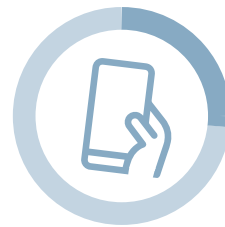
We are in dialogue with all key stakeholders in our ten regions in Germany. In cities where we manage larger contiguous portfolios, we make an active contribution to neighbourhood development. Fulfilling our responsibility to society as a corporate citizen is part of our company philosophy.

In serving our tenants, we rely on local expertise combined with central know-how. Our LIM departments provide personal support to customers at their respective locations and handle all matters relating to the properties and their letting. Our Central Customer Management department supports them. This ensures better accessibility and more efficient processing of tenant concerns. The aim is to further reduce processing times going forward. The introduction of the Central Customer Management system also gives our property management teams more time on site to provide personal support. The LIMs and Customer Management report directly to the Management Board.

The organisational framework for managing the Company is provided by our Business Principles, Group Guidelines, and Working Guidelines (see [↘ 'Integrity and ethics, fair business conduct and compliance'](#) section), as well as our 'Principles of Social Engagement' (cf. ESG Guidelines). The employees' specific tasks and competencies are defined in task and process descriptions. Continuous dialogue at and between all levels also supports us in achieving our goals of tenant satisfaction and tenant loyalty.

To learn where there is room for improvement, we regularly conduct tenant surveys. In 2021, we conducted a tenant survey across the entire portfolio. Location-specific random tenant surveys are conducted at least semi-annually as part of our service provider monitoring, quarterly or even monthly at

our larger locations. Since December 2022, further random surveys on tenant satisfaction have been conducted monthly by our Customer Management department. We also receive continuous feedback via the TAG tenant app, which was used by around 26 % of our tenants in the reporting year (as of December 2022), and via social media. In 2022, we again received a lot of feedback on our organisational change. We also received positive feedback in a third-party housing company survey conducted by the Bremen-based law firm *right-mart Rechtsanwälte*. On average, residents at our locations gave us 3.44 out of 5 possible stars. This puts us in second place in the survey's ranking, alongside a municipal housing company.



More than $\frac{1}{4}$ our tenants use our tenant app

In addition, the exchange of ideas with colleagues from other regions ensures an ongoing transfer of knowledge. We organise training courses to prepare our account managers for new situations that arise as a result of social change or from breaking developments such as most recently the pandemic situation (see [↘ 'Employee qualification and further training'](#) section). In the reporting year, we mainly carried out training on various specialist topics in the areas of customer management, on leasing and technology, and on the ERP conversion to S4 HANA.

In Poland, too, customer service is a top priority. At present, home buyers still form a larger customer group than tenants. Both buyers and future tenants are advised and supported by experienced, qualified employees. We place great value on transparency and a trustful partnership. Going forward, the focus in Poland will be more on portfolio management. New teams that are responsible for tenant services and property management have been established, so that we can ensure fast processes, high quality, and the best possible service for our Polish tenants.

Marketable portfolio development for broad sections of the population

[GRI 3-3]

Our business activity is based on our housing portfolio, in which we invest continuously. In developing our portfolio, we consider the regional requirements of the market. In this way, we ensure the long-term rentability of our properties. We also modernise vacant residential units according to demand. In this way, we expand the market with new flats that are suitable for various target groups.

One of our most important goals is to improve tenant satisfaction and tenant loyalty or maintain it at a high level – which is why during the year under review we invested around EUR 124 million in our portfolio in Germany alone (2021: EUR 107 million) (see ↘ **‘Continuous investments for a competitive portfolio’** section, as well as ↘ **Annual Report 2022**). In 2023, investments at a similarly high level are planned, to further advance the decarbonisation of our portfolio.

In addition to maintenance, the investments in our portfolio also go towards demand-driven modernisations, partly in response to demographic change. 22 % of Germany’s population is already over the age of 65.²¹ Almost six million of the elderly live alone. At the same time, however, the number of disabled-access dwellings is still very low: only about 2 % of flats and single-family houses in Germany are disabled-accessible, according to the findings of the Federal Statistical Office’s microcensus supplement ‘Housing’.²² And a study by KfW Research found that the demand for age-appropriate housing will exceed the supply by about two million by 2035.²³



Only about **2%**
of the flats in Germany are
barrier-free
accessible

TAG is countering this trend by increasingly building more disabled-access flats for tenants and supporting tenants in individual conversion measures for senior-friendly homes. These include the removal of thresholds, the conversion of bathtubs into easily accessible shower baths, and the installation of grab rails and other helpful equipment. We also constructed ramps and mini garages for wheelchairs and walkers. At the Görden site in Brandenburg an der Havel, for example, we are carrying out a complete renovation of an ensemble of pre-war buildings. We are converting the outdated buildings into mod-

ern but still affordable residential spaces. Eight different types of flats will be created, some of them disabled-access. One building will contain only senior-friendly flats. There will also be space for two medical practices and a nursing service. In the year under review, work began on the second phase of construction. Another example is the installation of lifts in a six-storey residential building in Magdeburg, with which all 108 flats have been accessible since March 2022. We also installed a new heating and hot water system and renovated the bathrooms, among other things. The converted flats at both locations are suitable for a variety of target groups, including and especially for seniors. In 2022, other refurbishment measures were begun in the city centre of Döbeln and elsewhere, including disabled-access flats.

In partnership with local nursing agencies, we offer our tenants additional care and other services. At our major locations, our tenants can avail themselves of our free residential, social, and senior citizens’ consultation, an offer that is in great demand. TAG’s customer management also puts tenants in touch with local care services as needed.

As part of this, we have established a cooperation agreement with Dignicare, a nationwide outpatient care provider. Together, we are developing concepts to enable our tenants to remain in their living quarters and thus in their trusted environment for as long as possible. Under this cooperation, we plan to expand outpatient services in the TAG properties and establish day-care facilities in the residential neighbourhoods. In the year under review, Dignicare set up a care service in TAG’s business building in Gera to provide services to the residential neighbourhood. By setting up a service-oriented infrastructure in the residential environment, we are specifically strengthening neighbourliness and making a contribution to preventing loneliness, especially among senior citizens living on their own. We are currently reviewing at which other locations we can establish and expand services with Dignicare. A joint climate-friendly mobility project is also being considered for 2023.

In many university cities, we offer housing for young people under the ↘ **‘Junges Wohnen’** (Young Living) brand. Our attractively priced and conveniently located apartments are an excellent choice not only for students, but for apprentices or anyone moving into their own apartment for the first time. Flat shares are also possible, and young people in particular benefit from our promotions such as the move-in bonus, which usually includes several rent-free months for certain apartments. Our apartments and flat shares give students an attractive alternative to dorm rooms. In Bernburg, for example, more than 20 one- to two-room student apartments have been built and are in great demand. On our website under ‘Junges Wohnen’, interested parties can find detailed information on the various locations and special promotions –

²¹ Demographic change in Germany: Causes and consequences - Federal Statistical Office of Germany (destatis.de)

²² Age-appropriate housing: 85 % of all senior households did not have steps-free access in 2018 - Federal Statistical Office of Germany (destatis.de)

²³ Disabled-access housing: Demand rises steeply due to ageing - Funding is effective (kfw.de)

including offers from the cities, such as relocation assistance or welcome subsidy.

In Poland, we strive to provide attractive and ecologically high-quality housing for the burgeoning rental market.

The completed housing units are equipped with modern facilities and furnishings. The standard equipment also includes water filters and options for waste separation. Nearly all the buildings have elevators for disabled access. The residential neighbourhoods have a good infrastructure: there are kindergartens, schools, parks, shops, service providers, and doctors' offices. The neighbourhoods also have green spaces, good public transport connections (ÖPNV), and bicycle paths. Our tenants in Poland are mainly young people, 55 % of them are under the age of 30. In addition to the flats, parking spaces and an extra storage room in the building can also be rented.

The new-build flats intended for sale are also designed for disabled access and equipped with lifts. Most of the buildings have underground garages with disabled parking spaces. Each flat has a balcony, terrace or garden that is accessible with no steps or just one small step. In addition, in line with Polish regulations, in every newly constructed building there is a flat specially adapted for people with disabilities, i.e. with wider doorways, without thresholds, and with a bathroom suitable for people with disabilities.

Affordable housing

For many people in Germany, monthly housing expenses represent a large share of their living costs. In 2021, tenant households spent an average of around 27.6 % of their disposable household income on housing costs. At the same time, around 13 % of the population in tenant households are considered to be overextended, i.e. the housing cost burden is more than 40 % of their disposable household income.²⁴



More than every second person
(50,5%) lived for rent²⁵ in 2021

We do not want to place an undue burden on our tenants and believe that housing should be affordable for all our tenants. Compared to the previous year, rents in the German portfolio increased moderately. The monthly average net cold rent in our existing flats was EUR 5.64 per sqm (2021: EUR 5.55 per sqm). The price per square metre for newly let properties was EUR 5.86 per sqm per month (2021: EUR 5.82 per sqm). Our rental level across the portfolio is significantly below Ger-

many's average net cold rent of EUR 6.90 per sqm.²⁶ We thus offer affordable housing to broad sections of the population.

The vacancy rate serves as an indicator for the effectiveness of our modernisation and letting activities as well as for the success of our neighbourhood development concepts. We were able to keep our vacancy at a low level again in 2022. In the residential units, the vacancy rate was 4.4 % at the end of the year after 5.5 % at the beginning of the year. Across the whole portfolio, i.e. including the acquisitions of the financial year and the commercial units included in the overall portfolio, the vacancy rate as at 31 December 2022 was 4.8 %, compared to 5.7 % at the end of 2021. In most regions, our vacancy rate is significantly lower than the average vacancy in that municipality. We see this as proof that we have managed the right balance between market development and socially responsible rents. By also granting discounts for the use of a variety of premises or waiving the rent entirely, e.g. for tenant get-togethers, we create an added social benefit.



We are very responsible about rent increases and modernisation surcharges, and consider the individual income situation of our tenants at a given location. In consultation with our property managers, we often do not add the costs of modernisation onto our tenants' cold rent to the full extent permissible by law. In the event of planned rent increases, all our tenants also have the opportunity to seek advice from our employees and, if necessary, to agree individual compromise solutions in the event of financial hardship.

We also offer support to all our tenants in the event of rent arrears. Our rent arrears advisory service works closely with our Customer Management. Among other things, we advise our tenants on support from state agencies, such as child allowances and housing benefits, and offer instalment payment options, including if the utilities bill has resulted in a large additional payment. This enables us to keep our tenants in our portfolios even in the event of temporary financial shortfalls. During the Covid-19 pandemic, we offered our tenants the opportunity to take advantage of our advice at an early stage, e.g. if they were likely to fall behind with the rent due to a loss of wages. In light of the 2022 increase in energy prices, we also informed our tenants in good time about the option of voluntarily increasing their monthly advance payments for utilities.

²⁴ Housing costs: 10.7 % of the population considered overextended in 2021 - Federal Statistical Office of Germany (destatis.de)

²⁵ Press release No. N 054 of 26 August 2022

²⁶ Rents per square metre and dwelling - Federal Statistical Office of Germany (destatis.de)

Long-term tenancies are also an expression of our tenants' satisfaction. The average lease term in the year under review was 10.3 years, slightly above the previous year. At 31 December 2022, around 37 % of our rental contracts had a term of more than ten years (31 December 2021: 38 %).



More than **1/3**
of our leases
have a term of more than
10 years

Tenant service in focus: Prepared for demographic change

Making disabled-access flats available to our tenants is important to us. We want to enable our older tenants in particular to live independently in their own flats for longer. This is why, as part of our social management, we offer special housing advice for our older tenants at selected locations. In show flats, qualified housing consultants demonstrate how a rented flat can be designed so that living independently is possible even at an advanced age. Tenants at our larger locations in particular, such as Salzgitter, Erfurt, and Gera again made frequent use of the service in 2022.

We support our tenants in applying for subsidies for renovations, such as bathroom retrofits, and since 2022 have cooperated with 'Sorgenfrei zu Hause', an external provider of conversions for senior citizens, in this. We also provide information about the services offered by our service partners along with information brochures and checklists on 'serviced living'. We work with each tenant to develop an individual concept for their household. If our housing consultants identify a need for additional assistance, they also provide help in this area and initiate appropriate steps if the tenant wishes. In this way, our tenants can receive support in their household or with nursing care, e.g. If tenants have no claim to this under nursing care insurance, additional services can be provided by means of a moderate rent surcharge.

To provide special services and smart assistance systems such as a home emergency call system, outpatient services, and ambulance transport, we work together with local social organisations, associations, and care services such as Caritas, Johanniter-Unfall-Hilfe e.V., and the Arbeiter-Samariter-Bund (Workers Samaritan Federation Germany), and Dignicare.

Overall, around 2,500 (2021: 2,420) were disabled- or wheelchair-accessible flats in the year under review. Approximately

14,000 (2021: 12,500) flats are now accessible by lift. On request, we can set up wheelchair garages or rollator lockers for our tenants. These facilities are heavily used at our Gera, Hermsdorf, and Salzgitter locations, for example. We are also seeing rising demand in other regions, so we are increasingly working on further solutions. TAG also partners with Elmo Mobil GmbH in Gera to offer an electric sit-on scooter for older people and people with walking difficulties, which they can check out at the TAG Wohnen Elmo station and try out under instruction and supervision. We plan to set up an Elmo station in Salzgitter as well.

In Gera, where the average age of the population is above the national average, we offer our tenants a concierge service for special convenience, and numerous other services. We have introduced this service in large housing estates in Erfurt as well, so that as many tenants as possible can benefit from it. In total, it is available to the residents of some 2,800 flats.

In our residential neighbourhoods in Gera, Berlin, Chemnitz, Erfurt, Cologne and Leipzig, we have set up 53 lockers (parcel stations) for our tenants, supplemented by 25 public lockers that can also be used by non-tenants. The lockers facilitate parcel deliveries. By eliminating the need for multiple delivery attempts, also for non-tenants, they contribute indirectly to reducing CO₂ emissions. Compared to doorstep delivery, 'last mile' delivery to a parcel station saves an average of around 30 % CO₂.²⁷

Convenient, discounted delivery services for healthy groceries complement our offer. Under our cooperation with the start-up 'Etepetete GmbH', we offer our tenants discounted organic vegetable and fruit boxes. They contain high-quality organic fruit and vegetables that do not meet retail standards because of their shape. Etepetete saves them from going to waste. The offer is open to our employees as well. We also offer recipe boxes through our cooperation partner Hello Fresh Deutschland SE & Co. KG. These boxes contain precisely portioned ingredients and recipes for various dishes to cook yourself. Regional ingredients are preferred for this and their distribution is largely climate-neutral.

In Poland, too, we address the needs of various social groups in its neighbourhoods. From 2018 to 2021, Vantage participated in the 'Co-Creation of Public Services in Europe (Horizon 2020)' project carried out by the University of Wrocław and the Active Senior Foundation. It investigated the specific requirements and expectations that senior citizens have in the design of public space and how they can influence it. As a result, a meeting place was built in the 'Port Popowice' project in Wrocław, which serves as a place of encounters and integration for the residents. In the reporting year, various events were held here on the topics of integration, sustainable transport, and healthy eating.

²⁷ Deutsche Post DHL Group | 22 Apr 2021: Deutsche Post and DHL on the road to zero emissions in Germany (dpdhl.com)

Well-maintained residential environment and infrastructure for generations

[GRI 3-3, 203-1]

We place a priority on well-maintained, green residential environments, because this contributes to the well-being of all our tenants in our neighbourhoods.

In the year under review, we increased the attractiveness of our outdoor facilities by modernising and upgrading courtyards, installing new benches, and refurbishing playgrounds, e.g. in Bestensee, Plauen, and Salzgitter. In total, we maintain more than 310 playgrounds and football pitches in our neighbourhoods. When designing the spaces in our portfolio, we take our tenants' suggestions and wishes into account, e.g., at tenant meetings in the run-up to the construction of complex measures, as in Gera and Stadtilm. Likewise, when we refurbish our portfolio or take over new properties, we regularly review whether the outdoor facilities warrant a redesign. We are also happy to participate in local campaigns to upgrade neighbourhoods, such as the '950 Trees for Görlitz' campaign.

With regard to mobility, we are increasingly focusing on multi-modal, eco-friendly offers in our efforts to protect the environment and increase the attractiveness of our neighbourhoods. (see [↘ 'Sustainable resource management'](#) section). We are currently focusing on the connecting with various sharing and e-mobility services. We are also implementing new ideas for a variety of target groups, such as the delivery robot Robby in Gera for senior citizens in Eichenhof, or KIMI for young people. In the KIMI project, youths ages 15 and older in Lusan can borrow an Opel Rocks-e free of charge at two stations, provided they have a scooter driving licence. We launched the delivery robot project in Gera and Freiberg in partnership with the University of Applied Sciences Schmalkalden, the City of Gera, and the Senior Citizens' Advisory Council of the City of Gera.

We cooperate with the car-sharing providers Flinkster and teilAuto across our portfolio. In 2022, we teamed up with teilAuto to set up car sharing stations at seven new locations in Dresden and one new location in Erfurt, which replaces the previous Flinkster base. We are also cooperating with the e-scooter provider VOI in Buchfinkenweg in Leipzig, and have planned or applied for charging stations in Rostock and Merseburg, among other places, in an effort to expand e-mobility for our tenants.

Our tenants can use the shared cars at a lower price. This makes it easier for our tenants and residents to use different forms of public transport in a flexible and connected way. In 2022, we successfully completed our 'Mobilplaner' pilot project in Erfurt's Berliner Platz residential district. As a result,

Deutsche Bahn wants to integrate the possibility of comparing and combining different mobility offers into its DB app in the future.

In order to be able to plan targeted mobility applications and mobility offers in neighbourhoods in the future, the University of Applied Sciences Erfurt conducted a neighbourhood survey in five selected neighbourhoods in our Thuringian portfolio as a follow-up to the Mobilplaner project, funded by the Ministry for the Environment, Energy and Nature Conservation. The participation rate was close to 14.5%. The results of the survey will be published in 2023.

We continued our cooperation with the Verkehrsclub Deutschland (German Transport Club, VCD) in 2022 and jointly discussed the delivery robot project in Gera, e.g. We plan to continue working with the VCD, to create effective incentives for minimising the use of private cars and promoting environmentally friendly mobility behaviour. The VCD is in talks with the LIM regions to this end.

In Gera, we co-initiated a pilot project for self-driving vehicles back in 2019. Together with a local company, Fischer Academy GmbH, we provided the equity component for the mobility project. In March 2021, we successfully completed the pilot of the self-driving electric shuttle bus EMMA in the Lusan district of Gera. During the trial period, it covered the 'last mile' between public transportation and the front door. We worked with the Duale Hochschule Gera-Eisenach (state university for dual studies) to determine the acceptance of such a self-driving, environmentally friendly bus in passenger surveys and received valuable feedback. For example, around 73% of the survey participants stated that having mobility services available at the residential location was a decision criterion for choosing a flat. There was positive feedback from our older tenants in particular. This encourages us to continue our commitment to a variety of mobility options in the neighbourhoods. A detailed evaluation of the study by the university will serve as a decision-making aid for further steps.

Good local supply also promotes the sustainable development of residential areas. In the reporting year, for example, we were able to win a local REWE store in the residential area of Gera-Lusan as a direct cooperation partner for our 'Vertrautes Wohnen' (BeHome) smarthome project, which also allows for integrating delivery services. This expands the delivery options for our tenants in the neighbourhood. The offer is already being used and will be advertised more intensively in 2023.

We always include the planning, construction, and commissioning of infrastructure for public use in the development of our new-build projects in Poland. We do not just build roads, networks, and other infrastructure in our neighbourhoods, but

also finance or co-finance the construction of infrastructure outside our housing estates in the cities where we invest. In this way, funds flow indirectly into neighbourhood development with every square metre of housing we build. Access roads, traffic lights, street lighting, cycle paths, pavements, parks, and green spaces are created for the residents. For example, in 2022, the 'Sensory Park' recreational park was built in Gdańsk, a section of Żupnicza Street was constructed with a tram loop, two bus stops and bicycle racks were installed in Warsaw, and a street intersection in Wrocław was rebuilt to enable further neighbourhood development by improving the road network.

In Poland, too, we are committed to the development of eco-friendly transport, and include access to public transport in our neighbourhood planning. We follow the '15-minute city' concept in this. New buildings are usually constructed near a public transport stop served by at least two lines. Alternatively, there is a train station nearby that is served by at least one line.

In addition, we support sustainable transport development e.g. by financially supporting two bicycle stations in the Wrocław City Bike network. Following a contract renewal in the reporting year, we will continue to be the sponsor of a City Bike station in Port Popowice through the end of 2024. This makes us the only developer in Wrocław to be actively involved in the development of the urban bike network in the capital of Lower Silesia. A tenant survey revealed that bicycles are the most important means of transport for the tenants next to public transport. The buildings are generally equipped with bicycle rooms. The matter of bicycle parking spaces will continue to play an important role in future investments, and the establishment of bicycle repair stations in the existing portfolio is also being reviewed. So far, close to 700 bicycle parking spaces have been created through the installation of bicycle racks, bicycle rooms, and bicycle garages.

For a future-proof portfolio

[GRI 3-3, 203-1, 203-2]

The market for smart home products in Germany grew from just under EUR 2.4 billion to over EUR 5.5 billion between 2017 and 2021. Currently, some 11 million (27%) of Germany's households are already equipped with at least one smart home product, three times more than in 2016.²⁸ For us, too, investing in smart home technology is another pillar of our future-oriented portfolio development (see [↘ 'We are your contact for all housing matters'](#) section). Following the success of our pilot projects in Cologne and Döbeln, we are planning to expand our smart home measures in 2023. In addition to

smart assistance and emergency call systems, the topic of energy saving will also play a greater role in the future.

