

Homes for generations

Sustainability Report 2023



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Editorial

Dear readers,

Eleven years ago, we published our first sustainability report. Since then, we have disclosed our sustainable actions every year. We described measures, outlined progress, and highlighted challenges. We will continue to do so, but the twelfth sustainability report is the last in this form. Starting in 2025, we will implement the new standards of the Corporate Sustainability Reporting Directive (CSRD) that will apply to us at that point, and integrate our sustainability reporting into our Annual Report.

But first let us take a look back: In 2023, we again made a lot of progress in advancing our decarbonisation strategy and making our portfolio future-proof. Our goal is clear: Between 2022 and 2024, we plan to achieve savings of around 6,000 tonnes of CO₂ by renovating our buildings and heating systems. Accordingly, during the reporting year we invested particularly in refurbishing our buildings and switching energy sources. This enabled us to further reduce the CO₂ intensity in our portfolio in Germany to 29.4 kg/sqm. Around 60.2% of our portfolio is energy efficiency class C or better. We intend to further increase this proportion over the next few years – and are more and more focussing on serial refurbishment. With the pilot projects launched in Delmenhorst, Merseburg and Salzgitter in 2023, we have laid important foundations for this. Serial refurbishment reduces the on-site construction time by around 50 to 75% – depending on the scope of the measures – thanks to digital preparatory work and industrial prefabrication of the building elements.

In this way, we are making a decisive contribution to providing climate-friendly and at the same time socially acceptable housing for all generations. In our investments, we always keep affordable rents in mind and adapt our residential units to the needs of our tenants. As part of responding to demographic change, we are further expanding our range of disabled-access flats and supplementing this with special advisory and service offerings for senior citizens.

In Poland, a traditional homeowners' market, we are meeting the increasing demand for rental flats in urban areas with our subsidiaries ROBYG and Vantage. We are successfully expanding our rental flat portfolio in six Polish cities, with the number of rental units standing at 2,400 at the end of 2023. In our Polish neighbourhoods, we are focusing on environmentally friendly infrastructure, low-emission building systems, and sustainable materials with the concept of the '15-minute city' or 'city of short distances', and the Green Standard developed by ROBYG for new-build projects.

It has always been important to us that residents of our neighbourhoods not only find a place to live, but a real home – which is why we once again advocated for a neighbourly coexistence in our neighbourhoods in 2023. Together with partners from the social sector, we expanded projects, particularly in the regions of Thuringia, Saxony and Lower Saxony, and launched new neighbourhood initiatives, such as the Senior Citizens' Lounge in Erfurt. We are delighted to report that our community efforts won several awards and accolades during the year under review – in Germany as well as internationally. The European Public Real Estate Association (EPRA) presented TAG with the Outstanding Contribution to Society Award 2023.

Our customer service is another important factor in ensuring that tenants feel at home in our neighbourhoods. In 2023, we further expanded our customer communications by introducing a call-back service in September, among other things. We also improved our setup in the areas of damage reports and document management. Monthly random sample surveys help us to determine how our services are received by tenants, and identify areas for improvement.

Behind all of our services, our offerings, and our portfolio design are employees who give their best every day. Because they are the heart of TAG, and their satisfaction is crucial to our development, we conducted an extensive employee survey in 2022 to find out how our employees rate the workplace culture at TAG. We derived measures from the feedback and started putting them into action in 2023. The initial focus was on expanding occupational healthcare and strengthening our 'WE culture'.

Our commitment to sustainable corporate development is also recognised and honoured by rating agencies. In a report published in early 2024 by Sustainalytics, a leading company for market research, ratings and data on ESG issues, TAG was ranked 9 out of more than 1,000 real estate companies analysed worldwide.

These successes as well as the feedback from our tenants, employees and stakeholders are both an incentive and a challenge for us to devote full effort to continuing our sustainability path in 2024: We will pursue our decarbonisation strategy, promote neighbourly co-existence in our neighbourhoods, and working to continuously improve customer service and thus customer satisfaction. We also want to further strengthen employee satisfaction with measures in the areas of training and purpose. In 2024, we will be organising the TAG Social Day for the first time: Our employees can spend a working day volunteering in a social project – and will receive special leave to do so.

We cordially invite you to let us know what you think. Your feedback will help us to continue to effectively shape our sustainability efforts at TAG. We welcome your suggestions and requests as well as any constructive criticism. Please feel free to contact us directly or write to us at nachhaltiger@tag-ag.com.

Yours sincerely,



Claudia Hoyer
COO and Co-CEO



Martin Thiel
CFO and Co-CEO

Who we are

Our business model: Affordable housing and service with quality

[GRI 2-1, 2-6, 3-3, 201-1]

TAG Immobilien AG (also abbreviated as 'TAG' in the following) is one of the largest private residential real estate companies in Germany. Sustainable action forms the basis of our business strategy – it is the prerequisite for the secure future of our Company (see [↘ Our sustainability strategy](#) section).

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, as well as in the Polish cities of Warsaw, Wrocław, Gdańsk, Poznań, Kraków 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 financial year 2020 in several Polish cities as well. At the end of the reporting year, TAG managed around 84,700 units in Germany (including some 83,600 flats and around 1,000 commercial units located in the housing estates). The total value of the German portfolio at the reporting date is approx. EUR 5,443 million.

In 2020, we laid the foundation for our Company's regional expansion beyond Germany with the acquisition of the Wrocław-based Polish company Vantage Development S.A. (Vantage). And with the 2022 acquisition of ROBYG S.A. (ROBYG), the leading developer of apartments in Poland with a strong position in the Warsaw and Gdańsk markets, we substantially expanded our investments in the Polish residential market, with a focus on new-build flats.

In the medium term, i.e. by the end of 2028, we plan to build a rental housing portfolio of around 10,000 flats in Poland. As of 31 December 2023, we had a rental portfolio in Poland of around 2,400 finished flats. Another approximately 1,360 rental flats were under construction. In addition, we have a land reserve for the construction of another approx. 5,700 rental flats. In the sales business, approx. 4,200 flats were under construction as of the reporting date (including approx.

500 finished and not yet sold flats); the land reserve in this business segment comprises another approx. 15,600 future flats. The total value of the portfolio in Poland amounted to EUR 1,132 million as of the reporting date.

We have set up a strategic sustainability programme with concrete goals in our four action areas. These goals include making 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 1,699 employees, 1,299 of them in Germany and 400 in Poland.¹ We are actively involved in neighbourhood management locally and support towns and municipalities in contributing to the positive development of the regions. We fund our community efforts through our non-profit [↘ TAG Miteinander Stiftung](#) (TAG Together Foundation) 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 March 2024 were BlackRock, Inc., USA (6.0%), MFS Massachusetts Financial Services Company, USA (4.9%), BayernInvest Kapitalverwaltungsgesellschaft mbH, Germany (4.9%), Versorgungsanstalt des Bundes und der Länder, Germany (4.7%), Internationale Kapitalanlagegesellschaft mbH (HSBC INKA), Germany (3.4%), Norges Bank, Norway (3.1%), and Resolution Capital Limited, Australia (3.0%).²

¹ This is based on the number of employees (1,299 in Germany and 400 in Poland excl. associates) as of 31 December 2023. In the annual report, the number of employees was calculated in accordance with the regulations of the German Commercial Code (HGB) (total: 1,816, of which 1,221 in Germany and 595 in Poland incl. associates).

² TAG shareholder structure (tag-ag.com/shareholder-structure)

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 for our portfolio in our decarbonisation strategy.

Our [Annual Report 2023](#) contains further information on our portfolio strategy and key economic indicators.

Our corporate structure: A combination of centralised and decentralised management

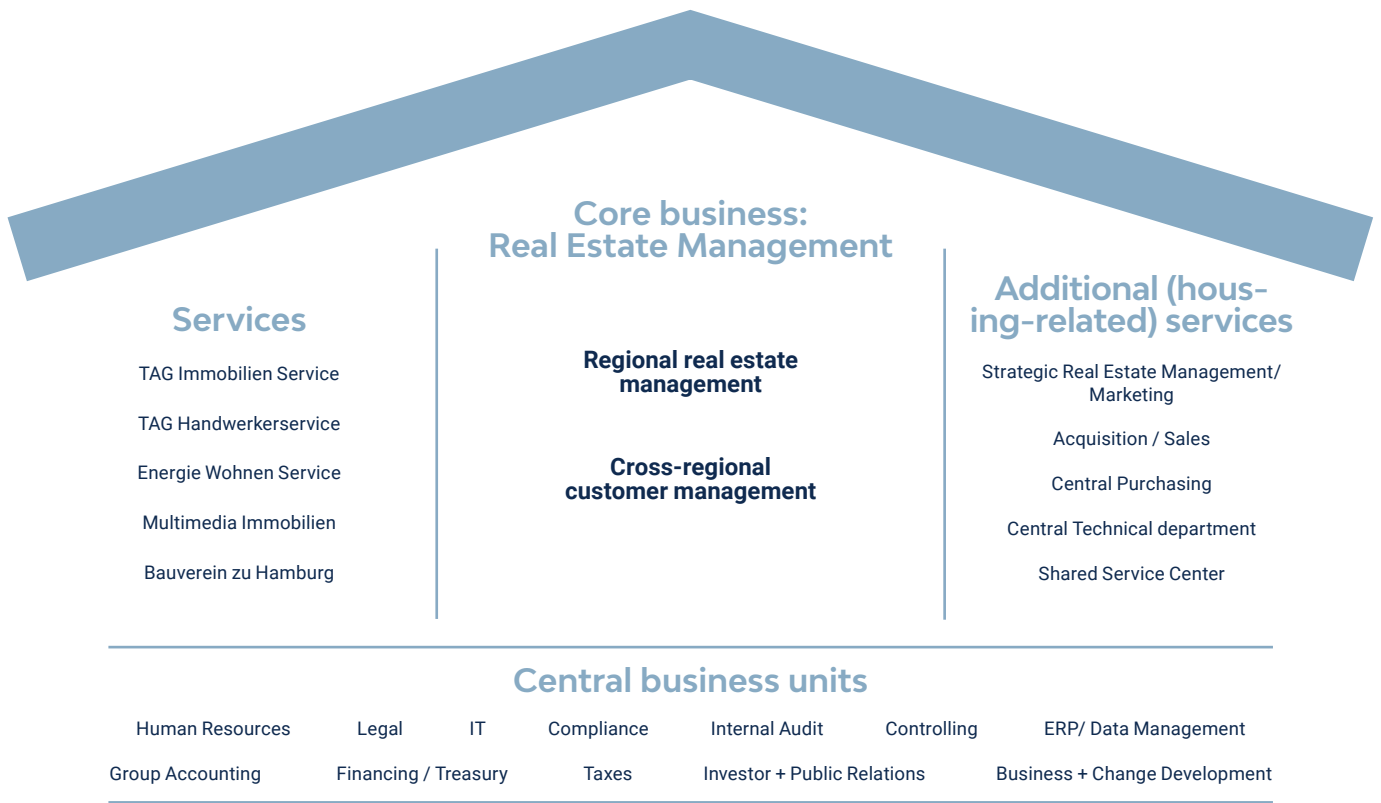
[GRI 2-2, 2-6, 3-3]

Our corporate structure is divided into centralised and decentralised functional areas ([see chart on page 5](#)). This ensures that we can manage our portfolio 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 cross-regional Customer Management. The LIM regions are managed in a decentralised manner by our Heads of Real Estate Management (Leiter Immobilienmanagement – 'LIMs'). Our cross-regional 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 processed 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 organisation 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 handles construction services for the business in Poland as general contractor. 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, we launched the 'Vantage Rent' rental brand 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.

Real estate management focused on customer satisfaction

Our real estate management works both centrally and decentrally. 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 handles matters 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, 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 process improvements.

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 concentrate on smaller maintenance projects and on readying vacant properties for rent.

This division of housing management tasks also gives our employees more time for their personal support of tenants on site and for all matters relating to 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 is our caretaker company. 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 our housing estates.

In the greater areas of Brandenburg an der Havel, Nauen, Chemnitz, Döbeln, Dresden, Leipzig, Magdeburg, Halle, Merseburg and Schwerin, TAG Handwerkerservice GmbH handles craftsman services in our residential properties. 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, 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. Longterm 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.

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.

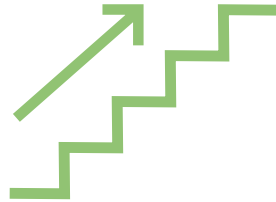
Besides the parent company and service companies, our Group is divided into further property companies, each of which is the owner of a portfolio of properties. Our entire portfolio is managed and administered under our residential brand 'TAG Wohnen'.

At 31 December 2023, the TAG Immobilien Group comprised 183 fully consolidated companies including the Polish subsidiaries. The Polish subsidiaries form a separate subgroup within the Group. In the reporting year, there were no 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 expanded our portfolio in the Wrocław, Poznań, and Tricity regions. In Warsaw, the acquisition enabled 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 highlight page [↘ The 15-minute city: Short distances for high convenience of living](#)).

TAG Services		Serviced portfolio
TAG Immobilien Service GmbH	Caretaker services, cleaning, yard maintenance (since 2012)	approx. 80,200 units (approx. 95% 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. 41,100 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. 57,500 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. 10,600 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
- › 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

[GRI 3-3]

Housing is a basic human 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 2023, these continued to be the high energy prices, ongoing inflation, and increased interest rates and construction costs.

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, are 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. One of the biggest challenges at present is affordable yet climate-friendly housing. This development has been further exacerbated by the current framework conditions. We want to tackle the challenges associated with this. To ensure this, we will continue to develop our portfolio 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 are careful not to 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 also place new regulatory requirements on our sustainability strategy. One important component of the CSRD are uniform EU standards for sustainability reporting, the European Sustainability Reporting Standards (ESRS). The EU Commission adopted them in July 2023 as a delegated act. Among other things, the ESRS are accompanied by key changes in the areas of materiality analysis and risk management. TAG therefore launched a Group-wide CSRD project in mid-2023 to analyse the impact of the ESRS requirements on our strategy and our structures in the area of sustainability. We will successively make the necessary adjustments identified so that we can report in accordance with the ESRS from fiscal year 2024 onwards.

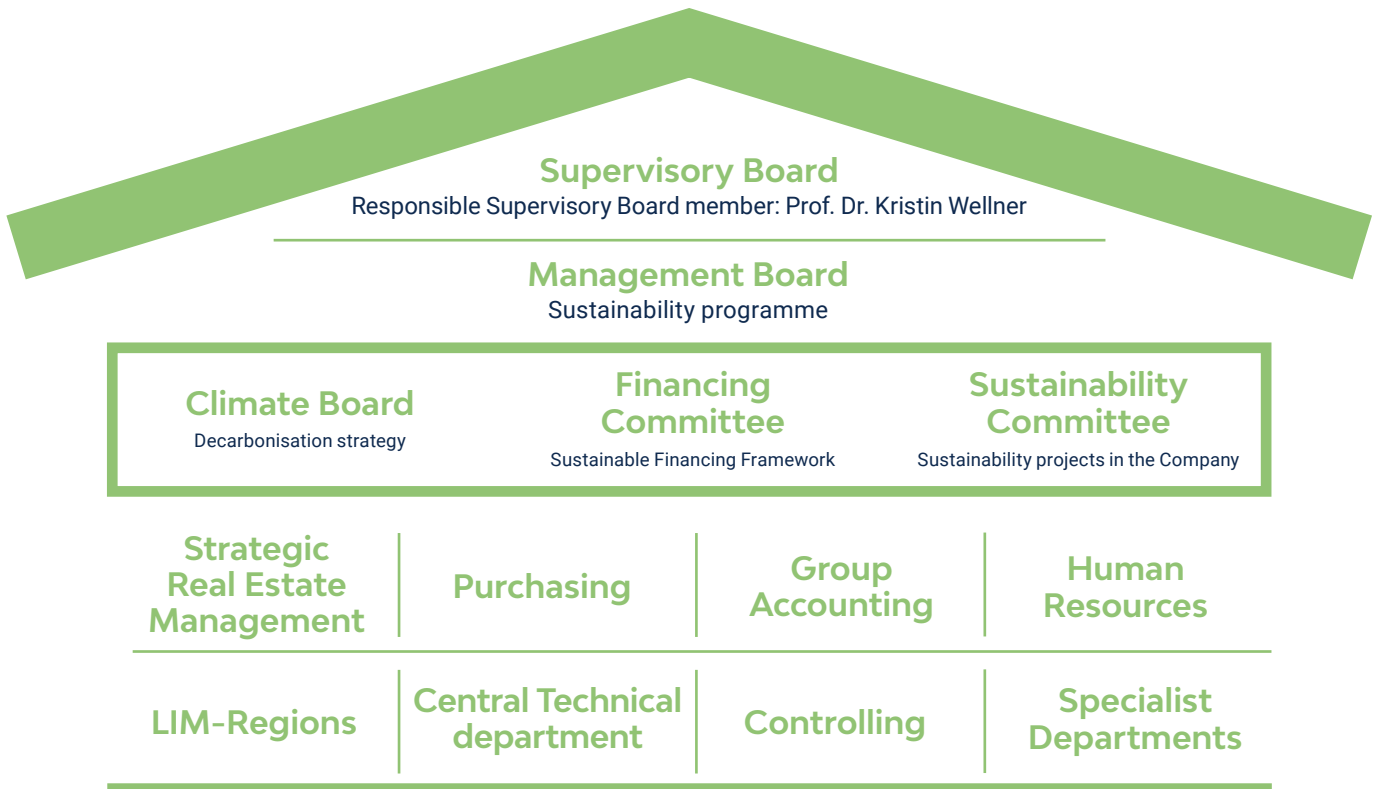
Central coordination of sustainability topics

[GRI 2-12, 2-19]

Sustainability issues are dealt with and managed in the central Strategic Real Estate Management division.³ The division reports directly to the Management Board (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 practice and mainstreaming it in our operations: the 'Climate Board'. It includes representatives from the relevant departments – Energy Management, Central Technical department and Strategic Real Estate Management. The Climate Board plans, monitors, and evaluates the measures and reports to the Management Board. The reporting year saw a continued focus on measures to improve energy efficiency

³ Due to the reporting obligations under the CSRD and the associated integration of sustainability reporting into financial reporting, sustainability management will be handled by the Group's Accounting department, and will report to the Chief Financial Officer, CFO, going forward.



and realise energy savings as well as to reduce CO₂ emissions (see also [↘ Optimising energy efficiency and emissions](#) section).

Sustainability criteria are taken into account in the individual areas of responsibility and expertise, depending on their relevance. Overarching coordination takes place at the management level, so as to advance their Group-wide implementation. Employees are involved according to their areas of responsibility and put the measures into action. 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 different 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. As part of the requirements of the EU Taxonomy Regulation⁴ and the German Act on Corporate Due Diligence Obligations in Supply Chains (Lieferkettensorgfaltspflichtengesetz), which have been in force since 2023, the Management Board adopted the **Policy statement on respecting and complying with human rights** in 2022 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. In 2023, we drew up **Rules of procedure** on how to handle reports under the German Whistleblower Protection Act (HinSchG) and for the complaints procedure under the

German Supply Chain Due Diligence Act (SCDDA), and published them on the TAG website.

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 departments and the 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 continued to be considered material and were 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 this report. Where required by external conditions or internal developments, measures were adapted or supplemented in response to new challenges. The execution of our decarbonisation strategy continued to be a strong focus in the reporting year.

To meet the changed requirements of the new ESRS in accordance with the CSRD, TAG launched a Group-wide project in 2023. All departments affected by the CSRD as well as our Polish subsidiaries, are working together on the project, with external support. We are updating the materiality analysis, conducting a gap analysis to identify relevant reporting gaps and developing a CSRD roadmap for the implementation of necessary measures. Feedback from our relevant stakeholder groups from various communication channels is also being incorporated. With the ESRS come increased requirements for determining the Company's impact and the financial risks and opportunities for the Company. Therefore, the necessary adjustments are being made in a multi-stage process over a longer period of time. In its CSRD project, TAG is starting by addressing the cross-sector ESRS. As soon as sector-specific standards are available, we will incorporate these as well.

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

⁴ The EU Taxonomy Regulation has been in force since 2022 and is part of the 'Action Plan on Financing Sustainable Growth'. The regulation aims to channel capital flows into environmentally sustainable economic activities and thus promote the reduction of EU-wide CO₂ emissions.

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.

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 2022. The investments were split between refurbishments in Germany (19.5%) and new construction in Poland (80.5%).

In the reporting year, we continued our quarterly risk reporting with regard to potential ESG risks. The analysis and evaluation of potential physical and transitory risks to our portfolio was further developed ([↘ Implementing the recommendations of the Task Force on Climate-related Financial Disclosures](#)).



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, ethical and moral corporate conduct 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 querying processes and assessment mechanisms connected to the internal monitoring system need to be adjusted. And 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 4.0% in our flats in Germany at the end of 2023 confirms that our business model is well received by our tenants.

We want to create attractive housing on the Polish market as well. Sustainability criteria – which we are continuously developing – apply to new construction as well as to our portfolio development and management in Poland. 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. We also build almost all of our flats according to the self-developed Green Standard, which comprises ecological design guidelines for the construction of buildings, the use of materials, for water and wastewater solutions and the design of green spaces. By observing this standard, we create modern, environmentally friendly solutions, such as smart home systems that also reduce the costs of daily living for our customers.



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 just living within 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 in the individual 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.

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. The neighbourhoods are being built according to the '15-minute city' concept, in which all everyday amenities should be no more than a quarter of an hour's walk or bike ride away. We have also worked 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 properties in Germany 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 44 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 in Germany. It lets us deliver an even higher level of service for our tenants. 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 portfolio-wide 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 portfolio-wide 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 also carry out regular tenant and buyer satisfaction surveys in Poland to obtain feedback on our service and performance.