To date, the offer of smart home solutions has been positively received by younger tenants in particular. Increasingly, however, smart homes are also attracting the interest of older people. The technical systems enable them to live independently in their own homes for longer. In Gera, we had already jointly launched the pilot project 'Vertrautes Wohnen' with Better@Home Service GmbH in September 2020, with the involvement of the East Thuringian chapter of Caritas and the Kassenärztliche Vereinigung Thüringen (Association of Statutory Health Insurance Physicians of Thuringia). In 2022, this project was continuously developed at other locations as well. In Gera, Salzgitter and Döbeln, we also involved the seniors' advisory council and sought dialogue with local politicians.

As part of 'Vertrautes Wohnen', we offer everyday support, especially for senior citizens, through a digital platform. The offer includes easy-to-access and easy-to-understand smart home and smart assistance solutions. It pools information on doctors and other health services for users, and contains offers from TAG's cooperation partners and businesses in the district. For example, sensors and emergency call buttons are integrated into the platform, as well as the option of video telephony with family and neighbours or with doctors in the area. Especially during the Covid-19 pandemic, the digital platform made it possible to continue to participate in social life and to use local services or products. At the same time, this supports the regional tradespeople.

In Gera, we successfully implemented the 'Vertrautes Wohnen' platform. More than 70 tenants have already actively participated and used the offer. In order for tenants to better understand the practical benefits of the solutions, we offer comprehensive consultation and testing dates. In 2022, we held more than 100 counselling sessions with interested parties on site in Gera. The assistance system is part of the SMARTCity Gera project. As part of this nationwide project, Gera is promoting progressive projects that contribute to the digital networking of citizens, service providers, and institutions in Gera. TAG continued to support the SMARTCity project in 2022, in particular by opening a showroom in the neighbourhood.

Beyond this, in cooperation with the company Dimeko from Gera, we offer senior citizens the opportunity to obtain a 'digital driving licence' for mobile phones and tablets to make it easier for them to use the assistance system. The licence is free of charge for all users of the assistance system. The offer has met with a broad response in Gera.

²⁸ Die Zukunft von Smart Home (The future of Smart Home) (oliverwyman.de)

In the process, it emerged that some tenants have questions about its affordability. Which is why we work with our cooperation partner to offer discounts, e.g. introductory specials. We have also set up a special mailbox for questions about this. The project is also being evaluated by the Duale Hochschule Gera-Eisenach (state university for dual studies). They will survey TAG Wohnen tenants about their experiences regarding usability, sense of security, contact options, and the accessibility of regional services. We also regularly survey our tenants to gauge their interest in assistance systems, especially as part of bathroom modernisations, as part of care assistance for senior citizens, and when newly letting flats to senior citizens.

In 2021, we launched the 'Vertrautes Wohnen' project in Sangerhausen, followed by Eisenach and Salzgitter in 2022. We also plan to offer the digital platform in Hermsdorf and Merseburg. Consultation appointments will be held at all of the above-mentioned locations.

In addition, we equip our apartments with state-of-the-art multimedia connections and an extensive range of television services. In the reporting year, around 70 % of our households were supplied by our subsidiary Multimedia Immobilien GmbH.

Responsible new construction

With its entry into the Polish residential real estate market, TAG expanded its business model to include new construction. In the medium to long term, we plan to build up a portfolio of approx. 20,000 rental flats in Poland. In 2021, the first residential units were already rented out; by the end of 2022, the rental portfolio comprised around 1,150 flats.

Our new-build investments follow clear criteria regarding location and building facilities. All buildings are planned so that there is access to at least ten basic services within 800 metres. These include shops, doctors' offices and pharmacies. We also make sure that there is a public transport stop nearby that is served by at least two lines. Alternatively, our buildings are located near a train station that is served by at least one line. In addition, we build bicycle racks and an optimal number of parking spaces in our investments that meet the requirements of the public land use plan.

Most of the projects are developed based on the concept of the '15-minute city' or 'city of short paths'. Under this concept, residents should be able to reach all facilities for their daily needs within 15 minutes of leaving their house, either on foot or by bicycle. 97 % of ROBYG housing estates are built according to this concept. ROBYG won the [↗ 'ESG Innovator 2022'](#)

competition of Poland's ESG Association in Category S - 'Innovation in the Social Sector' with this concept

We want all our buildings to be easily accessible for people with disabilities, by means of appropriate entrances, lifts, and parking spaces (see [↗ 'Marketable portfolio development for broad sections of the population'](#) section).

In addition, modern technologies such as the 'ROBYG Smart House by Keempele' are offered as a standard option in our Sales portfolios. This includes intelligent (smart) devices that permit, for example, the remote control of heating, blinds, and other electrical appliances. By reducing energy consumption, this leads to a reduction in the carbon footprint and thus also in the residents' utility costs. More than 17,000 flats have already been equipped with this smart house solution, including around 3,000 in 2022 alone.

Continuous investment for a competitive portfolio

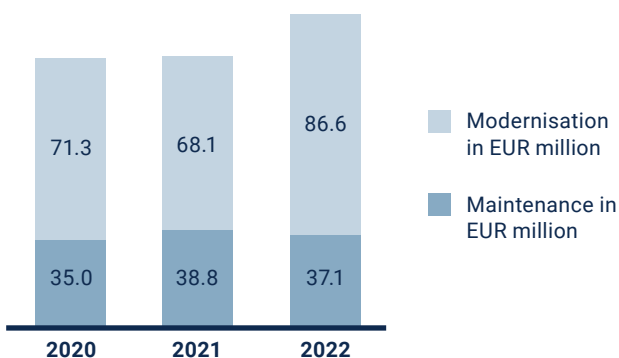
[GRI 3-3, 203-1]

In Germany, we reinvested EUR 124 million, or roughly a third of our rental income, in our properties by means of modernisation and maintenance during the reporting year. So compared to the 2021 financial year (EUR 107 million) we increased our investments by around 16 %. At EUR 86.6 million, the share for modernisation was well above the previous year's value (EUR 68.1 million). We spent EUR 37.1 million on maintenance measures, roughly the same level as the previous year (2021: EUR 38.8 million). We expect further cost increases for materials and services in the years ahead. Nevertheless, we plan to keep investing in our portfolio at a similar level and to spend additional funds on decarbonising our portfolio. This is in line with a material interest of our tenants and shareholders: We keep our building stock up to date and at a competitive level. This strategy also enables us to continuously reduce our vacancy.



In Poland, approx. EUR 374 million (2021: EUR 235 million) was invested in the construction of new flats in the reporting year, of which EUR 137 million (2021: EUR 178 million) was invested in projects designed to build up the rental business.

Investments Germany



Customer focus and service quality

Our customer-focused service with regional and personalised support gets a positive rating from our tenants (see [↗ 'Our Tenants'](#) section), and it is appreciated by our business and cooperation partners as well. We conduct our portfolio-wide tenant survey every three years. In between, we survey specific target groups, sometimes regionally, on special topics such as mobility or the services of our service providers. Furthermore each month, our Customer Management departments surveys a random sample of established and new tenants in on their satisfaction with our service. Our aspiration is that at least 70 % of our tenants are satisfied or very satisfied with us as a landlord. In addition, we aim to further improve the quality of individual services, especially customer service and accessibility, with process optimisations that shorten response and processing times for tenant enquiries. Another particular focus is on digital services, which improved service especially during the Covid-19 pandemic. To ensure the satisfaction of our tenants and monitor the quality of services, we again regularly carried out a monitoring of our service providers on a regional basis in 2022. The results of the monitoring, along with the direct feedback from our tenants and the evaluation of our internal processes provide us with valuable information on tenant satisfaction and other potential areas for improvement. Satisfaction with the caretaker service and the repair/craftsman services, which are mainly carried out by TAG Handwerkerservice, has increased over the past few years.

To enhance our customer service, we introduced the TAG tenant app across all of our regions in Germany, and regularly gather feedback from our tenants and TAG teams. Our [↗ TAG Wohnen website](#) contains a lot of service information for tenants as well as additional offers and curated articles. The 'Tenant Service' section with the "Frequently Asked Questions" section contains a wealth of useful recommendations and links on numerous housing-related topics.

In Poland, about 40 % of our tenants come from outside the country, especially from Belarus and Ukraine. Therefore, one focus of the customer service is to break down language barriers in customer care. All important contract documents and information material are now offered in three languages: Polish, English, and Ukrainian. In addition, four new employees who speak fluent Ukrainian were hired for the rental segment. In the rental team, English has established itself as the second language for tenant communication.

We are your contact for all housing-related matters

[GRI 3-3]

Good service plays a key role for us in our dealings with our tenants and prospective tenants. That is why we actively manage our properties on site. This enables us to provide personal tenant support, which we see as the basis for a long-term, trusting relationship between the tenants and TAG.

We want housing to be attractive and affordable for people of all ages and in all life situations. That is why we take into account our tenants' individual needs regarding quality of life and additional services. Through our subsidiaries, we provide caretaker and craftsmen's services in our portfolio and support our tenants' multimedia supply.

By providing smart assistance and care solutions in the homes and neighbourhoods ('Vertrautes Wohnen') together with our cooperation partner Better@Home, we wish to support older tenants in particular with an easy all-round package featuring numerous everyday aids (see [↗ 'Marketable Portfolio Development for Broad Sections of the Population'](#) section).

Health and safety

[GRI 3-3, 416-2]

The health and safety of our tenants are important to us. We want to avoid our tenants or third parties endangering their health. It is also important to us to prevent damage to property and the environment. For this reason, we ensure road safety around our buildings, technical equipment, and portfolios and, of course, we ensure that the legally prescribed road safety obligations are observed. Our regional real estate management is responsible for this, supported by our TAG Immobilien service and TAG Handwerkerservices.

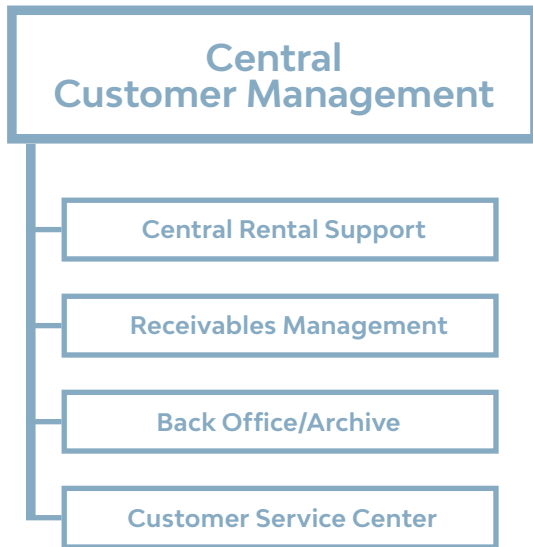
Detailed regulations on the areas of responsibility, on carrying out safety checks and maintenance, on training and requirements for service providers as well as on logging have been laid down in an internal work instruction. Depending on the regulations or at least once a year, we conduct health and safety briefings for our craftsmen and caretakers. These enhance both the occupational safety of the employees and the professional handling of facilities and equipment, and ensure that inspections and safety checks are carried out professionally. When commissioning service providers, it must also be ensured that they have the appropriate qualifications and the necessary experience to assess the occupational safety situation.

In 2022, no significant violations of regulations relating to the health and safety of our tenants were reported.

To ensure that road safety deficiencies at properties are detected in time, we further developed our monitoring and documentation system in 2022 and optimised our digital solutions for smartphones and tablets. If road safety deficiencies are identified during the inspections, the responsible in-house or third-party service provider immediately sends an electronic report to our Central Customer Management. The external service providers are also being encouraged to use the system from now on, so that they, too, can ensure secure processing and accurate documentation of the cases. The programme uses data from the ERP system and submits securely documented reports that can be further processed by the customer management or the property management within the prescribed deadlines or specifications. This optimises both the reporting chain and the systematic elimination of defects. Minor defects as well as the systematic regular inspections as part of ensuring road safety are thus documented and become part of our quarterly risk reporting to the Management Board. In the reporting period, there were no violations of regulations and/or voluntary codes of conduct in connection with the health and safety repercussions of products and services.

Personal consultation and numerous information channels

The first point of contact for enquiries from our tenants is our Central Customer Management department. This is where requests are initially processed and then forwarded to the local property managers at the locations as needed. Frequently recurring enquiries with a high degree of standardisation, such as ordinary damage reports, are handled by the Central Customer Management itself. The property managers handle the property management in our neighbourhoods and are the personal contact persons for our tenants on site. As Central Customer Management deals directly with standard issues, such as amendments to tenancy agreements, this gives the property managers on site more time for more complex issues that require additional expertise and local knowledge. In 45 tenant offices, they advise our tenants and prospective tenants on all housing-related matters. We know from our tenant survey that our older tenants in particular appreciate this personal consultation. The property managers regularly inform the tenants about maintenance and modernisation measures, the maintenance of technical equipment, the organisation of outdoor and green area maintenance, and building cleaning. They are also in close contact with local social organisations and service providers.



In 2022, most of our tenant offices were open again while observing regional Covid regulations; in a few cases, there were still some restrictions due to the pandemic situation. Meanwhile, we increased our contactless, digital communications and are available to tenants by letter, phone or email as an alternative. Our tenants can also contact us via the online form on our website as well as via the tenant app. Our tenant app has established itself as an important new communication channel, especially during the Covid-19 pandemic.

Our online magazine serves to provide tenants with information, to attract and retain tenants and is available to all interested parties on our TAG Wohnen website. It features a wide range of articles on housing, news from the neighbourhoods, and insights into the day-to-day work of our employees.

Our [TAG Wohnen-Website](#) provides our tenants and people looking for a new home with up-to-date information. We also incorporate suggestions from tenants and staff in our ongoing efforts to optimise the user experience. Prospective tenants can use a contact form to send us requests. As soon as we can offer them a suitable flat, we contact the senders.

One important new communication channel is our tenant app. This mobile application allows our customers to send us their concerns directly from their smartphone or tablet and enter into dialogue with their contact person. In particular, the app covers frequently requested features. These include repair reports, a chat with the customer manager, name changes, and permits. It also allows tenant documents to be viewed, such as the tenancy agreement and utility bills.

In the reporting year, we expanded the features of the tenant app and further increased its user-friendliness. For example, in connection with the redesign of the complaints process,

the corresponding communication feature on the tenant app was also improved. In the 'Marketplace' section, various cooperation partners offer vouchers and discounts with a focus on sustainable products. The 'Neighbourhood' section serves as a swap meet for tenants and offers them a place to post offers and requests. On the 'Pinboard' we communicate the latest tenant information, such as renovation measures or events.

To promote a spirit of community among our tenants, we regularly organise recreational and information events and tenant parties at numerous locations. In our residential neighbourhoods, we offer a fixed programme covering various topics, especially for children and senior citizens, in a total of 27 places where people can come together (see ['Liveable neighbourhoods'](#) section). These services are accessible to more than 28,000 - or about one third - of our tenant households. We also use tenants' meetings and other local events to exchange ideas with our tenants. In 2022, numerous events took place again in the 'Aktiv-Treffs', at the Jumpers, the Sem-pers and in the other meeting centres.

In addition to the local evaluations, we survey our tenants approximately every three years as part of a portfolio-wide survey. The last portfolio-wide survey in 2021 again showed a high satisfaction rate, with approx. 83 % of tenants expressing their satisfaction with our customer service. Our caretaker service (82 %) and craftsman services (87 %) also received high approval ratings. The next portfolio-wide survey is planned for 2024. Until then, we will probably continue to conduct targeted local surveys on specific topics. As part of our service monitoring, our tenants are also invited to evaluate external service providers several times a year. In addition, since the end of 2022, we have conducted monthly random-sample surveys on tenant satisfaction.



8 out of 10 tenants
are satisfied with TAG's service

In the year under review, we also introduced a new format: a tenant workshop that we hosted in cooperation with the Technical University of Cologne. We invited tenants from different regions and discussed several topics with them, such as how they rate our offers. The tenants were also able to contribute their own ideas. We plan to organise such a workshop again in 2023 ([more information on the tenant workshop on the highlight page](#)).

Our Polish subsidiaries also conduct surveys of tenants and owners. In the 'Customer Satisfaction Survey' of tenants in early 2022, a large majority of respondents were very satisfied with the housing and services offered. More than 93 % would recommend Vantage Rent to others, praised the transparency of the utility bills and more than 83 % rated the flats as well equipped. In 2022, focus groups were also formed to look intensively at further improvements in the offer and service.

ROBYG, too, conducts regular customer surveys. For example, after purchasing a flat, every ROBYG customer is interviewed by email questionnaire and then in person. In the year under review, 95 % of respondents were satisfied with the consultation service, and 91 % would recommend the company to others.



measures can be standardised to create synergies. We also always take local conditions into account.

We integrate centrally managed topics, such as the digitalisation of our work processes, into our project work throughout the Group. In the individual regions, we also use the annual budget process to define new targets for the coming year.

Dialogue and monitoring for effective planning

In addition to the measures we have taken to date, we intend to examine more systematically the extent to which our assistance, advice, and leisure activities contribute to social solidarity in our neighbourhoods. We will focus our efforts according to the findings.

We plan to regularly evaluate enquiries received via our new tenant app. We expect this to provide us with further information on the potential for optimising our processes and housing portfolios.

Once a month, our LIMs report to the Management Board on developments in their respective regions. The data is analysed at various levels and serves as the basis for optimising processes, projects, and measures.

We use our services monitoring as a basis for coordinating catalogues of requirements and quality standards with external service providers (see [↘ 'Sustainability in the value and supply chain'](#) section). Part of the monitoring process involves site visits and interviews with tenants in the properties in question. The end result could be, e.g., that the requirements for individual services are specified more precisely, or that steps in the process are adapted.

The enquiries and suggestions we receive during our housing consultations are used to plan our modernisations effectively. We check across locations to see whether tenants' ideas can be implemented, what the existing needs are, and which

Because home is where you live your life

We organise a number of projects in our neighbourhoods to turn mere buildings into vibrant living communities with a good quality of life. Offers range from spaces where people can meet, to attractive mobility services. And to ensure a good match between supply and demand, we actively involve our tenants.



A good neighbourhood spirit can best develop where residents have spaces where they can meet, talk, do things together, or also have direct access to up-to-date information.

Places to do things together

The 'Aktiv-Treffs' in many of our residential neighbourhoods offer precisely this kind of venue for neighbours to get together. In November 2022, our latest 'Aktiv-Treff' opened its doors in Brandenburg's Hohenstücken neighbourhood, with the 'Internationalen Bund Berlin-Brandenburg' (IB) as our social partner. The IB, an independent organisation for youth outreach, social work, and education, has the necessary social and integrative skills to promote social interaction.

We provide the rooms and equipment, and the IB has already set up a wide range of recreational activities. Residents can attend the weekly breakfast, learn new skills in creative groups, or keep fit with the games and exercise programmes on offer. Another meeting place for children, families, and seniors opened in Merseburg in December, offering more space for being neighbourly there as well.

Tenants are directly involved

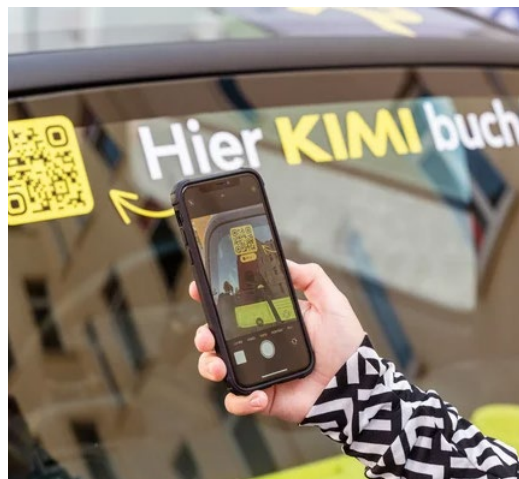
Experience shows that the activities offered by the 'Aktiv-Treffs' are well received and meet the needs of TAG's tenants. One reason for this is probably that we actively involve our tenants. In the year under review, for example, a focus workshop on our housing-related cooperation offers was held for the first time with tenants, supported by the Technical University of Cologne.

Thirteen tenants from various regions and different age groups took part, offering criticism as well as suggestions and ideas. And at the end, they all wanted to see a repeat of this kind of discussion about their own living environments.

Electric mobility

Our e-mobility projects in Gera-Lusan in Thuringia are one way we meet our residents' needs. What started with EMMA, an electric shuttle bus initiative, has developed into a pilot for an all-round service for a variety of age groups. EMMA was joined by ELMO, a rental station for electric scooters where, elderly or mobility-impaired residents can borrow an electric scooter for shopping, doctor's visits, or just to get out for a bit.

And because all good things come in threes, 'KIMI' has enhanced the electric mobility offer in Gera since August 2022, initially for six months. Young residents aged 15 and over with a 'Class AM' driving licence can borrow an Opel Rocks-e free of charge for a maximum of two days. The idea of sharing small e-mobiles with other young people came from our apprentices.



*TAG Wohnen site manager Claudius Oleszak:
»The light vehicle is a great alternative for young people.
KIMI makes it possible for them to take a short tour of the
city, run a few errands, or just pick up their grandma.«*

Liveable neighbourhoods

To help our tenants feel comfortable and safe, we ensure a well-kept residential environment and advocate the development of an intact infrastructure, especially in cities where we manage larger residential areas.

Our local community involvement is aimed at making our neighbourhoods even more liveable, and we continued this locally and regionally in 2022 as well. One important step towards intensifying our local efforts was the establishment in 2020 of the TAG Miteinander Foundation, which supports social projects. In addition, we launched the 'Alltagshelden' (Everyday Heroes) project, in which we encourage volunteering by our employees. For instance, in 2022 we presented campaigns in various regions under the umbrella of 'Gemeinsam für die Ukraine' ('Together for Ukraine') and 'Post mit Herz' ('Mail with a Heart') in the 'Alltagshelden' section of our intranet – and showed employees how they could volunteer to support the campaigns. TAG employees in Gera, for example, help with a weekly mother-and-child meeting for Ukrainian mothers and their children.

We closely link our social responsibility efforts to our core business and focus on tenant campaigns and support for children and families, e.g. by offering a wide range of events and counselling at our meeting centres. In addition, we have participated in social projects and campaigns at kindergartens and schools for many years. We also support the upgrading of city districts with wildflower and orchard meadows or playgrounds and football pitches.

In our neighbourhood work, we are increasingly focusing on measures with a positive impact on the environment and the climate. Accordingly, we combine social and ecological commitment in some projects, for example by cooperating with partners on wildflower and orchard meadows. In Bernburg, for example, we have cooperated with the Anhalt University of Applied Sciences since 2020 on a project under the heading 'Natural design of residential environments as a way to promote biodiversity and sustainability in settled areas'. Species-rich flowering meadows were created in residential areas, and their development scientifically monitored. In the Lusan district of Gera, bee colonies continue to be active in our flowering meadows as part of a bee project, and now regularly provide the raw material for our 'TAG-Wohnen honey'. In the year under review, a large meadow in the Mueßer Holz district of Schwerin was transformed into a leaf garden with garden plots for rent as well as communal areas that invite people to linger and do some hobby gardening. In Merseburg-Süd, for example, we planted daffodils in the open spaces around our residential buildings in Geiseltalstraße and Straße des

Friedens. Besides improving the quality of life in the neighbourhood, the projects also serve to build awareness of nature conservation among tenants, especially children and teens.

We continued our cooperation with local social organisations in 2022. We and our partners in the neighbourhoods worked together to continue providing support, counselling and leisure services, especially for children, young people, senior citizens and the socially disadvantaged. They are an important pillar for many tenants.

Going forward, we want to continue our social commitment at this high level and expand it even further as needed. To optimally tailor our services to our tenants' needs, we monitor how they are received, and where there may be a need for further development.

Working for a diverse spirit of community

[GRI 3-3, 413-1]

At all our locations, neighbourly cooperation in our residential buildings is important to us. Having our tenants identify with their neighbourhood is prerequisite to their living together happily and to long-term letting success.

We want to do justice to the diversity of the tenants in our flats with our social activities. This is why we promote and sponsor projects that strengthen solidarity and a spirit of community in the neighbourhood. In particular, we want to support children and young people, families and senior citizens, as well as people who have fallen on hard times and are in need of assistance.

To support senior citizens living alone, we started a cooperation with the AGATHE programme in Gera in 2022. Under the programme, trained professionals advise older people who feel lonely. In this way, people learn about offers that enable them to actively participate in the community.

For children and youths, the project 'Gewaltfrei lernen' (Learning without violence), which was already successfully implemented in Salzgitter and Gera-Lusan, was also initiated at the Astrid Lindgren Primary School in our residential neighbourhood in Erfurt in the reporting year. The aim of the project is to encourage children in social learning, to empower them to resolve conflicts peacefully, and to protect them from bullying. TAG finances the courses in the afternoon, also with parents, at the Jumpers children's and youth centre. We have anchored our aspiration in our [Principles and Guidelines for Social Engagement](#).

Holistic neighbourhood development

[GRI 3-3, 406-1, 413-1]

Whether studio flats for students and apprentices or disabled-access serviced flats for senior citizens – at locations where there is insufficient appropriate housing for certain demographics, we create suitable offers based on a needs analysis done beforehand. We achieve this, among other things, through targeted renovation measures. By doing this, we promote a social mix in our portfolios.

It is important to us that our residential portfolios reflect social diversity. For this reason, we have established objective criteria for new leases, such as the order in which rental requests are received, and the applicant's creditworthiness. In our Anti-Discrimination Policy, we have made a clear commitment that tenants from different cultural backgrounds are welcome. In cases of suspected violation of the Anti-Discrimination Policy, employees, tenants and external stakeholders alike can use our whistleblowing system or an anonymous ombudsman's office to submit a report. There were no confirmed cases of discrimination in the year under review.

We want to prevent discrimination in any form. Therefore, respectful coexistence is part of our Business Principles. For our tenants, we have summarised the principles and rules for living together in the community in our 'House Rules'. The document is available in four languages (German, English, Arabic, and Russian), and our property managers are available to answer any questions (see Kapitel [↘ 'Our tenants'](#) section). Our home living guidebook also covers important topics relating to home living and harmonious coexistence. People from more than 100 different nations live in our neighbourhoods. Our advisory, assistance, and leisure services help different tenant and resident groups get to know each other and thereby also promote mutual understanding.



Advocating for children and teens in our neighbourhoods is particularly important to us. That is why we support the [↘ 'Jumpers – Jugend mit Perspektive e.V.'](#) (Youth with Prospects) association in Erfurt, Gera, Salzgitter, and Schwerin. We were able to win another patron for the Jumpers in the TAG residential quarter Gera-Lusan: Samuel Rösch, winner of 'The Voice of Germany 2018', has supported the new Jumpers project 'Music and Word', where children can write lyrics and make music with him, since 2021. In 2022, we set up a

new Jumpers location in Merseburg as well, which starting in 2023 will offer a [↘ 'Sempers – Senioren mit Perspektive e.V.'](#) (Seniors with Prospects) activity programme for seniors as well.

In cooperation with various partners, we offer our tenants our so-called 'Aktiv-Treffs' (Activity Lounges) at our larger locations – spaces where people can come together. Our local partners include the Arbeiterwohlfahrt (Workers' Welfare Association), the Arbeiter-Samariter-Bund (Workers' Samaritan Association), Caritas, Diakonie, Johanniter-Unfallhilfe e. V., Volkssolidarität (People's Solidarity), and other regional and local institutions, such as local services for the elderly, and nursing homes or associations. In 2022, we opened a new neighbourhood activity lounge in Brandenburg-Hohenstücken in cooperation with the Internationaler Bund (IB) (International Federation). In Döbeln, we have changed our cooperation partner; once it reopens, the 'Aktiv-Treff' will be run by Sempers going forward. Our 'Aktiv-Treffs' in Eisenach, Gera, Salzgitter and Sangerhausen, in cooperation with Better@Home, also include counselling centres with exhibits of components for the smart BeHome assistance systems ('Vertrautes Wohnen'). Since 2022, there has been such a counselling centre in Merseburg as well.

In 2022, the non-profit Bildungshelden gGmbH (Education Heroes) opened a new social facility in our Kassel portfolio in an area that we provide to them free of cold rent. Thus continues a cooperation we began with Bildungshelden in Salzgitter at a further location. Bildungshelden supports schoolchildren with innovative learning concepts and helps them to realise their full potential - both academically and personally. The initiative seeks to make education accessible to all and works with stakeholders from politics, administration, schools, universities, and civil society.

We support neighbourhood community efforts by providing assistance with questions about housing, and supporting our tenants' own personal initiatives. During the Covid-19 pandemic, we provided support especially in emergency situations. We make it easier for displaced persons to integrate in their new living environment. In 2022, we devoted our efforts particularly to displaced persons from Ukraine. In doing so, we work with various social partners and, for example, co-founded the Begegnungscafé (get-together café) in Salzgitter. The meeting points facilitate contact in the neighbourhood, offer language courses and leisure activities, and serve as contact points for voicing problems and concerns. In addition, we will organise interpreters as needed and support the process of settling in Germany with various information and counselling services.

To learn more about commonalities and differences, we offer our employees training designed to raise awareness of cultural differences, create a better understanding of each other, improve communication with migrants, and find solutions to everyday intercultural challenges. In 2022, our training sessions focused on social issues and provided information about support services for tenants in difficult life situations (from social counselling to addiction and drug counselling centres and self-help services), so that this information can be passed on to tenants when needed.



Support of charitable projects with over **EUR 400.000**

To fulfil our responsibility to society, we invest our donations mainly in community projects at our locations, because we want our efforts to reach first and foremost the tenants and residents of our neighbourhoods, and to improve their quality of life. The same goes for our sponsorship activities. The choice of projects and the level of financial support must be approved by the Management Board. Details are set out in the Group's Donations Policy and in the statutes of the TAG Miteinander foundation.

At various locations, we supported district and neighbourhood work through in-kind donations and financial contributions, donated prizes for volunteer work, and participated in specific neighbourhood campaigns and competitions. For example, we participated in the Lusanfest in Gera-Lusan, supported the school project 'Understanding Wismut's History' as part of the German government's 'Live Democracy' programme, and were a sponsor of the East Thuringia Tour. As in previous years, we supported sports clubs in our neighbourhoods, such as the TAG Icefighters Salzgitter ice hockey team or the cyclists of SSV Gera. We also donated to social, cultural and educational associations, such as Kindervereinigung e.V. Gera, SuPer-Salzgitter e.V., Deutscher Kinderschutzbund, Studenten-Förderverein Gera e.V., the history workshops in Gera and Döbeln and a graffiti project in Weimar.

Our local engagement depends heavily on the local circumstances. We support existing community structures and competencies and expand on them. If there are no cooperation partners available yet, we take the initiative ourselves and try to motivate other local protagonists to participate.

We also get involved by providing premises or equipment, or organising events ourselves. Our local partners usually provide the personnel and offer additional services and consulting.

This confirms the success of our neighbourhood projects and acknowledges their value to the lives of people living in our neighbourhoods.

Dialogue with cities and municipalities

Our employees at the locations are in regular contact with authorities and other public institutions on matters relating to real estate. Our goal is always to find and implement joint solutions for societal challenges. We see ourselves as partners of the local authorities, and share their interest in developing neighbourhoods. Our local employees take part in district conferences and roundtable discussions on housing and social issues, and regularly invite tenants to participate in activities and tours of our neighbourhoods. For example, TAG sits on the advisory board for integrated social planning and urban development in Eisenach. 2022, we also participated in the working group for the city of Eisenach's application for the Zukunftszentrum Deutschland (Future Centre Germany) and the final negotiations.

To determine our tenants' cost acceptance for decarbonisation measures, we support the research project of the Institute for Urban and Transport Planning (ISB) at RWTH Aachen University. The project investigates tenants' willingness to pay for climate protection and climate adaptation measures.

We also work with local protagonists on infrastructure projects, such as the self-driving vehicle project mentioned above. Our board member Claudia Hoyer, for example, participated in the networking event of the German Centre – Mobility of the Future in Gera. At Thuringia Network Day in Jena, we presented the topic of sustainable mobility together with Deutsche Bahn.

In 2022, we obtained funding approval for the 'Developing an Ecological Rent Index for Thuringia' project with the Erfurt University of Applied Sciences, so that the project can probably start in 2023.

We are also a member of the Berlin Competence Centre for Large Housing Estates, a platform for dialogue between a wide range of stakeholders on the sustainable design of large housing estates. In 2022, we participated in various events hosted by the competence centre.

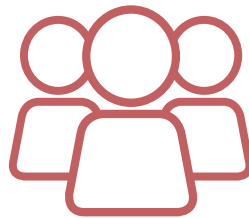
We have renewed our contract with the city of Bielefeld as the prime tenant of 112 residential units in the Ummeln residential district for another 10 years. These residential units in the Zedern district are made available to refugees, and intensive support is provided by social associations.

Our social commitment in Poland

In Poland, too, we work to improve the quality of life for residents in their neighbourhoods. We work with urban residents who are committed to making positive changes in their neighbourhoods. One goal is for instance to strengthen neighbourhood spirit in Port Popowice, Wrocław, and promote a good quality of life. We have maintained an open exchange of ideas with residents since the beginning of the neighbourhood's development, and support the initiative's campaigns. An area between the second section of Port Popowice and Western Park has been completely transformed: new paths were laid, trees and bushes planted, urban lights, benches, and rubbish bins installed. Now everyone, including tenants and their neighbours in Popowice, can spend their free time there. In addition, the developer supports various initiatives submitted as part of Wrocław's participatory budget.

Vantage and ROBYG have been involved in local initiatives for many years and cooperate with various foundations and social organisations. They support art, culture, education and sport. The focus is on initiatives that advocate for children, including initiatives to promote health and support sick children and their families. ROBYG supports, among others, the Heart of Szczepin Association, the Pomeranian Children's Hospice, the Wrocław Children's Hospice Foundation 'To Save Children with Cancer' and the Siepomaga Foundation. In 2022, for example, ROBYG employees volunteered at a family support centre, an animal shelter, a school sports club, schools, and a care and treatment centre for disabled children.

During the Covid-19 pandemic, for example, our Polish subsidiaries supported hospitals, and in 2022 they participated in aid campaigns for Ukraine and Ukrainian refugees in a variety of ways. The support ranges from cash and in-kind donations, to accommodation and supplies, to aid transports to the Ukrainian border.



Our employees shape our future

[GRI 3-3]

Material topic

Sub-topics

Corporate culture of appreciation, transparency, and co-determination



- › Co-determination and freedom of association for employees
- › transparency about remuneration of the management board
- › anti-discrimination/equal opportunities/integration/diversity
- › community working culture

Staff qualification and training



- › Training and upskilling/personnel development
- › promoting next-generation talent

Work-life balance, family friendliness and diversity



- › Compatibility of family and career, attractiveness as an employer incl. employee satisfaction
- › Age structure of employees
- › Occupational health and safety
- › Transparency in recruiting
- › Remote/flexible working
- › Gender sensitivity/gender pay gap
- › Retirement provisions for employees
- › reconciliation of work and family life

At the beginning of the reporting year, variants of Covid-19 continued to impact many areas of our daily work and corporate culture, e.g. through mandatory '3G' in the workplace. On top of this, there were significant economic and social challenges triggered by the Russia-Ukraine war. In particular, all households were and continue to be affected by the energy crisis. Also, the psychological strain on people due to having a war in their immediate European neighbourhood had an effect on interpersonal relations in the Company and on the collaboration with customers and business partners.

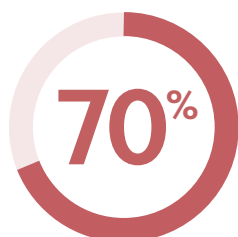
In recent years, we have continuously expanded our virtual collaboration. Mobile working allows our employees greater flexibility and a better work-life balance, regardless of how the pandemic develops.

At the same time, given the events in society as a whole, we have once again become acutely aware of the high value of direct and personal togetherness and mutual support. TAG has therefore stepped up its community-building activities. In addition, we have continued our strong corporate social commitment or expanded our efforts. Among other things, we provided social assistance in relation to the effects of the war in Ukraine.

Demographic change continues to present companies with major challenges in securing skilled labour. Added to this is a decline in employee retention. According to the current Gallup Report (2021), the willingness of Germans to change jobs has increased significantly in recent years. According to the report, on average two out of five employees are actively looking for a job or are at least looking around without making a commitment.²⁹ This makes it all the more important for our future viability to work intensively on finding good professionals and retaining them at TAG long-term. We therefore place a special focus on the training and development of young professionals and graduates, some of whom apply for a job with us without any prior professional experience.

As a responsible employer, we want to create an environment for our 1,746 employees³⁰ in which they enjoy working and in which they can develop and grow. In our sustainability programme, we have therefore set ourselves the goal of ensuring that at least 70 % of our employees are satisfied or very satisfied with their current job situation.

Our objective:
Employee satisfaction at least



We offer a wide range of training and development opportunities and are committed to promoting a healthy work-life balance. In 2022, we placed a special focus on training in connection with the Triple E organisational project and the ERP conversion. We expanded the data base and introduced new knowledge formats and learning concepts. Another focus was the Great Place to Work employee survey.

Our company culture, which determines how we work together and treat each other, once again played an important role as well. It is characterised by respectful and appreciative interaction within the Company and with external stakeholders. As one of the supporting pillars of TAG, it helped us to deal with the extraordinary situation of the pandemic. Where it was possible, we expanded our communications and continued projects that promote team spirit and make our Company's values tangible for all employees and customers. In addition, we initiated the new project 'Alltagshelden' (Everyday Heroes), in which we promote our employees' social and ecological efforts. In the reporting year, for example, 'Alltagshelden' presented aid projects for people in Ukraine and refugees from Ukraine. They also helped interested employees to get involved in volunteer activities. During Advent, the project group initiated the 'Post mit Herz' ('Mail with a Heart') campaign, in which employees could participate to show lonely people in particular that someone is thinking of them.

Well-trained and dedicated employees are the basis for TAG's success. That is why we support our employees and empower them to play an active role in shaping the Company. And we were able to develop new ways for them to actively shape the Company despite the pandemic (see ↘ **'Employee qualification and further training'** section). Especially in the Triple E (Efficiency, Effectiveness, Self-reliance) project, we took the opportunity to involve our employees in restructuring our property management. In the year under review, too, they worked in various sub-project groups to develop practical solutions for different areas of the business. In 2022, the focus was primarily on process optimisation and quality management. For example, new specialist teams were formed, e.g. in receivables management.

To promote the transfer of knowledge within the Company, many TAG specialists again shared their expertise in 2022. Moreover, TAG increasingly used online formats and digital tools for training and upskilling. These were supplemented by new online formats, such as the TAG knowledge database. In 2022, a special focus was placed on training in the context of the ERP conversion. In order to support employees working in a home office, open seminars were also held on the topic of self-organization when working from home. We plan to continue offering these seminars in 2023. We believe this form of working is now a permanent part of the working world, even after the pandemic. Therefore, an effective way of working

²⁹ Gallup Report: **Engagement Index Germany 2021** (gallup.com)

³⁰ The basis here is the number of employees (1,281 in Germany and 465 in Poland) as of the reporting date, 31 December 2022. In the Annual Report 2022, the number of employees was calculated in accordance with the provisions of the German Commercial Code (HGB). (Total: 1,739, of which 1,216 in Germany and 523 in Poland).

in mobile work and a healthy way of dealing with it should be seen as key qualifications of the present and the future.

One prerequisite for attracting the best employees and keeping them with the Company long-term is to offer them optimal conditions. That is why we promote diversity, practice equal opportunity, and offer numerous possibilities for achieving a more flexible work-life balance. Under the company agreement on working from home we adopted in 2020, we allow as many employees as possible to work from home, in the future as well (see [↘ 'Work-life balance, family friendliness and diversity'](#) section). The reorganisation of our operational departments in 2021 as part of Triple E has, among other things, created opportunities for employees from the operational departments to work from home long-term. We will leverage this to present ourselves as an attractive employer for new applicants as well.

How we manage employee topics

[GRI 3-3]

At TAG, the HR department is assigned to the COO on the Management Board since 2022. The various areas of responsibility report to the department management. They include Staff Support and Development, Recruiting and Employer Branding, Payroll Accounting, and Travel Management.

Staff Support takes care of all matters related to contractual agreements in the employment relationship. Training and continuing education fall within the remit of HR Development. The Recruiting and Employer Branding department is responsible for recruiting and retaining employees and for the external image of the employer companies. Overall personnel support is provided centrally by the Human Resources department. At the individual locations, managers are the first point of contact for employees, and implement employee appraisals and job interviews. The Board of Management receives a quarterly report on key HR indicators, enabling it to take appropriate countermeasures in good time in the event of undesirable developments.

We identify important topics and needs in exchange with our employees. We hold regular team meetings and management meetings at all levels of the Company. In addition to annual staff appraisals, we conduct event-related surveys on various topics, e.g. on the evaluation of internal cooperation, satisfaction, upskilling topics, and optimisation potentials. The results are incorporated into the joint development of improvement measures (see [↘ 'Employee qualifications and further training'](#) section). In the reporting year, we conducted a comprehensive employee survey at our sites in Germany in collaboration with the 'Great Place to Work' international

research and consulting institute. In this survey, we assessed employee satisfaction based on standardised focus topics such as mutual trust, respect and fairness, as well as corporate image and team spirit, and compared them with external benchmarks. As a result, TAG received a good overall employer satisfaction rating of around 70 % (for more details, see the highlight page [↘ 'Every Voice counts'](#)).

The dialogue with our employees also includes the possibility of contacting us with criticism and complaints. Our employees can contact their supervisors, the HR department, or the works council directly. To report violations of laws, guidelines, or company rules, there is a form on the intranet as well as on the internet for anonymous reporting. These can also be submitted directly to the compliance department or, alternatively, to an external body for review. A new guideline regulates the process for handling such reports.

Target evaluation

The evaluation of HR matters is the subject of the monthly management meetings and the quarterly controlling. Beyond these, the latest topics and work statuses of the departments and locations are regularly discussed in team meetings. The works council is involved in important matters, measures and projects at an early stage (see [↘ 'Strengthening employee co-determination'](#) section).

We continuously evaluate our TAG projects through steering groups. In the case of our 'Mission Zukunft' digitalisation project (formerly Mission '21 (see [↘ 'Strengthening employee co-determination'](#) section), there is a monthly steering group session to coordinate the project. In addition, there are regular steering committee meetings. In the 'WE Culture' project (see [↘ 'A company culture of appreciation, transparency, and co-determination'](#) section), the steering group coordinates the management of topics and the feedback. The Management Board receives interim reports and participates in the steering meetings as needed. In the Triple E project, the steering committee met once a month - mostly in the digital realm - and there were additional ad hoc online meetings as needed.

Occupational safety committee meetings are held four times a year. These are held by the Group's occupational safety officer together with the local works councils and safety officers. The externally appointed safety experts and occupational physicians attend at least two of these meetings. In addition, an annual evaluation of the measures taken, workplace accidents, and findings from workplace inspections is carried out with our external consultants.

A company culture of appreciation, transparency, and participation

We want our employees to be happy and to identify with TAG and our Company's goals. We therefore continue to rely on the active participation of our employees at all levels of the Company, and on open communications on all essential topics of the Company's development. We are continuing our Company-wide projects to strengthen cross-team networking and cooperation between colleagues.

Flat hierarchies pave the way for innovation

[GRI 3-3]

At TAG, we value a high degree of personal responsibility and a pleasant working environment. Trust, respect, and appreciation are anchored in the guidelines of our company culture.

We want our employees to feel at ease, to enjoy their work, and to be able to contribute and develop their skills.

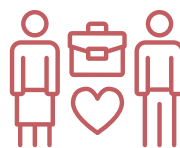
One prerequisite for this is intensive staff support and regular personal contact with our staff. They therefore always have the opportunity to contribute their views, make suggestions for improvement and, if necessary, have an individual discussion with their manager. The HR department and the works council are also always available for employees' questions and concerns. Due to the pandemic, personal exchanges took place mainly on digital channels, especially in the first half of the reporting year.