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 in Germany 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 company strategy, and together we work to implement 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, 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 enhancement of their 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.



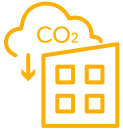
H) Work-life balance, family friendliness, and diversity

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 2022 employee survey among other things (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 a gain 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 mainly includes 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.

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 (see [↘ Customer focus and service quality](#) section).

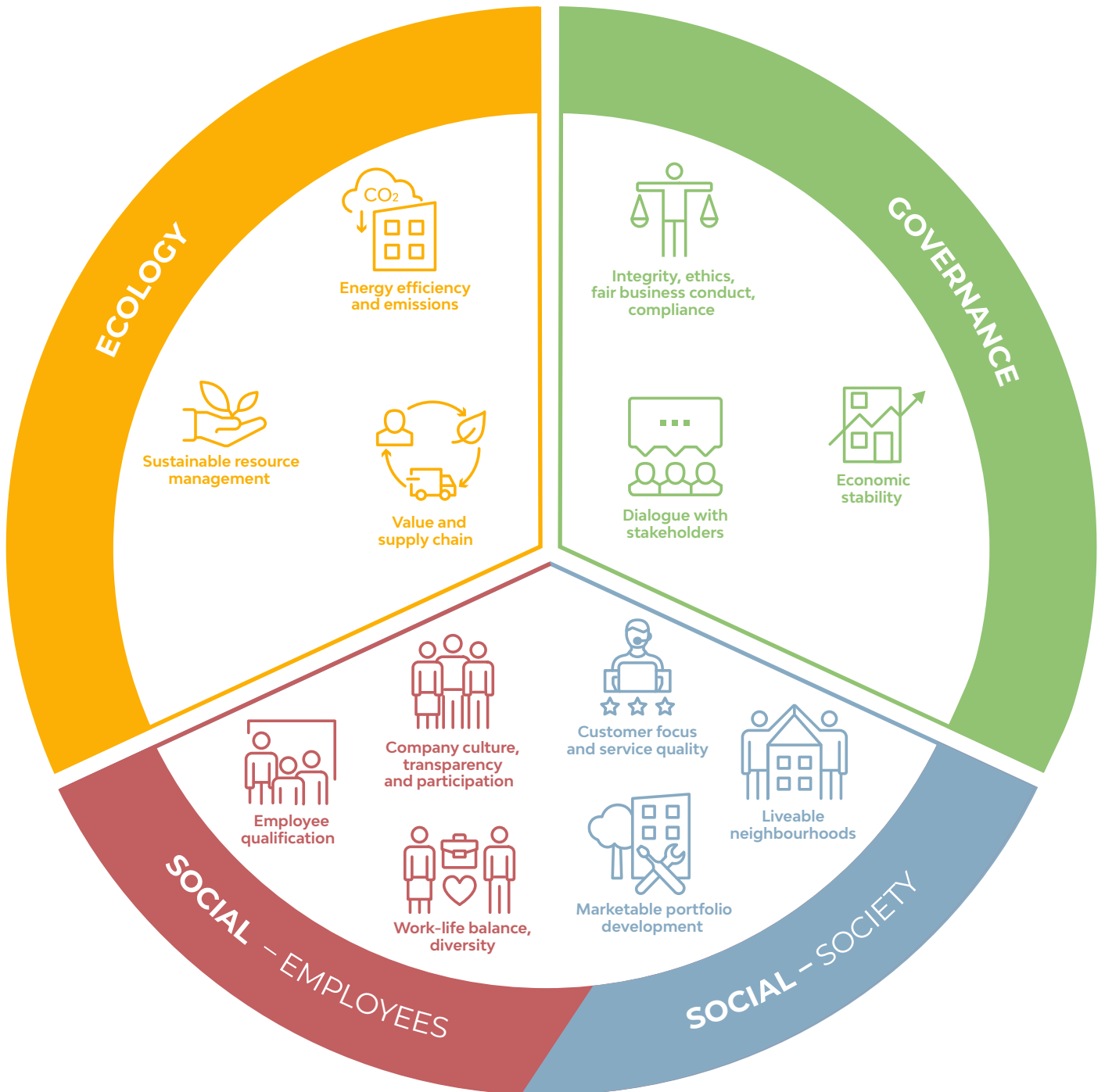
An intensive and transparent exchange with each other is therefore anchored in all corporate divisions and processes. To this end, we use diverse, demand-driven, and modern communication formats. In order to align our sustainability strategy even better with the expectations of our stakeholders, we are 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 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 planning of measures and the achievement of targets. 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 the completion of a 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 also 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 goals are 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 interim targets and measures for each action area. The corresponding business figures and quality indica-

tors are evaluated monthly at the management level. Based on this, team leaders and employees are then involved in implementation.






Moreover, we are integrating the Sustainable Development Goals (SDGs), the 17 United Nations Sustainable Development Goals (SDGs), even more strongly into our sustainability strategy, and 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 2023	
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"> • Goal achieved: Structure and responsibilities defined as part of the 2nd sub-project on climate risk analysis 	
		Analyse climate-related risks and opportunities and their impact on business activities, strategy, and financial planning based on scenarios <ul style="list-style-type: none"> • Goal achieved: In H1-2023, analysed and assessed transition climate risks for the overall portfolio (TAG Germany and Poland) in collaboration with a scientific partner using four climate scenarios 	
		Stronger integration and quantification of climate-related risks and opportunities in risk management (indicators, financial reporting) <ul style="list-style-type: none"> • Partial goal achieved: Finalised analysis and assessment of transition risks and opportunities based on specific KPIs in cooperation with a scientific partner in 2023 • Partial goal achieved: Indicators required for risk management have been defined • In implementation: Systematic integration into TAG's IT landscape for regular evaluations and updates by end of 2024 	
Increase transparency about sustainable business activities with a focus on sustainable investments and product developments	Beginning 2023	Sustainable Finance <ul style="list-style-type: none"> • Goal achieved: Green Investors Report on use of funds published in August 2023 	
		Expand the database for EU taxonomy reporting obligations <ul style="list-style-type: none"> • In implementation: Coordination is ongoing within TAG's departments and with the Polish subsidiaries on processes, responsibilities and evidence, in particular on DNSH criteria for recycling, building materials, etc. 	

Material topic: Integrity and ethics, fair business and compliance

Sub-topics: 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 2023	
Stronger anchoring of sustainability in decision-making processes and incentive systems	Ongoing	Continue expanding the sustainability database for the Group as a whole <ul style="list-style-type: none"> • In implementation: Ongoing expansion of the database and data quality for ESG ratings and in preparation for the new ESRS requiring audit by auditors, which will be mandatory from the 2024 reporting year 	
		In-house suggestions scheme for sustainability and implementation of project topics by Sustainability Committee <ul style="list-style-type: none"> • In implementation: Various sub-projects were worked on in 2023 (bicycle garages for alternative mobility in neighbourhoods, corporate volunteering/community engagement by employees in coordination with the 'Alltagshelden' (Everyday Heroes) project group, urban gardening concepts reviewed) 	
		Review and publish variable Management Board remuneration linked to ESG criteria <ul style="list-style-type: none"> • Goal achieved: STI criteria published in the Annual and Sustainability Report; LTI with ESG targets implemented as part of variable Management Board remuneration 	

Eliminate data protection breaches as defined by the GDPR, and secure information systems	Ongoing	Regular and mandatory data protection training for all employees • Goal achieved: Annual data protection training courses were held for all employees in the reporting year	
		Provide regular information on IT security guidelines and IT contingency plans • Goal achieved: Updated information was provided	
		Regular penetration tests (PTs) to identify potential data protection vulnerabilities and attacks in IT • Goal achieved: Regular non-incident-related and incident-related PTs were carried out by the IT department (internal and external audits)	
		Regular data protection audits • In implementation: Last audit in 2021; next audit planned for 2024	
Zero violations of compliance with the relevant legal requirements and business principles (anti-corruption, anti-discrimination, procurement, social and environmental guidelines)	Ongoing	Ensure transparency and communication of compliance requirements, and regular training • Goal achieved: Annual mandatory training courses on various compliance topics, e.g. anti-corruption, money laundering, data protection, information security were held for all TAG Germany employees in the reporting year; the whistleblower system was expanded (e.g. new digital reporting channel; appointment of a human rights officer)	

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 2023	
Expand regular stakeholder dialogue to identify and take into account key requirements and create opportunities for participation	Ongoing	Diverse dialogue formats for interaction with various stakeholders • Goal achieved: Ongoing and regular dialogue with our various stakeholder groups via numerous formats and channels; dialogue concept was reviewed as part of the CSRD implementation project	
		Regular stakeholder surveys • Goal achieved: Employee survey on health care was conducted; monthly random sample surveys of tenants have been carried out since the end of 2022	
		Build awareness among relevant stakeholder groups for resource-conserving behaviour • Goal achieved: Communications and awareness-building on the topic of energy efficiency, especially among tenants, employees, and business partners/suppliers	

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 2023	
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 (existing portfolio) • Goal achieved: Share of EWS heating oil installations below 1% in 2023	
		Refurbishment of heating systems • In implementation: 41 heating systems refurbished in 2023, expected reduction in CO ₂ emissions of approx. 600 tonnes p.a.	
	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-goal by 2025	Refurbish buildings • In implementation: In 2023, approx. 800 tonnes of reduction in CO ₂ emissions due to building refurbishments; three pilot projects for serial refurbishment in existing buildings in Delmenhorst, Merseburg and Salzgitter were at the planning stage, with completion expected in 2024

Goals	Time horizon	Status 2023	
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	Develop concept and catalogue of criteria for low-emission new-build apartments <ul style="list-style-type: none"> Goal achieved: 15-minute neighbourhood concept and the ROBYG Green Standard for new-build developments were implemented (low-emission solutions, design standards, and design guidelines relating to the use of materials, water/wastewater solutions and the design of outdoor landscaping/green spaces) 	
Further operationalise and implement the decarbonisation strategy and further develop carbon footprinting	Ongoing	Further develop the Travel Policy <ul style="list-style-type: none"> In implementation: Targeted measures are being coordinated (including largely eliminating business trips by plane within Germany) 	
		Offer subsidised use of public transport for commuting to work <ul style="list-style-type: none"> Goal achieved: 100% of our employees in Germany have the option of using a subsidised monthly ticket (Deutschlandticket-Job for commuters or regional Jobticket) (December 2023: approx. 200 users) 	
		Develop mobility concept incl. expansion of the range of environmentally friendly vehicles <ul style="list-style-type: none"> Goal achieved: Mobility concept is being put into action (reduce CO₂ limits, expand EV fleet and charging infrastructure for business operations, JobRad offer for employees) 	
		Successive Scope 3 data collection, and prepare carbon footprint <ul style="list-style-type: none"> In implementation: Carbon footprint for the 2022 reporting year covered Scope 1 and Scope 2 and some Scope 3 emissions based on the GHG Protocol Standard; further preparations as part of CSRD implementation 	
Successively increase energy efficiency through energy-efficient refurbishment of existing buildings, energy-efficient new construction, and savings in administration	Ongoing	Increase the share of buildings in the existing portfolio with an energy efficiency class of at least 'C' (less than 100 kWh) <ul style="list-style-type: none"> In implementation: Share of buildings with Energy Performance Certificate C or better is at 62% (31 Dec 2023) 	
		Equip heating systems with remote monitoring technology <ul style="list-style-type: none"> In implementation: Currently, around 56% of the natural gas-fired EWS heat generation systems are equipped with the KUGU smart metering system; around 130 systems were newly equipped in 2023 	
		Pilot projects for the installation of PV systems, CHP units, etc. <ul style="list-style-type: none"> In implementation: PV installed in buildings in the existing inventory in Gera; CHP units still on hold due to the issue of 'gas as an energy source' 	
		Expand sourcing of electricity from renewable energies <ul style="list-style-type: none"> In implementation: In 2023, 1.5 GWh of green electricity was purchased for offices (around 80% of the administrative locations) 	
		Invest in thermal insulation and insulate existing buildings <ul style="list-style-type: none"> In implementation: In 2023, around EUR 20.0 million was invested in energy-efficient building refurbishment 	
		Implement the energy audits mandated by regulation <ul style="list-style-type: none"> In implementation: Last one carried out in 2020/21, next one planned for 2024/25 	
		Increase data transparency through energy accounting <ul style="list-style-type: none"> In implementation: Ongoing expansion of data collection and processing, including planning for the implementation of future ESRS requirements (CSRD) 	




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 2023	
Increase material efficiency through a holistic view of material flows according to the principle of circularity in our business activities Sub-goal: • Develop a holistic concept and specify targets for reducing waste-to-landfill	Long-term	Long-term strategy for circularity • In implementation: Waste and recycling flow based on the major construction site Görden (Brandenburg a. d. Havel) has been completed; a pilot project with a partner is underway; cooperation with start-up Wastebox has been expanded to optimise and digitalise the waste disposal processes at construction sites	
	Sub-goal: 2023	Analyse material flows along the value chain • Goal achieved: Analysis has been carried out: Material flows follow the legally prescribed path; sustainable dismantling/demolition and disposal are actually practiced	
		Consider recyclability of materials and products in supplier selection • In implementation: Held discussions with suppliers regarding recyclability and use of sustainable products in accordance with EU taxonomy requirements; product range in the craftsmen's sector has been revised and reviewed for alternative (more sustainable) product options; model construction contract is being revised	
		Expand professional waste management and data collection • In implementation: Cooperation with Wastebox to optimise and digitalise waste disposal processes	
		Review waste management and paper cycle at office locations • Goal achieved: Targets have been implemented in-house and by service providers	
Optimise neighbourhood sites for sustainable land use and biodiversity	Ongoing	First-time planting of the contiguous wildflower strip in Bernburg achieved in autumn 2023 with completion of the remaining smaller areas in cooperation with Bernburg University of Applied Sciences. Cooperation agreement extended until 2028 and expanded to the Halle-Neustadt and Burgenlandkreis regions to create near-natural, species- and flower-rich demo areas. TAG is participating in the funded project 'Establishment of a competence centre and a network of protagonists for the integration of green infrastructure in the transformation of the coal-mining areas of Saxony-Anhalt'.	
		Examine sealed areas for possibility of conversion to extensive/biodiverse areas • In implementation: Further analyses were completed; concept development is being planned	
		Continuation of systematic tree care • Goal achieved: Instructions for the LIM regions to plant resilient/climate-resistant trees have been put into action	

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 2023	
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	Inclusion of human rights and environmental risks in supplier controlling as well as reviewing and supplementing sustainability requirements in supplier contracts • In implementation: Implementing the LkSG and whistleblower software for realising LkSG-relevant responsibilities (e.g. human rights officers), processes, and measures; incorporating sustainability criteria into supplier selection, evaluation, and controlling	
	Sub-goal: by end of 2023	Expand resource-saving, digital ordering and billing process • In implementation: Current rate in minor-scale maintenance as of 31 Dec. 2023: 55.5% (2022: 58.4%, 2021: 57.6%)	
		Addition of human rights and environmental requirements from the LkSG • In implementation: Reviewed preventive/remedial measures; adapted existing documents and amend supplier contracts where necessary	

Action areas: Our responsibility in society

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

Sub-topics: 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 2023	
Demand-oriented portfolio development with special consideration of inclusion, disabled-access, and age-appropriate design (for young and old)	Ongoing	Increase the inventory of barrier-free flats • In implementation: Currently around 14,550 barrier-free or senior-friendly flats in Germany	
		Housing offers for young people • In implementation: 17 locations for 'Junges Wohnen' (Young Living) in 2023 (around 13,540 flats in total), e.g. Bernburg, Gera, and Erfurt	
		Created demand-driven offers, including in Stadtilm (48 flats for young and old, floor-level showers on the ground floor)	
Maintain the portfolio and ensure long-term lettable and socially acceptable portfolio development	Ongoing	Invest in the portfolio in Germany • Goal achieved: At EUR 126 million, around 2.0% of the value of the real estate assets (start of 2023: EUR 6,328.8 million) was invested in the portfolio in 2023	
		Expand affordable housing supply through targeted portfolio acquisition • Goal not achieved: No suitable acquisition options identified in 2023 considering the difficult financing and capital markets; goal was therefore not pursued further in 2023	
		• Goal achieved: Ongoing dialogue with tenants in the event of rent increases and associated compromise solutions; establish social management in customer management to support tenants with instalment payment agreements, particularly given the increase in gas and electricity prices	









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 2023	
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 • Goal achieved: In 2023, finalised the electromobility concept for residential districts; participated in a number of regional mobility projects (see chapter 'Our responsibility in society')	
		Cooperate with car sharing providers on discounted offers for tenants • Goal achieved: Portfolio-wide cooperation with Flinkster and teilAuto; new car sharing stations planned for Dessau and Erfurt; ongoing cooperation with e-scooter provider VOI in Leipzig	
		EV charging stations in neighbourhoods • Goal achieved: New charging stations installed in Rostock, Gera and Merseburg, among others, with more planned	
		Parcel stations in residential neighbourhoods • Goal achieved: 54 apartment lockers installed in Gera, Berlin, Chemnitz, Erfurt, Cologne and Leipzig, plus 49 public lockers (also usable by non-tenants), as well as 51 business lockers; a new cooperation agreement for the construction of parcel stations at various TAG properties was concluded in 2023	
		Conduct tenant surveys on mobility options in TAG's neighbourhoods • Goal achieved: Results from the survey in Thuringia were incorporated into an electromobility concept for our residential neighbourhoods among other things; a tenant survey on bicycle parking facilities in Erfurt was conducted	
		Cooperations to enhance neighbourhoods with orchards and insect meadows • Goal achieved: More than 45,000 sqm of orchards and insect meadows in our neighbourhoods (year-end 2023)	
		Involvement of tenants in outdoor space design • Goal achieved: Continued various planting and gardening campaigns together with tenants in neighbourhoods in Schwerin, Gera Lusan, Dresden and Erfurt, among others	
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	Continued neighbourhood engagement, including through donations and sponsorship of social projects • Goal achieved: TAG Miteinander Stiftung supported eight charitable organisations with a total of around EUR 475,000 (support for children and teens, support for families and senior citizens)	
		Continued working with local community organisations • Goal achieved: 29 meeting places in our neighbourhoods, which are accessible to around 1/3 of our tenant households; numerous events, e.g. Aktiv-Treff meetups or in collaboration with Jumpers and Sempers	
		Promote our employees' community engagement with the 'Everyday Heroes' project • Goal achieved: In 2023, initiated TAG Social Day 2023, which will make its debut in 2024 to encourage our employees to volunteer with a social project of their choice	

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 2023	
<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"> Goal achieved: Last portfolio-wide tenant survey in 2021, next planned for 2024; complemented with random sample surveys monthly since year-end 2022 	
		<p>Service monitoring including survey of tenant households</p> <ul style="list-style-type: none"> Goal achieved: Regular monitoring of service providers at larger locations, in some cases with tenant surveys and supplementary monitoring by TAG Immobilien Service 	
		<p>Continue developing communication formats with customers</p> <ul style="list-style-type: none"> Goal achieved: Tenant app usage rate at 35% (December 2023); all locations of the TAG Wohnen brand now have a social media presence 	
		<p>Services and support for tenants</p> <ul style="list-style-type: none"> Goal achieved: Improved service through new cooperation with framework agreement partners regarding minor repairs; continued consultation services for senior citizens through cooperation with Sorgenfrei Zuhause, Caritas, Dignicare, Sempers, BeHome, AGATHE, with various information events hosted in the neighbourhoods 	
		<p>Offer tenants the option of equipping apartments in Gera with Smart assistance and emergency call systems</p> <ul style="list-style-type: none"> In implementation: Since the start of the project in June 2021, more than 100 counselling appointments have been held with interested parties on site in Gera; more than 80 participants actively use the offer; the offer was extended to properties in Eisenach, Sangerhausen, Salzgitter and Merseburg as well 	
		<p>Goal achieved: Ongoing partnerships, e.g. with Everdrop, Kleany (eco-friendly cleaning products), Lekker Strom (green electricity), etepetete ('rescued' organic food), Plant Box (balcony plants) and Bookbeat (audiobooks) as offers for our tenants, including via the tenant app; new offers introduced in 2023, e.g. Smhaggle (special offers when shopping), Every Food (healthy pre-cooked meals) and Severin (household appliances)</p>	
		<p>Shorten response and processing times for tenant enquiries/requests</p> <ul style="list-style-type: none"> In implementation: Process time has been shortened; quality controls carried out; service level agreement is currently being finalised 	
		<p>Digital service offerings</p> <ul style="list-style-type: none"> Goal achieved: Introduced call-back service with preferred appointment, online appointment booking; maintained regular dialogue with tenants on current and future service offerings (e.g. TAG marketplace) and expanded based on demand/requirements 	

Action areas: Our employees shape our future






Material topic: Appreciative corporate culture, transparency and participation

Sub-topics: Co-determination and freedom of association of employees, transparency about remuneration of the Management Board, anti-discrimination/equal opportunities/integration/diversity, cooperative working culture

Goals	Time horizon	Status 2023	
Maintain and strengthen a culture of employee co-determination in the Company	Ongoing	Employee share programme • Goal achieved: In 2023, 40,950 employee shares were subscribed, with a total volume of around EUR 420,000	
		Annual bonus for all employees • Goal achieved: In 2023, an annual bonus/inflation adjustment of around EUR 1,500 was paid to each employee (outside the probationary period; in the case of part-time work and similar, pro rata according to the scope of employment)	
		Establish 'Wir für eine bunte TAG' (Together for a colourful TAG) project to involve employees in sustainability • Goal achieved: in 2023, work continued on various sub-projects relating to sustainable mobility, employee events/volunteering and urban gardening	
		Representation of employees' interests in the Company • Goal achieved: Works council elections held in two regions in 2023; 52 employees now active in works council committees; eight regional works councils (five to seven employees each) in addition to the General Works Council; two newly elected employee representatives sit on TAG's Supervisory Board	
		Boost employee participation with internal Company projects • Goal achieved: Employees participated in cross-divisional workshops and projects, e.g. Sustainability Committee, Everyday Heroes, Climate Board, CSR implementation; TAG Purpose project to launch in 2024	
		Social intranet for digital employee and project communication • Goal achieved: Used by employees for (project-related) internal communications	