TAG's organisational structure with its flat hierarchies and short decision-making channels facilitates dialogue between employees and their supervisors, and encourages self-responsible action.

In the long term, everyone benefits from this ongoing exchange of information and fair mutual treatment. Our employees can help shape the Company and further their own professional development. The ongoing dialogue about what is already going well and what needs to be improved gives TAG an informative picture of the mood in the Company. This was complemented by the Group-wide survey of employees in September 2022, which showed, among other things, that 69 % of respondents agreed with the statement "I have a very good workplace here." We also conduct annual surveys of our employees on certain topics to obtain specific feedback.

69% of our employees agree with the statement:

„I have a very good workplace here.“



As an employer, we benefit from the ideas, knowledge and commitment of our employees (see [↘ 'Achieving more as a team'](#) section). TAG's customers and partners appreciate our positive company culture and innovative solutions. For instance, in 2022 TAG was a recipient of the Leading Employers Germany Award, an employer seal that recognises outstanding employer quality and attractiveness based on a meta-survey featuring comprehensive assessment criteria for employer quality.

Achieving more as a team

One of the goals we pursue in our business development is to improve the sense of community among all employees. Because we believe that we can achieve more as a committed team. That is why we launched the 'WIR-Kultur' ('WE Culture') project back in 2018. It involved TAG employees agreeing to our 'WIR-Code' ('WE Code'). The values and guidelines it contains include mutual respect and appreciation, a sense of responsibility, a cooperative management culture, active participation, open communication, sharing of experiences, and positive role models.

The organisational umbrella for the individual sub-projects is the so-called 'WIR-Orga-Gruppe' ('WE Organisation Group'). It is available to all employees for questions and suggestions on the topic of 'WE Culture' and can be reached via its own mailbox. The 'WE' spirit and Code were also of great importance in overcoming the challenges posed by the Triple E project. Since we rely primarily on personal interaction to strengthen our 'WE Culture', we were only able to carry out very limited activities in 2022. In 2023, we are planning to reorganise the project and bring it back into focus again.

The topics from the areas of communication/networking/digitalisation and a sense of 'WE' between TAG and its customers have since been further developed. Our employees have intensified the exchange with the tenants in the social media. Work was done on the digital pinboard in the tenant app to improve the networking of neighbourhood offers, and on promotional materials to make our colleagues more recognisable in the neighbourhood.

Since 2020, TAG has run the 'Alltagshelden' project. It is designed to promote employees' volunteer work in the social or ecological sector, and offers a platform for (exchanging ideas on) this. The focus of this social engagement is on our tenants, especially seniors and children.

Joint events also serve to promote a sense of community. In 2022, for example, we organised a Group-wide TAG Summer Party for the first time – the first major event since the start of the Corona pandemic. Smaller Christmas parties were held in the individual departments, for which a separate budget was provided.'

Our colleagues in Poland launched a similar project in 2021, the Corporate Value Programme, to strengthen the corporate culture and sharpen and communicate the Company's values. Based on a Company-wide employee survey and subsequent workshops, the most important company values were jointly identified and formulated: Initiative, Cooperation, Independence and Trust as well as Customer Orientation. Buzzwords such as care, responsibility and support also define the company culture in other areas in Poland as well, and are anchored in the ESG strategy. For communication, the principle is: open to diversity, open communication. These values are also reflected in the TAG 'WE Code'.

Since 2022, we have promoted employees' social engagement in a volunteer programme. The 'DOBROczynni' project combines a fundraising competition with a direct participation by employees in organising volunteer activities. In the first half of the year, employees implemented eight initiatives through the programme. They were free to choose the initiatives they wanted to support through volunteering and donations in kind. For example, support was given to a care and treatment centre for disabled children and teens, a family care centre, a food bank for the poor, and an association that looks after homeless animals. This commitment makes a positive contribution to the community as well as boosting identification with the Company and team solidarity.

Corporate volunteering is therefore part of the company culture in Poland. In addition to company parties, team events and joint sports activities, employees also regularly engage in voluntary social and ecological projects such as fundraising, cleaning campaigns as part of the 'Clean up the World' campaign, and joint planting campaigns in housing estates. In 2021, ROBYG was named 'Best Employer 2021' by 'Gazeta Finansowa' for its efforts to create a unique and sustainable corporate culture.

Strengthening employee co-determination

We delegate responsibility to our employees and encourage them to act independently. In 2019, we introduced a social intranet throughout the Company. This social corporate network empowers our employees to better exchange information with each other and was increasingly used especially during the Covid-19 pandemic. Among other things, the platform offers the option of setting up digital project rooms, so that colleagues from different locations can work together effectively in these rooms. It also enables the exchange of information regarding joint leisure activities to promote team spirit outside of working hours. Since 2022, our TAG intranet has also been accessible via all business mobile phones, i.e. also for our caretakers and craftsmen who do not have a fixed office workplace.

In the reporting year, we further intensified internal communication and digital exchange. The interaction among staff and their feedback as part of projects such as 'Mission Zukunft' ('Mission Future') and Triple E have led to the development of a learning manager and a knowledge database on the intranet.

As part of the 'Mission Future' project, sub-projects from 'Mission '21' are being continued and finalised. This includes such things as further simplifying and automating everyday processes and making them more time-saving and resource-efficient.

Involvement of employee representatives

In Germany, workplace co-determination is prescribed and regulated in the Works Constitution Act. Accordingly, the works council as a body shall represent the interests of the employees vis-à-vis the employer.

The main tasks of the works council include:

- verify compliance with applicable laws, collective agreements, accident prevention regulations, and company agreements, as well as the implementation of company environmental protection and occupational health and safety measures
- apply to the employer for measures that serve the enterprise and the workforce
- enforce the actual implementation of gender equality, in particular with regard to recruitment, employment, basic, further, and advanced training, and career advancement
- promote a healthy work-life balance
- receive suggestions from employees and, if necessary, work towards their implementation by negotiating with the employer
- promote the employment of older workers in the workplace
- promote the integration of particularly vulnerable persons and people with severe disabilities

The works councils are elected by the employees. Issues relating to labour law, the day-to-day business, and business development are negotiated together and worked out with the employer in a spirit of partnership. These include, for example, the working conditions. Written company agreements are also concluded between the parties. Like the collective bargaining agreements between the parties to a collective agreement, they fall under the category of agreements under collective law.

At TAG, employee participation is an important part of the company culture. It goes without saying that our company values apply to interactions with the elected employee representatives (see [↘ 'Achieving more as a team'](#) section). The aim of this collaboration in a spirit of partnership is the well-being of the employees and TAG as a whole.

The works council works closely with the HR department. They jointly drafted the company agreement on mobile working, e.g., as well as addenda on working time regulations and digital sick leave. At the end of 2022, the electronic certificate of incapacity for work was also added to the works agreement, and the electronic certificate itself was introduced in 2023. The works council was also involved in such processes

as updating the IT and Privacy policies and the implementation of the digital payroll system. It is also involved in the Triple-E project, for which a general works agreement has been drawn up. This applies to all companies and regulates the implementation of the project, in particular the key contents and objectives, the timeline, the involvement of the works council, and the ongoing communication with the workforce. It also stipulates that layoffs and economic disadvantages for the employees are to be avoided and that upskilling measures are to be carried out. The general works council is also regularly involved in matters of employee participation in the success of the Company (employee shares, performance-based special payments).

In the reporting year, works council elections were organised and held in a total of eight regions. In the Salzgitter region, the employees dispensed with the regular elections. So in the year under review, 52 employees were active in our works council bodies. In addition to the general works council with 16 employees, there were eight regional works councils consisting of between five and seven employees, depending on the number of employees at the site. In addition, two employee representatives sit on the Supervisory Board of TAG.

The regional works councils met approximately every one to three weeks, the general works council every four to eight weeks. Usually, the meetings took place digitally and in-person by turns. Managers and Board members are also invited as needed. Once or twice a year, our Management Board consults with committees of the general works council on Group-wide issues. In addition, coordination and consultations on cross-site issues take place with the HR department several times a year as required. A works meeting is held once a year at our Company's major locations. Information on innovations and the latest developments in the Company is made available to all employees, e.g. via the intranet or by email and – especially in the commercial sector – in the team meetings. In the coming year, there will be an even stronger focus on the issues of youth and trainee representation and representation of people with disabilities. In addition to the works council meetings, the members of the works council hold numerous individual discussions with employees from all areas of the Company.

Fair salaries and benefits for our employees

[GRI 2-30, 401-2, 405-2]

Our employees are paid according to performance and market conditions and irrespective of gender. Salaries are influenced by the requirements profile of the position, professional experience, and any additional qualifications. It goes without saying that we pay at least the nationwide minimum wage, and comply with the principle of equal treatment, which is enshrined in our Anti-Discrimination Policy. TAG does not employ staff on the basis of collective agreements. This, of course, only applies unless otherwise prescribed by law, such as in the craftsman sector, and if there are no commitments to the contrary, such as the continuation of individual contracts from the takeover of employees as a result of acquisitions.³¹

All real estate and office management apprentices receive the same training allowance, which is graduated according to the year of apprenticeship. Their remuneration is based on the collective agreement for the real estate industry or is slightly higher. For all other apprenticeships, TAG takes its cue from the upper range of the remuneration recommendations of the Chamber of Industry and Commerce and the Chamber of Crafts.

Participation in the Company's success, and social benefits

[GRI 401-2]

We want our employees to see themselves not just as workers, but also as shareholders in our Company. That is why we launched an employee stock-option programme in 2018. Once a year, all employees can purchase TAG shares at discounted conditions. In the reporting year, 50,500 (previous year: 12,620) TAG shares were subscribed by our employees.

In 2022, as in 2021, we also paid all employees a bonus of EUR 750 in November to recognise their commitment to the Company's success and to compensate for the increased stresses and strains caused by the Covid-19 pandemic.



EUR 840.000
special payment
to all employees
paid in 2022

We offer all employees additional social benefits, such as a company pension scheme, accident insurance, and asset-building benefits. Furthermore, our employees receive discounts on various products, services, and events via our discount portal. Our employees can also take advantage of the discounted offers that we offer our tenants through the 'Marketplace' section of the TAG Wohnen website (e.g. car sharing, grocery deliveries). We also provide free beverages at our locations.

We want our employees to get to work in a cost-effective and environmentally friendly way – which is why we subsidise monthly tickets for public transport at all TAG locations where the regional transport associations have concluded a corresponding agreement with us. These include, for example, Düsseldorf, Dresden, Erfurt, Hamburg, and Berlin. Since mid-2022, TAG has also offered employees discounted leasing of job bikes, an option which is already being used by 80 employees.

Employee qualification and further training

Our employees are the basis of our success

[GRI 3-3, 401-1]

Each and every employee has an influence on TAG's success. That is why we invest in the training and upskilling of our employees and promote their professional qualifications. It is our goal for every employee to continue their development and learning during their time with us. Accordingly, TAG attaches great importance to the transfer of knowledge within the Company.

The goal of our staff development is to recognise individual talents, to promote employees in a targeted manner according to their abilities and career goals, and to retain them in the Company long-term.

Since 2020, we have been training TAG specialists as coaches. To empower our in-house coaches to systematically transfer their expertise to their colleagues, we support them e.g. with the train-the-trainer format. In 2021, this principle was applied especially for trainings as part of the Triple E project. It is continually being further developed. In 2022, too, we trained in-house coaches e.g. on knowledge transfer in online formats and on how to deal with the changed group dynamics in digital training. We also offered new employees the opportunity to acquire knowledge-sharing and coaching skills.

³¹ This concerns about 1.3% of the employees with legacy contracts.

Our internal training concept 'STEP@TAG', developed in 2019, will be continued. The acronym STEP stands for the components Seminars, Team building, exchange of Experience and promotion of Potential. STEP@TAG enables us to better inform our people about our Group-wide seminar programme and strengthen the sharing of experience. As part of STEP, we also introduced a new tool for selecting seminars and registering for them, and linked it to the existing employee portal. This means that employees can find out about existing training opportunities and dates at any time and register for them directly online. The tool makes our training offers, which feature both in-house specialists and external coaches, more visible and simplifies the registration process. All internally offered cross-departmental seminars and workshops are now available via the STEP registration page.

In the course of 2022, we launched the TAG 'Lernmanager' (Learning Manager) as a special survey format that enables managers and employees to formulate their specific training requests in an even more targeted manner and submit with the HR department. We have already used the 'Lernmanager' to identify managers' needs and wishes for our 2023 programme planning. The use of e-learning tools and 'knowledge nuggets' – short formats – is also currently being tested. Both tools enable learning at self-determined times. We have already piloted these tools in Düsseldorf and Hamburg in cooperation with a provider of learning apps. For e-learning tutorials for standard software, such as MS Office, we have been cooperating with TÜV Nord since 2022. Those who successfully complete the online course automatically receive a certificate from TÜV. The trainees and Bachelor students who started at TAG in 2022 are the first to receive such a certificate.

We have also developed new training materials and explanatory videos for many different topics, such as technical tasks, IT tips, or for using the project rooms on the social intranet. We have expanded digital formats and IT-supported processes and made them more user-friendly as part of the 'Mission Future' digitalisation project, and expanded the intranet by adding the TAG Learning Manager and the TAG Knowledge Database. The latter serves as the main point of contact for when employees have questions about processes and programme features, and works much like a wiki.

Recruiting new employees is also of great importance to us. In view of demographic change and the continuing shortage of skilled workers, this has become an even more significant issue. We use various strategies to recruit new employees for our Company.

During the reporting period, TAG hired 142 new male employees and 86 new female employees in Germany, while 41 male employees and 08 female employees started working for the

Company in Poland. In Germany, 127 male employees and 107 female employees left the Company during the period, in Poland 43 male employees and 64 female employees left. So employee turnover in Germany declined slightly year-on-year in 2022, from 19.4 % in 2021 to 18.3 % in 2022. We reckon that on the one hand, the fact that the turnover rate continues high is still due to the organisational changes brought about by Triple E. Although there were no layoffs, some employees resigned of their own accord despite a wide range of offers, qualification measures, and support. Another reason might be the generally increased willingness to change jobs, especially among younger employees.

The length of service at TAG in Germany is currently around seven years, which is below the national average of close to 11 years, though this varies depending on the sector and the size of the company.³² For TAG in Germany, the length of service of commercial employees is around 10 years, which is more than twice as long as that of industrial employees, which is around four years.³³ So the higher overall turnover is also due to this circumstance.



Around **10 years**
length of service of
commercial employees

We use various formats to make it easier for new colleagues to settle into the Company. This includes the 'Mentors for new employees' project launched in 2019. In 2021, we also further developed the Guidelines that colleagues across TAG can use for the onboarding of new employees. The idea is for the locations to work to a shared minimum standard that also, however, leaves room for creative interpretation. Furthermore, in 2022 we produced a welcome film in which our employees participated, and posted it on our newcomer page on the intranet. In addition to explanatory films, newcomers can find answers to frequently asked questions about everyday working life at TAG, training documents that are particularly relevant for the start, applicable regulations from company agreements, and the link to the staff portal.

Our Polish subsidiaries also further developed their training programmes. New training courses and workshops were organised in the reporting year as part of the 'Vantage Academy of Skills' training programme launched in 2021. At ROBYG, the training offer was expanded again after pandemic-related restrictions in the previous year. Besides compulsory basic training and specialised further training, internship, study and scholarship programmes are also supported.

³² Betriebszugehörigkeit: Lange im Betrieb - iwd.de (Length of service: With the company for a long time)

³³ The reason for the lower length of service of the industrial employees is due to the foundation of the respective subsidiaries in the last few years.

Numerous training and development opportunities

[GRI 3-3, 404-2]

We want our employees to be able to pursue their professional and personal development at TAG. To achieve this goal, we implement various measures – especially in the area of support and development.

For instance, we use the annual performance appraisals for constructive feedback. Our goal is to motivate our employees, identify special skills and talents, and develop individual support measures based on this. We strive for every staff member to participate in at least eight hours of upskilling per year in order to further develop their professional and methodological competence.

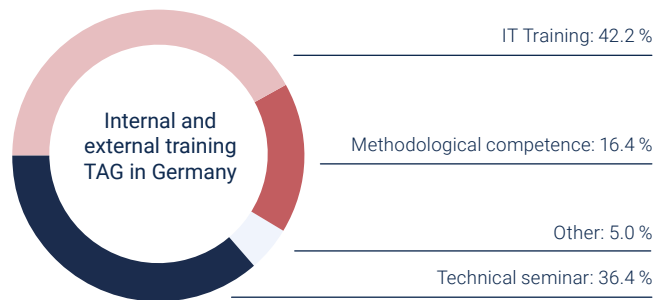
Our further training programme consists of various components. Our employees can attend external seminars and courses, internal training, workshops or Group-wide best practice meetings to receive professional and methodological training, swap experiences, and develop their individual potential. Due to the pandemic, many of the events in the past few years took place in smaller groups or as online formats. Since this eliminated travel time and travel and accommodation expenses, we were actually able to increase the number of seminars compared to in-presence trainings. Especially for part-time workers or parents with smaller children, it is easier to participate in an online seminar than in physical events. For selected topics, however, it is important to meet in person. In 2022, for example, we held the majority of seminars on the topic of leadership in person.

Our in-house training platform STEP@TAG, which is connected to the employee portal, makes it easier for our employees to proactively find out about and participate in seminars offered within the Group. They can also use it to make suggestions for further training and information offers. In the year under review, we used it to identify our employees’ demand for training on Office applications. As a result, TAG established certified online Excel courses.

We follow a similar approach in Poland with the ‘Vantage Academy of Skills’ training programme. The focus is on training and workshops for specialised topics and methods that are needed for daily work, from Excel courses to building design. The transfer of knowledge and skills by Vantage employees is an essential component. The events are then evaluated and further developed in order to provide both participants and teachers greater benefits. Thus, in the reporting year, additional topics such as certifications for sustainability in the new-build business were added to the training pro-

gramme. Beyond this, external training, English classes, and postgraduate courses are also financed.

ROBYG’s training system consists of internal training for new hires, cyclical basic training, and specific specialised training. For example, all new employees undergo mandatory training on occupational health and safety, the Code of Conduct, and the Company’s human rights and environmental policy. Specialist training took place in 2022 in the areas of construction, controlling, accounting, marketing, HR, and payroll accounting. ROBYG cooperates with external educational institutions in this connection. ROBYG also established contacts with career offices at technical universities in 2022 and ran a programme of paid internships for graduates and students in the graduating classes of technical universities.



In the 2021 reporting year, our employees in Germany attended an average of 8 hours of training each. This corresponds to a total of approximately 9,880 training days. At Vantage, the figure per employee was 11 hours per year, and at ROBYG 15 hours.

We also support in-service training to become a trainer or real estate specialist. In 2022, three employees successfully completed an in-service training course to become a certified real estate specialist or facility management specialist, and 15 employees completed successfully their training as energy consultants.

Wide range of training and study opportunities

Promoting young talent is an important element in strengthening the loyalty of junior staff to TAG. Our training programme includes a bachelor's degree in business administration with focus on real estate management, apprenticeships in real estate management and office management, as well as industrial/technical apprenticeships in IT systems integration, painting, plumbing, heating and air conditioning, and tiling and mosaic laying. In 2023, we plan to train apprentices in office management again.



During the reporting year, TAG employed 42 apprentices, of whom eleven completed their apprenticeship in 2022. Seven dual-study students work at three of our locations, of whom four completed their studies during the course of the year, and three started them. In 2022, 15 young people began their vocational training with us (2021: 13 new apprentices). A total of four apprentices were employed in Poland in 2022.

On average, one trainer is responsible for between one and five apprentices or students. This staffing ratio enables us to provide intensive support for our junior staff.

We believe that having qualified junior staff from our own ranks is important for TAG's long-term success. Our training programme is designed to meet TAG's internal demand for new employees. For this reason, we generally offer all apprentices continued employment after their training period. In the year under review, 14 young colleagues successfully completed their vocational training, 9 of whom we were able to take on as employees. The other trainees decided to go abroad or pursue a degree, e.g., after completing their training.

We use various channels to establish contact with suitable applicants. On our company website, interested applicants can visit our apprenticeship page and get an insight into the apprenticeship professions at TAG. There, and in our 'Magazin' on the TAG Wohnen website, some of our apprentices also report personally on their daily work. In addition, we cooperate with schools and universities in the surrounding area. In the year under review, we mainly expanded our online communication channels and geared them more to the young target group. We mainly use the [ausbildung.de](https://www.ausbildung.de) and [Studyflix](https://www.studyflix.com) platforms and advertise our vacancies on [stepstone](https://www.stepstone.com). We have also shortened the communication channels so that we

receive quicker feedback from the trainers after receiving applications.

Since August 2022, all new trainees have independently taken an online basic course on MS Excel; upon completion, they receive a certificate from TÜV Rheinland. In the future, there will also be courses on MS Outlook as well as SAP S/4HANA to make it easier for trainees and students to get started with TAG's programmes. We are still in close contact with the chambers of commerce about whether we, as a hands-on company, will also be able to impart targeted methodological competence in 'working from home' to trainees in the future.

Together with the trainers, we are also planning the resumption of the AzubiTAG apprentice day, which used to take place annually, in order to better connect the trainees and students from different locations and to promote a sense of community, or 'WE' spirit.

Further training for our trainers

Pedagogically qualified instructors are also a prerequisite for well-grounded training – which is why TAG founded its 'Ausbilderwerkstatt' (Trainer workshop). There, we train our trainers on new learning methods, motivational strategies, and the expectations of the younger generations, and provide a platform for the exchange of experience across regions and departments. This format takes place twice a year with an average of 13 – 15 participants. In 2022, we continued the workshop as an online event on two days with 19 participants. The focus was on sharing experiences, advising colleagues, and jointly developing standards. Together, the participants also addressed up-to-date management and development of trainees, including pre- and onboarding.

Personnel sourcing using up-to-date measures

The recruitment of qualified employees is of central importance in securing the Company's long-term survival.