Material topic: Employee qualification and further training





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





Goals	Time horizon	Status 2023	
Attractive working environment with targeted staff development and long-term employment relationships	Ongoing	Continue and expand the STEP training concept with at least 8 hours of training per employee per year • Goal achieved: Approx. 8 hours of training per employee in 2023; seminars and workshops offered via STEP expanded	
		Employees as Company ambassadors • Goal achieved: Employees increasingly act as Company ambassadors (on the online careers website, in job adverts and in the tenant magazine on the TAG Wohnen website, on external platforms, e.g. kununu.de or LinkedIn)	
		Train of TAG specialists as trainers • Goal achieved: Train-the-trainer format, e.g. knowledge transfer in online formats, dealing with changing group dynamics in digital training, and new format 'How-to training document' offering support with preparing training documents and e-learning content	
		Promote individual upskilling • Goal achieved: Three graduates in 2023 (economist specialising in real estate management, certified real estate specialist, certified real estate technician)	
		'Trainer workshop': Training on new learning methods, and on motivation and expectations of the younger generation • Goal achieved: training for 13 trainers completed in 2023	

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 2023	
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 • Goal achieved: Option of remote working; offer of preventive health measures such as medical check-ups, Health Day, and implementation of the WLP app in 2023; employee-side contract terminations in 2023: 7.2%.	
		Annual topic-specific employee surveys • Goal achieved: Employee survey on operational healthcare carried out	
		Company-wide events (at least two per year) • Goal achieved: 2023 TAG relay race, summer party and departmental Christmas parties	
		Reconciliation of personal and professional duties through flexible working time models • Goal achieved: For all employees, working time can be structured flexibly and independently within the contractual weekly working hours (trust-based working time); option of working from 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 2023, c. 10% of employees were using this offer	
		Train and upskill internal safety officers, fire safety officers, first aiders, and evacuation assistants • Goal achieved: In 2023, 17 new safety officers, first aiders and fire safety assistants took over their roles and received further training	
		Health and safety briefings • Goal achieved: Annual briefing of employees by managers; additional specialised safety instructions, e.g. in caretaker and craftsman areas	
		Committee meetings on occupational safety • Goal achieved: Three ASA meetings held in 2023	
		Regular workplace inspections • Goal achieved: Workplace inspections carried out at several sites in 2023	
		Annual Group-wide Health Day • Goal achieved: Health Day was held in November 2023; WLP app designed to promote health introduced for all TAG Germany employees	
		Workplace integration management • Goal achieved: 23 offers of talks for reintegration	
		Expand training concept for preventive health care • Goal achieved: 2023 training conducted on topics including time management and stress management	
		Supplementary health insurance for employees • Not implemented: was intensively evaluated, but considered as not attractive enough for employees while being too expensive for the company	
Develop a health concept • Goal achieved: Implemented Health Day, cooperation with statutory health insurance company; Introduced the WLP app as part of company healthcare for our employees at TAG Germany			

Goals	Time horizon	Status 2023	
Structure measures and initiatives to promote a healthy work-life balance, and communicate it as a holistic working model	By end 2023	Promote established, flexible working time models for a holistic approach • Goal achieved: Individual measures were continued: trust-based working hours; various options for part-time work, temporary reduction in weekly working hours; work from home; option to move to a different location within the Company; project working hours with flexible working hours once parental leave ends	
Ensure equality for all employees and a diverse workforce with balanced gender quotas	Ongoing	Monitor violations of the prohibition of discrimination • Goal achieved: No violations in 2023	
		Calculate and communicate the gender pay ratio and gender distribution according to various criteria • Goal achieved: 2023: General gender pay ratio 99.9%; total managers: 89.7%; middle management: 101.4%; senior management: 83.7%; employees: 104.9%	
		Gender distribution • Goal achieved for 2023: • Proportion of women in the total workforce: 48% • Proportion of women at 1 st and 2 nd management level below the Management Board: 45% • Proportion of women on the Supervisory Board (shareholders): 25% • Proportion of women on the Supervisory Board (full board): 33% • Proportion of women on the Management Board: 50%	

- Legend:
-  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 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. Residen-

tial 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 and 2023 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), Decent Work and Economic Growth (SDG 8), 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 mandated 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. In the rare cases that they are used, e.g. 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. In addition, we promote occupational health-care for our employees through various health programs.



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 45% of our managers 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 62% 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 8 Decent Work and Economic Growth

Material topics: Integrity and ethics, fair business practices and compliance, sustainability in the value and supply chain, as well as corporate culture of appreciation, transparency, and participation

Respecting and protecting human rights is a natural part of our value-oriented corporate governance. This obligation is anchored in our Business Principles and forms the material basis of our daily conduct within the TAG Group and towards our business partners, customers and other stakeholders. We are committed to 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). These standards and guidelines determine our business activities. We actively advocate for respecting and complying with human rights in our group of companies. We also expect legally and ethically impeccable business practices from our business partners. We have laid this down in the [↘ Business Partner Code](#) and in the [↘ Declaration of Human Rights](#).

As a large project development company, we contribute to the growth of the local economy in Poland by establishing local supply chains wherever possible. This is also demonstrated by the [↘ report](#) on the social and economic impact of ROBYG's activities. In addition, the contracts concluded with suppliers contain a code of ethics that also includes requirements for suppliers to protect human rights. In the Polish market, the issue of 'Legal employment in the construction industry' is of crucial importance. ROBYG ensures compliance with labour rights across the entire value chain and has implemented procedures to prevent child labour and modern slavery. We also train our employees to ensure compliance with the Anti-Corruption Policy.



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 14,550 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).



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 2023, the average rent for our residential units in Germany was 5.71 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 for the German portfolio to further reduce CO₂ emissions and are now concentrating on putting the measures into action, 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 our 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 as part of putting the TCFD recommendations into practice (see [↘ Implementation of the recommendations of the Task Force on Climate-related Financial Disclosures](#) 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 41,800 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 2023, we redesigned additional existing spaces to offer insects, small animals and birds better development opportunities.

Our Sustainability Committee has 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 Energiesprung initiative (see also the [↘ Speeding things up with serial refurbishment](#) 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.

Poland only



SDG 6 Clean Water and Sanitation

Poland's freshwater resources are also limited: Poland has around 1,600 cubic meters of renewable freshwater resources per capita – which puts it at risk of water scarcity. According to the UN, a country is at risk of water scarcity if it has less than 1,700 cubic meters of renewable freshwater resources per capita.⁵ To counteract this risk, Polish cities are implementing various measures in their climate change adaptation plan. We also rely on 'blue-green solutions' to conserve water resources in its own project developments. These include ponds, basins, rain gardens, and green roofs. Rainwater systems are also used to irrigate green spaces in communal areas. This conscious use of water is in line with our commitment to help achieve SDG 6 and is a key element in our strategy to expand blue-green infrastructures in our new residential developments.

⁵ SDG - Report 2020 (<https://raportsdg.stat.gov.pl>)

Economic stability as a basis for sustainable development

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. 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.

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 system for Management Board remuneration that takes ESG targets into account as well. The criteria are redefined annually. In the Short Term Incentive Plan (STIP) for variable Management Board remuneration, the ESG risk assessment of the external rating agency Sustainalytics is included for the reporting year (see [Annual Report 2023](#) and [TAG remuneration system](#)).

Since the 2023 financial year, ESG targets have also been relevant in the Long-Term Incentive Plan (LTIP) of the Management Board's variable remuneration. These ESG targets are set by the Supervisory Board each year for the next LTIP period, i.e. for the next four years. The following targets have been set for the 2023–2026 LTIP tranche:

- reduction of CO₂ emissions within the German portfolio by 10% (weighting: 40%),
- tenant satisfaction higher than 70% (weighting: 40%),
- social projects within the TAG Foundation of at least EUR 150,000 per year (weighting: 20%).

These ESG targets were selected by the Supervisory Board as they play an important role in the context of TAG's strategic sustainability goals. The decarbonisation of the German portfolio, which accounts for the majority of TAG's real estate assets, is one of the key environmental ('E') challenges. High tenant satisfaction and continuous neighbourhood involvement through social projects in the regions managed by TAG are key components in the social ('S') area. The area of governance ('G') is already covered in the STIP by the non-financial target implemented there (see [Annual Report 2023](#)).

Management and supervisory bodies

[GRI 2-9, 2-10, 2-15, 2-28]

TAG's business is managed by a Management Board, which has consisted of two persons since 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 July 2012 and Co-CEO of TAG Immobilien AG since September 2023. 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 Centers, 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 April 2014 and Co-CEO of TAG Immobilien AG since September 2023. 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 monitored 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 arise.

TAG is also a member of the Institute for Corporate Governance in the German Real Estate Industry (ICG), which advocates for value-oriented, sustainable corporate governance in the real estate industry. The ICG has drawn up a Corporate Governance Code for the German real estate industry ('CGK-I') as a guideline for responsible conduct in the industry. TAG follows these recommendations.

Group-wide risk management

[GRI 2-6, 2-23]

The Management Board 2-6, 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 (known as 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, diversity, sickness rate, fluctuation
- 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 2023](#), p. 69 et seq.). Based on current assessments, the Management Board is not aware of any risks that could jeopardise the continued existence of the Company. The Company firmly believes that it will be able to take advantage of the opportunities and challenges that arise in the future without having to take unacceptably high risks.

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 2023](#).

In addition, Central Purchasing is currently working on identifying possible relevant risks from the supply chain, aggregating 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 44 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.

Our tenant app also offers 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 about our customer service. Our tenant app is available in all TAG regions. In December 2023, it was used by more than a

third of our tenants. We are successively expanding the app with additional features and offers, and improving its user-friendliness.

»We have been happy TAG tenants for many years. Almost 40 years ago, we moved into our current apartment with TAG in Döbeln as first-time tenants after the new building was completed. We like to use TAG's tenant app for information, e.g. about our utilities consumption or necessary repairs. It's very practical and we get quick feedback. Of course there are still issues that could be improved about our residential complex, like the tidiness and cleanliness of the outdoor facilities or the marking of the parking spaces. All in all, though, we feel very comfortable here and we like the surroundings and the apartment.«

Marianne and Hans-Joachim Sickert, Tenants in Döbeln

For several years now, we have offered housing consultations at our main locations, with a focus on senior living and serviced living. 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 in Germany to determine our tenants' satisfaction with TAG as a landlord and find out 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 once again showed us 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 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 buyers on all issues from sales to 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 during and after every flat sale. The results from 2023 show: 92% of our buyers are satisfied or very satisfied with the service provided by our advisors. 91% of the buyers surveyed would recommend us to their friends and relatives.

»Thank you for your efficient service and advice. We are very satisfied with the apartment purchase in the Słoneczna Morena complex in Poznań. The standard of the apartment and the entire investment met all our expectations. The purchase of both our first and our second apartment went smoothly and we felt well looked after.«

Maria and Andrzej Jarzębowski, Buyers

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

Our employees

Our employees' efforts and commitment 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, an 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. Our project groups provide an opportunity for exchange across sites 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 voice their concerns. To obtain feedback from our employees, we use the annual performance appraisals and regular employee surveys. In 2022, we conducted a comprehensive survey of our employees in Germany in cooperation with Great Place To Work. In the reporting year, we carried out a Group-wide employee survey on the topic of health in the workplace (see [» Flat hierarchies pave the way for innovation](#) section). 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 working outdoors and of course the challenges that each new day brings. I am delighted that the tenants in our residential neighbourhoods feel completely at home.«

Susanne Denzau, Landscape maintenance at TAG Immobilien Service in Döbeln

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 and submit ideas for sustainability measures to TAG. The ideas are checked for feasibility and further developed in the Sustainability Committee or in the specialist departments. In the reporting year, for example, a project to install bicycle garages in the neighbourhood was reviewed, and employee campaigns with a sustainability focus and urban gardening projects were evaluated. Further measures are currently being examined.

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 process optimisation due to the restructuring of the operational real estate 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](#)).

»With TAG, we experience a partnership on an equal footing and a focus on tenant satisfaction. For eight eight years now, we have been working as a technical service provider for TAG in flat-rate repair management to the satisfaction of the tenants. This success is based on trust, competence and experience. Sustainable portfolio management and socially responsible neighbourhood development characterise TAG in particular.«

Lars C. Verhoeven, Managing Director B&O Service AG

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 SCDDA (Lieferkettensorgfaltspflichtengesetz).

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.

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. Since March 2022, in addition to traditional bank loans secured by the land register, we have been using a self-developed framework for sustainable financing in our portfolio. It defines ecological and social criteria for instruments to finance or refinance 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 reporting year, in which all financial market participants were faced with noticeable consequences for the economy and the capital market against the backdrop of high inflation and rising interest rates. Nevertheless, our shareholders were enjoyed a 118% gain in the TAG share price in the course of 2023.

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.

»I have been a proud owner of TAG Immobilien shares since 2019. The debt profile looks perfect, the debt maturity and cash flow are in line. There seems to be little risk to the Company and their cash is well managed. I appreciate your team's efforts in running the Company so well. Thank you for your hard work.«

Investor

In 2023 we held many important discussions, cultivated existing contacts and made new ones at around 100 meetings at international conferences and roadshows in person or virtually. At the end of April 2023, TAG invited investors, analysts, and banks to Warsaw and Wrocław for the fourth TAG Capital Markets Day. At the event, we gave the more than 50 participants an insight into our operating business and strategy and reported on the very positive development of the Polish residential real estate market. The consistently positive response demonstrates the high level of acceptance of our business activities in Poland.

»The focus on less competitive locations in B and C cities has proven profitable, and capital recycling has also been successfully implemented.«

Analyst

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 host events in our neighbourhoods, for example at the 'Aktiv-Treffs' (Activity Lounges) or at 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. In the reporting year, for example, we established a new cooperation with Senioren mit Perspektive e.V. in Döbeln and Erfurt. The association organises neighbourhood meetings and leisure programmes for older people in our districts. These projects strengthen coexistence and the quality of life in the neighbourhood. We report on interesting activities and projects in our neighbourhoods in press releases and in the 'Magazine' section of the TAG website. 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.

»With TAG Wohnen, we now have a strong partner for the AGATHE programme with a very high level of commitment to its tenants and the common good in the city of Gera at our side and we look forward to working together and supporting our elderly fellow citizens in Gera. The signing of the cooperation agreement lays the foundation for a preventative, pre-care, low-threshold approach to 'healthy ageing' in the community, in the city of Gera and especially in the districts for this target group.«

Sandra Wanzar, Head of Department for Youth and Social Affairs Gera

In Poland, we are likewise committed to a good and beneficial coexistence in the neighbourhoods. In 2023, e.g., we implemented various events together with our tenants: At a free bike service hosted in our neighbourhoods in Wrocław and Poznań, tenants were able to have their bikes serviced and repaired as part of a spring campaign. We also sponsored the annual neighbourhood picnic at the Citadel Park in Poznań, which offered a wide range of different activities for children and adults. In autumn, we also organised guided walks in Wrocław and Łódź at the request of our tenants, to give them a better understanding of the city's history. To take account of the diversity of our customers, we conducted the walks in Polish, English and Ukrainian.

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.

»We want to achieve good living conditions for all people and to show that Eastern Germany can be a pioneer for the whole country. TAG Wohnen's projects are a model for eastern Germany, as they contribute to finding solutions for affordable housing and strengthening social solidarity.«

Carsten Schneider, Minister of State/Federal Government Commissioner for Eastern Germany

Our neighbourhood management includes being directly on site for all matters and concerns. 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 'BeHome' 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). In the reporting year, for example, there were various events on the topics of mobility and digital assistance systems, including with Thuringia's Minister President Bodo Ramelow and Gera's Mayor Julian Vonarb.

We welcome 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 have 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.

»In a very close and trustful cooperation with TAG Wohnen, we are developing innovative solution concepts based on autonomous micromobiles to enable the ageing population to live independently in their own homes for a long time. As part of this valuable collaboration, we not only have the opportunity to develop innovative project ideas, but also to actually test them in real-life applications.«

Prof. Dr.-Ing. Frank Schrödel, Professor for Propulsion, Automation, and Robotic Technology at Schmalkalden University of Applied Sciences

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 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. We also expect our business partners to conduct their business in a legally and ethically sound manner. 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 our [Business Partner Code](#) with regard to human rights due diligence and published it on our website. Any proven violation of this code will not be tolerated and will result in appropriate sanctions, including temporary or permanent termination of the business relationship and the assertion of further legal claims, in particular claims for damages. No such situation occurred during the reporting year.

Compliance management system and business principles

[GRI 2-26, 2-27, 3-3, 205-2, 414-2, 418-1]

Our compliance programme defines the requirements for adherence to legal requirements and the Group's internal regulations. The Group's internal regulations are based on our Business Principles. Among other things, they contain general rules on business relationships, non-competition clauses, conflicts of interest, and data protection.

Our Compliance Management System (CMS) is based on the following three components: prevent, identify, and respond. Prevention is ensured in particular by policy management, regular compliance and data protection training for our employees, and guidance from the Compliance Office as well as internal data protection management in coordination with the external data protection officer. 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 management system as a component of the established monitoring mechanisms (risk management, internal control system and internal audit system) has various identification and evaluation mechanisms aimed at ensuring compliant conduct and thus preventing violations and minimising risk.

All new employees are given the Business Principles, the IT guideline and the data protection notice for employees as well as the declaration of commitment to data secrecy in accordance with the EU GDPR. Employees must confirm receipt of these. All TAG employees are obliged to be in compliance with them at all times. Violations will not be tolerated, but will be punished resolutely and appropriately, e.g. through disciplinary action and (labour) law.

Group-wide training courses are held annually for all employees on the basics of compliance (Business Principles) and basic data protection knowledge. For specialist departments that are exposed to a greater risk due to their activities, e.g. the Central Technical department, Rental, or Acquisition and Sales department, extended training courses are held and in-depth knowledge imparted. Group-wide anti-corruption training also took place in the reporting year. In addition to the learning content, exam questions were also stored in our digital training system. After passing the exam, employees received a certificate.

To submit information and complaints regarding actual or suspected legal or compliance violations, our employees and all stakeholders have access to the whistleblower system through various reporting channels. This also applies to human rights and environmental risks or violations that have arisen as a result of actions in our own business or that of a direct supplier. Whistleblowers can contact the TAG Group's Compliance Office by post, telephone or email. Alternatively, they can reach out to our compliance ombudsman. The information can be submitted anonymously if desired.

The Compliance Officer is responsible for processing incoming reports. The Compliance Officer is appointed by the Management Board and is authorised to act independently, impartially, and not bound by instructions in accordance with the principles of confidentiality and due diligence. Depending on the content of a given report, it may be necessary to involve experts from other departments (e.g. HR, Data Protection, Purchasing, or Sustainability) in the investigation. Especially when it comes to violations of human rights and environmental obligations under the SCDDA, the relevant department will play a key role in examining and developing a solution. All reports and inquiries are documented and promptly investigated and reviewed.

Depending on the type of breach identified, effective and appropriate remedial and follow-up measures are taken. These include, in particular, disciplinary or labour law consequences, claims for damages, or even criminal prosecution. The findings from the procedure are used to review and, if necessary, optimise existing work and compliance processes and to implement further preventive measures. The published [↘ Rules of procedure](#) for the whistleblower system under the Whistleblower Protection Act and for the complaints procedure under the SCDDA explain the reporting channels, the procedure, responsibilities, and whistleblower protection.

In the reporting year, TAG in Germany received a total of 50 reports. Most of them were compliance inquiries from employees regarding invitations and gifts, the rental of apartments to employees or persons close to them, and the private commissioning of TAG contractors by employees. Two reports were or are being carefully reviewed internally with regard to possible misconduct by employees. One incident can be classified as minor in terms of its severity and was punished under labour law. The second case, which involves allegations of theft, is still under investigation.

The Compliance Officer reports to the Management Board at least once a year and also on an ad hoc basis. Its annual report covers the type and scope of reports received, current compliance issues, training and adjustments in policy management, as well as an outlook for its work in the upcoming reporting year. The Supervisory Board is also regularly informed about compliance work.

Poland has an 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, a Compliance Officer has been appointed for TAG's Polish companies.

There were also no confirmed compliance violations in Poland in the reporting period. No reports were received via the whistleblower system during the reporting year. Inquiries and reports regarding invitations and gifts were made in accordance with the guidelines and were processed by the Compliance Officer of the Polish TAG companies. An IT security incident was responded to immediately and any damage averted. Following a comprehensive analysis, the increasing risk of cybercrime in the age of digitalisation was responded to with systemic improvements to the monitoring of IT security and, in particular, the reporting and handling of irregularities. In the reporting year, employees of the Polish TAG companies received training on IT security and the prevention of bullying. Training was also provided on policy management, which was standardised for all Polish subsidiaries at the end of 2022.

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 2023, we also updated the Fleet Policy with new CO₂ limits, formulated the tax compliance strategy, and published it on the TAG website.

The tax compliance strategy is designed to ensure compliance with all of TAG's tax obligations. It includes the tax principles and applies to all relevant types of taxes that TAG is required to declare, register, withhold, or pay. We have also implemented rules of procedure for the whistleblower system under the German Whistleblower Protection Act and for the complaints procedure under the German SCDDA, and published them on the TAG website. 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 requirements. 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 reportable complaints regarding the applicable data protection provisions.

Comprehensive IT security measures

As part of our IT security concept, we have a comprehensive cybersecurity programme in place. It is 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 also 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. A number of security measures for our IT systems were improved during the reporting year as well.

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, there is an emergency plan for acute cases as manual for action. The companies based in Poland have implemented their own IT policies, taking into account country-specific legal requirements.

We hold regular IT security training sessions to raise employees' awareness of IT security and teach them how they can protect themselves and the Company. 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 emails.

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. We do not tolerate corruption by employees or business partners. For all TAG employees, compliant conduct is anchored in the Business Principles. These principles also define the principles and rules of conduct for preventing money laundering, preventing and combating corruption in order to prevent any suspicion of corruption from arising in the first place. Together with the anti-corruption guideline, the competency and signing guideline (dual control principle), the purchasing guideline, and the donation guideline, the Business Principles are among the central elements of corruption prevention at TAG. The guidelines regulate further responsibilities, structures, and processes.

We regularly inform our employees about guidelines and procedures for preventing and combating corruption, and about other compliance topics, and conduct topic- and event-related training courses when new developments arise. Every year, we train our employees across the Group on the basics of compliance and data protection. In addition, in the reporting year, we held training courses on avoiding corruption and bribery, including in the acquisition, sales, and rental business. The main focus was on criminal law related to corruption.

Our 'Teamworker' project (formerly 'WE Culture'; 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 and bullying as well as corruption and bribery.

Violations of our Business Principles and guidelines or laws are not tolerated. Any misconduct or suspected misconduct must be reported immediately to the manager and the Compliance Officer; this can 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 criminal or civil court proceedings in connection with allegations of corruption and bribery or 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 2024

In the coming reporting year, we will continue to focus on expanding and further optimising the compliance management system. To this end, we plan to further optimise the process structures, expand the policy management, and intensify the communication of key compliance topics. Our training programmes are updated regularly. We respond to new legal regulations such as the SCDDA and the EU Taxonomy Regulation by implementing new required process structures or expanding existing process structures.

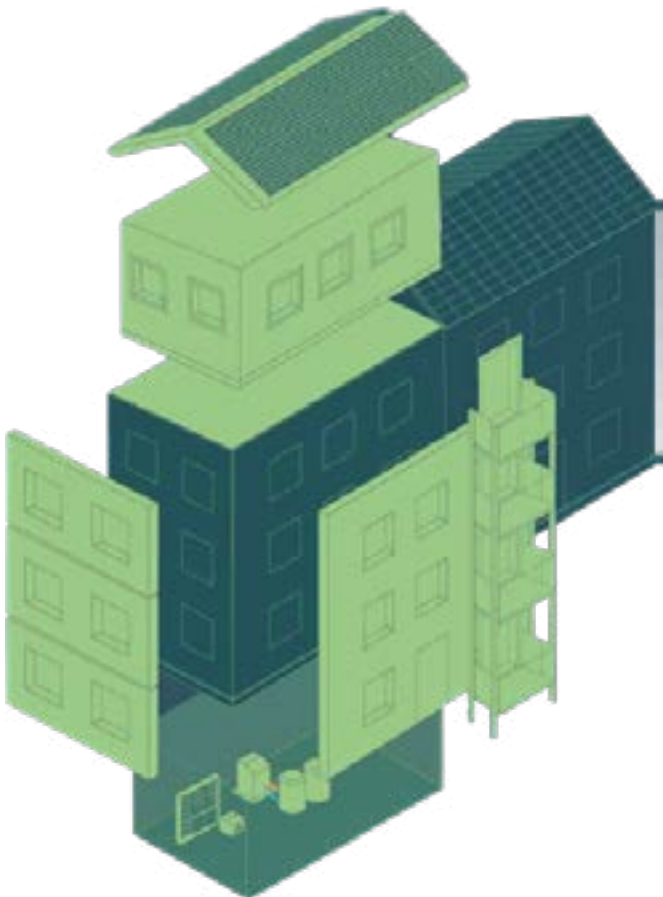
Speeding things up with serial refurbishment

We want our portfolio to be climate-neutral from 2045. To achieve this, we are gradually reducing the CO₂ emissions of our buildings. Around 1,200 tonnes of CO₂ saved – that is the result of the refurbishment projects completed in Germany in 2023. We plan to triple this figure in 2024. The key to this: serial refurbishment.

The renovation of buildings in Germany to improve their energy efficiency is a mammoth task. Around three quarters of the country's 22 million apartment blocks alone will have to undergo energy-efficiency renovation in the next few years. EU regulations stipulate that energy consumption of residential buildings should be reduced by an average of 16% by 2030 and by 20 to 22% by 2035 due to the new EPBD (Energy Performance of Buildings Directive). At the same time, the cost of materials is rising and there is a shortage of skilled labour for implementation. The consequences are delays, rising investment costs, and a too-low refurbishment rate.

One pioneering solution to the challenge of making affordable, climate-friendly living possible is serial refurbishment based on the so-called Energiesprong principle. The principle was developed in the Netherlands in 2013. It involves planning and implementing the refurbishment process as efficiently as possible. While traditionally around 95% of the work involved in energy-efficient building refurbishment takes place directly on the construction

site, with serial refurbishment this figure is only around 20%. All preliminary work, such as surveying and planning, is carried out digitally. Similar to the method used in car manufacturing, most modules are industrially prefabricated, e.g. large-format façade elements. These elements, ready for assembly with integrated windows, balcony doors and building services, are delivered to the construction site where they are simply fitted to the exterior wall like a second skin. This saves on labour and construction time, and significantly reduces disruption to tenants.





TAG launches three pilot projects

Serial refurbishment is an innovative technology, especially in the course of converting residential units in energy efficiency classes F, G, and H to E and better. At TAG, we are blazing the trail as pioneers and are currently trialling the Energiesprong principle at TAG properties in Merseburg, Salzgitter and Delmenhorst. All three pilot projects are at the planning stage: The Central Purchasing and Central Technical teams and the Decarbonisation project team are involved, as well as the LIM departments. Among other things, we will be modernising the energy efficiency of the building shells at the sites, while in Salzgitter and Delmenhorst we are also installing photovoltaic systems on the roofs. We expect the first projects to be completed in the second half of 2024.

The project in Salzgitter shows how serial refurbishment shortens the construction time: The building, built in 1961 with 38 residential units, is due to have its building shell refurbished, the heating and electrical wiring renovated, the balconies renewed, and a photovoltaic system installed. After a six-month feasibility study and planning phase, only three months are scheduled for production and six months for realisation. By comparison, we estimate around 20 months from planning to completion for a conventional refurbishment project with the same volume. This approach reduces the on-site construction time by around 50 to 75 percent.

Advocating for the Energiesprong initiative

TAG is one of the pioneer companies in the German Energy Agency's (dena) Energiesprong initiative. At the 2023 Energiesprong Convention, we shared our experience and approaches to date with other companies.

»Serial building refurbishment is a key technology for overcoming the current and future challenges on the way to a climate-neutral building stock: the shortage of tradespeople, speed, and cost-effectiveness.«

Dirk Förster-Wehle, Head of Central Technical department at TAG



Developing our portfolio responsibly

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 consumption⁶ and around 30% of CO₂ emissions.⁷ The basis of our business activity and a major adjustable in addressing these challenges is our housing portfolio. Within the framework of our core competence, which is active real estate management, 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 [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.⁸

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 technol-

ogy 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 responses to today's key questions relating to 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.⁹ TAG already successfully uses these tools in many of its neighbourhoods and has introduced a tenant app for all tenants.

In 2023, we implemented further digitalisation projects, e.g. in the area of smart technology and serial construction.

Our approach for a responsible development of our portfolio

[GRI 3-3, 303-5]

Key components of our portfolio strategy include optimising energy efficiency, reducing emissions, and eco-friendly resource management. In optimising our portfolio, our long-term aspiration is to have a near-climate-neutral building stock.

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 [Optimising 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). Energy management has numerous advantages; among other things, it lets us manage the supply to our portfolios more efficiently and make optimum use of synergy effects through holistic approaches to modernisation measures.

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. Renewing heating systems is a key variable, because one in

⁶ Federal Ministry for Economic Affairs and Climate Action 2023: Efficient buildings (www.bmwi.de)

⁷ Federal Environment Agency 2023: Energy-saving buildings (www.umweltbundesamt.de)

⁸ Sven Bienert, Alexander M. Groh 2020 (www.gdw.de)

⁹ ZIA/EY Real Estate 2022: Digitalisierungsstudie 2022 (zia-deutschland.de)

three heating systems in Germany is 20 years old or older and therefore no longer works efficiently.¹⁰ 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, such as posting tips for saving energy on our website, to promote responsible use and economical consumption. We also inform our tenants about ways to save resources in brochures. Our staff in the tenant offices on site offer consultation on these matters as well. We also install motion detectors and use energy-saving light bulbs and water-saving plumbing fixtures.

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 2023, we successively reviewed the implementation of measures and the expected target achievement. For instance, at the end of the second half of the year, all responsible persons met with the TAG Management Board to discuss the status of target achievement. As we will be reporting in accordance with the new ESRS from 2024 as part of implementing the CSRD, we will also be adapting our sustainability programme accordingly over the course of the year.

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 sustainability 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 routinely. 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, we have prepared a guideline on this topic to facilitate the implementation of such measures across the Group. Other works of references on other environmental topics 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 soon. Our requirements for ethically and legally impeccable conduct are also anchored in our Business Partner Code (see [↘ Integrity and ethics, fair business practices and compliance](#) section).

The COO and the LIMs and department heads are responsible for property and 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](#). Our subsidiary EWS handles our energy management, functioning 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 our 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 managed by the Central Purchasing department. Specific individual orders are then placed in the LIM regions.

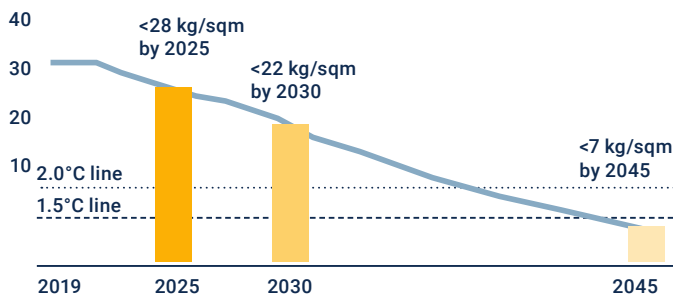
¹⁰ BDEW German Association of Energy and Water Industries 2023: How will Germany heat in 2023 – BDEW study on the heating market (www.bdew.de)

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).

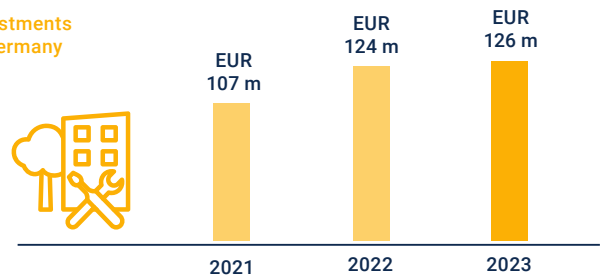
CO₂-emission development (kg/sqm p.a.)



In the year under review, TAG invested approx. EUR 126 million in its portfolio in Germany alone. This served not only to preserve our portfolio and ensure its long-term lettability, but also to advance our development in line with demand and implement projects to reduce CO₂.

In 2023, we spent approx. EUR 86 million on modernisation measures (2022: EUR 87 million), of which approx. EUR 20 million went towards the energy-efficient refurbishment of our portfolio. Another approx. EUR 40 million (2022: EUR 37 million) was spent on maintenance. In all these measures, we always kept our sustainability criteria in mind. Our goal for 2024 is 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 have achieved a reduction in CO₂ emissions by approx. 3,000 t during the period 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 (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 are continuously expanding and making simpler and faster for everyone involved. For instance, in the reporting year we further streamlined the processes for TAG employees to commission tradesmen. We currently process around 56% of delivery volumes in the area of minor maintenance paperlessly via the portal. This figure is lower than in the previous year because in three new TAG regions – Berlin, Hamburg and Erfurt – we outsourced our small repairs management to an external service provider. In the area of vacant apartment refurbishment, the supplier volume in the reporting year was around 73%. For complex refurbishments, we are awarding significantly more contracts to general contractors who cover several trades.

Our goal is to increase the share of framework contract partners in the area of small-scale maintenance to 75%. In the area of comprehensive modernisation measures, around 92% of the investment volume is already being processed using partners with whom we have framework agreements. Going forward, we will continue our efforts to sign framework agreements with more trades- and craftsmen and suppliers and connect them to our craftsman interface.

We also digitised further sub-processes, moving us closer to our goal of near-paperless communication. We intend to handle further work and communication processes paperlessly in future. We were also able to conserve resources in the areas of caretaker services and waste management, through efficient and responsible use of materials, recycling, and waste reduction. Since 2021, our caretakers have been integrated into our ‘mobile flat change’ system, a digital, tablet-based application for carrying out flat inspections and handovers that makes possible an immediate data transfer and downstream processing. In addition to this application, we also prepared to introduce digital vacancy monitoring in

2023. Vacancy monitoring is a building insurance requirement – and we plan to process this via smartphone in future. This will enable us to improve documentation and make it centrally accessible. Moreover, our annual meter readings are now done digitally. This is not only more customer-friendly and efficient, it also saves paper. 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 approx. 49% 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.

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%. 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.

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 optimisations to be made more quickly. 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 2023, approx. 130 heating systems were equipped with this technology. Due to a shortage of tradespeople and the changes to the Building Energy Act, our progress on the conversion has been slower than planned. Our goal is to equip another approx. 185 heating systems with remote monitoring technology by the end of 2024. The focus for now is on EWS's natural gas-powered 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. 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, also continued adding hybrid and electric vehicles to its fleet. 15 new e-cars were registered in 2023, meaning that 27 EVs are now in use. Two hybrid vehicles were also added to the fleet in 2023, bringing the total number of hybrid vehicles to eleven.

We continued our bonus system for reduced CO₂ emissions when purchasing new company cars. As part of our sustainability programme, we regularly review all measures and expand them continuously. In 2022, we developed a holistic mobility concept to better coordinate individual measures and further decarbonise our business operations. Key components of the concept include the introduction of CO₂ limits for conventional company vehicles and concrete implementation targets for the next few years, minimum standards for vehicle operation, a charging infrastructure concept, and an ongoing review of the market for electric utility vehicles.

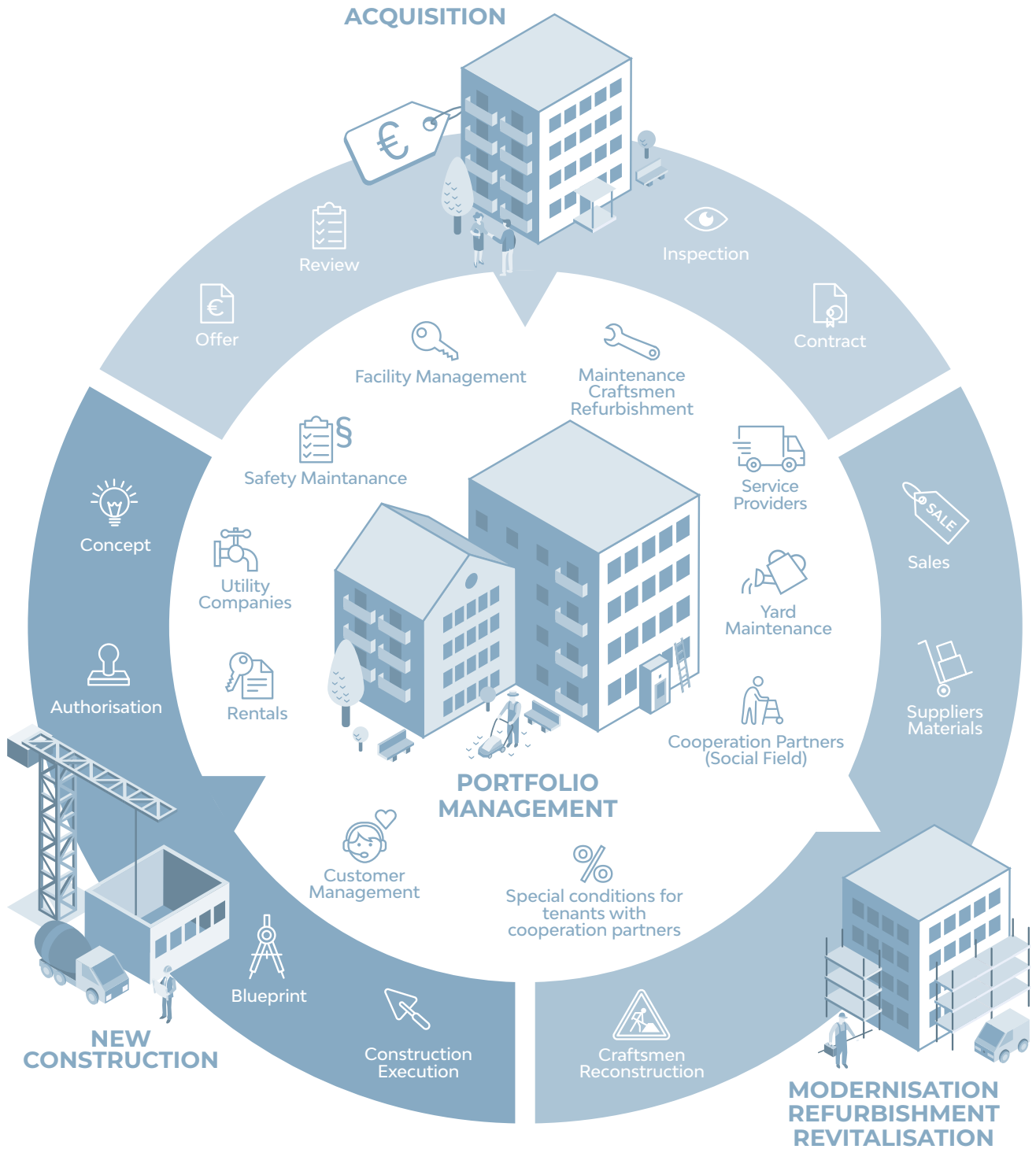
Target evaluation

The operational portfolio ratios of our locations developed positively in the reporting year. Occupancy in our portfolios was high, with vacancy at 4.0 % 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.

The real estate life cycle at TAG



Sustainability in the value and supply chain

Sustainability across the entire life cycle

[GRI 2-6]

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. In the area of building services (HWS), this applies, e.g., to dispersion primer, CV flooring, core skirting boards, joint mortar, plasterboard, sanitary fixtures, and door fittings. We use a standardised process for procurement. We are also always working on finding sustainable solutions for all trades. Beyond this, we 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 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.

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](#) sections) – 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. As needed, 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 handling 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. 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. We piloted the first such contract in 2023, and in 2024 we will revise the model contract that we intend to use going forward. We have started successively integrating the requirements into our construction contracts and tender documents, and will continue the process in 2024.

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 the supplier relationships required for the relevant procurement processes. 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 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.

We regularly review the performance of our relevant suppliers. Central Purchasing carries out the primary assessment according to economic criteria and sustainability aspects.

Our service monitoring forms the second assessment level. On the one hand, our tenants can rate the performance of our subcontractors, and on the other, our employees assess their work. The framework agreements are also continually reviewed, 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, 408-1, 409-1, 414-1, 2-27]

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. 98% 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 our suppliers' strict compliance 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.

The Act on Corporate Due Diligence Obligations in Supply Chains (LkSG) has also applied to TAG since 2024. Accordingly, in 2023 we prepared intensively for the implementation of its requirements. As part of this, we selected a query tool for additional security and assigned initial responsibilities. We will use this tool to question suppliers 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.



98% of our framework contract partners from the region

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. 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. In addition, since 2018, every contract partner has been obliged to comply with our Business Partner Code, which is part and parcel of our contracts. We have integrated our Business Partner Code into the craftsman portal, and it can also 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 example, 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 craftsmen and caretakers 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 and contract relationship as well as to the assertion of claims for damages.

Despite all measures we take, we are aware that we cannot completely rule out violations of statutory labour law standards or social standards, environmental protection regulations, or data protection regulations (including General Data Protection Regulation (GDPR), Federal Data Protection Act (BDSG)) by our external suppliers and service providers. No such violations came to our attention for the year under review.

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 improve 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, we reuse materials that meet the currently permissible standard whenever possible. 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 again later 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.

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 127 litres is how much water the average person in Germany uses per day.¹¹ 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.¹² 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%.¹³ 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 potential, which we are reviewing: ranging from sustainable irrigation to the cooling of the environment and building elements.

In Germany, around 438 kg of household waste was generated per capita in 2022. Household waste (34%) and separately collected recyclables (31%) each accounted for around a third of the household waste collected. Organic waste accounted for about a quarter (27%). The smallest proportions were bulky waste (7%) and other waste such as batteries and paint (0.5%).¹⁴ We want to reduce the amount of household waste in our portfolio wherever possible and have therefore 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 materials is increased (see [Key Figures](#) section).

In Gera, we have operated a consultancy and learning office for waste management since 2015. Here, we offer information illustrating proper waste separation with our TAG environmental ideas. 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, e.g. Delmenhorst, Wittmund, Wilhelmshaven and Bremen, TAG Immobilien Service GmbH has expanded its waste management, especially in the professional disposal of bulky waste, since large housing estates generate vast volumes of bulky waste.

In order to further optimise professional waste management in the housing stock and improve waste separation, we have 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. 300,300 pages of paper – which roughly corresponds to three 25-metre-high spruce trees¹⁵ – through the electronic processing of orders on the craftsman portal (see [Internal measures for more environmental protection](#) section).