Our employer marketing is centred around TAG's career site. On this online platform, we inform interested parties about our lines of work and our company culture, and list vacancies. It is possible to apply directly online in just a few steps using the form provided.

This recruitment process is now completely digitised. A new portal for applicants allows for faster processing of incoming applications, and leads to more transparency, short reappointment times, and a higher number of applicants.

Besides traditional staff recruitment options, such as job listings, information brochures, and participation in recruiting events, we also rely on our presence in online media. This includes the digital business networks Xing and LinkedIn. We are also represented on the employer rating platform kununu.de. We use the ratings we receive there to improve our internal and external communications.

To keep attracting suitable applicants in the future, we continuously update our HR marketing. We have search-engine optimised all job adverts so that they can be found even more easily. In addition, we use Instagram, Facebook and YouTube as social media platforms, including using banners to draw attention to job listings, and post articles on LinkedIn and XING.

For our craftsmen's service company TAG Handwerkerservice GmbH, we use the 'employees recruit employees' model, and in 2022 we also set up our own careers website for jobs in the craft trades at all our locations. We also plan to set up a dedicated careers page for TAG Immobilien Service GmbH in 2023.

Promoting young talent and recruiting new employees

We use a variety of measures to recruit young talent, like making it easier for our apprentices to enter professional life after graduating from school. We also offer them long-term employment and support their professional development. Among other things, we promote the acquisition of methodological skills through continued training as well as mentoring and sponsorship programmes, finance further studies, or support their transfer to other departments.

By involving employees in project work, we strengthen networking between colleagues at different locations. For example, we were able to organise the 'ErstiTAG' (first day at TAG) for our new trainees as a presence event in Hamburg in 2022. The 'Wir für eine bunte TAG' (Together for a colourful TAG) project, with which we aim to better coordinate and promote sustainability issues, has been ongoing since 2020. In 2022, we continued to work on our priority topics as part of this project, and in doing so further advanced sustainability at TAG, especially at our office locations. We again addressed topics that, based on the last employee survey, are especially important to our employees, such as waste separation, saving paper, recycling, eco-compatible cleaning agents, eco-friendly mobility, and the use of green electricity. Young recruits in particular are increasingly looking for a sustainable working environment when choosing an employer. This is the result of the European Investment Bank's 5th annual climate survey. Among 20- to 29-year-olds, more than 80 % say sustainability

is an important factor when choosing an employer, and for 18 % this criterion has absolute priority.³⁴ So we also increase our attractiveness as an employer by enhancing sustainability at our locations.

We want to keep pressing ahead with our initiatives to strengthen our employer brand and recruit employees also in the future. Our employees are increasingly acting as ambassadors for the Company. They post pictures and texts providing insights into their everyday working life at TAG: on our careers page on the internet, in our job listings, or in the tenant magazine on the TAG Wohnen website, as well as on third-party platforms such as kununu.de and LinkedIn.

Work-life balance, family friendliness, and diversity

We want to keep ensuring a good balance between personal life, family, and work going forward. Flexible working time models enable our employees to reconcile their private and work commitments. In the event of relocations for personal reasons, we continue to facilitate a transfer to suitable TAG locations. We are continuously expanding our incentive and motivation tools to build employee loyalty. During the Covid-19 pandemic, we extended our company agreement on working from home so that more employees can take advantage of the work-from-home option not just now, but in future as well. We are constantly expanding our range of preventive health measures for our employees. Beyond this, we also subsidise public transport tickets, and offer free accident insurance, a company pension scheme, and employee stock options, among other things.

We rely on a diverse workforce, pay attention to balanced gender quotas, and punish any form of discrimination. Employees have various channels for reporting discriminatory behaviour: they can contact their manager, the Compliance Officer – directly or using an online form on the intranet – or the HR department. They can also use the external whistleblowing system for anonymous reports by employees and business partners. The external contact details can be found on the intranet and on the TAG AG and TAG Wohnen website.

³⁴ 81% of young Germans say the climate impact of prospective employers is an important factor when job hunting (eib.org)

Spotlight on equal opportunity

[GRI 3-3]

At TAG, all employees have equal opportunities. Equal treatment regardless of ethnic origin, gender, age, religious affiliation, sexual orientation, physical impairment or disability is a matter of course for us and is anchored in our Anti-Discrimination Policy. The diversity practised at TAG was also positively highlighted by our employees in the 2022 survey.

We rely on a balanced mix of young and experienced colleagues. The average age of our workforce is around 45, which is roughly in line with the average age of the workforce in Germany for 2017.³⁵ A balanced mix ensures a variety of perspectives and ways of thinking and contributes to the preservation, expansion, and transfer of knowledge. In this way, we ensure TAG's continued existence into the future. For internal projects, we strive for a defined minimum quota of project participants under 30 years of age. We implemented this quota in the `Mission Future` project, e.g.



We have enshrined in both the Anti-Discrimination Policy and the Corporate Governance Statement that women shall be adequately represented in management positions within the TAG group of companies. Positions are filled and managers selected based on objective criteria, the requirements profile of the position, as well as professional experience and additional qualifications.

Our Company's success is based on the motivation and commitment of our employees. That is why we offer all our employees various ways to achieve a healthy work-life balance. We promote the health of our employees and ensure a high degree of occupational safety.

Occupational health and safety guaranteed throughout the Group

[GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7]

The health of our employees is a prerequisite for their well-being and ability to perform. For this reason, occupational health and safety, fire protection and first aid in emergencies have a high priority at TAG. In the year under review, we were able to recruit additional staff for these tasks. Accordingly, in the reporting year, we had 20 safety officers (2021: 18, 2020: 21), 53 fire protection assistants (2021: 57, 2020: 59) and 181 first aiders (2021: 168, 2020: 71), as well as three colleagues who serve as evacuation assistants. Each of these employees was trained accordingly. This puts us in a good position to keep meeting the occupational safety criteria going forward.

To protect our staff during the Covid-19 pandemic, we established a new SARS-CoV-2 occupational health and safety standard for TAG. All employees received safety instructions from their supervisors in this connection. Information was made available on the intranet. And we provided face masks, antigen tests and disinfectants for all employees. We also took extensive protective measures in our tenant offices, which we continuously adapted to the developments of the pandemic situation and related requirements. TAG fulfilled its obligations to inform employees about the benefits of vaccination against the coronavirus in good time.

For several years now, external specialists have been entrusted with the professional implementation of occupational safety, health, and medicine at TAG. The implementation of all legal requirements is ensured. In the reporting year, once again eight TAG sites/caretaker bases were audited. No serious deficiencies in occupational health and safety were found.

All employees are personally instructed by their supervisors at least once a year on topics relevant to occupational safety. In addition, safety instructions on the proper use of equipment and tools are regularly given, especially for craftsmen and caretakers. We provide our field staff with appropriate protective clothing for their work. Evacuation drills are carried out every year. All employees can read up on safety and health-related topics on the intranet. Contact persons, operating instructions, safety data sheets, occupational health advice, and much more information can be found here.

In the reporting year, there were no serious occupational accidents either. There were 41 accidents at work (2021: 37). These were mainly accidents on the way to work and minor injuries, for example during the work of our caretakers and craftsmen. This corresponds to an accident rate of 3.2 %

³⁵ https://www.destatis.de/DE/Presse/Pressemitteilungen/2018/11/PD18_448_122.html

(2021: 2.8 %). There is no increased risk of illness or injury for TAG employees. The overall absence rate (any kind of incapacity to work) at TAG in Germany was 10.8 % (2021: 7.1 %) and has thus increased year-on-year. This is in line with the general trend of rising sickness rates among employees in Germany in 2022.³⁶

As in previous years, there were no work-related fatalities at TAG in the reporting period.

In the reporting year, too, four occupational safety committee (ASA) meetings were held. They are hosted by the Group's occupational safety officer together with the local works councils and safety officers. The externally appointed safety experts and occupational physicians take part in at least two of these meetings. To better involve all locations, video conferences were used more frequently for ASA meetings in the reporting year. In addition, an annual evaluation of the measures taken, occupational accidents and findings from workplace inspections is carried out with the external consultants.

In the new-build business in Poland, occupational health and safety tasks and training are also carried out with the help of external occupational health and safety service providers. Special attention is paid to occupational safety and health protection on the construction sites. A system of safety regulations, regular training, and weekly inspections is in place to ensure the health and safety of the Company's own employees and those of subcontractors.

Preventive measures with practical relevance

TAG organises Company-wide health days in cooperation with health insurance companies, with changing focus topics. Another such event is planned in 2023, with the aim of improving the everyday working lives of our employees. For the first time since the Covid-19 pandemic, we were able to hold our annual relay race again in 2022, at which we walked, ran, and partied with employees and their families.

To protect the health of our employees, all workstations of course comply with modern health standards. We also offer our staff regular preventive medical check-ups. In 2022, computer workstation examinations and eye tests were carried out at two in-house appointments at several locations. We partner with physicians of the TÜV Rheinland Group's Arbeitsmedizinische Dienste GmbH for these tests and screenings. Employees who could not attend the scheduled days had the opportunity to be examined directly at the contractor's centres. Employees who work at a VDU workstation receive an allowance for VDU glasses as needed. In justified cases, we also assume the full costs.

In addition, there are regular training courses and seminars on self-management and stress management to support employees in organising their own work.

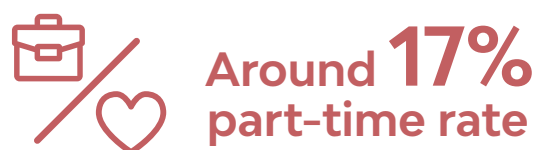
We have established a working group on the topic of occupational health management, and organised a cross-departmental workshop on the topic in the reporting year, in which we developed possible future action areas. Based on the results of the Group-wide employee survey and feedback from managers and the general works council, we are planning further measures for 2023. We are also currently restructuring the Group's internal communications on existing health offers so that we can inform employees and potential applicants about them in a more targeted manner.

Since many employees in Poland also regularly work from home since the pandemic, the HR department there again carried out a summer health programme in the reporting year. The aim was to motivate employees to be more active outdoors and to promote a healthy lifestyle. This time, the programme was coupled with a fundraising competition. Employees also took part in a competition to promote exercise and sporting activities. Two teams took part in an annual company run that takes place in larger cities and raises funds for people with disabilities. Other colleagues in Poland also combine participation in sports events with charitable activities. In the reporting year, employees were invited to participate in the Wanado family sports festival and an organised company bicycle rally in Warsaw and Wrocław. Regular recreational exercise is also encouraged, e.g. through subsidies for so-called 'multi-sport cards'.

Striking a healthy balance between work and personal life

As a modern employer, we want to offer our employees a working environment that makes it possible to reconcile their work and personal lives. Putting this into action is one of our key challenges.

We offer all employees flexible working time models and various options for part-time work. A temporary reduction in weekly working hours and home office are also possible by arrangement. If desired, employees can change their place of work.



³⁶ Iges: Erstes Halbjahr 2022: Krankenstand bei Beschäftigten steigt: https://www.iges.com/kunden/gesundheit/forschungsergebnisse/2022/arbeitsunfaehigkeit-2022/index_ge.html

Our offer of flexible times and places of work benefits families with children in particular. After the end of parental leave, we also offer project-based work with flexible deployment times.

In 2022, 39 employees (2021: 49), roughly a third of them men, took advantage of parental leave. All of them are expected to have returned to work by 2023. In the reporting year, 13 male employees and 13 female employees returned to work after taking parental leave.

All employees can divide their working time flexibly within the framework of the contractual weekly working time and decide on their own responsibility when tasks are to be completed. A template for tracking working time is available on the intranet. Supervisors ensure that there is no discrepancy between the scope of tasks and the contractually agreed working hours. Especially during the Covid-19 pandemic, the tried and tested self-management system led to efficient work.

It is important to us that our employees have social security through their jobs. Therefore, we hire as many employees as possible under permanent employment contracts (2022: 90.2 %, 2021: 91.4 %). There were no dismissals for operational reasons in the reporting year. This aspect was also particularly important to us in the context of the Triple E restructuring. From the beginning of the project, TAG clearly communicated that the reorganisation would not result in any dismissals for operational reasons. We also stipulated this in the Triple E works agreement.

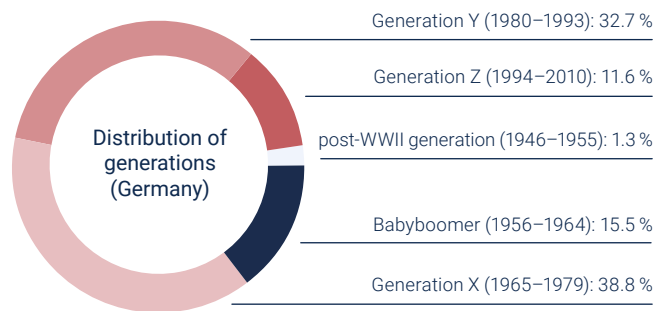


Diversity as a gain for the Company

[GRI 103-1, 103-2, 103-3, 406-1]

Different perspectives, experiences, cultures, ways of thinking, and approaches resulting from our employees' varying environments and backgrounds are essential for us. We believe that lasting entrepreneurial success can only be achieved through diversity. That is why we pay attention to a diverse mix in important projects and decision-making bodies, e.g. in matters of gender and age, and we live equal rights, respect, and tolerance. Accordingly, diversity is an important aspect in our staff recruitment and development. The works council also ensures that the regulations on equal treatment are observed. As in previous years, there were no violations of the General Act on Equal Treatment (AGG) in the reporting year.

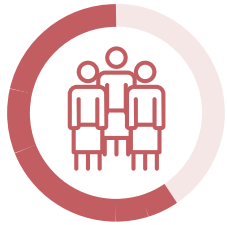
At TAG, people with different cultural backgrounds and lifestyles from a total of five generations work together. Around 72 % of our employees in Germany and Poland belong to the X and Y generations. Each generation has its own expectations and individual needs with regard to their work, the workplace, the working methods, and how they work with others. As an employer, it is important for us to take into account the diverse requirements with regard to the multi-generational composition of our workforce.



The TAG Group has had a balanced gender distribution for many years. The proportion of women in TAG's workforce in Germany has been at around or above 50 % for several years now. In the Polish workforce, the proportion of women was 69 % in the reporting year.

One indicator of gender equality is the proportion of women among managers. The Management Board has set a quota of at least 30 % women in management positions at the 1st and 2nd management levels below the Management Board, i.e. for heads of real estate management, department heads and team leaders. As in previous years, this was achieved in the reporting year, and was at 57.6 % (2021: 43.1 %). The

proportion of women in management positions at TAG is thus significantly above Germany's average value of 29 % for 2021, which, however, varies depending on the industry.³⁷



58% women's
quota in
management
positions in Germany

For the Management Board, the Supervisory Board has set a quota of at least 30 % women. As of 31 December 2021, the actual rate was 33 %, increasing to 50 % when a member of the Management Board retired on 1 January 2022. Gender does not play a role in remuneration (see [↘ 'Fair salaries and benefits for our employees'](#) section). Pay differences between women and men are monitored and disclosed. In the reporting year, the overall gender pay ratio was 99.8 %.

Of our German employees, 53 have a severe disability. This corresponds to around 4.1 % of all employees (2021: 3.9 %).

TAG regularly hosts in-house events for all employees on the topic of diversity. Customer-facing employees receive special training in intercultural skills.

We participate in the federal government's programme for the integration of the long-term unemployed. Intensive support and assistance are provided to help these people re-enter the world of work. In the long term, we plan to continue employing them after the subsidies phase. The programme was used extensively during the reporting year as well, and the first few graduates were taken on as permanent employees.

³⁷ In 2021, fewer than one third of managers in Germany were women – German Federal Statistical Office (destatis.de) (in German)

Every voice counts

How happy are our employees with their workplace? How do they rate the team spirit? And where do they see room for improvement? In 2022, we got to the bottom of these and other matters in a comprehensive Great Place to Work (GPTW) employee survey. Especially after the organisational changes in our operations over the past two years, we wanted to capture the current mood and map our corporate and workplace culture.



Our staff survey took place in August and September 2022. All employees were invited to fill out an online questionnaire, anonymously of course. Of the 1,260 employees invited, 729 took part in the survey – roughly 58 percent. This is a solid participation rate and shows us that the majority of employees want to get involved in a dialogue with TAG.

»Though we would have liked to see an even higher participation rate, we are pleased that the majority of employees gave us their feedback«, says Sandra Wegner, Head of Human Resources.

Results and insights

"I have a very good workplace here" – 69 % of our employees agree with this statement in the overall evaluation. This is a gratifying result and very nearly corresponds to the benchmark of all organisations in Germany that are evaluated by Great Place to Work.

In terms of content, the 65 individual questions were structured into three topics: trust in employer and management; Identification with TAG as an employer; and workplace cooperation. Based on the answers, we were able to identify strengths in each of these areas, as well as weaknesses that we plan to work on to further improve our workplace culture.

Our employees all gave the topics of credibility, respect and fairness in the area of 'Trust in employer and management' an overall rating of 'good'. In particular, the feedback and error culture were rated as good, as well as employee participation. Responses also clearly showed that diversity isn't just a buzzword at TAG, but is really alive and well. This is also reflected in the welcoming culture, which is described as positive. On the other hand, our upskilling offers as part of the further training are still not taken up enough by our employees; the same also is true for the health-promoting offers. We are currently analysing the reasons for this and how we can change it.

There is also a need to develop our employees' identification with their employer. Even though our employees recommend TAG as an employer, there is still room for improvement when it comes to employee loyalty. Given the increasing shortage of skilled workers, it is particularly important that we keep our dedicated employees in the Company. In conjunction with this, we also need to further strengthen the sense of solidarity and the 'WE Culture'. Here, the survey shows that we are at a good level, with some room for improvement. In summary, Head of HR Sandra Wegner says: "We will now use all the results of the survey to define key areas for action, develop measures, and together become an even better TAG." The next GPTW survey is planned in two to three years, to review the impact of our measures.

TAG möchte es wissen. Mitarbeiterbefragung

23. Aug
–
13. Sep

Jede Meinung zählt!

Machen Sie mit, bei unserer Befragung von Great Place To Work® zur erlebten Kultur an Ihrem Arbeitsplatz. Sagen Sie, was Ihnen bei uns gefällt und was wir gemeinsam besser machen können. Die Teilnahme ist freiwillig und anonym.

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1. Sie erhalten einen Brief mit Zugangsdaten zur Befragung von Ihrer Führungskraft.
2. Scannen Sie den QR-Code oder nutzen den Umfrage-Link aus dem Brief.
3. Geben Sie Ihre individuellen Zugangsdaten ein.
4. Schon startet die Befragung.



Gemeinsam die Zukunft der TAG gestalten.

Great
Place
To
Work.

Great Place to Work® ist weltweit einer der führenden Anbieter von Mitarbeiterbefragungen. Allein in Deutschland arbeitet das Beratungsinstitut jedes Jahr mit mehr als 700 Unternehmen aller Branchen und Größen zusammen und befragt mehr als 100.000 Mitarbeitende.

About this report

[GRI 2-4]

This is TAG Immobilien AG's eleventh Sustainability Report. It follows up on the statements, results and objectives of the previous year's report. We discuss our understanding of sustainable corporate governance and disclose relevant information about our sustainability performance. We also report on the key factors that TAG exerts an influence on, which in turn influence our business. We present our developments and progress, as well as the challenges in connection with the various requirements and expectations of our stakeholders and of society at large. We also address significant economic, environmental and social parameters and take stock of whether and how we have met our targets. Our reporting is based on the data from the previous year's report, which we have expanded to include, for example, detailed indicators on our CO₂ emissions. In this way, we aim to further increase the transparency of our Sustainability Reporting. The material indicators are presented in a table of key indicator (see [p. 105 ff.](#)). This allows for an in-depth comparative analysis of individual aspects.

Because we entered the Polish real estate market in 2020, in 2022 we continued to work on compiling the data and information for reporting purposes, and on integrating new data. The sustainability activities we implemented in Poland are presented in the respective chapters. Also, further sustainability indicators were collected for fiscal 2022, which are listed in the 'Key Indicators' section of this report in an additional column for the Polish market, next to TAG's key indicators.

Reporting standards

[GRI 102-54]

This Sustainability Report represents TAG's non-financial declaration in accordance with its reporting obligations under Sections 289 et seq. and 315 b of the German Commercial Code (HGB). We apply the Sustainability Reporting Standards (SRS) of the Global Reporting Initiative (GRI).³⁸ This report has been prepared with reference to the GRI Standards. The GRI has been informed about the application of its standards and the publication of the report (GRI Content Index, [p. 113](#)). In our reporting from 2023 onward, we will increasingly follow the European Sustainability Reporting Standards (ESRS) (see chapter 'Our path to tomorrow'), which incorporate many aspects of the GRI

2021 standards. In addition, we will continue to take GRI, as an internationally recognised standard, into account in our reporting.

Beyond this, we follow the recommendations of the European Public Real Estate Association (EPRA) and take into account their 'Sustainability Best Practice Recommendations Guidelines' (as of September 2017). TAG's EPRA Sustainability Performance Measures are presented in a separate document on our website under [Sustainability | TAG Immobilien AG \(tag-ag.com\)](#).

Contents and structure of the report

In our Sustainability Report, we provide information on financial and non-financial aspects that are material to TAG's business model.³⁹ Unless otherwise stated, the financial information on the Company is based on the statements made in the Annual Report for the year 2022. The non-financial information covers ecological and social aspects of our entrepreneurial activities as well as information on corporate governance.

The structure of this year's Sustainability Report follows the previous year's reporting structure. The focus remains on TAG's four areas of activity in the field of sustainability, and the associated [material topics](#). As in the previous year, innovations resulting from the market entry in Poland in 2020 and in connection with the new-build business segment added at that time have been assigned to the areas of activity accordingly.

Principles of reporting

In its reporting, TAG follows the principles of reporting according to the GRI standards ('in reference').