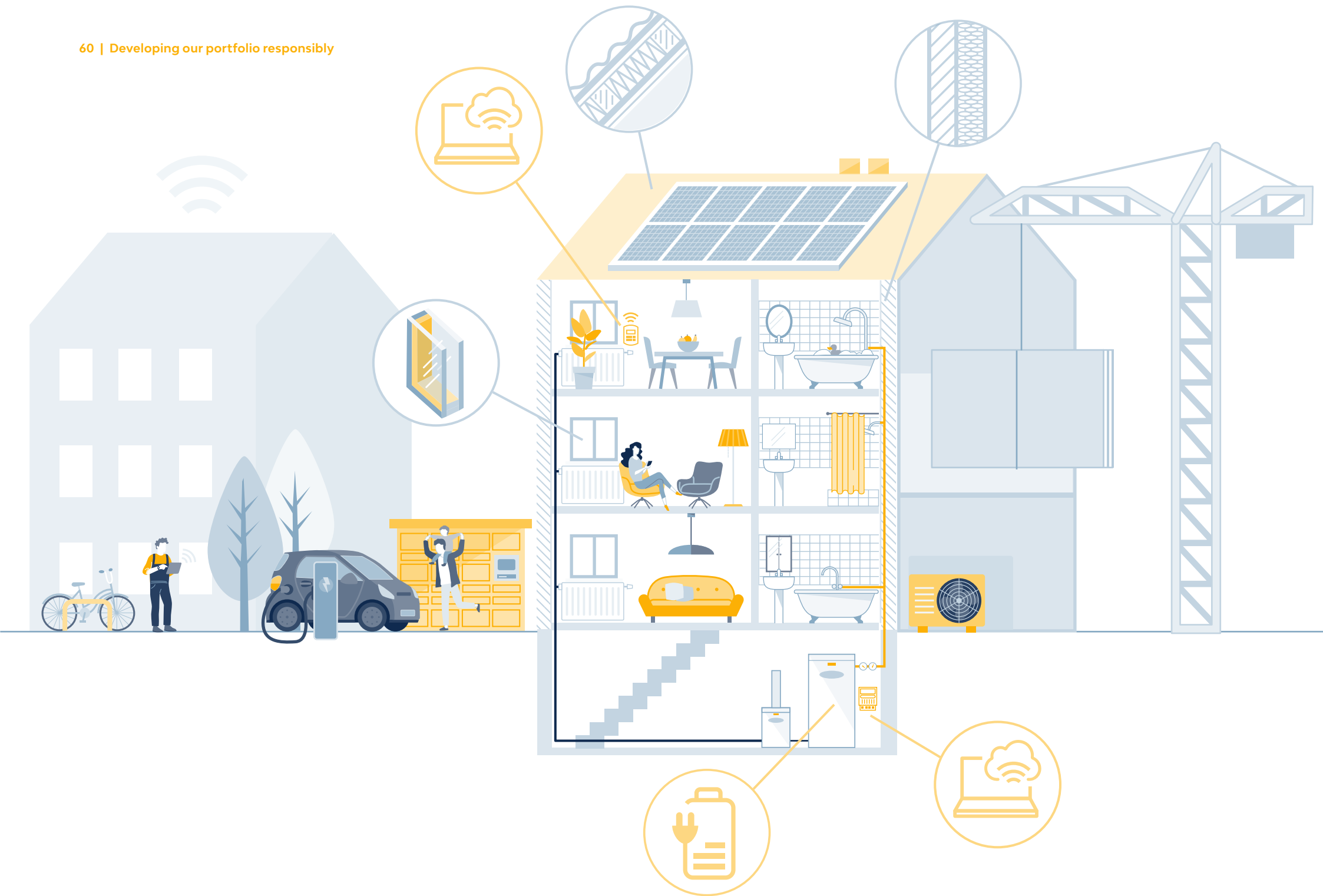
¹¹ co2online: Average water consumption & costs in a household (www.co2online.de)

¹² co2online: Saving water: 10 effective savings measures (www.co2online.de)

¹³ Consumer Office for Energy Advice: Use energy efficiently – Save money (<https://verbraucherzentrale-energieberatung.de>)

¹⁴ Federal Statistical Office 2023: Lowest per capita generation of household waste in 2022 (www.destatis.de)

¹⁵ creapaper GmbH: Interesting facts about paper production (www.graspapier.de)



The 15-minute city: Short distances for high convenience of living

With our Polish subsidiaries ROBYG and Vantage, we are building up a residential property portfolio in Warsaw, Wrocław, Poznań, Gdańsk, Kraków and Łódź. In so doing, we create liveable neighbourhoods and fulfil the demand for high-quality living space in major cities, as these two examples show.

61 residential buildings, 174,763 square metres of usable living space, nearly 4,000 flats: This is 'Lawendowe Wzgórze' (Lavender Hill), a new housing estate in the Jasień district of Gdańsk, developed by our subsidiary ROBYG and tailored to the needs of urban residents. ROBYG has been building and expanding the neighbourhood for more than 14 years. The last remaining flats were handed over to their new owners in 2023.

Located on the outskirts of Gdańsk, Jasień is one of the city's most dynamically developing neighbourhoods. It attracts people who want to combine urban life with high-quality living in green surroundings, embedded in an optimised infrastructure. Lawendowe Wzgórze is based on the concept that all everyday facilities should be reachable on foot or by bike within 15 minutes. The lively goings-on in the neighbourhood reflect this reality.

Families will find plenty of playgrounds, nurseries and schools, shops and medical facilities here. And weekend excursions to the nearby recreation area can start right on the doorstep. For those who like to get on their bikes for this – or in everyday life – there are bike storage rooms and bike repair stations. Lawendowe Wzgórze is well and sustainably connected to the rest of Gdańsk by a tram line newly developed by the city, and the bus network.



Ecological aspects were also important in the development of the neighbourhood: in addition to 14 hectares of green spaces with flower meadows, shrubs and trees, ROBYG created several rain gardens to minimise the amount of water fed directly into the rainwater drainage system and thus the risk of local flooding during heavy rainfall.



Rental flats for young people

Contemporary rental flats are in demand in Poland, especially in the major cities. To date, supply has been rather low. With the development of the 'Skowrońskiego 4' residential complex in Poznań, our second subsidiary Vantage is driving the expansion of the rental property market in Poland and meeting the demand, particularly among the younger generation, for a high-quality temporary home.

Vantage provides prospective renters with 205 modern flats in the complex: from studios to three-room flats, equipped with furniture and household appliances. For the residents, the proximity to all key everyday facilities creates a high quality of life. Vantage promotes neighbourly interaction through tenant events.

The concept and construction also promote sustainability: The Skowrońskiego building has an A energy rating. High-quality windows and insulation materials minimise heat loss, solar cells are installed on the roof, LED lights provide light in the communal areas and Vantage supports sustainable mobility with charging stations for electric cars.

Overall, we are planning to build a rental flat portfolio of around 10,000 units in Poland in the medium term.

»We want to make rental flats just as attractive as owner-occupied flats. This applies both to the living space itself and to the entire infrastructure, which follows the '15-minute city' concept,«

explains Anna Wojciechowska, Head of ESG ROBYG & Vantage, Poland.

Resource conservation in new construction

[GRI 303-4]

In Poland, we start conserving 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.

Ongoing efforts for more biodiversity

[GRI 3-3]

The management of our outdoor facilities and green spaces is carried out according to defined quality standards and processes. More than 90% of the portfolio is now managed by TAG Immobilien Service, which is also responsible for maintaining the green spaces. In the reporting year, we managed around 3 million sqm of green spaces in total. We have concluded framework agreements for the care and maintenance of the approx. 41,800 trees in our portfolio as well. We make green waste available to local waste disposal companies, biogas plants, and regional farmers for further processing.

By organising tree planting campaigns e.g. in Salzgitter, we have reintroduced old ornamental trees such as the crab apple. And by creating orchards or insect meadows in our neighbourhoods, we also contribute to the preservation of habitats for animals and plants. Here, we primarily work with local partners. In the reporting year, we redesigned further outdoor spaces to provide habitats for insects, small animals, and birds. In the Mueßer Holz district of Schwerin, for example, we have continued the transformation of a 2,500 sqm meadow into a leafy garden. In the Lusan district of Gera, bee colonies are active in our flowering meadows and provide the raw material for 'TAG Wohnen honey'. 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, so that we currently have high-biodiversity areas totalling around 45,000 sqm in our portfolio in Germany. Expansion of these measures to further locations and the development of optimal utilisation concepts are planned.

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 maintaining the green spaces cared for by our TAG Immobilien Service, we are also increasingly using battery-powered tools, such as leaf blowers and brush cutters, thus reducing emissions.

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 ensuring that road safety requirements are met. 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 our 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.¹⁶ In 2023, with a view to the effects of climate change, we developed a recommended course of action for the property departments, in which we encourage them to plant climate-resistant trees.



Over **42,000 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, already 2021 we worked with an external engineering company to develop a decarbonisation strategy for our German portfolio 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).

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. 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.¹⁷

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.

An important role in achieving this goal is our subsidiary EWS, which ensures professional energy management for the TAG 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 2021.¹⁸ 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 about 49% of our portfolio with heat and hot water (approx. 41,100 units as of 31 December 2023), and is responsible for maintaining and modernising the heating systems.

EWS performs functional checks, maintenance, and efficiency audits of 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. After a total of 104 heating centres were professionally modernised in 2022, another 41 were modernised in 2023, meaning that we fell short of our goal of converting 100 to 120 heating centres in the reporting year. On the one hand, this was due

¹⁶ ForTomorrow gGmbH 2024: How much CO₂ does a tree store per year? (www.fortomorrow.eu)

¹⁷ Our total real estate area is around 5.1 million sqm (as at 31 December 2023). We use around 25,900 sqm of this for our administrative activities. This corresponds to around 0.5% of the total area. This means that – from our perspective – 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

¹⁸ Federal Statistical Office 2021: Distribution of energy efficiency classes for properties in Germany in 2021 (<https://de.statista.com>)

to a lack of available tradespeople. On the other hand, we had to prioritise other energy issues, such as those resulting from the multiple amendments to the Building Energy Act. In our modernisation efforts, we predominantly relied on the regionally available supply infrastructure. We converted 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.

As part of the decarbonisation strategy, our declared aim is to fast-track the conversion of heating systems from natural gas to district heating, and to use existing infrastructure to reduce the primary energy factor and CO₂ emissions. We are in talks with various suppliers to this end. The modernisation measures taken to date 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, including in smaller inventories such as Meiningen und Senftenberg in 2024. 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.

The expansion of our central database creates greater transparency. This allows us to evaluate data in a more targeted manner, detect errors more quickly, and take immediate countermeasures if necessary. A central database will also facilitate cross-divisional cooperation and coordination between the decarbonisation team, our subsidiary EWS, and the technicians from the LIM regions and Central Technical department 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 Technical department 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 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 further 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. 130 heating systems were equipped with remote monitoring.

In 2023, we developed new energy concepts for the refurbishment of heating systems based on the repeatedly amended requirements of the Building Energy Act. In Magdeburg, for example, many smaller heating systems will be converted to nine larger heating centres that use gas heat pumps. The heat pumps are supplemented by peak load boilers that run on natural gas. In this way, high flow temperatures can be achieved and the properties supplied with sufficient heat. Plans are also underway to convert the heating systems in Gera using the principle described above. For our properties in Elmshorn, which are currently heated with natural gas, and the oil heating systems in Kolkwitz, we have already concluded a contract with an external contractor for the conversion to a local heating supply with wood pellets in 2021. Implementation is scheduled for 2024.

We also implemented the regulations to secure the energy supply in 2023. In addition to hydraulic balancing of the heating systems we also further optimised the energy efficiency of the systems by readjusting their controls, reducing the flow temperatures, and installing a night shut-off function.

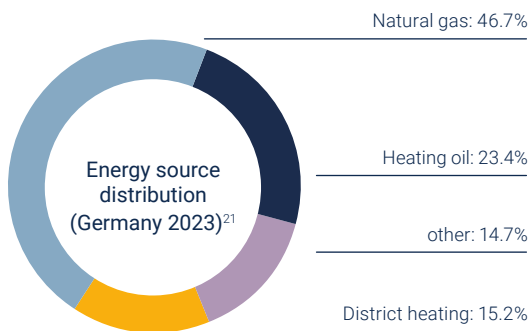
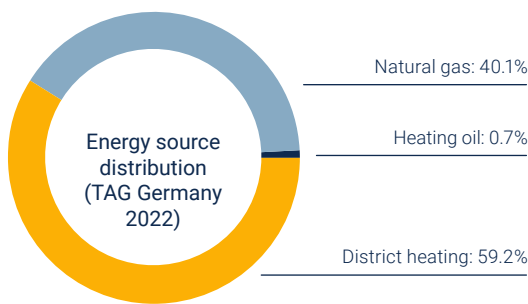
According to a recent BDEW study, around 46.7% of the almost 42 million homes in Germany are heated with gas, 23.4% with oil, 15.2% with district heating and 5.7% with electric heat pumps.¹⁹ The remainder is made up of other heating systems such as electric storage heaters or pellet-fuelled central heating systems. Property companies therefore have a special responsibility for the success of the heating transition. They are also called upon to convert existing buildings that are currently heated with oil or gas to climate-friendly heating systems. We are setting a good example here.

For this report, we evaluated the actual heat and electricity consumption (for heating) of our entire portfolio²⁰ in detail by energy source for the year 2022. We will report on the consumption data for 2023 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.

¹⁹ BDEW German Association of Energy and Water Industries 2023: How does Germany heat in 2023? – BDEW study on the heating market (www.bdew.de)

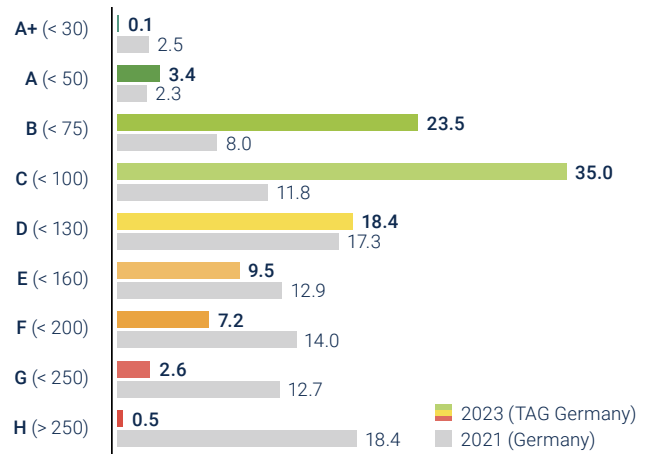
²⁰ Portfolio 2021 without condominiums and properties held for sale

As of the reporting date 31 December 2022, 59.2% of the units in the entire 2022 portfolio were heated with district heating, 40.1% with natural gas, and 0.7% with heating oil. Energy consumption in relation to floor space including proportionate general electricity was of 136.6 kWh per sqm on average in 2022 (energy intensity), and has thus improved further compared with previous years (2021: 143.5 kWh per sqm of floor space). The calculated CO₂ emissions (CO₂ equivalents) dropped by 1.1 kg CO₂eq per sqm within one year to an average of 29.4 kg CO₂eq per sqm (2021: 30.5 kg CO₂eq per sqm of floor space). This is attributable, among other things, to refurbishments and heating system modernisations in our portfolios.



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 also improve the energy efficiency of our buildings. Based on the energy performance certificates for our portfolio (as of 31 December 2023), the average energy efficiency is 109.8 kWh per sqm of floor space (31 December 2022: 109.1 kWh/sqm). Around 62% of our flats currently have an energy rating in energy efficiency class C (below 100 kWh/sqm) or better.²² 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. The aim is to reduce the average primary energy consumption of the residential building stock by 16% by 2030 and by a range of 20% to 22% by 2035. The focus here is on buildings with poor energy efficiency.²³

Energy certificates Germany



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.

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 also 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 by installing motion detectors and energy-saving lamps, among other things.

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.²⁴

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. Tenants can view their consumption and the costs incurred

²¹ BDEW: How does Germany heat in 2023? (www.bdew.de)
²² Due to portfolio adjustments, the figures have risen slightly compared to the previous year.
²³ Bundesarchitektenkammer e. V.: (German Federal Chamber of Architects) EU Buildings Directive (EPBD) (<https://bak.de>)
²⁴ Requirement for new heating systems from 2024: 65 percent renewable energies: VKU

via an app. 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 the German Energy Agency (dena). Three pilot projects are currently at the planning stage, with the first project completions scheduled for 2024 (see also highlight page [➤ Speeding things up with serial refurbishment](#)). The cooperation with dena also enables us to react more swiftly to changes in the funding landscape and obtain additional funding to refinance energy refurbishments. Training our own in-house energy consultants in the previous year also resulted in flexible, in-depth energy footprinting of planned energy refurbishment projects in the reporting year.

In supplying our buildings with energy, we made further progress in the use of resource-saving systems technology. We are planning an exemplary combination of climate-friendly building technologies at our office location in Gera, where we will switch to district heating, install a photovoltaic system with battery storage, set up e-charging stations for our own vehicle fleet and provide employees with a bicycle garage with charging facilities for e-bikes.

Reducing emissions in new construction

[GRI 305-5, CRE 8]

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 our rental properties. Depending on the space available on the building roofs and their potential for using solar radiation, PV systems with an output of 6.7 kWp to 53.2 kWp are in operation. The average installation capacity is 28.4 kWp. The electricity generated in this way is primarily used for common areas such as hallways and stairwells, and building services.

For example, photovoltaic panels were installed at our 'Buforowa 89' residential project in Wrocław from 2020 on,

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 reporting year, we also installed PV systems in our Port Popowice neighbourhood and designed the ventilation system in the apartments in such a way that it is powered by the energy generated by the modules. This enabled us to reduce the building's primary energy consumption by nearly 13% – from the forecast 94.5 kWh/sqm per year to 82.8 kWh/sqm per year.

From 2025, the energy consumed on construction sites in Poland is to come entirely from renewable sources. To this end, we are gradually putting our commitment to only purchase certified green electricity for our construction sites into action. In 2023, we therefore launched an internal Group programme to install PV systems to power our construction sites. The electricity generated by the modules will be used for both the offices and the construction sites.

Our lighting concepts also serve to save emissions in new construction. Elements of the concepts include energy-efficient LED technology as well as motion and twilight sensors, and zoning of the lighting in the stairwells. Wherever possible, we work with natural lighting. 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.

Our 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 solar panels, heat pumps, triple-glazed windows and anti-smog ventilation, environmentally friendly external insulation, or smart home systems were installed per neighbourhood in all new-build projects in the sales portfolio. From 2024, these will be systematically applied to all new-build construction projects. The following energy-saving measures, among others, were already implemented in the rental projects in the reporting year: ventilation with heat recovery, elevators with energy recovery, installation of triple-glazed windows and solar blinds, equipping the apartments with energy efficient household appliances. In addition, six residential complexes in the letting portfolio already have charging stations for electric cars, which corresponds to 46% of the portfolio.

Vantage Rent's Eco online service has been in operation since 2022, providing tenants with information and practical advice on how to save on utility costs or use household appliances in an environmentally friendly way. Tenants also have remote access to data on their individual consumption of hot and cold water and central heating.

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 also reviewed 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 consumption. In the reporting year, we extended this to other locations and increased the total amount of 100% certified green electricity from about 1,000,000 kWh to about 1,500,000 kWh. Thus, around 80% 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 ensure the return of waste paper for 100% raw material recovery by cooperating with partners. The digitalisation of processes and reduction of printed documents resulted in being able to reduce for example our consumption of copier paper by nearly 33% 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. Even since the end of the pandemic, digital channels have been used more intensively, resulting in fewer business trips being made. We expect this trend to continue. Especially in the Company-wide projects 'Mission Future', 'WE Culture' or 'Teamworker', 'Triple E' and on 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.

We also provide our employees with personal vehicles or pool cars for the performance of their official duties. In 2022, we developed a company mobility concept in order to expand the range of environmentally friendly vehicles. Based on this, we were able to further increase the share of electric and hybrid vehicles in our fleet during the reporting year. 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. Approx. 10% of our employees already take 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 2023, 1,937 business trips were made by train (2022: 1,235). The number of kilometres travelled by train thus increased from around 340,000 to 360,000. Nevertheless, train use continues to be 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, trade- and 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 5.3% compared to 2022. However, due to the increased proportion of electric vehicles in the fleet, the average CO₂ emissions per kilometre driven were reduced. If the final energy consumption including the upstream chain is taken into account, we consumed around 219,000 kWh less energy in the reporting year through rail use compared to cars and thus saved around 78,000 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. To this end, we carried out a pilot project at the construction stage. We will adopt the findings for 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, 307-1, 2-27]

No violations of environmental protection laws or regulations came to our attention during the reporting year.

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](#) is posted on the TAG website. Implementation of our environmental protection targets is reviewed at least once a year.

Our principles and guidelines apply 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 monitored, in coordination with insurance reports and assessments by the regional managers (LIMs). Should permanent changes in risks or their hazard potential become apparent, we would adjust our risk management 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 continued our climate scenario analysis with the support of a research partner. We were able to complete the physical risk analysis in January 2023, and by mid-2023, transitory climate risks for the overall portfolio had been analysed and assessed on the basis of four climate scenarios. The results are described 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 again during the reporting year. This includes, for example, rainwater harvesting systems and photovoltaic. 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.

Climate regulation measures also play an important role in new construction. In the reporting year, for example, we created around 86,000 sqm of green spaces, shrubs and flower meadows and planted more than 800 trees as part of the new-build projects in Poland. In addition, around 25,000 sqm of green roofs were created, as well as some 6,500 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. This is also how we ensure that our road safety obligations are met (see [Health and safety](#) section).



Our responsibility to society

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 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 2023, these challenges continued to include the energy crisis, along with inflation.

Demographic change requires 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 Germany's Federal Statistical Office, the number of people over the age of 67 in the country is expected to rise by around 22% to 20 million by 2035. To ensure that the elderly 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.²⁵ Such modern, greenhouse gas-reducing infrastructure is 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. There are many reasons for this, including housing shortages and rising rents.²⁶ Rents in large cities have risen continuously since 1995, as the development of the rent price index shows.²⁷

In this challenging environment, as 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 and cultural 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 foundation, the **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 more than EUR 475,000 in funding to eight charitable organisations.



The energy crisis continued to cause uncertainty among our tenants in 2023. 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, help 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 continued our involvement in aid for Ukraine. For instance, we initiated the translation of important information for displaced persons from Ukraine at our major locations such as Gera and Salzgitter.

Our projects in Poland influence urban development as well as the quality of life of our neighbourhoods' residents. The Group's new-build activities affect the existing space and the immediate external environment. On the one hand, this refers to the construction of buildings and associated infrastructure such as playgrounds, roads, footpaths, cycle paths, or recreational areas. On the other hand, it refers to our Company's community engagement – 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 particu-

²⁵ Federal Statistical Office: Demographic change in Germany: Causes and consequences (www.destatis.de)

²⁶ Federal Institute for Population Research 2022: Migration losses in cities reach the high level of the 1990s (www.bib.bund.de)

²⁷ Federal Statistical Office 2024: Development of the rental price index for Germany in the years from 1995 to 2023 (<https://de.statista.com>)

larly strongly involved in supporting Ukrainian refugees. In 2023, too, we supported charities in Poland that assist victims of the war in Ukraine. We always translate important information, e.g. that is published on our polish website, into Ukrainian as well.

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](#) 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 2023, average rent across our residential units was EUR 5.71 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 the ten regions where we are active 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 reallocation of responsibilities gives our local real estate management teams more time to provide personal support, and has already led to better accessibility and more efficient processing of tenant concerns. The aim is to further reduce processing times while still delivering good service. Quality management and random tenant surveys also help us to continuously improve our processes. 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 job 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. The last portfolio-wide tenant survey was conducted in 2021, and the next is scheduled to take place in 2024. Location-specific random tenant surveys are conducted at our larger locations as part of our service provider monitoring. 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 being used by around 35% of our tenants by the end of the reporting year (as of December 2023), and via social media. We also received positive feedback in the fairness study jointly conducted by FOCUS MONEY and ServiceValue²⁸: Tenants were asked to rate their housing company based on 32 criteria. TAG received a 'good' rating in five categories: fair residential brokerage, fair tenant support, fair rental costs, fair tenant service and high sustainability.



More than $\frac{1}{3}$ of 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 in the areas of facility management, customer management, and IT.

In Poland, too, customer service is a top priority. At present, home buyers still form a larger customer group than tenants. Going forward, the focus in Poland will be more on portfolio management. Both buyers and future tenants are advised and supported by experienced, qualified employees. We place great value on transparency and a trustful partnership. We work with qualified teams to continuously improve the quality of service before and after the contract signing. Beyond this, we strive to ensure that the products we provide for purchase or rent are manufactured to a standard that is safe and meets our customers' expectations.

²⁸ FOCUS Online 2024: Fair Housing Study (www.focus.de)

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 again invested around EUR 126 million in our portfolio in Germany alone (2022: EUR 124 million) (see [↗ Continuous investments for a competitive portfolio](#) section, as well as [↗ Annual Report 2023](#)). In 2024, investments at a similarly high level are planned, to further advance the decarbonisation of our portfolio.

Besides 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 65.²⁹ Almost one third of the elderly live alone.³⁰ At the same time, however, the number of disabled-access dwellings is still very low: Only about 6% of flats and single-family houses in Germany are disabled-accessible, according to the findings of the Federal Statistical Office's microcensus supplement 'Housing'.³¹ According to calculations by the Cologne Institute for Economic Research, the demand for age-appropriate housing will exceed supply by around two million by 2035.³²



Only about **6%**
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 garages for wheelchairs and walkers. At

the Görden site in Brandenburg an der Havel, for example, we carried out a complete renovation of an ensemble of pre-war buildings, and converted the outdated buildings into modern but still affordable residential spaces. The result is eight different types of flats, some of which are barrier-free. One building contains exclusively age-appropriate flats. In 2023, we handed over a refurbished building with assisted living units, a nursing home, a doctor's surgery, and physiotherapy facilities to the users and completed the outdoor facilities.

In 2023, we also completed the refurbishment of the residential terraces on Pferdebahn in Döbeln and implemented further refurbishment measures in Feldstrasse in Stadtilm, among other places. This has created flats for young and older people. The barrier-free flats on the ground floor all have floor-level showers, making them particularly suitable for senior citizens.

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.

In all LIM regions, we work with outpatient care providers, to enable our tenants to remain in their living quarters and thus in their trusted environment for as long as possible. We plan to expand these jointly provided outpatient services in the TAG properties and also establish day-care facilities in the residential neighbourhoods. In Gera, for instance, we cooperate with the city in the 'AGATHE' programme. The AGATHE team supports senior citizens who live on their own with a free advisory service.

In many university towns like Erfurt, Gera, Halle, and Weimar, we offer housing for young people under the 'Junges Wohnen' 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 we have created new furnished apartments in Gera as well, all of which are in great demand. On our website under [↗ Junges Wohnen](#), interested parties can find detailed information on the various locations and special promotions – including offers from the cities, such as relocation assistance or welcome subsidies. We also discuss housing requirements

²⁹ Federal Statistical Office 2023: Demographic change: Proportion of the population aged 65 and over increased from 10% to 22% between 1950 and 2021

³⁰ Federal Statistical Office: Living arrangements of older people (destatis.de)

³¹ Federal Statistical Office 2023: Seniors live in almost one in three households in Germany (destatis.de)

³² Cologne Institute for Economic Research 2023: Age-appropriate housing – an underestimated challenge for politics and society (www.iwkoeln.de)

with students on University Days, e.g. at the Gera-Eisenach University of Applied Sciences. This enables us to create suitable offers based on the feedback and increase the number of apartments for young people in the neighbourhood.

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 (for more about disabled access in new-build flats, see below). 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. In addition to the flats, parking spaces and an extra storage room in the building can also be rented.

Some offers are primarily aimed at young people for whom low prices and transport links to universities and the city centre are important. Other offers are designed to satisfy customers with higher demands in terms of location or a high standard of furnishings.

Affordable housing

Compared to the rest of the EU, Germany has the highest proportion of tenants: One in two people in this country lives in rented accommodation.³³ For many people, monthly housing expenses makes up a large proportion of their living costs. Tenant households in Germany spend an average of around 27.8% of their disposable household net income on gross rent. Around 16% of the population in tenant households are considered to be overextended, i.e. the rent burden exceeds 40% of their disposable household net income.³⁴



More than every second person
(50.5%) lived for rent 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. Rents in our German portfolio increased moderately year-on-year. The monthly average net cold rent in our existing flats was EUR 5.71 per sqm (2022 EUR 5.64 per sqm). The price per square metre for newly let properties was EUR 6.02 per sqm per month (2022: EUR 5.86 per sqm). This puts our rent level across the portfolio significantly below the average net cold rent for medium-size German cities with populations of up to 100,000, of EUR 6.90 per sqm.³⁵ 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 kept our vacancy at a low level again in 2023. The vacancy rate in the residential units in Germany was 4.0% at the end of the year after 4.5% at the beginning of the year. Across the whole portfolio, i.e. including the commercial units included in the overall portfolio, the vacancy rate as at 31 December 2023 was 4.3%, compared to 4.8% at the end of 2022. In most regions, our vacancy rate is significantly lower than the average vacancy in that municipality. We see this as proof that we strike the right balance between market development and socially responsible rents. By also granting discounts for the use of specific premises or waiving the rent entirely, e.g. for tenant get-togethers, we create additional social benefit.

 With **EUR 5.71 per sqm**
we offer affordable living space for
broad sections of the population

³³ Federal Statistical Office 2022: Germany is the No.1 tenant country in Europe (destatis.de)

³⁴ Federal Statistical Office 2023: Households spent an average of 27.8% of their income on rent in 2022 (destatis.de)

³⁵ Federal Statistical Office 2022: Net cold rents in large cities are on average 30% higher than in rural areas (destatis.de)

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, e.g. if the annual utilities accounting has resulted in a large additional payment. Tenants can find information on this on the TAG Wohnen website. Providing this support enables us to keep our tenants in our portfolios even in the event of temporary financial shortfalls. In light of the increase in gas and electricity prices, we have also made social management part of the customer management department, so that we can address the matter with the tenants at an early stage.

Long-term tenancies are also an expression of our tenants' satisfaction. As in the year before, the average lease term in 2023 was 10.3 years. At 31 December 2023, around 37% of our rental contracts had a term of more than ten years (31 December 2022: 37%).



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, or Gera made frequent use of the service in 2023.

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 provide help in this area as well, and initiate appropriate steps if the tenant wishes. In this way, our tenants can receive help 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., or the Arbeiter-Samariter-Bund (Workers Samaritan Federation Germany).

Overall, around 2,870 (2022: 2,500) of our flats were disabled or wheelchair-accessible in the year under review. Approximately 14,550 (2022: 14,400) flats are now accessible by lift. On request, we set up wheelchair garages or lockers for our tenants' walkers. These facilities are often 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. For instance, TAG 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 in 2024, and are looking into expanding the programme to Merseburg and Döbeln as well. Seniors at both locations were already able to test Elmo at the inauguration of the Sempers association's recreational centre.

In Gera, where services are particularly relevant for senior citizens, 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 Poland, too, the issue of accessibility plays a major role when investing in the sales and rental portfolio. For every new build, accessibility approaches are reviewed and are incorporated into the building design, for example through lifts, Braille signage in lifts, voice announcements, and specially designed flats. We eliminate thresholds, install more spacious bathrooms, and place switches at lower heights. Each flat has a balcony, terrace or garden, accessible without any steps or with only a small step. In addition, in accordance with Polish regulations, there is a flat in every newly constructed

building that is specially adapted for people with disabilities, i.e. with wider doorways, no thresholds, and a disabled bathroom. Most buildings have underground car parks with disabled parking spaces.

In our residential neighbourhoods in Gera, Berlin, Chemnitz, Erfurt, Cologne and Leipzig, we have set up 54 lockers (parcel stations) for our tenants, supplemented by 49 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 door-step delivery, 'last mile' delivery to a parcel station saves an average of around 30% CO₂.³⁶ For this reason, we also concluded a new cooperation agreement with Deutsche Post for the construction of DHL parcel stations in 2023. Site inspections are currently underway in the TAG neighbourhoods. Amazon drivers across Germany can already open front doors in TAG neighbourhoods using a mobile phone code, known as 'Key for Business', making it easier for them to deliver parcels.

Convenient 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 groceries that do not meet retail standards. 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. These boxes contain precisely portioned ingredients and recipes for various dishes to cook yourself. Regional ingredients are preferred, and their distribution is largely climate-neutral. In 2023, we also entered into a partnership with Every Food. Every Food delivers purely plant-based frozen food.

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. In total, we maintain more than 270 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. In the reporting year, these included the spring clean-up at Berliner Platz in Erfurt, which marked the kick-off event for the annual World Clean-up Day. In Salzgitter, a fruit tree planting campaign was organised with a local tree nursery.

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. They include the delivery robot Robbie for senior citizens in Eichenhof in Gera. 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 Gera Senior Citizens' Advisory Council, and completed it in 2023. In the KIMI project, young people ages 15 and older with a scooter driving licence can borrow an Opel Rocks-e free of charge at two stations in Gera-Lusan. We are currently planning a similar project with Opel in Salzgitter.

We cooperate with the car-sharing providers Flinkster and teilAuto across our portfolio. We have set up corresponding locations in Dresden, Erfurt, and Salzgitter, for example. Tests are currently underway with teilAuto for another location in Erfurt and a new location in Dessau. At the Buchfinkenweg site in Leipzig, we cooperate with the e-scooter provider VOI. We are also planning or have applied for charging stations in Rostock, Merseburg, and Gotha, among other places, in an effort to enhance e-mobility for our tenants. In the reporting year we were able to start with the implementation at one location in Gera. We promote the use of bicycles by setting up bicycle service stations. We were able to set up two stations in Gera in 2023, and in 2024, a bicycle service station is to be built in Gotha as well.

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 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 were published in 2023. Among other things, they were incorporated into an electromobility concept for our residential neighbourhoods that we developed in 2023.

³⁶ Deutsche Post DHL Group 2022: Yellow on the outside, green on the inside (group.dhl.com)

We received a grant from the Federal Ministry for Digital and Transport for this.

We are also in talks with the city of Erfurt and other landlords about planning Thuringia's first subsidised mobility network to strengthen mobility services and for jointly planning charging infrastructure.

We continued our cooperation with the Verkehrsclub Deutschland (German Transport Club, VCD) again in 2023 and jointly discussed the delivery robot project in Gera, e.g. We plan to continue working with the VCD to create effective incentives for reducing the use of private cars and promoting environmentally friendly mobility behaviour. Among other things, the VCD is in talks with the LIM regions to this end.

Autonomous electric vehicles, such as the self-driving shuttle bus "EMMA" from our already completed pilot project in Gera-Lusan, could improve urban transport in the future and help in everyday life – e.g. as support for short journeys that are nevertheless difficult for older people; facilitating night-time commutes; and being able to plan individual journeys more effectively.

Good local supply also promotes the sustainable development of residential areas. We were able to recruit a local REWE store in the residential neighbourhood of Gera-Lusan as a direct cooperation partner for our 'Vertrautes Wohnen' (BeHome) smarthome project, which also allows for integrating delivery services.

In Poland, we are committed to environmentally friendly transport development and include access to public transport in our neighbourhood planning. We follow the concept of the '15-minute city'. 97% of ROBYG housing estates are built according to this concept. ROBYG has already been recognised for this.

We always build according to the Human Balance Standard, a standard developed by ROBYG that features special solutions to improve the quality of life of the neighbourhood's residents. It comprises eleven solutions that promote movement, build social connections and focus on short distances in the neighbourhood. In addition to low-barrier design, these include good transport links and micromobility services, sports facilities and playgrounds, co-working spaces, nearby schools and day-care centres, as well as everyday amenities. New buildings are regularly constructed near a public transport stop that is served by at least two lines. Alternatively, there is a railway station nearby that is served by at least one line. Our investments also include bicycle stands and an optimum number of parking spaces that meet the requirements of the public land use plan.

We also 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. We are also supporting the expansion of bus, tram and road infrastructure in consultation with the city administration. In 2023, for example, we helped build a sports field for a complex of nearly 900 flats in Gdańsk, a public road including street lighting, footpaths and cycle paths, public car parks and trees in Warsaw, and the reconstruction of the water supply network including a rainwater drainage system as well as the construction of traffic lights near a residential complex in Wrocław.

We support sustainable transport development e.g. by sponsoring bicycle stations in the Wrocław City Bike network. 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, as will the establishment of bicycle repair stations. So far, close to 1,200 bicycle parking spaces have been created through the installation of bicycle racks, bicycle rooms, and bicycle garages in the rental inventory alone; and more than 2,100 in the for-sale inventory.

For a future-proof portfolio

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

The market for smart home products has been growing steadily in Germany since 2017. According to the Federal Statistical Office, sales of around EUR 8.0 billion are expected in 2024, with the market volume rising to around EUR 11.3 billion by 2028. Accordingly, the proportion of households with smart home technology will continue to grow and is expected to reach 44.9% in 2024 and exceed 90% by 2028.³⁷ For us, too, investing in smart home technology is another pillar in our future-oriented portfolio development (see [↗ We are your contact for all housing-related matters](#) section). Following the success of our pilot projects in Cologne and Döbeln, we expanded our smart home measures in 2023. In addition to smart assistance and emergency call systems, the topic of energy savings also plays an increasingly important role.

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. For this reason, we jointly launched the pilot project 'Vertrautes Wohnen' with Better@Home Service GmbH in Gera in 2020, with the involvement of the East Thuringian chapter of Caritas and the Kassenärztliche Vereinigung Thüringen (Association of Statutory Health Insurance Physicians of Thuringia). As part of the 'Vertrautes Wohnen' project, we offer everyday support, especially for seniors, 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. 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, such options support businesses in the region.

In Gera, we successfully implemented the 'Vertrautes Wohnen' platform. More than 80 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 2023, we advised more than 100 interested parties. The assistance

system is part of the SMARTCity Gera project, under which Gera is promoting progressive projects that contribute to the digital networking of citizens, service providers, and institutions in the city. TAG continued to support the SMARTCity project in 2023, in particular by maintaining a showroom in the neighbourhood.

We have since introduced the 'TAG Vertrautes Wohnen' service in Eisenach, Sangerhausen and Salzgitter as well, followed by Hermsdorf and Merseburg in 2023. In Erfurt, a joint project with the city of Erfurt, BeHome, and other housing companies will begin in 2024, in which we will present the smart assistance and emergency call system to residents in the large residential neighbourhoods.

In cooperation with the company Dimeko, we also offer seniors in Gera the opportunity to obtain a 'digital driving licence' for mobile phones and tablets, making 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.

In the 'TAG Vertrautes Wohnen' consulting sessions, it emerged that some tenants are worried about affordability – which is why we work with our cooperation partner to offer discounts, e.g. introductory specials. We have also set up a separate mailbox for questions about this. The project is 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 seniors, and when newly letting flats to senior citizens.

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.

In Poland, modern technologies such as the 'ROBYG Smart House by Keemle' home management system are offered as a standard option in our sales portfolios. It features 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 20,000 flats have already been equipped with this smart house solution, including around 3,200 in 2023 alone.

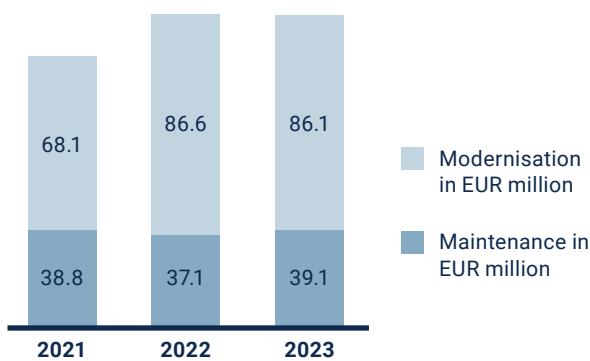
³⁷ Federal Statistical Office 2023: Smart Home – Germany (de.statista.com)

Continuous investment for a competitive portfolio

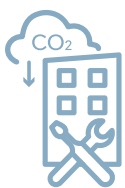
[GRI 3-3, 203-1]

In Germany, we reinvested EUR 125.8 million, again roughly a third of our rental income, in our properties by means of modernisation and maintenance during the reporting year. This puts our investments approximately on par with the previous year's level. At EUR 86.1 million, the share for modernisation was marginally down from the previous year's value (EUR 86.6 million). We spent EUR 39.7 million on maintenance measures (2022: EUR 37.1 million). We expect further cost increases for materials and services in the years ahead. Nevertheless, we plan to keep investing in our inventory 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.

Investments Germany



In Poland, approx. EUR 315.7 million (2022: EUR 373.5 million) was invested in the construction of new flats in the reporting year, of which EUR 63.7 million (2022: EUR 137.2 million) was invested in projects designed to build up the rental business.



Around **1/3** of our **rental income** was reinvested in our portfolio

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. In May 2023, for example, we carried out a survey of local TAG tenants in cooperation with the Freiberg University of Mining and Technology, to find out what they would use a delivery robot for.

Also, 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. 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. To gauge the satisfaction of our tenants and review the quality of services, we again regularly carried out a monitoring of our service providers on a regional basis in 2023. 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. For instance, satisfaction with the caretaker service and the repair/craftsman services 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, in the reporting period about 44% of our tenants come from outside the country, especially from Ukraine and Belarus. Therefore, one focus of the customer service is to break down language barriers in customer care. All of the important contract documents and information material are now offered in three languages: Polish, English, and Ukrainian. In the letting 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 craftman 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 the safety of our tenants are important to us. We want to safeguard against our tenants and/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 the rental inventory in Germany, supported by our TAG Immobilien service.

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 serve to safeguard 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.

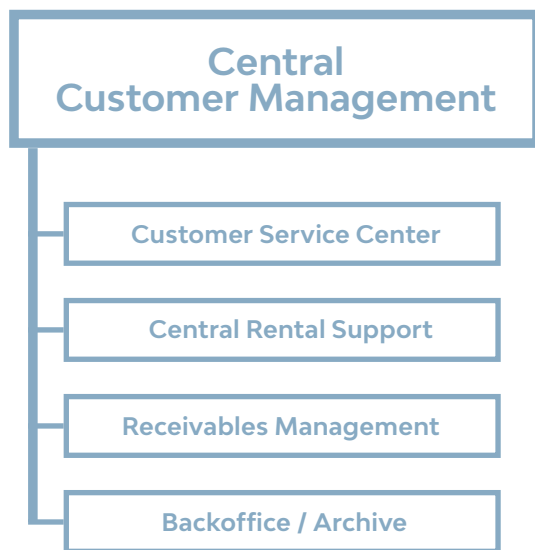
In 2023, no significant violations of regulations relating to the health and safety of our tenants were reported.

To ensure that road safety deficiencies at properties are detected in time, the caretakers carry out weekly checks of the outdoor facilities and buildings. A comprehensive inspection is carried out once a year, or more frequently for special properties. All components of the building and outdoor facilities are checked in detail and digitally documented using our monitoring and documentation system. We did this in 2023 as well, and further 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.

Our monitoring and documentation system uses data from the ERP system and submits securely documented reports that can be further processed by the customer management or property management teams 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 44 tenant offices, they advise our tenants and prospective tenants on all housing-related matters.