Principle of timeliness

[GRI 2-3]

TAG's Sustainability Report is published annually. This report, published in April 2023, follows on directly from the previous year's report, which was published in April 2022. The reporting period is the 2022 financial year (1 January 2022 to 31 December 2022). All of TAG's key indicators and information in the report are based on this period, unless otherwise stated. In some cases, relevant developments in the first months

³⁸ The adapted GRI Standards published in 2021 are applied in this report. To date, there is a German version only for the topic standards. For the Universal Standards, we used the English version as a guide.

³⁹ The non-financial indicators presented in the Sustainability Report are not relevant for management purposes within the meaning of German Accounting Standard No. 20 (GAS 20)

of 2023 are also discussed in the report. These are indicated accordingly. The editorial deadline was 19 April 2023.

Principle of comparability, transparency, and reliability

[GRI 2-5]

Like the previous year's report, this year's Sustainability Report provides information based on the GRI Standards. The requirements for a comparability of the contents are therefore met. The Supervisory Board of TAG reviewed the report, discussed it with the Management Board, and approved it. The contents of the report were not reviewed by external auditors

Principle of clear demarcation and consolidation (reporting boundary)

[GRI 2-2]

All information in this report relates to the Group as a whole, unless otherwise stated. For further details and a list of the companies included in the consolidated financial statements, please refer to our Annual Report:

↳ tag-ag.com/geschaeftsbericht

Principle of materiality

[GRI 3-1]

We wish to ensure transparent and comprehensive reporting for internal and external stakeholders. To this end, we have identified our key stakeholders and elaborate on their expectations of TAG.

In 2017, we had already compiled the topics material to a sustainable continuation of the Company in internal coordination rounds and based on communication with our stakeholders. We regularly review them and most recently updated them in 2019. For each topic, we examine how TAG contributes to sustainable development and how it can secure its business success long-term. The topics were formulated in accordance with the GRI materiality criteria. As the material topics remained the same in 2022, the report allows for presenting advances in a direct year-on-year comparison.

We reviewed our materiality analysis for the 2022 reporting year as well. This review was carried out based on the three

dimensions of stakeholder relevance, business relevance, and impact. No changes resulted from the review.

In the course of new regulatory requirements resulting from the Corporate Sustainability Reporting Directive (CSRD), which came into force on 5 January 2023, the European Sustainability Reporting Standards (ESRS) set binding standards for non-financial reporting. As a result, we will again review our materiality analysis in 2023 (see ↳ 'Our path to tomorrow' section).

This year's Sustainability Report provides information on the economic, ecological, and social impacts of our business activities that are of material importance to us and our stakeholders.

Key figures

Since the expansion of our business model through the acquisition of the Polish Vantage Development S.A. (2020) and ROBYG SA. (2022), key figures from the Polish region are reported where appropriate, especially for the sake of comparability. In the coming years, the joint data collection with the Polish subsidiaries will be successively expanded.

Our path to tomorrow

	Unit	Germany		Poland ²		GRI
		2022	2021	2022	2021	
Economic¹						
Fully consolidated companies (operating subsidiaries and property companies)	number	83	83	104	18	
Annualised net actual rent	EUR m	340.6	335.8	2.7	0.5	2-6 201-1
EBITDA (adjusted)	EUR m	233.5	226.1	80.8	13.2	
Loan-to-value (LTV) Group	%	46.7	43.2	-	-	
Compliance and integrity						
Composition of Management Board	number	2	3	4	2	
female	%	50.0	33.3	25.0	-	
male	%	50.0	66.7	75.0	100.0	
under 30 years of age	%	-	-	-	-	
31-50 years of age	%	100.0	66.7	50.0	50.0	
over 50 years of age	%	-	33.3	50.0	50.0	
Composition of Supervisory Board	number	6	6	6	4	2-9 405-1
female	%	33.3	33.3	16.7	25.0	
male	%	66.7	66.7	83.3	75.0	
under 30 years of age	%	-	-	-	-	
31-50 years of age	%	66.7	66.7	50.0	75.0	
over 50 years of age	%	33.3	33.3	50.0	25.0	
Average tenure	years	6.8	5.8	4.8	1.0	

¹ Further key figures on TAG's economic performance can be found in the Annual Report 2022.

² The company figures for the Poland region include consolidated data from the subsidiaries Vantage and ROBYG for 2022, and for 2021 only data from Vantage.

Developing our portfolio responsibly

	Unit	Germany		Poland		GRI
		2022	2021	2022	2021	
Portfolio overview³						
Units portfolio ⁴	number	86,914	87,576	1,153	368	
Floor space portfolio ⁴	sqm	5,203,677	5,263,883	50,639	15,416	
Share of administrative units in total portfolio ⁵	%	0.6	0.5	0.4	-	
Floor space for administrative activities ⁵	sqm	29,900	27,200	185	-	
Residential units ⁶	number	85,362	86,325	1,134	361	
Floor space residential units ⁶	sqm	5,033,939	5,101,753	48,830	14,536	
Average apartment size	sqm	59.0	59.1	43.1	40.3	
Net actual rent (residential units)	EUR/sqm	5.64	5.55	12.80	10.42	2-6
Vacancy (residential units)	%	4.4	5.4	35.48	4.2	
Gross Asset Value (GAV; total) ⁷	EUR m	6,328.8	6,387.4	1,152.6	347.9	
Investments - modernisation (Capex)	EUR m	86.6	68.1	-	-	
thereof energetic refurbishment	EUR m	22.5	-	-	-	
Investments - maintenance	EUR m	37.1	38.8	-	-	
Investments in new-built flats for rent	EUR m	-	-	137.2	177.9	
Energy efficiency categories in residential portfolio based on energy efficiency certificates⁸						
Energy efficiency level A+ (< 30 kWh/sqm a)	%	0.1	0.1	-	-	
Energy efficiency level A (30 to < 50 kWh/sqm a)	%	4.2	4.6	-	-	
Energy efficiency level B (50 to < 75 kWh/sqm a)	%	23.6	22.3	61.9	85.0	
Energy efficiency level C (75 to < 100 kWh/sqm a)	%	34.6	35.1	38.1	15.0	
Energy efficiency level D (100 to < 130 kWh/sqm a)	%	18.1	18.0	-	-	
Energy efficiency level E (130 to < 160 kWh/sqm a)	%	9.4	9.8	-	-	CRE8
Energy efficiency level F (160 to < 200 kWh/sqm a)	%	7.0	7.1	-	-	
Energy efficiency level G (200 to < 250 kWh/sqm a)	%	2.5	2.5	-	-	
Energy efficiency level H (> 250 kWh/sqm a)	%	0.5	0.6	-	-	
Average energy efficiency (energy certificates)	kWh/sqma	109.1	111.1	-	72.6	

³ Non-residential units account for approximately 1.8 % of the portfolio in Germany (Poland: approx. 1.6 % in the rental portfolio). The portfolio data for the Poland region generally only refer to the rental portfolio.

⁴ Comprises all rental units: Residential units, commercial units (within the residential portfolio) and other (commercial properties, serviced apartments).

⁵ Comprises the space used in Germany for own administrative activities.

⁶ Comprises residential properties including acquisitions (excluding commercial, other).

⁷ Including flats for sale

⁸ Comprises demand certificates (approx. 11 %) and consumption certificates (approx. 89 %). Not included are properties for which no energy certificate is required (such as listed buildings) as well as non-residential buildings (in total approx. 9 % of the total portfolio) and properties sold in 2022.

Energy Balance

in MWh (unless otherwise stated)	Business operations ⁹		Portfolio (absolute) ¹⁰		Portfolio (Like-for-Like) ¹¹		GRI
	2021	2020	2021	2020	2021	2020	
Energy consumption							
Energy consumption in total portfolio (heat and electricity)	5,966	4,890	656,455	694,202	653,261	688,068	
thereof renewable	600	n.a.	4,669	25	25	25	
renewable share (%)	10	n.a.	0.7	0.004	0.004	0.004	
Direct energy consumption	5,366	4,890	316,736	337,444	315,136	335,651	
Stationary combustion	n.a.	n.a.	316,736	337,444	315,136	335,651	
Natural gas	n.a.	n.a.	312,186	331,941	310,586	330,557	
Heating oil	n.a.	n.a.	4,550	5,503	4,550	5,095	
Mobile combustion (fleet)	5,366	4,890	-	-	-	-	
Diesel	4,319	3,964	-	-	-	-	302-1 302-2
Petrol	1,046	926	-	-	-	-	
Indirect energy consumption	600	n.a.	339,719	356,758	338,125	352,416	
District heating	n.a.	n.a.	330,883	347,520	329,340	343,248	
thereof renewable	n.a.	n.a.	4,643	n.a.	n.a.	n.a.	
renewable share (%)	n.a.	n.a.	1.4	n.a.	n.a.	n.a.	
Electricity for heat supply	n.a.	n.a.	206	246	206	246	
General electricity	600	n.a.	8,630	8,992	8,579	8,922	
thereof renewable	600	n.a.	25	25	25	25	
renewable share (%)	100	n.a.	0.3	0.3	0.3	0.3	
Energy intensity in total portfolio ¹² (kWh/sqm)	n.a.	n.a.	143.5	149.7	143.6	149.8	302-3 CRE3

⁹ The 2021 value includes consumption data in Poland for business operations (vehicle fleet).

¹⁰ This value refers to the heating consumption in the entire portfolio (2021 portfolio without condominium and sales properties) as well as the proportionate electricity consumption for the generation of heating energy in Germany. A total of 80,477 units or around 92 % of the 2021 portfolio were included. 2021 heat consumption for an initial sub-portfolio in Wrocław (approx. 200 units) was also included. The renewable share refers to the suppliers' reported share of the district heating mix. The calculation is based on actual consumption, for properties without consumption data supplemented by extrapolations, e.g. via energy performance certificates. The breakdown is based on the energy source for heating energy.

¹¹ The like-for-like consideration includes around 92 % of the total portfolio in Germany 2021 and takes into account portfolio changes.

¹² A The average consumption value is shown, determined on the basis of actual heat consumption values in the entire portfolio (2021 portfolio without condominium owners' and sales properties, adjusted for vacant space, with pro rata consideration of general electricity (see footnote 9).

Carbon footprint

in t CO ₂ e	Business operations		Portfolio (absolut)		Portfolio (Like-for-Like) ¹³		GRI
	2021	2020	2021	2020	2021	2020	
Greenhouse gas emissions							
Total emissions (Scope 1-3)	2,425	1,451	139,961	147,528	138,715	144,843	
Scope 1: Direct emissions ¹⁴	1,586	1,448	64,500	68,749	64,177	68,387	
Emissions from stationary combustion	n.a.	n.a.	64,500	68,749	64,177	68,387	
Natural gas	n.a.	n.a.	63,241	67,233	62,918	66,979	305-1
Heating oil	n.a.	n.a.	1,259	1,516	1,259	1,408	
Emissions from mobile combustion (fleet) ¹⁵	1,586	1,448	-	-	-	-	
Diesel	1,268	1,158	-	-	-	-	
Petrol	318	290	-	-	-	-	
Scope 2: Indirect emissions total ^{16,14}	n.a.	n.a.	74,706	78,779	74,539	76,456	
Scope 2: Indirect emissions from purchased energy (market based)	n.a.	n.a.	36,797	40,038	36,651	37,743	
District heating	n.a.	n.a.	36,797	40,038	36,651	37,743	
General electricity	n.a.	n.a.	-	-	-	-	
Tenant electricity for heat supply	n.a.	n.a.	-	-	-	-	305-2
Scope 2: Indirect emissions from purchased energy (location based)	n.a.	n.a.	37,909	38,741	37,888	38,713	
District heating	n.a.	n.a.	34,365	35,037	34,365	35,037	
General electricity	n.a.	n.a.	3,461	3,606	3,440	3,578	
Tenant electricity for heat supply	n.a.	n.a.	82	99	82	99	
Scope 3: Indirect emissions along the value chain ^{17,18}	839	3	755	n.a.	n.a.	n.a.	
(Cat. 1) Emissions from purchased goods, services and capital goods	n.a.	n.a.	755	n.a.	n.a.	n.a.	
New construction	-	-	755	n.a.	n.a.	n.a.	305-3
(Cat. 6) Emissions from business travel	-	3	-	-	-	-	
(Cat. 7) Emissions from employee commuting	839	-	-	-	-	-	
Emission intensity of total portfolio (heat and electricity) ¹⁹	n.a.	n.a.	30.5	31.5	30.5	31.5	GRI 305-4 CRE3

¹³ The like-for-like consideration includes around 92 % of the total portfolio in Germany 2021 and takes into account portfolio changes.

¹⁴ Scope 1 and 2 portfolio: The emissions refer to the heat and proportionate electricity consumption for heat generation in the entire portfolio (2021 portfolio without condominium and sales properties, adjusted for vacant space). Included were a total of 80,477 units or about 92 % of the 2021 portfolio. Also included in 2021 was the heat consumption for a first partial portfolio in Wrocław (approx. 200 units). CO₂ emission factors from the suppliers and the Federal Environment Agency were used to calculate the emissions. Note: We use around 0.6 % of the total area for our administrative activities. For this reason, we do not differentiate between internal and tenant-used space in our reporting of ecological indicators.

¹⁵ Scope 1 business operations: Include emissions from own fleet (2021 incl. Poland). The calculation of emissions was taken from the data of the billing service providers.

¹⁶ Scope 2 business operations: Electricity consumption was recorded at the largest TAG office locations in Germany. Due to the use of 100 % green electricity, this electricity consumption can be considered emission-free.

¹⁷ Scope 3 business operations: This includes business travel by Deutsche Bahn (German Railways). Thanks to the use of 100 % green electricity in long-distance and local transport and the compensation of indirect emissions, the rail journeys by TAG employees in Germany are emission-free (Cat. 6). Additionally, the average emissions from commuting by employees were calculated (extrapolation from employee survey 2022; Cat. 7).

¹⁸ Scope 3 portfolio: Here, indirect emissions from the upstream chain (from purchased materials) in new construction (Vantage) were recorded for the first time in 2021 (Cat. 1). In the future, an expansion of Scope 3 reporting is planned.

¹⁹ This value refers to the heat and pro rata electricity consumption (for heat generation) in the overall portfolio (2021 portfolio without WEG and sales properties, adjusted for vacant space for properties with consumption data; see footnote 15).

	Unit	Germany		Poland		GRI
		2021	2020	2021	2020	
Water and waste water of portfolio²⁰						
Water consumption	cbm	2,718,581	856,411	5,866	n.a.	303-5
Water intensity	cbm/sqm	0.91	1.05	0.61	n.a.	

²⁰ An analysis portfolio of approx. 52,700 units or approx. 60 % of the total portfolio in Germany was evaluated for 2021 (2020: 14,500 units or approx. 17 % of the total portfolio). For Vantage in Poland, the consumption during the year (six months) of the rental properties in 2021 was recorded. The values were adjusted for vacant space.

	Unit	Germany		Poland		Like-for-Like		GRI
		2022	2021	2022	2021	2022	2021	
Waste								
Waste in offices ²¹	tons	25	36	380	n.a.	n.a.	n.a.	306-2
- thereof paper/cardboard (recycling)		25	36	21	n.a.	n.a.	n.a.	
Waste in portfolio ²²								
Total amount of non-hazardous waste	cbm	295,582	73,533	4,848	1,636	76,016	73,533	
- thereof residual waste	cbm	146,463	43,990	1,769	605	44,470	43,990	
- thereof packaging (recycling)	cbm	79,855	18,777	1,856	619	20,493	18,777	
- thereof paper/cardboard (recycling)	cbm	57,471	9,589	1,223	412	9,875	9,589	
- thereof organic waste (recycling)	cbm	11,794	1,177	-	-	1,177	1,177	

²¹ For business operations in Germany, only the quantity of paper at large office locations that is returned to the paper cycle via external service providers is currently evaluated. Other waste quantities from own administrative locations are included in the waste quantities for the portfolio.

²² The waste quantities are indicated in cbm. This figure for Germany is derived from the number and volume of bins set up and from the emptying cycle. It includes 72,500 units for 2022 (2021: calculated retrospectively for around 28,800 units) with waste management by external service providers. The like-for-like consideration refers to around 28,800 units in Germany. The data for the Poland region are based on waste records, waste collection contracts and self-declarations by external service providers.

	Unit	Germany		Poland		GRI
		2022	2021	2022	2021	
Outdoor facilities						
Green spaces ²³	sqm	3,000,000	3,000,000	5,837	8,258	304-3
thereof areas with high biodiversity (flowering meadows)	sqm	42,300	n.a.	3,124	n.a.	
Trees ²⁴	number	43,121	43,310	51	182	
Tenant gardens ²⁵	number	1,720	n.a.	n.a.	n.a.	
Playgrounds	number	311	323	2	0	
Proportion of sealed outdoor facilities	%	29	n.a.	33	n.a.	

²³ Comprises the managed green space in the overall portfolio in Germany as well as the green space created as part of the new construction projects in Poland.

²⁴ Includes tenant gardens in Germany that are directly assigned to a rented unit. In addition, further tenant gardens can be rented separately.

²⁵ Comprises the entire tree population in the German portfolio (tree cadastre) as well as newly planted trees in the Polish portfolio as part of the new construction projects.

Our responsibility to society

	Unit	Germany		Poland		GRI
		2022	2021	2022	2021	
Tenants and society						
Customer satisfaction ²⁶	%	81.0	83.0	94.0	n.a.	
Average length of tenancy	years	10.3	10.2	1.2	-	
Flats with occupancy obligation	%	1.5	n.a.	-	-	
Low-barrier residential units ²⁷	number	14,400	14,200	1,134	361	413-1
Residential units 'Young Living'	number	13,460	n.a.	-	-	
Aktiv-Treffs (Activity Lounges), children's and family centres ²⁸	number	27	26	-	-	
Support of non-profit initiatives, donations and sponsoring ²⁹	TEUR	407	599	630	9	

²⁶ The satisfaction rate for Germany was determined for 2022 from sample surveys of tenants, for 2021 from the portfolio-wide tenant survey. The satisfaction rates for the Poland region refer to regular surveys of tenants and buyers.

²⁷ Includes flats that are free of thresholds or accessible via a lift, as well as flats with barrier-free or low-barrier fittings. TAG Germany: About 17 % of the units are accessible via lifts. Vantage: 100 % of the units are accessible via lifts.

²⁸ The 'Aktiv-Treffs' are operated by TAG in cooperation with social partners.

²⁹ Donations to social institutions, etc. incl. personnel and material cost subsidies from cooperations. Not included are rent reductions for social institutions and committed or paid out funding of the 'TAG Miteinander Stiftung' (2022: over TEUR 300).

Our employees shape our future

	Unit	Germany		Poland		GRI
		2022	2021	2022	2021	
Number of employees						
Total number of employees as of the reporting date 31.12. ³⁰	number	1,281	1,299	465	170	
female	number	615	637	319	106	
male	number	666	662	146	64	
Total number of permanent employees	number	1,155	1,187	289	130	
	%	90.2	91.4	62.2	76.5	
female	number	560	586	205	85	
male	number	595	601	84	45	
Total number of temporary employees	number	126	112	176	40	
	%	9.8	8.6	37.8	23.5	
female	number	55	51	114	21	2-7 102-8
male	number	71	61	62	19	
Total number of full-time employees	number	1,011	1,018	460	168	
	%	78.9	78.4	98.9	98.8	
female	number	410	428	314	105	
male	number	601	590	146	63	
Total number of part-time employees ³¹	number	220	228	5	2	
	%	17.2	17.6	1.1	1.2	
female	number	180	186	5	1	
male	number	40	42	-	1	

³⁰ The basis here is the number of employees (1,281 in Germany and 465 in Poland) as of 31 December 2022. The number of employees in the 2022 Annual Report is calculated in accordance with the regulations of the German Commercial Code (HGB) (total: 1,739, of which 1,216 in Germany and 523 in Poland).

³¹ Included are trainees and students in dual studies.

	Unit	Germany		Poland		GRI
		2022	2021	2022	2021	
Number of employees						
Total number of trainees and students ³²	number	55	55	6	4	2-7 102-8
Training ratio	%	4.3	4.2	1.3	2.4	
female	number	31	31	3	2	
male	number	24	24	3	2	
New employee hires and employee turnover³³						
Total number of new employee hires	number	228	234	121	47	401-1
female	number	86	84	80	28	
male	number	142	150	41	19	
Total number of employee turnover	number	234	252	107	20	
female	number	107	109	64	9	
male	number	127	143	43	11	
Total rate of employee turnover	%	18.3	19.4	23.0	11.8	
thereof employee-initiated terminations	%	9.1	8.7	14.1	1.70	
Rate of employee turnover (TAG Immobilien AG excluding retirements and commercial employees) ³⁴	%	8.1	13.9	-	-	
Average length of service	years	7.0	7.0	4.0	4.6	
Parental leave						
Total number of employees that took parental leave ³⁵	number	39	49	24	2	401-3
	%	3.0	3.8	5.2	1.2	
female	number	26	38	19	2	
male	number	13	11	5	-	
Total number of employees that returned to work in the reporting period after parental leave ended ³⁶	number	26	34	14	4	
female	number	13	24	9	4	
male	number	13	10	5	-	
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	number	28	19	11	1	
female	number	18	7	11	1	
male	number	10	12	-	-	
Return to work rate of employees that took parental leave ³⁷	%	88.5	85.3	84.6	100.0	

³² Included are trainees and students in dual studies.

³³ The values refer to the total number of departures: including retirements, expiring fixed-term contracts, termination of training contracts, etc.

³⁴ The turnover rate in the commercial sector is usually slightly above that in other business sectors.

³⁵ All employees of TAG have a statutory right to parental leave.

³⁶ Included is the return in the year under review (where parental leave starts at different times).

³⁷ Included are those employees whose return to work after parental leave was agreed.