From our tenant survey, we know that our older tenants in particular appreciate this personal consultation. As part of the 'Timify' pilot project launched in 2023, we are making it possible for tenants in Gera to book personal appointments for tenant consultations online in advance. Based on the results of the pilot project, we will then review the introduction of this service for other tenant offices as well. 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.

We are available to our tenants in person at the tenant offices. Alongside this, we have 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 portfolio-wide tenant app has established itself as an important new communication channel. The 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, booking repair appointments, a chat with the customer manager, name changes, and permits. The app lets tenants view documents such as their tenancy agreement and utility bills, and they can also use the app to connect with neighbours, create offers and view want ads. Up-to-date tenant information is available on a digital pinboard.

In the reporting year, we expanded the features of the tenant app and further increased its user-friendliness. For example, in 2023, the complaints process and documents management were further 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.

Our online magazine is used to inform, recruit, and retain tenants and is available to all interested parties on our TAG Wohnen website. It provides a wide range of articles about 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 employees in the ongoing user optimisation process. Interested parties can use a contact form to send us flat requests. As soon as we are able to offer them a suitable flat, we contact the sender.

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 29 places where people can come together (see ['Liveable neighbourhoods'](#) section). These services are accessible to more than 28,000 tenant households, which corresponds to one third of our tenant households in Germany. We also use tenants' meetings and other local events to exchange ideas

with our tenants. In 2023, numerous events took place again in the 'Aktiv-Treff' lounges, at the Jumpers, the Sempers, and in the other meeting centres. The programme ranges from coffee breaks, lunches and games and sports afternoons, to information and training events and neighbourhood parties.

In 2023, we also launched the '10 Golden Rules of Safety' for our tenants in collaboration with the police and Thuringia's Ministry of the Interior. Other housing companies in Thuringia are also involved. The safety rules, which are displayed in the hallways of our residential complexes, include an appeal for neighbourly help and tips on burglary protection. The campaign is accompanied by prevention events hosted with the Thuringian police, on burglary protection options for tenants.

Approximately every three years, we conducted a portfolio-wide survey of our tenants. 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 2022, 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. In 2023, we began planning the second such tenant workshop, to be held in 2024.

In order to ensure a consistently good service, we have added small repairs management with the third-party service provider B&O in the LIM regions of Berlin/Brandenburg, Erfurt and Hamburg, after having already introduced it earlier in Düsseldorf and Salzgitter.

Our Polish subsidiaries also regularly conduct surveys of tenants and owners. In the customer satisfaction survey of tenants in 2023, a large majority of respondents were very

satisfied with the housing and services offered. About 96% would recommend Vantage Rent to others, 94% praised the transparency of the utility bills, and some 76% plan to renew their rental agreements. After purchasing a flat, ROBYG customers are interviewed by email questionnaire and then in person. In the year under review, 92% of respondents were satisfied with the consultation service, and 91% would recommend the Company to others.



> 90%
recommendation rate
for Vantage Rent and
ROBYG

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 adjust 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, in some cases, interviews with tenants in the properties in question. As a result, the requirements for individual services are specified more precisely, for instance, or 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 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.

Liveable neighbourhoods

[GRI 3-3, 413-1]

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 2023 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. In 2023, for example, the 'Alltagshelden' project team prepared the Social Day, which will make its debut in 2024. We also presented the Jumpers mentoring programme at the Erfurt and Gera locations and encouraged employees there to volunteer as mentors.

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 is being scientifically monitored. In autumn 2023, we redesigned the remaining smaller areas in the project. We strive to create near-natural, species-rich and flower-rich demonstration areas in the Halle-Neustadt and Burgenlandkreis regions as well, in cooperation with Anhalt University of Applied Sciences. Beyond this, TAG is also involved in a funded project to establish a centre of excellence and a network of stakeholders to integrate green infrastructure into the process of transforming Saxony-Anhalt's former coal-mining regions.

In the Lusan district of Gera, bee colonies are 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, we continued with the transformation of a 2,500 square meter meadow in the Mueßer Holz district of Schwerin into a leaf garden with garden plots for rent as well as communal areas that invite people to linger and do some hobby gardening. 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 2023. 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, or establish new such offers. They are an important pillar for many tenants.

Going forward, we intend 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 the offers are received, and where there may be a need for further development.

Award-winning commitment to neighbourhood spirit

A good neighbourhood is all about living together and being there for each other. In our neighbourhoods, we promote this kind of neighbourly coexistence so that people feel comfortable in their living environment. We create spaces for young and old and support our tenants in their everyday lives through our social services with local cooperation partners. In 2023, we were honoured several times for our social commitment.



From lunchtime onwards, the 'Jumpers' children's and family centre (Jumpers stands for Jugend mit Perspektive e.V. – German for 'youth with prospects') in Gera-Lusan fills with life. Around 60 children eat lunch together here. They not only get a reasonably priced meal, but also a sympathetic ear for their concerns. There is learning time for everyone, along with recreational activities such as football, arts and crafts, and music. We provide the rooms in which the Jumpers run their programme. We also cooperate with the association in our large neighbourhood in Erfurt. In addition to families, we primarily support elderly people, and encourage their participation in social life. Together with several partners, we have created lounges for senior citizens and launched mobility projects. In Gera, Eisenach and, since 2023, we are also sponsors of the 'Die Wirtschaft dankt dem Ehrenamt' (The business community thanks volunteers) award for people who do outstanding volunteer work in their city.

Our community efforts are well received, as underlined by the award from the Thuringia Volunteer Foundation 2023, which also appointed our board member Claudia Hoyer as a volunteer ambassador because we are committed to the common good, community and thus society at large in our neighbourhoods in Thuringia.

*Gera's Lord Mayor
Julian Vonarb said:*

»The award is a great compliment for all those who are committed to neighbourhood development in places including Gera. Their commitment should not be taken for granted. So congratulations and a big thank you on behalf of the city of Gera to TAG Wohnen. Thank you for going above and beyond.«

TAG was honoured for its social commitment in Salzgitter as well: In 2023, we received our fourth Social Transfer Award for outstanding corporate commitment from the Braunschweig Chamber of Industry and Commerce. Together with Bildungshelden gGmbH, we support children and young people from socially disadvantaged families at four locations in Salzgitter.

Connecting people – at any and every age

In Germany, about a third of people over the age of 65 live alone, and in Saxony-Anhalt the figure is even higher at over 40%. This is why we work to counteract old-age loneliness and poverty in our neighbourhoods. At three residential locations – in Döbeln, Merseburg and Erfurt Melchendorf – we have partnered with the Sempers – Senioren mit Perspektive e.V. (Seniors with prospects) association to create senior citizens lounges. Appreciation and support come to life in the neighbourhood at the Sempers Café or on joint excursions, with the 'Sempers Angels' providing counsel and support as well as visits.

Our corporate social commitment also scores well in an international comparison of real estate companies: In autumn 2023, we won the European Public Real Estate Association (EPRA) 'Outstanding Contribution to Society Award 2023' in the 'Social' category. Our 'Senior Citizens Lounges' initiative prevailed over 22 other submissions from various European real estate companies.

»We are delighted that our sustained efforts for senior citizens have been recognised by the EPRA. The award provides endorsement for our actions and motivates us to keep devoting full energy to our social work in the neighbourhoods. A big thank you goes to our teams on the ground. Without their support, we would not be able to provide the Sempers services for the residents of our neighbourhoods,«

says site manager Claudius Oleszak.



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 continued our cooperation with the AGATHE programme in Gera in 2023, and in 2024, we plan to start an AGATHE cooperation in Erfurt as well. 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. We support children and young people from socially disadvantaged families, for example, in collaboration with Bildungshelden (Education Heroes) at four locations in Salzgitter, and with the 'Jumpers' in Erfurt and Merseburg.

We have anchored our aspiration to support all generations in our principles and guidelines for social commitment. Our commitment to the common good and thus to society was recognised by the Thuringian Volunteering Foundation in the reporting year: The foundation appointed our Managing Director Claudia Hoyer as a volunteer ambassador.

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. People from more than 100 different nations live in our neighbourhoods. 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 [↘ Our tenants](#) section). Our home living guidebook also covers important topics relating to home living and harmonious coexistence. Our advisory, assistance, and leisure services help different tenant and resident groups get to know each other and thereby also promote mutual understanding.



People from
> 100 nations
live with
TAG in Germany

Supporting the development of children and teens in our neighbourhoods is particularly important to us. That is why we sponsor the [↘ Jumpers – Jugend mit Perspektive e.V.](#) (Youth with Prospects) association in Erfurt, Gera, Salzgitter, and Schwerin. In 2022, we set up a new Jumpers location in Merseburg, which since 2023 has offered 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 the reporting year, we also established a new cooperation with the Sempers association in Döbeln and Erfurt. The association offers recreational meet-ups for seniors in our neighbourhoods. These include free entertainment and sports programmes as well as coffee get-togethers. Counselling is also available on age-appropriate living and in-home assistance systems. Our 'Aktiv-Treffs' in Eisenach, Gera, Salzgitter and Sangerhausen, in cooperation with Better@ Home, are also available as counselling centres, and feature exhibits of components for the BeHome smart

assistance systems ('Vertrautes Wohnen'). Since 2022, there has been such a counselling centre in Merseburg as well.

In 2023, the non-profit Bildungshelden gGmbH (Education Heroes) opened a new social facility in our Kassel portfolio; we provide the space for it, 100 sqm, free of charge (rent, not including utilities). This expands a cooperation we began with Bildungshelden in Salzgitter to another 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. In 2023, the Braunschweig Chamber of Industry and Commerce awarded us the IHK Social Transfer Award for our joint efforts in Salzgitter.

We support neighbourhood community efforts by providing assistance with questions about housing, and supporting our tenants' own personal initiatives. We make it easier for displaced persons to integrate in their new living environment. 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 the training sessions, we regularly address social issues and provide 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 as needed.



Support of charitable projects with over **EUR 800,000**

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 and donated prizes for volunteer work. In addition to Gera and Eisenach, we also presented the 'Wirtschaft dankt Ehrenamt' (The business community thanks volunteers) award in Erfurt for the first time in the reporting year. As the main sponsor of the Comic Park Erfurt, we also donated admission tickets to the city's school parliament for its volunteer work. We were also involved in specific neighbourhood campaigns and competitions, such as district parties.

As in previous years, we supported sports clubs in our neighbourhoods, such as the TAG Icefighters Salzgitter ice hockey team and the cyclists of SSV Gera. We have supported the TSV 1886 PingPong Parkinson's group in Gera since 2023, and 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. The 'Mytoia' project was launched in the reporting year in cooperation with Gera Theatre, and makes it possible for the youngsters who meet at Jumpers to attend theatre performances free of charge and to actively engage in theatre themselves in a workshop.

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.

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, for instance, is to strengthen community spirit in the Port Popowice, Wrocław neighbourhood, and promote a good quality of life there. We have maintained an open exchange of ideas with residents since the beginning of the neighbourhood's development, and support the initiative's campaigns.

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, with a focus on initiatives that advocate for children, including initiatives to promote health and support sick children and their families. Among other things, we support the Heart of Szczepin Association, the Pomeranian Chil-

dren's Hospice, the Wrocław Children's Hospice Foundation 'To Save Children with Cancer', and the Baudouin Orphanage Foundation in Warsaw. To mark International Children's Day, we once again sponsored the theatre, which organises performances as a treat for young patients in hospitals. In 2023, for example, many of our employees again volunteered at fundraising events and collected food and in-kind donations as part of the 'We help those in need' campaign. Other campaigns and employee volunteering projects are mainly about raising people's awareness of the importance of environmental protection and the health of society. We also create advertising campaigns and information materials for this purpose.

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 to activities with the tenants or to tours of our neighbourhoods. For example, TAG sits on the advisory board for integrated social planning and urban development in Eisenach. In 2023, we were involved in several events with political representatives on the topics of climate-friendly living and e-mobility, e.g. at Gera Energy Day. Since 2023, we have also been a member of the All Electric Society, which campaigns for affordable electricity from climate-friendly energy sources.

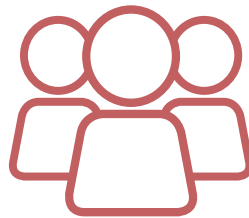
As a partner to local authorities, TAG was appointed to the newly established DIHK Construction and Real Estate Committee by the IHK Ostthüringen zu Gera in the year under review, and has made contributions at two of its meetings.

To gauge our tenants' stance towards 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. 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 we were able to realise the project in 2023. We will present the results in 2024.

We are a member of the Competence Centre for Large Housing Estates, a platform for dialogue between a wide range of stakeholders on the sustainable design of large housing es-

tates. In 2023, we participated in the Competence Centre's annual conference and gave a presentation on new mobility in residential areas, using the Gera-Lusan neighbourhood as an example.



Our employees shape our future

Material topic

Sub-topics

Corporate culture of appreciation, transparency, and participation



- › 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



- › Individual training and upskilling/personnel development
- › Promoting next-generation talent

Work-life balance, family friendliness and diversity



- › 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

Our Company lives by the commitment of the 1,699 employees³⁸ who work for us. We want them to be happy working at TAG and to be able to develop within our Company. They deserve to enjoy attractive working conditions and a corporate culture of respectful and appreciative interaction.

Especially given the events in society as a whole of the past two years, such as the continuing Russia-Ukraine war, the challenges posed by the energy crisis, and the aftermath of the Covid-19 pandemic, we have once again become acutely aware of the high value of direct and personal togetherness and mutual support. TAG therefore carried out community-building activities again in 2023. In addition, we continued our strong corporate social commitment or expanded our efforts.

The macrosocial challenges faced by TAG include, in particular, demographic change, which is making it more difficult to secure skilled workers. Added to this is a decline in employee retention. According to the latest Gallup Report (2022), the willingness of Germans to change jobs has been on a steady increase for years. According to the report, on average one out of five employees are actively looking for a job, while another 41% are looking around for other job options without making a commitment. 18% of employees have already 'quit internally', the highest figure since 2012.³⁹

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.

Our objective: Employee satisfaction at least



For us to be able to retain employees at TAG, it is crucial that they are happy with their job. Accordingly, we have set ourselves the goal in our sustainability programme that at least 70% of our employees are satisfied or very satisfied with their current work situation. To achieve this, we create an environment our employees enjoy working in and which enables them to develop and grow.

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 in-

teraction within the Company and with external stakeholders. We further expanded our communications and continued projects that promote team spirit and make our Company's values tangible for all employees and customers. One example is the 'Alltagshelden' project, under which we promote our employees' social and ecological efforts. In the reporting year, for example, 'Alltagshelden' prepared the introduction of 'Social Days' at TAG. Since 2024, our employees have been able to spend a working day volunteering with a social project – and receive special leave to do so. They also helped interested employees to get involved in volunteer activities.

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. In the Triple E (Efficiency, Effectiveness, Self-Reliance) project, for example, we took the opportunity to involve our employees in further optimising processes in the operational side of the business. In the reporting year, too, they developed practical solutions for various departments in various sub-project groups. In addition to the project groups, employees were involved in the Company's development at roadshows at the locations. The events provided space for in-depth dialogue. More about the new approaches we are taking to involve our employees: [Employee qualification and further training section](#).

To promote the transfer of knowledge within the Company, many TAG specialists again shared their expertise in 2023. TAG also increasingly used online formats and digital tools for training and upskilling. The number and scope of knowledge and training articles in TAG's own knowledge database was continuously expanded. In 2023, the focus was on practical assistance in the daily work routine, and on simplifying processes. To support employees working from home, open seminars were also held on the topic of self-organisation in a home office. We have long regarded this form of work as a fixture of the working world. So an effective approach to working remotely 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. In recent years, we have continuously expanded our virtual collaboration and with our company agreement on working from home, we empower as many employees as possible to work from home – now and in the future (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 part

³⁸ The basis here is the number of employees (1,299 in Germany and 400 in Poland excl. associates) as of 31 December 2023. In the Annual Report, the number of employees was calculated in accordance with HGB regulations (total: 1,816, of which 1,221 in Germany and 595 in Poland incl. associates)

³⁹ Gallup Report: Engagement Index Germany 2022 (gallup.com)

of the time, long-term. We will leverage this to present ourselves as an attractive employer for new applicants as well. After all, according to the Federal Statistical Office, 24.2% of the workforce in Germany worked from home at least occasionally in 2022.⁴⁰

How we manage employee topics

[GRI 3-3]

The HR department is assigned to the COO on the Management Board. 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 handled centrally by the Human Resources department. At the individual locations, managers are the first point of contact for employees; they conduct 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).

The dialogue options we offer our employees include 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

HR matters are evaluated at the monthly management meetings and as part of quarterly controlling. Beyond this, the latest topics and work statuses of the departments and locations are regularly discussed in team meetings. The eight local works councils and the Group works council are involved in important matters, measures, and projects at an early stage and once a month talks are held with the employer side to stay in communication. We continuously evaluate our TAG projects through steering groups. In the case of our 'Mission Zukunft' digitalisation project (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 Teamworker project, the successor to the 'WE Culture' project (see [↘ A company culture of appreciation, transparency, and participation](#) section), a supra-regional organisation group meets regularly to strengthen teamwork within the Company.

Each year, four occupational safety committee meetings are held, organised 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.

⁴⁰ Federal Statistical Office 2023: Number of the week (www.destatis.de)

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.

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. We also conduct annual surveys of our employees on certain topics to obtain specific feedback. In 2023, for instance, a Group-wide survey was conducted on 'health in the workplace'. In it, we surveyed which topics were of primary interest to our employees and what support services they would like to see. Based on the insights we gained from the employees' responses, we implemented measures such as organising a health day and introducing a health app.

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.

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. We were honoured with the 'Leading Employer Germany 2024' award, placing us among the top one percent of employers in Germany.

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 and reorganised it in 2023: The 'WE culture' has turned into 'Teamworker', which places more of a focus on the regional development of cooperation and solidarity in the departments and at the sites, supported by a small supra-regional organisation group. Regional contact persons keep an eye on how the team is working together, and also serve as contacts for the overarching organisation group. They actively incorporate the topic of teamwork and solidarity into the discourse at regional or departmental level, pay attention to moods and create shared experiences together with colleagues. To this end, TAG provides an annual per-employee budget that the teams can spend on joint events. The aim is not only to strengthen solidarity, but also a sense of community (see highlight page [Ask, analyse, take action: Strengthening our work culture](#)).

Since 2020, TAG has also run the 'Alltagshelden' project to promote employees' volunteer work in the social or ecological sector.

Joint events also serve to promote a sense of community. In 2023, for example, we again organised a Summer Party for all of TAG's employees in Germany. It took place in Weimar and was very well attended. In addition, Christmas parties were held in the individual departments, for which we provided a separate budget.

In 2021, our colleagues in Poland launched the Corporate Value Programme, which aims 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 Focus.

For communications, the principle is: open to diversity, open communication. These values are also reflected in the TAG 'WE Code'.

To help ROBYG and Vantage in Poland grow together, we organise team-building events for employees and partners. In 2023, these included local meetings and reciprocal visits by employees from different sites: Working together promotes internal communication and togetherness. This also applies to joint community efforts: In the reporting year, employees from ROBYG and Vantage once again took part in MileDO-BRA CUP, a virtual charity regatta. They made a donation of their choice to support the Ocean of Dreams Foundation, which helps many young people to realise their dreams.

Corporate volunteering is part of the company culture in Poland. In 2023, ROBYG employees decided to volunteer together to clear the beach and wooded shoreline of Stogi of rubbish. The aim of the 'Walk for the Baltic' campaign is to set a good example and motivate other people to protect the oceans. This commitment makes a positive contribution to the community as well as boosting identification with the Company and team solidarity. Initiatives to promote health and environmental education are a particular focus here.

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, which is particularly beneficial in the context of hybrid working. 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 facilitates the sharing of ideas for 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 addition, the MS Teams chat functions, which we introduced in 2023, promote quick and uncomplicated communication.

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. In 2023, for example, preparations were made for introducing digital signatures in the 'Letting' sub-project.

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 are, among others, to :

- 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. In 2023, the electronic certificate of incapacity for work was introduced, and a general works agreement on the introduction of digital personnel files was concluded. The works council was also involved in such processes as updating the IT and Privacy policies and the imple-

mentation of the digital payroll system. It is also regularly involved in matters of employee participation in the success of the Company (employee shares, performance-based special payments), as well as in the introduction of further benefits in 2023, such as the Deutschlandticket for commuters and the Employee Referral programme.

In the reporting year, works council elections were organised and held in two of eight regions. 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. These two were also newly elected in the reporting year.

The regional works councils met on average once a week to once every 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 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. Of course, the latter only applies if collective agreements have not been declared generally binding nationwide or regionally, as is common in the skilled trades sector, e.g., 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.⁴¹

Pay differences between women and men are monitored and disclosed. In the reporting year, the gender pay ratio at TAG in Germany as a whole was 99.9%, i.e. the pay gap was less than 1%. By comparison, according to the Federal Statistical Office, women in Germany earned 18% less per hour than men in 2023. If only people with comparable qualifications, activities and employment histories are considered (adjusted gender pay gap), the pay gap is still 6%.

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 housing sector 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, 40,950 (previous year: 50,500) TAG shares with a volume of around EUR 420,000 (previous year: around EUR 330,000) were subscribed by our employees.

In March and November 2023, we paid all employees a bonus of EUR 750 each, i.e. a total of EUR 1,500, to honour their commitment to the Company's success and to help mitigate the burden of price increases.

⁴¹ This concerns about 1.2% of the employees with legacy contracts.



EUR 1.8 m
special payment
to all employees
paid in 2023

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 the nationwide Deutschlandticket-Job for train travel throughout Germany, as well as monthly tickets for public transport at all TAG locations where the regional transport associations have concluded a corresponding agreement with us. These include Düsseldorf, Dresden, Erfurt, Hamburg, and Berlin. With this public transport service, we now cover all regions in Germany where TAG is represented. TAG has also offered employees discounted leasing of job bikes, an option which is already being used by around 10% of our employees in Germany.