	Unit	Germany		Poland		GRI
		2022	2021	2022	2021	
Training/staff development						
Average hours of training per employee per year	hours	8	11	13	11	
Average hours of training per manager	hours	17	n.a.	15	n.a.	404-1
Average hours of training remaining workforce	hours	7	n.a.	12	n.a.	
Employees with performance appraisals ³⁸	%	90.0	90.0	100.0	n.a.	404-3
Health and occupational safety						
Workplace accidents recorded	number	41	37	-	1	
Lost days due to workplace accidents	days	738	776	-	3	
Work-related fatalities total workforce	number	-	-	-	-	403-2
Absence rate ³⁹	%	10.8	7.1	5.0	-	403-9
Proportion of workplaces inspected with regard to occupational health and safety	%	100	100	100.0	100.0	
Coverage of the total workforce via occupational safety committees	%	100	100	37.6	n.a.	
Diversity of management⁴⁰						
female	%	57.6	43.1	33.5	25.0	
male	%	42.4	56.9	66.5	75.0	
under 30 years of age	%	0.8	2.1	3.9	2.0	405-1
31-50 years of age	%	67.8	59.0	85.6	93.8	
over 50 years of age	%	31.4	38.9	10.4	4.2	
Diversity of employees						
female	%	48.0	49.0	68.8	62.4	
male	%	52.0	51.0	31.2	37.6	
Total employees post-WWII generation (1946-1955)	%	1.3	1.8	-	-	
Total employees baby boomer generation (1956-1964)	%	15.5	17.2	3.8	4.1	
Total employees Generation X (1965-1979)	%	38.8	37.8	14.1	17.6	405-1
Total employees Generation Y (1980-1993)	%	32.7	32.1	57.7	66.4	
Total employees Generation Z (1994- present day)	%	11.6	10.7	24.4	11.9	
Average age of employees	years	44.8	44.4	35.7	36.4	
Proportion of disabled employees	%	4.1	3.9	0.6	-	
Remuneration/Gender-Pay-Ratio						
Gender-Pay-Ratio total (without management board) ⁴¹	%	99.8	100.8	40.4	n.a.	
Gender-Pay-Ratio management (without management board)	%	85.2	86.0	97.8	n.a.	405-2
Gender-Pay-Ratio (remaining workforce)	%	103.4	104.8	90.2	n.a.	
Ratio of Management Board remuneration to average employee remuneration ⁴²	x times	10.9	12.0	n.a.	n.a.	

³⁸ Usually, an appraisal interview is held once a year to assess performance and development opportunities. The percentage of employees who have actually had the interview is not yet recorded in detail (estimated rate: over 90 %).

³⁹ The value refers to incapacity for work of any kind (including accidents at work, occupational diseases), excluding time off (leave, studies, maternity, parental leave, special leave, spa treatment, reintegration), excluding the chronically ill.

⁴⁰ The values refer to the 1st and 2nd management level below the Management Board (1st management level: heads of real estate management (LIMs) and department heads, 2nd management level: team leaders).

⁴¹ The values refer to all employees.

⁴² The values refer to the basic salary of the employees and the fixed remuneration of the Management Board.

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[GRI 102-55]

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GRI 2: General Disclosures 2021				
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	2-3	Reporting period, frequency and contact point	Principle of timeliness, p. 103 Contact, p. 131	
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	CRE 1	Building Energy Intensity	Key Figures, p. 107	
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GRI 303: Water and Effluents 2018	3-3	Management of material topics	Our contribution to resource conservation, p. 56	We only have a very limited influence on the water consumption of our tenants, so the topic is not essential for us, but nevertheless important. In order to increase transparency, we report on it.
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	307-1	Non-compliance with environmental laws and regulations	Environmental compliance, p. 66	
Supplier Environmental Assessmen				
GRI 308: Supplier Environmental Assessment 2016	3-3	Management of material topics	Social and environmental sustainability in the supply chain, p. 54	
	308-1	Non-compliance with environmental laws and regulations	Social and environmental sustainability in the supply chain, p. 54	
GRI 400: SOCIAL				
Employment				
GRI 401: Employment 2016	3-3	Management of material topics	Our employees shape our future, p. 86 How we manage our employee topics, p. 88 Flat hierarchies pave the way for innovation, p. 89 Our employees are the basis of our success, p. 92	
	401-1	New employee hires and employee turnover	Our employees are the basis of our success, p. 92 Key Figures, p. 111	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Fair salaries and benefits for our employees, p. 92 Participation in the Company's success, and social benefits, p. 92	
	401-3	Parental leave	Striking a healthy balance between work and personal life, p. 99 Key Figures, p. 111	

GRI Standard	Disclosure	Reference	Comments/Omissions
Occupational Health and Safety			
GRI 403: Occupational Health and Safety	3-3	Management of material topics	Spotlight on equal opportunity, p. 97
	403-1	Workers representation in formal joint management-worker health and safety committees	Occupational health and safety guaranteed throughout the Group, p. 97
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	
	403-3	Occupational health services	
	403-4	Worker participation, consultation, and communication on occupational health and safety	
	403-5	Worker training on occupational health and safety	
	403-6	Promotion of worker health	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
	403-9	Work-related injuries	Key Figures, p. 112
Training and Education			
GRI 404: Training and Education 2016	3-3	Management of material topics	Numerous training and development opportunities, p. 94
	404-1	Average hours of training per year per employee	Key Figures, p. 112
	404-2	Programs for upgrading employee skills and transition assistance programs	Numerous training and development opportunities, p. 94
	404-3	Percentage of employees receiving regular performance and career development reviews	Key Figures, p. 112
Diversity and Equal Opportunity			
GRI 405: Diversity and Equal Opportunity 2016	3-3	Management of material topics	Diversity as a gain for the Company, p. 99
	405-1	Diversity of governance bodies and employees	Key Figures, p. 105
	405-2	Ratio of basic salary and remuneration of women to men	Fair salaries and benefits for our employees, p. 92 Key Figures, p. 112
Non-discrimination			
GRI 406: Non-discrimination 2016	3-3	Management of material topics	Holistic neighbourhood development, p. 83 Diversity as a gain for the Company, p. 99
	406-1	Incidents of discrimination and corrective actions taken	Holistic neighbourhood development, p. 83 Diversity as a gain for the Company, p. 99

GRI Standard		Disclosure	Reference	Comments/Omissions
Freedom of Association and Collective Bargaining				
GRI 407: Freedom of Association and Collective Bargaining 2016	3-3	Management of material topics	Social and environmental sustainability in the supply chain, p. 54	
	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Social and environmental sustainability in the supply chain, p. 54	
Child Labor				
GRI 408: Child Labor 2016	3-3	Management of material topics	Social and environmental sustainability in the supply chain, p. 54	
	408-1	Operations and suppliers at significant risk for incidents of child labor	Social and environmental sustainability in the supply chain, p. 54	
Forced or Compulsory Labor				
GRI 409: Forced or Compulsory Labor 2016	3-3	Management of material topics	Social and environmental sustainability in the supply chain, p. 54	
	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Social and environmental sustainability in the supply chain, p. 54	
Local Communities				
GRI 413: Local Communities 2016	3-3	Management of material topics	Liveable neighbourhoods, p. 82 Working for a diverse spirit of community, p. 82	
	413-1	Operations with local community engagement, impact assessments, and development programs	Liveable neighbourhoods, p. 82 Working for a diverse spirit of community, p. 82 Holistic neighbourhood development, p. 83 Key Figures, p. 109-110	
Supplier Social Assessment				
GRI 414: Supplier Social Assessment 2016	3-3	Management of material topics	Social and environmental sustainability in the supply chain, p. 54	
	414-1	New suppliers that were screened using social criteria	Social and environmental sustainability in the supply chain, p. 54	
Public Policy				
GRI 415: Public Policy 2016	3-3	Management of material topics	Prevention of corruption and political influence-mongering, p. 44	
	415-1	Political contributions	Prevention of corruption and political influence-mongering, p. 44	
Customer Health and Safety				
GRI 416: Customer Health and Safety 2016	3-3	Management of material topics	Health and safety, p. 77	
	416-1	Assessment of the health and safety impacts of product and service categories		100 % of the properties are assessed for security risks.
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Health and safety, p. 77	No violations identified
Customer Privacy				
GRI 418: Customer Privacy 2016	3-3	Management of material topics	Compliance management system and business principles, p. 42	
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Compliance management system and business principles, p. 42	

Implementing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

Climate change represents a risk to the global economy that will intensify in future. According to a study, Germany could face costs of up to EUR 900 billion by the middle of the century as a result of climate change. For the period from 2000 to 2021, the material damage resulting from extreme weather events such as heat or floods is estimated to be at least EUR 145 billion.¹ To counter this risk, in June 2017 the [UN 'Task Force on Climate-related Financial Disclosures' \(TCFD\)](#) an expert commission set up by the G20 Financial Stability Board, published recommendations for uniform climate reporting. They are aimed especially at sectors with high CO₂ emissions, such as the energy sector, chemicals and steel companies, the mobility and logistics sector, and the real estate industry. In this connection, the eleven recommendations also serve as levers for integrating climate-related risks and opportunities into strategic corporate planning. Standardised reporting on climate risks and increased transparency are hoped to reduce the risk of financial impacts of climate change on the capital markets. TAG is continually putting the TCFD recommendations into practice.



Governance: description of the Company's organisational structure with regard to climate-related risks and opportunities

Strategy: Description of the current and potential impacts of climate-related risks and opportunities on business operations, strategy and financial planning

Risk management: Description of the processes for identifying, assessing, and managing climate-related risks

Targets and key figures: Description of the indicators and targets used to assess and manage relevant climate-related risks and opportunities

TAG AND THE TCFD

Identifying and managing climate risks

As part of our risk management, we identify and monitor the climate risks that are relevant for our portfolio and keep defining them ever more precisely. These risks are identified and assessed by the heads of real estate management and the department heads as part of our quarterly (ESG) risk controlling. We check on a quarterly basis – and ad hoc as needed – whether and how our locations can be affected by climate changes, such as extreme rains, storms, flooding, and heat. We also determine whether negative impacts have occurred or are occurring due to extreme weather events. Regularly evaluating insurance statistics and reports, as well as our specifically recorded losses and their frequency, help us to assess whether we are dealing with isolated events or whether the incidence of extreme weather events is increasing systematically. Climate changes can also have an impact on our building insurance costs and make additional protective measures necessary. These aspects are also constantly in our focus. We review the need for adaptive measures, e.g. to protect against weather-related damage or to reduce energy or water consumption. Also we always keep an eye on legal requirements and official regulations, for example with regard to CO₂ pricing (see [UN 'Group-wide view of risks'](#) and [UN 'Optimising energy efficiency and emissions'](#) sections).

In addition, in the year under review, together with a scientific partner, we carried out a detailed and IT-supported climate risk and vulnerability assessment for the physical risks associated with climate change in accordance with the recommendations of the TCFD for our entire portfolio in Germany and Poland. The project was managed in the Strategic Real Estate Management division with the participation of relevant TAG departments, e.g. Controlling/Risk Management, EWS/Energy Management, Central Technology and LIM Regions.

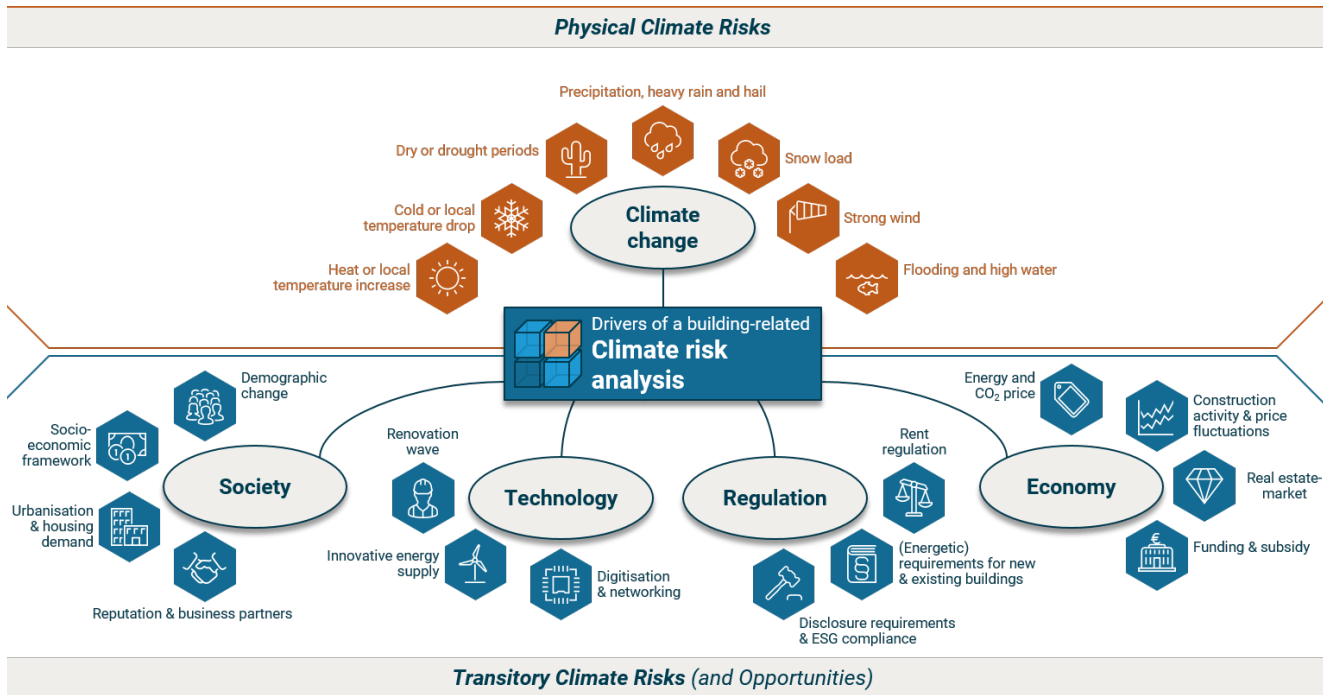
The physical climate risk drivers considered in the analysis include:

- Heat and local temperature increase,
- Cold and local temperature drop,
- Drought and dryness,
- Precipitation, heavy rain and hail,
- Snow load,
- Wind or storm and
- Floods and high water.

Based on the given climate scenarios (RCP 2.6, RCP 4.5 and RCP 8.5 of the Intergovernmental Panel on Climate Change (IPCC)), potentially harmful consequences of physical climate risks on our portfolio and our project developments as well as possible adaptation solutions to minimise the climate

¹ BMWK - Costs due to climate change impacts in Germany

Overview of the proposed physical and transitory climate risk drivers for TAG Immobilien AG



risks considered material can be continuously determined, analysed and assessed at property or neighbourhood level. The risk assessment is based to a large degree on the RCP 4.5 scenario², which represents an increase in the average global temperature that is most likely to be expected as a result of the currently implemented and defined national climate protection contributions. In this scenario, climate risks at the level of the overall Company with an extreme assessment do not occur either in the time horizon until 2030 or until 2045.

Furthermore, in the second step of the climate risk and vulnerability assessment, in 2023 we plan to conduct an in-depth analysis of climate-related transitory risks and opportunities and their impact on business activities, strategy and financial planning on the basis of predefined climate scenarios (RCP 2.6, RCP 4.5 and RCP 8.5). As a result of the analysis, climate-related transitory risks and opportunities are expanded and quantified in risk management and integrated into financial reporting.

Evolving the climate strategy

In 2021, with the support of a consultancy firm, we finalised our decarbonisation strategy, which is designed as a long-term strategy through 2045. The planned reduction of CO₂ emissions in our portfolio to below 7 kg per m² by 2045 is geared towards compliance with the 1.5-degree target set out

in the Paris Climate Agreement. We also want to minimise the additional costs which would arise from the CO₂ charges for us and our tenants.

We developed the decarbonisation strategy in two phases. Phase 1 focused on extensive data collection and analysis. We evaluated the entire portfolio from an energy perspective and with regard to the CO₂ emissions generated and used the results to determine our status quo (baseline year 2019). The average CO₂ emissions (CO₂ equivalents) determined for the overall portfolio were 31.9 kg per m² (floor space) for the baseline year 2019. For 2021, the CO₂ intensity was 30.5 kg per m² (floor space).

In phase 2 of the strategy development process, we developed specific concepts, a timeline, and measures that we plan to implement going forward. The timeline covers the implementation of short- and medium-term goals and measures through 2030. This is how we aim to reduce the (total) CO₂ emissions in our portfolio by approx. 10 to 12 % compared to the baseline year 2019 (first-time accounting), to approx. 28.0 kg CO₂/m² p.a. by 2025. A further reduction of (total) CO₂ emissions in the portfolio by approx. 30 % compared to the baseline year 2019 (first-time accounting), to approx. 22.0 kg CO₂/m² p.a. is expected by 2030. We will further concretise further measures afterwards. The measures we plan to implement in the next few years include, in particular, modernisation of existing buildings and heating systems, switching to more efficient system controls, and using renewable fuels

² Roger Pielke Jr et al (2022), „Plausible 2005–2050 emissions scenarios project between 2 °C and 3 °C of warming by 2100“ Environ. Res. Lett. 17 024027, <https://iopscience.iop.org/article/10.1088/1748-9326/ac4ebf>

(see [↘ 'More climate change mitigation through our decarbonisation strategy'](#) section).

Taking measures to hedge against climate risks

We carry out regular checks to ensure building safety and have extensive building insurance coverage to protect our portfolio. We use a monitoring and documentation system to ensure that safety deficiencies are identified in good time. If traffic safety deficiencies are identified during inspections, the responsible employee or external service provider immediately sends a report to our Customer Management staff. We include all significant reported damages in our quarterly risk reporting to the Management Board. Using a processing and monitoring algorithm, we ensure that the damage is repaired quickly and completely within specified deadlines. In addition, we take care to minimise the amount of soil sealing during construction measures. In the case of façades and roof renovations, we proactively design the rainwater drainage to handle large volumes of water.

The future annual analysis and assessment of potentially damaging consequences of physical climate risks on our overall portfolio will allow us to derive possible adaptation solutions to minimise the climate risks that are considered significant. Possible adaptation measures to make the building stock more resilient include, for example, insulating buildings, replacing windows for heat or cold protection, shading with roller shutters or blinds, appropriate devices for draining and absorbing larger amounts of precipitation, and testing the storm resistance of roofs, façades and windows during inspections of existing buildings.

Reducing energy consumption and emissions

By reducing the energy consumption of our residential properties, we help protect the environment. Our annual refurbishment programme includes measures to reduce energy consumption and CO₂ emissions, such as thermal insulation measures and the renewal of heating systems. We regularly check whether further energy-saving measures can be realised. In this context we always strive to reconcile climate protection measures with the affordability of our flats. The Central Technical department, newly established in 2021, supports the systematisation of our modernisation measures and ensures that they are better interlinked. We invest a minimum of 1.5 % of the value of our real estate volume in Germany per year (around EUR 100 million per year) in our portfolio. In putting our decarbonisation strategy into action, we plan to invest a total of approximately EUR 690 million in sustainable and energy-related measures by 2045.

Our subsidiary EWS makes it possible to professionalise our energy management. Emissions are reduced by continuously modernising heating systems and using energy sources efficiently. As of 31 Dec 2022, EWS supplied 48 % of our portfolio with energy. Installing photovoltaic systems on existing properties also makes it possible to use renewable energies and contributes to reducing CO₂ emissions. In a pilot project in Cologne, for example, we installed a photovoltaic system on a building and the green electricity is sold to the tenants (see [↘ 'Developing our portfolio responsibly'](#) section).

Beyond this, we place a priority on ensuring that our portfolio can be reached by sustainable means of transport. Accordingly, a basic requirement in our acquisition process is that the locations have good local infrastructure, including public transport links. In the field of sustainable transport infrastructure, we have included various concepts that we are currently testing or have already implemented at larger locations. In order to fulfil as many individual mobility needs as possible, we rely on a network of diverse offers. These include car-sharing partners at all major locations, charging stations for e-cars, and e-scooters in Salzgitter, Leipzig, and Erfurt, and the mobility planner in Erfurt (see [↘ 'Our responsibility to society'](#) section).

The index below shows references to relevant content in our reporting.

References to TCFD recommendations in our reporting

	Governance	Strategy	Risk management	Key indicators and targets
TCFD Recommendations	Disclosure of the Company's organisational structures concerning climate-related risks and opportunities	Disclosure of the current and potential impact of climate-related risks and opportunities on the Company's business activities, strategy, and financial planning	Disclosure of the processes for identifying, assessing, and managing climate-related risks	Disclosure of the key indicators and targets used in assessing and managing climate-related risks and opportunities
Implementation	<ul style="list-style-type: none"> • TAG sustainability management reports directly to the Management Board • The Supervisory Board has appointed one of its members as ESG Officer • Sustainability issues are regularly discussed and monitored by the Management Board and Supervisory Board • Sustainability issues are dealt with and managed in the central Strategic Real Estate Management department. The division reports directly to the Management Board (Chief Operating Officer) • The sustainability programme regulates the responsibilities of the departments for implementing the goals and measures. These also concern the handling of climate-related risks and opportunities • Sustainability management is further developed in a regular exchange between Strategic Property Management, the specialist departments, the decarbonisation project team (Climate Board) and the Sustainability Committee • The Climate Board consisting of employees from the LIM regions, Central Technology, and the energy subsidiary EWS is responsible for further developing the decarbonisation strategy and implementing the measures even after it has been finalised • The Sustainability Committee consisting of employees from various departments and almost all LIM regions manages and coordinates sustainability issues and measures throughout the Company 	<ul style="list-style-type: none"> • Risks due to climate-related changes could always have impacts for TAG locations as well and lead to increased investment needs for adaptation measures in the portfolio (see ↘ 'Climate change risks: Prevention measures in our portfolio' section) • These risks are part of the TAG risk management system • An in-depth analysis of potential physical climate risks for TAG's overall portfolio in Germany and Poland based on predefined climate scenarios (RCP 2.6, RCP 4.5 and RCP 8.5) was carried out with an external scientific partner • No climate risks assessed as extreme were identified in the time horizon up to 2030 and 2045 	<ul style="list-style-type: none"> • The Management Board uses a central risk management system to ensure that all material risks are identified, measured, managed, and monitored throughout the Group • One focus of our risk assessment is on climate-related risks. In doing so, we follow the recommendations on the disclosure of climate-related financial risks published by the Task Force on Climate-Related Financial Disclosures (TCFD) • The analysis of climate-related risks is part of our quarterly (ESG) risk controlling. The recording and assessment is mainly carried out at the regional LIM and department head level • In addition, an IT-supported annual analysis and assessment of potentially damaging consequences of physical climate risks on TAG's overall portfolio is carried out • Risk prevention is increasingly being taken into account in construction measures (existing and new buildings), so as to counter the future effects of climate change at an early stage 	<ul style="list-style-type: none"> • An in-depth analysis of climate-related transitory risks and opportunities and their influence on business activities, strategy and financial planning on the basis of predefined climate scenarios (RCP 2.6, RCP 4.5 and RCP 8.5) is in progress • The expansion and quantification of climate-related transitional risks and opportunities in risk management and financial reporting will be carried out as a result of the analysis • With our decarbonisation strategy, we are on track to achieve a nearly climate-neutral building stock by 2045, with specific targets and milestones (see ↘ 'Our sustainability targets' section): <ul style="list-style-type: none"> - Reduction of CO₂ emissions (total) in the portfolio by approx. 10 to 12 % to approx. 28.0 kg CO₂/m² p.a. by 2025 compared to the baseline year 2019 (first-time accounting) - Reduction of CO₂ emissions (total) in the portfolio by approx. 30 % to approx. 22.0 kg CO₂/m² p.a. by 2030 compared to the baseline year 2019 (first-time accounting) • Our focus here is primarily on measures to modernise the energy efficiency of heating systems and building shells, the switch to more efficient system controls, and the use of non-fossil fuels • Predicted effect of the modernisation measures: Reduction of CO₂ emissions by 946 tonnes per year, starting in from 2021 • In 2022, the database on energy consumption and CO₂ emissions was further expanded and processed, and a carbon footprint was calculated based on the GHG Protocol Standard

	Governance	Strategy	Risk management	Key indicators and targets
Sustainability Report 2022	<p>'Our path to tomorrow' section</p> <ul style="list-style-type: none"> • Central coordination of sustainability topics, p. 10 • Our principles of governance, p. 36 • Our management and supervisory bodies, p. 36 • Group-wide risk management, p. 37 <p>'Developing our portfolio responsibly' section</p> <ul style="list-style-type: none"> • Optimising energy efficiency and emissions, p. 61-66 <p>'Our responsibility to society' section</p> <ul style="list-style-type: none"> • Health and safety p. 77 	<p>'Our path to tomorrow' section</p> <ul style="list-style-type: none"> • Our sustainability strategy, p. 10 • Central coordination of sustainability topics, p. 10 • Our principles of governance, p. 36 • Group-wide risk management, p. 37 <p>'Developing our portfolio responsibly' section</p> <ul style="list-style-type: none"> • Optimising energy efficiency and emissions, p. 61-66 <p>'Our responsibility to society' section</p> <ul style="list-style-type: none"> • Health and Safety p. 77 	<p>'Our path to tomorrow' section</p> <ul style="list-style-type: none"> • Central coordination of sustainability topics, p. 10 • Our principles of governance, p. 36 • Group-wide risk management, p. 37 <p>'Developing our portfolio responsibly' section</p> <ul style="list-style-type: none"> • Optimising energy efficiency and emissions, p. 61-66 <p>'Our responsibility to society' section</p> <ul style="list-style-type: none"> • Health and Safety p. 77 	<p>'Our path to tomorrow' section</p> <ul style="list-style-type: none"> • Sustainability programme, p. 22-31 <p>'Developing our portfolio responsibly' section</p> <ul style="list-style-type: none"> • Optimising energy efficiency and emissions, p. 61-66 <p>Section on Key indicators, p. 106-108</p> <ul style="list-style-type: none"> • Portfolio overview • Energy • Greenhouse gas emissions
Annual Report 2022	<p>Foundations of the Group (Management Report)</p> <ul style="list-style-type: none"> • Management system, p. 23-24 <p>Forecast, Opportunity and Risk Report, p. 62-83</p> <ul style="list-style-type: none"> • Opportunity and risk report • Remuneration Report, p. 83-89 	<p>Foundations of the Group (Management Report), p. 20-21</p> <ul style="list-style-type: none"> • Overview and Group strategy <p>Forecast, Opportunity and Risk Report, p. 62-83</p> <ul style="list-style-type: none"> • Opportunity and risk report • Presentation of the individual risks with regard to future development 	<p>Forecast, Opportunity and Risk Report, p. 62-83</p> <ul style="list-style-type: none"> • Opportunity and risk report • Presentation of the individual risks with regard to future development 	<p>Forecast, Opportunity and Risk Report, p. 62-83</p> <ul style="list-style-type: none"> • Opportunity and risk report • Presentation of the individual risks with regard to future development

Information on the EU Taxonomy Regulation

The EU Taxonomy Regulation (EU) 2020/852 (Taxonomy in the following) is the core of the European Commission's Financing Sustainable Growth Action Plan. It is meant to provide support in achieving the goals of the European Green Deal and make Europe the first climate-neutral continent by 2050. The Taxonomy is designed to promote a common, holistic understanding of the environmental sustainability of economic activities and investments and channel capital flows into sustainable economic activities and sustainable companies. As a European classification system, the regulation provides uniform, binding and detailed rules on what business activities are considered environmentally sustainable in the EU. The Taxonomy obliges companies to report transparently on their environmentally sustainable activities using standardised indicators.

Content of the EU Taxonomy Regulation

According to the Taxonomy, economic activities are considered 'environmentally sustainable' or 'Taxonomy-aligned' if they

- a) make a significant contribution to one or more of the six EU environmental objectives (that means the technical screening criteria for the activity in question are met),
- b) do not significantly harm the other environmental objectives, and
- c) comply with minimum social safeguards.

The six environmental objectives stipulated in the Taxonomy are:

- (1) Climate change mitigation
- (2) Climate change adaptation
- (3) The sustainable use and protection of water and marine resources
- (4) The transition to a circular economy
- (5) Pollution prevention and control
- (6) The protection and restoration of biodiversity and ecosystems

The specific quantification of the objectives is based on sector-specific, technical screening criteria, which were published in 2021 in the form of a delegated act, Commission Delegat-

ed Regulation (EU) 2021/2139 to supplement the Taxonomy. First, the technical screening criteria for the first two environmental objectives 'Climate change mitigation' and 'Climate change adaptation' were specified. The technical screening criteria for each economic activity are basically defined in Annex I and II of the delegated act and include criteria for the Substantial Contribution (SC) to one of the two environmental goals as well as the Do No Significant Harm (DNSH) criteria. In addition, it must be ensured for the individual economic activities that companies comply with the Minimum Safeguard (MS) criteria in accordance with Article 18 of the Taxonomy. For real estate companies, the criteria set out in Annex I and II No. 7, 'Construction and real estate', are essentially relevant. These technical screening criteria relate to the construction of new buildings, the renovation of existing buildings, individual energy efficiency measures, and the acquisition and ownership of buildings.

Reporting obligations

The Taxonomy entered into force on 12 July 2020. In the first step from 01 January 2022, the associated reporting obligations apply for the two environmental objectives 'Climate change mitigation' and 'Climate change adaptation'. From 01 January 2024, there is an obligation to report on the fulfilment of the other environmental objectives as well. The content and presentation of the information to be published by companies were defined by the European Commission in a further delegated act, Commission Delegated Regulation (EU) 2021/2178. Companies that are required to publish a non-financial statement or a consolidated non-financial statement pursuant to Art. 19a or Art. 29a of Directive 2013/34/EU (EU Accounting Directive) shall report on the environmentally sustainable proportion of their turnover, capital expenditure (CapEx) and operating expenditure (OpEx) in relation to the first two environmental objectives in accordance with Art. 8 in conjunction with Art. 27 (2) a) of the Taxonomy starting from FY 2022. The obligation to disclose the required information thus also applies to TAG as a capital market-oriented real estate company.

In the 2021 reporting year, simplified reporting requirements applied pursuant to Art. 10 para. 2 Commission Delegated Regulation (EU) 2021/2178. The reporting obligation initially included information on the Taxonomy eligibility of the economic activities (as defined in Art. 1 No. 5 and 6 Commission Delegated Regulation (EU) 2021/2178) with regard to the first two environmental objectives 'Climate change mitigation' and 'Climate change adaptation'. As of the 2022 fiscal year, pursuant to Art. 10 para. 4 del. Regulation (EU) 2021/2178, detailed information on the Taxonomy alignment of the individual economic activities must be disclosed. Quantitative

information is required on the respective proportion of Taxonomy-aligned and not Taxonomy-aligned turnover, capital expenditure (CapEx), and – if applicable – operating expenditure (OpEx), as well as their respective not Taxonomy-eligible portions. In addition, there has to be a qualitative explanation of the process of allocation and determination as well as the calculation of the indicators.

Process for implementing the EU Taxonomy in the Company

To implement the requirements arising from the Taxonomy, TAG has formed a project team consisting of the Group Accounting and Controlling and Strategic Real Estate Management (Sustainability Management) departments. The project team analysed all of TAG's business activities regarding their conformity with the activities described in the Taxonomy. On the one hand, the analysis was carried out on the basis of the activity descriptions and NACE codes listed in the sector-specific technical screening criteria. On the other hand, the listing and breakdown of TAG business activities drawn up for accounting and reporting (accounting data, accounts) was used. Within the framework of the regulations, premises and specifications were made for the consideration of the data in the denominator and numerator of the key indicators, and the data were evaluated and processed accordingly.

Disclosure of the required information

Taxonomy Eligibility

Since the expansion of the business territory to Poland in fiscal year 2020, the Group's main activities as a residential real estate group include not only the letting of residential space but also the construction of new apartments for subsequent sale and rental. The material activities of TAG analysed and identified as Taxonomy-eligible in the reporting for FY 2021 basically continue to apply unchanged in FY 2022 and are as follows:

No.	Economic activity
7.1	Construction of new buildings for subsequent sale
7.2	Renovation of existing buildings
7.3	Installation, maintenance and repair of energy efficient equipment
7.4	Installation, maintenance and repair of charging stations for electric vehicles in buildings
7.5	Installation, maintenance, and repair of instruments and devices for measuring, regulation, and controlling energy performance of buildings
7.6	Installation, maintenance, and repair of renewable energy technologies
7.7	Acquisition and ownership of buildings

As in the previous year, in particular revenue from other services without reference to technical screening criteria, such as rental and sales revenue from parking spaces, was identified as Taxonomy-non-eligible. In the area of capital expenditure, the not Taxonomy-eligible expenses relate in particular to capitalised investments without reference to technical screening criteria, such as investments in fire brigade access roads or rubbish dumps. Not Taxonomy-eligible operating expenses relate in particular to non-capitalised operating expenses, e.g. in connection with expenses for cleaning and waste disposal, where there is no reference to the technical screening criteria.

Taxonomy Alignment

To identify the Taxonomy-aligned activities, the fulfilment of the criteria for a significant contribution to one of the two environmental goals of climate change mitigation or climate change adaptation, as well as the associated DNSH criteria for 'doing no significant harm' to the other environmental objectives, were checked based on TAG's Taxonomy-eligible activities. The basis of the review was always the relevant asset value for the revenues, investments, and operating expenses. Also, it was analysed and checked whether the minimum social safeguards were met in the performance of the activities.

Criteria for a significant contribution and avoidance of harm to the wider environmental objectives (SC/DNSH criteria)

Due to the letting activities, a large part of the Taxonomy-eligible activities is attributable to activity 7.7 'Acquisition and ownership of buildings'. Revenues from letting, as well as CapEx and OpEx for buildings that meet the technical requirements defined in the del. Regulation (EU) 2021/2139 were initially classified as basically Taxonomy-aligned within the scope of the

analysis. For rented buildings in Poland for which the building application was submitted after 31 December 2020, in accordance with the regulations in the del. Regulation 2021/2139, the technical criteria of activity 7.1 'Construction of new buildings for subsequent sale' were applied. With regard to the environmental objective 'climate change mitigation', the DNSH criteria of activity 7.7 are limited, for FY 2022, to the performance of a robust climate risk and vulnerability assessment of the physical climate risks material to the activity, in accordance with the specifications in Appendix A to Annex I of the del. Regulation (EU) 2021/2139. In FY 2022, such a climate risk and vulnerability assessment was carried out with a scientific partner for TAG's entire real estate portfolio in Germany and Poland based on the specified climate scenarios (RCP 2.6, RCP 4.5 and RCP 8.5 of the Intergovernmental Panel on Climate Change (IPCC)). Scenario RCP 4.5³, i.e. an increase in the global average temperature that is most likely to be expected as a result of the currently implemented and defined national climate change mitigation contributions, was decisive for the risk assessment. Under this scenario, no climate risks evaluated as 'extreme' occur at the level of the entire Company, not in the time horizon up to 2030 nor in the horizon up to 2045 (see [↘ 'Implementation of the recommendations of the Task Force on Climate-related Financial Disclosures'](#) section).

CapEx on activity 7.7 is considered Taxonomy-aligned provided that the SC and DNSH criteria for activity 7.7 are met. For buildings constructed by 31 December 2020, the relevant SC criterion for activity 7.7 in relation to the environmental objective 'climate change mitigation' is a Class A energy performance certificate or, alternatively, allocation to the top 15% of the national or regional building stock in terms of primary energy demand. For buildings constructed after 31 December 2020, the SC criteria of Activity 7.1 New Construction is used. Given the existing interpretation uncertainties with regard to the 'TOP 15% criterion' as well as the corresponding quality of evidence, TAG's investments in Poland for the 2022 financial year were classified as not Taxonomy-aligned overall. This preliminary assessment may change in the course of the future application of the regulation and the associated concretisation of existing scope for interpretation. In addition to activities 7.1 and 7.7, the capital expenditures (CapEx) and operating expenditures (OpEx) of FY 2022 were analysed to determine whether they fall under economic activities 7.2 to 7.6 of the del. Regulation (EU) 2021/2139. For these CapEx and OpEx, the technical screening criteria of activities 7.2 to 7.6 were applied to verify Taxonomy alignment. TAG handled any questions of interpretation or scope for interpretation in accordance with the current state of knowledge regarding the regulatory purpose of the Taxonomy. In particular, the technical screening criteria published by the EU leave room for interpretation regarding the criterion of being in the 'top 15% of the national or regional building stock'. As orientation for its latest statement of Taxonomy alignment, TAG used the joint study published in 2022

by the Vdp (German Pfandbrief Banks) and Drees & Sommer as a basis for determining the top 15% of the building stock in Germany.⁴ According to this, residential buildings with an energy certificate showing a primary energy demand of less than 74 kWh/m² or an energy consumption of less than 70 kWh/m² (see [↘ 'Developing our portfolio responsibly'](#) section). are considered to be in the top 15%. As a result of this analysis, around a quarter of our residential units are in the top 15% of the German building stock.⁵

Compliance with Minimum Safeguards (MS)

Another criterion for the individual economic activities' alignment with the Taxonomy is their compliance with minimum social safeguards. These include compliance with due diligence obligations in the Company itself and in the supply chain through the implementation of suitable processes. Essentially, these are compliance with human rights as well as anti-corruption and -bribery, fair competition, and taxation.

TAG uses a Group-wide approach to ensure that the MS criteria are met. As part of our compliance management system, we have implemented comprehensive procedures, Group-wide guidelines (e.g. Declaration on Respect for and Observance of Human Rights, Business Partner Code, and Anti-Corruption Guideline) and grievance mechanisms to prevent or detect violations.

Further information on the implementation of human rights due diligence can be found in the 'Integrity and ethics, fair business conduct and compliance' section.

Results of the Analysis on Taxonomy Alignment

The proportion of Taxonomy-eligible and Taxonomy-non-eligible turnover, capital expenditure (CapEx) and operating expenditure (OpEx) determined for the reporting year 2022 are listed below. In accordance with the requirements of the Taxonomy, prior-year figures will be provided as of the reporting year 2023.

³ Roger Pielke Jr et al (2022), „Plausible 2005–2050 emissions scenarios project between 2 °C and 3 °C of warming by 2100“, Environ. Res. Lett. 17 024027, <https://iopscience.iop.org/article/10.1088/1748-9326/ac4ebf>

⁴ https://www.drees.com/fileadmin/media/06_Presse/Presseinformationen/20220329_vdp_Kooperation/20220404_PM_Kooperation_vdp_Drees_und_Sommer_Top15_final.pdf

⁵ Related to existing energy certificates

Turnover

Economic activities (1)	Code(s) (2)	Absolute turnover (3)	Proportion of turnover (4)	Substantial contribution criteria						DNSH criteria ("does not significantly harm")*						Minimum safe- guards (17)	Taxon- omy- aligned proportion of turnover 2022 (18)	Taxon- omy- aligned proportion of turnover 2021 (19)	Category (enabling activity) 2021 (20)	Category (transi- tional activity) (21)	
				Climate change mitiga- tion (5)	Climate change adapta- tion (6)	Water and marine resour- ces (7)	Circular econ- omy (8)	Pollution (9)	Biodiver- sity and ecosys- tems (10)	Climate change mitiga- tion (11)	Climate change adapta- tion (12)	Water and marine resour- ces (13)	Circular econ- omy (14)	Pollution (15)	Biodiver- sity and ecosys- tems (16)						Y/N
		EUR m	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES																					
A.1. Environmentally sustainable activities (Taxonomy-aligned)																					
7.7 Acquisition and ownership of buildings	L.68	141.7	14.8	100	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	14.8	-			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		142	14.8																		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																					
7.1 New construction for later sale	F.41.1 F.41.2	418.8	43.9																		
7.7 Acquisition and ownership of buildings	L.68	356.7	37.4																		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		775.5	81.2																		
Total (A.1 + A.2)		917.2	96.1																		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																					
Turnover of Taxonomy-non-eligible activities		37.7	3.9																		
Total (A + B)		954.9	100.0																		

*In some cases, no DNSH criteria were defined for TAG's Taxonomy-eligible activities.

If no DNSH criteria were defined, a "Y" was entered, as we assume that in the absence of DNSH criteria there is no significant harm done to the listed environmental objectives.

CAPEX

Economic activities (1)	Code(s) (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Substantial contribution criteria						DNSH criteria ("does not significantly harm")*						Minimum safeguards (17)	Taxonomy- aligned proportion of CapEx 2022 (18)	Taxonomy- aligned proportion of CapEx 2021 (19)	Category (enabling activity) 2021 (20)	Category (transitional activity) (21)	
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)						Y/N
A. TAXONOMY-ELIGIBLE ACTIVITIES																					
A.1. Environmentally sustainable activities (Taxonomy-aligned)																					
7.7 Acquisition and ownership of buildings	L.68	31.3	8.3	100	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	8.2	-			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		31.3	8.3																		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																					
7.2 Renovation of existing buildings	F.41 F.43	418.8	43.9																		
7.7 Acquisition and ownership of buildings	L.68	317.8	83.7																		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		328.8	86.6																		
Total (A.1 + A.2)		360.1	94.8																		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																					
CapEx of Taxonomy-non-eligible activities		19.6	5.2																		
Total (A + B)		379.7	100.0																		

*In some cases, no DNSH criteria were defined for Taxonomy-eligible activities of the TWG.

If no DNSH criteria were defined, a "Y" was entered, as we assume that in the absence of DNSH criteria there is no significant harm done to the listed environmental objectives.

Supplementary information in connection with the information to be disclosed

Turnover

Total revenues mainly includes turnover from rentals (EUR 453.9 million) and from the sale of flats (EUR 418.8 million). The share of revenues from services amounts to EUR 82.2 million. Revenues from the sale of flats in the 2022 financial year were dominated by the Polish subsidiary ROBYG S.A., which has been included in the consolidated financial statement since 31 March 2022. The numerator of the turnover KPI includes revenue from the rental of buildings that meet the requirements of the Taxonomy for activity 7.7.

Capital expenditure (CapEx)

Taxonomy-aligned capital expenditure relates to capitalised investments in non-current assets in FY 2022 and, at EUR 361.5 million, is mainly attributable to investments in investment properties. In FY 2022, there were no investments in property, plant and equipment, or in additions to rights of use capitalised in accordance with IFRS 16, or intangible assets acquired or internally generated as well as capitalised as part of business combinations, that would be classifiable as Taxonomy-aligned.

Operating expenses (OpEx)

Operating expenses essentially contain expenses in connection with the daily maintenance and repair of investment properties and tangible assets. The Taxonomy-aligned portion of EUR 7.5 million relates to the maintenance and repair of buildings that were classified as Taxonomy-aligned in accordance with the requirements of activity 7.7 in the Company's review of the Taxonomy requirements. The Taxonomy-aligned portion essentially includes non-capitalised expenses in connection with the maintenance and repair of heating and ventilation systems, as well as work on the building and electrical systems, and carpentry and painting work.

Outlook

In the course of 2023, the assessment criteria in connection with the environmental objectives (3) to (6) are to be specified by the European Union. We will expand our reporting accordingly. Also, based on previous practice in the implementation of the Taxonomy, further specifications on many topics and the clarification of individual issues are to be expected. Due to the very high requirements for Taxonomy alignment, we expect that initially only some of our business activities will meet the technical screening criteria. For example, the share of our German portfolio with an energy performance certificate score of C or better is currently around 61 %, of which 5 % have an energy efficiency class of A or better.

The Taxonomy and the delegated acts issued in this regard contain formulations and terms that are still subject to considerable uncertainties of interpretation and for which clarifications have not yet been published in every case. Therefore, the legal representatives of TAG have set out their interpretation of the Taxonomy and the delegated acts adopted in this regard in the 'EU Taxonomy' section of the Group's non-financial statement. They are responsible for the reasonableness of this interpretation. However, due to the inherent risk that indeterminate legal terms may be interpreted differently, the legal conformity of this interpretation is subject to uncertainties.

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[GRI 2-3]

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Note

In order to improve readability, only the male form is used in the text, nevertheless the information refers to members of all genders.