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.

For several years now, we have been training TAG specialists as coaches. To empower our in-house coaches to systemati-

cally transfer their expertise to their colleagues, we support them e.g. with the train-the-trainer format, a principle that is used especially for trainings as part of the Triple E project. It is continually being further developed. In 2023, 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 introduced a new format: the 'How-to training document', which provides trainers with guidance on how to prepare training documents and e-learning content. We also offered new employees the opportunity to acquire knowledge-sharing and coaching skills.

We continued our internal training concept 'STEP@TAG' in the reporting year. 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. All cross-departmental seminars and workshops offered internally are now available via the STEP registration page. Registration itself is also easier now.

In 2022, we had 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. In planning the 2023 programme, we used the lamapoll query format of the learning manager to determine the needs and wishes of managers. The use of e-learning tools and 'knowledge nuggets' – short formats – is also currently being tested. Both tools enable the participant to study and learn at their own chosen time. For e-learning tutorials for standard software, such as MS Office, we have cooperated with TÜV Nord since 2022. Those who successfully complete the online course automatically receive a certificate from TÜV. Due to the great response, in 2023 we introduced the MS Outlook e-tutorials as a compulsory course and the Excel tutorials (beginner/advanced) as an optional offer for our new apprentices and Bachelor students.

We 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 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.

During the reporting period, TAG hired 131 new male employees and 112 new female employees in Germany, while 19 male employees and 52 female employees started working for the Company in Poland. In Germany, 131 male employees and 98 female employees left the Company during the period, in Poland 32 male employees and 37 female employees left. So employee turnover in Germany again declined slightly year-on-year in 2023, from 18.3% in 2022 to 17.6% in 2023 (thereof employee redundancies: from 9.1% in 2022 to 7.2% in 2023). We reckon that the fact that the turnover rate continues high is mainly due to a generally increased willingness among professionals, especially younger ones, to change jobs.



The length of service at TAG in Germany is currently around seven years, which is below the national average of 11 years, though this varies depending on the sector and the size of the company.⁴² According to a survey conducted by the Federal Statistical Office in 2022, 42.8% of employees over the age of 25 had been with their employer for at least ten years. 19.2% had been in the same job for five to ten years, while the remainder had been there for less than five years.⁴³ For TAG in Germany, the average length of service of commercial employees is around ten years, which is around twice as long as that of industrial employees, which is around five years.⁴⁴

We use various formats to make it easier for new colleagues to settle into the Company. This includes the 'Mentors for new employees' project and a manual 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. There is also a 'Newcomers' page on the intranet where we provide a welcome film, explanatory films and answers to frequently asked questions about everyday working life at TAG. It also contains training documents that are particularly relevant for new employees, applicable regulations from company agreements, and a link to the staff portal. In the reporting year, we redesigned the welcome flyer for new employees and developed a 'Benefits' flyer. New recruits receive these flyers before their first day at work so that they are as well informed as possible when they start.

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.

A new personnel development concept, to be created in the first quarter of 2024, will be designed to systematically develop employees, find and promote talent, and develop junior staff for specific positions. To this end, we already conducted workshops and individual interviews in 2023. The concept is being developed in collaboration with employees and managers from all levels, departments (operational, central, commercial), and regions as well as the General Works Council. Action areas for the personnel development concept were defined and further developed at the management conference in January 2024.

Wide range of upskilling programmes

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 enhance their professional and methodological skills, share experiences and develop their individual potential. We were able to increase the number of online seminars compared to face-to-face events as travelling time, travel and accommodation costs are eliminated. Especially for part-time employees or parents with young children, it is easier to attend an online seminar than an in-person event. With this target group in mind, we also structured the online formats into shorter units, spreading some of them over several days, in the reporting year. As it is still important to meet in person for selected topics such as leadership seminars focussing on communication, we also continue to use in-person formats. The training programme is rounded off with e-learning courses (e-tutorials) for self-directed learning.

⁴² Employees stay long with their employer (www.iwd.de)

⁴³ Duration of employment with current employer - Federal Statistical Office (destatis.de)

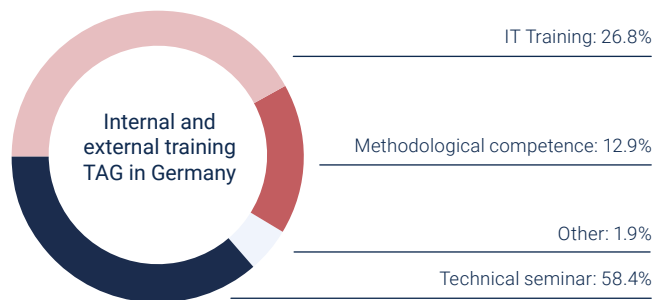
⁴⁴ The lower length of service of the industrial employees is also due to the fact that the corresponding subsidiaries only started operations in 2012 and 2015 and the number of employees has gradually increased in the course of the expansion of the portfolio they manage.

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 2023, we focussed our STEP@TAG efforts on three topics: Health, De-escalation and Efficient Work. Under 'Health', for example, we offered formats on stress prevention. The De-escalation seminars focussed on handling conflicts on the phone. And under 'Efficient Work', employees were able to learn more about time and self-management and self-learning skills. All seminars took place online.

We follow a similar approach in Poland with a training system that consists of in-house training for new hires, cyclical basic training, and specific specialised training. All new employees undergo mandatory training on health and safety in the workplace, the Code of Conduct, and the Company's human rights and Environmental Policy. A particular focus was on occupational health and safety training for ROBYG's construction department, as this has been expanded to include the organisation of construction and renovation work. In 2023, specialist training courses were held in particular on construction, controlling, accounting, marketing, human resources, and payroll accounting. ESG topics were also the focus of knowledge building in the reporting year. Both the Management Board and employees benefited from consultations, webinars, and training sessions on regulatory provisions, requirements and standards. In addition to the training courses mentioned above, all employees can avail themselves of English classes and complete postgraduate studies related to the duties of their position.

In 2023, we launched our Manager Academy for managers in Poland: a series of seminars consisting of several modules that are customised for both people with little experience in management positions and those with many years of management experience. At the Academy, external trainers share their knowledge and practical tools, which participants can later use in their day-to-day work. Among other things, the managers discussed their role in the team leadership process, techniques for supporting and motivating employees, effective communication, and how to recognise and counteract bullying.

Further training



In the reporting year, our employees in Germany underwent an average of 8 hours of training each. This corresponds to a total of around 10,700 training days. In Poland, the number of training sessions per employee was around 21 hours per year.

We also promote in-service training. In 2023, three employees successfully completed in-service training courses to become certified real estate specialists, certified real estate technicians, or economists specialising in real estate management.

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 addition, two young people began their apprenticeships as office clerks at TAG in August 2023.



In the reporting year, TAG employed 47 apprentices in Germany, 14 young colleagues successfully completed their vocational training, and eight of them were hired as employees. The other apprentices decided to pursue a degree or go abroad, e.g., after completing their training.

Seven students currently work for us at three locations as part of their dual-study programme. Two of them completed their studies during the reporting year, while another started their studies. In 2023, 22 young people also started their vocational training with us (2022: 15 new apprentices), two of whom had their training contract terminated within the probationary period. No apprentices were employed in Poland in 2023.

On average, one trainer is responsible for one to 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.

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 'Magazine' 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. We also gear our online communication channels to a young target group, mainly using the [ausbildung.de](https://www.ausbildung.de) and Stu-

dyflix platforms and advertising our vacancies on Stepstone. We have also shortened the communication channels so that we receive quicker feedback from the trainers after receiving applications.

To mark the start of their training, our 23 new apprentices and dual students met in Hamburg in August 2023 to get to know each other better and to be introduced to TAG as their new employer. The programme included a welcome from the Management Board, a first insight into everyday working life and the various departments, as well as a joint visit to the Escape Room.

Also since August 2023, all new apprentices and B.A. students have independently completed an online basic course on MS Outlook; upon completion, they receive a certificate from TÜV Rheinland. Courses on MS Excel are offered as an option and our internal TAG specialists give introductory webinars for SAPS/4HANA. The aim is to make it easier for apprentices and students to get started with the programmes used at TAG.

In 2023, we also worked with the trainers to plan the resumption of the before the corona-related interruption annual 'AzubiTAG' (Apprentice Day). It will take place in spring 2024 and primarily serves to better connect apprentices and students from different locations and promote a sense of community. The Apprentice Day also gives apprentices an opportunity to present the results of their project work on various topics to the Management Board in person, and to network.

Further training for our trainers

Pedagogically qualified instructors are a prerequisite for well-grounded training – which is why TAG founded its 'Ausbilderwerkstatt' (Trainer Workshop). Here, we teach our trainers about new learning methods, motivational strategies, and the expectations of the younger generations, and provide a platform for sharing experience across regions and departments. This format takes place at least once a year with an average of 13 to 15 participants. In autumn 2023, we held the trainer workshop as a one-day online event with 13 participants. The focus was on sharing experiences, peer counselling, and jointly developing standards. Together, the participants also addressed contemporary management and development of apprentices, including the topic of pre- and onboarding. They also addressed the application and recruitment process, online training, and the Erasmus programme and prepared for AzubiTAG 2024 and the final exams.

Recruitment using contemporary measures

Recruiting qualified employees is of central importance in securing the Company's long-term survival. In view of demographic change and the ongoing shortage of skilled labour, this issue has become even more important. To attract new employees to our Company, we pursue various strategies. Our employer marketing is centred around TAG's career site, an online platform where we inform interested parties about our areas of work and our company culture, and list any vacancies. It is possible to apply for these directly online in just a few steps using a form provided.

This recruitment process is now completely digital. A new portal for applicants allows for faster processing of incoming applications, and leads to greater transparency, shorter follow-up times, and a higher number of applicants.

Besides using traditional staff recruitment options, such as job listings, information brochures, and participating 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 are even easier to find. 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.

TAG Handwerkerservice GmbH has its own careers page listing information on jobs in the skilled trades at all our locations. In 2023, we also set up a separate careers page for TAG Immobilien Service GmbH. Here, interested parties can learn all about the caretaking, cleaning, and landscape maintenance jobs at TAG and view vacancies in these areas.

The Employee Referral programme, which also launched across the Group in 2023, is meant to create an incentive for recruiting skilled workers. Every employee who successfully refers a new colleague to TAG receives two bonus payments.

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 start their careers after graduating from school. We also offer them long-term employment and support their professional development. Among other things, we promote the acquisition of methodo-

logical skills through continued training as well as mentoring and sponsorship programmes, by financing further studies, or supporting their transfer to other departments.

By involving employees in project work, we strengthen networking between colleagues at the different locations. 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 2023, we continued to work on three sub-projects of our priority topics of eco-friendly mobility in our neighbourhoods, employee events and volunteering, and urban gardening. We thus addressed topics that, according to the feedback we receive from our employees, are especially important to them. The European Investment Bank's 5th annual climate survey found that young recruits in particular increasingly look for a sustainable working environment when choosing an employer. More than 81% of 20- to 29-year-olds, say sustainability is an important factor when choosing an employer, and for 18% this criterion has absolute priority.⁴⁵ 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.

In Poland, too, promoting young talent through further training is a big priority: At ROBYG, for example, targeted employee development led to 24% of employees holding a higher position than the one for which they were hired in the reporting year. 52% of managers reached their position through internal promotions.

⁴⁵ 81% of young Germans pay attention to their employer's attitude to the climate when choosing a job (eib.org).

Work-life balance, family friendliness, and diversity

We want to ensure a healthy balance between personal life, family, and work. Flexible working time models enable our employees to reconcile their personal 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 in future as well. We are constantly expanding our range of preventive health measures for our employees. Beyond this, we also subsidise Deutsche Bahn's Deutschlandticket for commuters and offer free accident insurance, a company pension scheme, and employee stock options, among other things. Other employee benefits include the discounted leasing of a job bike, capital-forming benefits, shopping discounts, the 'Work Life Portal' app to promote health, special bonuses under the 'Employee Referral Programme' and the 'Angebote rund ums Wohnen' ('Living at Home') marketplace.

In Poland, too, we offer an employee benefits programme that includes additional health, pension and life insurance, a multi-sport card for entry to gyms, additional pay in the event of a marriage or birth, and participation in sporting events.

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 Immobilien AG and TAG Wohnen website.

Spotlight on equal opportunity and health

[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 in Germany is around 45, which is slightly above the average age of the workforce in Germany for 2022, which was 44.⁴⁶ 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, for example.



In Poland, our employees are around 36 years old on average. This makes them significantly younger than the average age of the labour force in Poland, which is around 42.⁴⁷ At 57%, the majority of our employees in Poland belong to Generation Y (born 1980–1993).

We have enshrined in both the Anti-Discrimination Policy and the Corporate Governance Statement that women shall also 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.

⁴⁶ Statistical report – Microcensus – Labour market – Final results 2022 – Federal Statistical Office (www.destatis.de)

⁴⁷ Labour market development in Poland: Employment Trends and Migration | My Warsaw (www.meinwarschau.com)

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 21 safety officers (2022: 20; 2021: 18), 61 fire protection assistants (2022: 53; 2021: 57) and 189 first aiders (2022: 181; 2021: 168), as well as three colleagues who serve as evacuation assistants (same as in previous years). All of these employees have been trained accordingly. This puts us in a good position to keep meeting the occupational safety criteria going forward.

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, nine TAG sites and 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 briefings 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, once again there were no serious occupational accidents. There were 56 accidents at work in Germany (2022: 41). These were mainly accidents on the way to work and minor injuries, e.g. during the work of our caretakers and craftsmen. This corresponds to an accident rate of 4.3% (2022: 3.2%). 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 8.8% (2022: 10.8%), which reflects a year-on-year decrease. This is a positive development, contrary to the the general trend of rising sickness rates among employees in Germany in 2023. According to the health insurance company DAK-Gesundheit, there were 13% more absences than in the previous year.⁴⁸

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

In the reporting year, too, three 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, the measures taken, occupational accidents and findings from workplace inspections are analysed with the external consultants every year. All of the Group's safety officers were trained or instructed by the AMD TÜV specialist via video call to refresh their knowledge of occupational safety.

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. In the reporting year, the 250 employees working in this area received around 2,300 hours of further training on these topics. 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. In the reporting year, Health Day was held in November with the aim of improving the everyday working lives of our employees. The focus was on 'More exercise in everyday life' (see highlight page ↘ **Ask, analyse, take action: Strengthening our work culture**). We were able to hold our annual relay race again in 2023, at which 23 groups of runners and speed walkers participated who 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 2023, computer workstation examinations and eye tests were carried out during seven 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 were unable to attend the on-site appointments 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 cover the full costs.

⁴⁸ DAK – Number of employees to take sick leave still on record levels (www.dak.de)

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. In the reporting year, we also introduced measures derived from the results of the employee survey. In addition to Health Day, these include the introduction of the free WLP app, the expansion of our fruit basket programme to other locations, and training courses on stress reduction. We launched a seminar for managers on 'Conducting health talks'. In future, we want to make all health-related information and offers available on a separate intranet page and link it to the WLP app. We began preparations for this in the reporting year.

Matters of health also play an important role at our Polish subsidiaries, where sports and health programmes are promoted, training courses are offered, and team events and volunteer efforts are often health-related. In the reporting year, for example, employees from ROBYG and Vantage took part in the Runmageddon in Wrocław and Gdynia. Each team completed a six-kilometre course with 30 obstacles.

Offers available to all employees in Poland include special conditions for medical services such as physiotherapy and dental services, life insurance, and international health insurance. In addition, regular exercise during their leisure time is subsidised, for example through grants for multi-sport cards.

Striking a healthy balance between work and personal life

[GRI 401-3]

As a modern employer, we want to offer our employees a working environment that enables them to achieve a healthy balance between 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, provided the tasks lend themselves to this. Around 17.9% of our employees in Germany currently work part-time: approx. 30% of women and 7% of men. According to the Federal Statistical Office, the national average is higher, with a total part-time rate of 30%. In 2022, nearly half of all women (49%) worked part-time. The part-time rate among men was lower at 13%. By arrangement, a temporary reduction in weekly working hours and working

from home are also possible, provided the work task is compatible with this. On request, employees can change their place of work if the task can be carried out from any location.



Around **18%** part-time rate

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 2023, 51 employees (2022: 39) in Germany took parental leave, more than a third of whom were men. All of them are expected to return to work by the end of 2024. In the reporting year, 18 male employees and 12 female employees returned to work after 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.

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. This currently accounts for around 90.1% of our workforce in Germany (2022: 90.2%, 2021: 91.4%). There were no dismissals for operational reasons (layoffs, redundancies) in the reporting year.



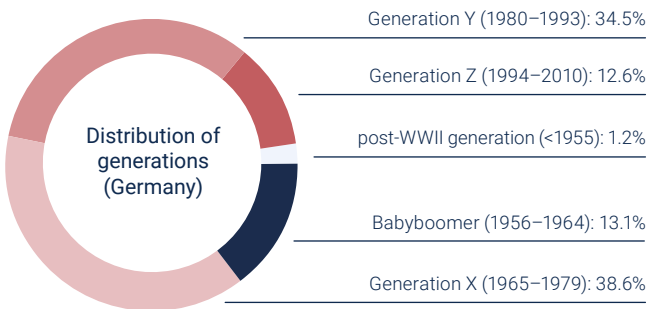
90% of employees in Germany have permanent employment contracts

Diversity as a gain for the Company

[GRI 3-3, 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 personnel 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.

People with different cultural backgrounds and lifestyles, and from a total of five generations, work together at TAG (see diagram). Around 73% of our employees in Germany and 72% in Poland belong to Generations X and Y. 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 these into account.



The TAG Group in Germany has had a balanced gender distribution for many years. Here, the proportion of women in the workforce has been at around 50% for several years now. In the Polish workforce, the proportion of women was 73% in the reporting year.

One indicator of gender equality is the proportion of women in management. The Management Board has set a quota, in Germany, 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. This was exceeded in the reporting year, and was at 44.6% (2022: 38.1%). The proportion of women in management positions at TAG is thus significantly

above Germany's average figure of 28.9% for 2022, which, however, varies depending on the industry.⁴⁹ In Poland, the proportion of women in management is around 55.1%.



45% women's quota in management positions in Germany

For the Management Board, the Supervisory Board has set a quota of at least 30% women. After being at 33% since 2012, this rate increased 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).

Of our German employees, 62 have a severe disability. This currently corresponds to about 4.8% of all employees (2022: 4.1%).

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 German 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. We plan to continue employing them even after the subsidies phase. The programme was used extensively during the reporting year as well, and its 'graduates' were taken on as permanent employees.

⁴⁹ Fewer than a third of managers in Germany were women in 2022 – Federal Statistical Office (destatis.de)

Ask, analyse, take action: Strengthening our work culture

In 2022, we took the important step of asking employees how happy they are at TAG. What matters now is what we as a Company do with the results. In the reporting year, we did an in-depth analysis of the feedback from our employees and developed initial measures to promote health and deepen our 'WE culture'.

We want to offer our employees an environment in which they can enjoy their work, make a contribution, and develop. In 2022, we conducted the 'Great Place to Work' employee survey to find out where we stand with our work culture, and where our employees feel we can do even better. Based on the results, we identified a need for improvement in four areas: upskilling, efficient and pleasant collaboration between colleagues, workplace health promotion and identification with the Company (sense of purpose). Together, we developed measures and began putting them into action. In 2023, the focus was on promoting health and strengthening the 'WE culture'.



Tips for active breaks

In November 2023, we hosted a Digital Health Day for employees. Though it took place on screen, the event was anything but static. Under the heading 'More movement in the daily routine,' a Pilates and back training coach gave helpful tips on how everyone can bring more movement into their everyday lives through small changes in their behaviour. Her credo: Anyone can increase their own level of fitness without having to commit to time-consuming exercise programmes. During an 'active break', the participants got down to practical exercises: The speaker demonstrated simple exercises to strengthen the back, for example, or to consciously relieve muscle groups that are strained by work.

We also took Health Day as an occasion to present an app that we offer our employees free of charge: Humanoo's WorkLifePortal. The app provides customised content on various health-related topics such as nutrition, exercise, relaxation, mindfulness, and stress reduction. In all, there are close to 4,000 programmes and courses to choose from. For extra motivation, employees can track their progress and compete in challenges.

'Teamworker' project promotes a sense of community

Solidarity and a sense of community have been important components of our work culture for many years. A project group has been working on this topic and has successfully implemented a number of measures. To further strengthen our 'WE' culture, we updated it in 2023 under the heading 'Teamworker': A small cross-regional group supports the teams together with employees on the ground, true to the adage 'The best thing about teamwork is that there's always someone by your side.' Our Teamworkers help to make teamwork even more active. They encourage dialogue on questions such as: How can our collaboration be improved? How can we act even more as a team? In the reporting year, for example, the teams were invited to show what teamwork means to them in a photo competition.

We allocate a budget for each employee that the teams can spend on joint events.

Next Steps

In 2023, we introduced the first new needs-based upskilling courses. We are planning further measures on the key topics of further training and identification with the Company (sense of purpose) for 2024. We are especially keen to incorporate the opinions and ideas of our employees into the process. They will therefore be given the opportunity to actively contribute to the development of TAG's Statement of Purpose.

»Whether it's having breakfast or climbing a high ropes course together – joint activities help to strengthen a sense of community and belonging, and hence team spirit.«

says project manager Anna-Katharina Weenen from the Business & Change Development department.



About this report

[GRI 2-4]

This is TAG Immobilien AG's twelfth 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. In this way, we aim to further increase the transparency of our Sustainability Reporting. The material indicators are presented in a table of key indicators (see [p. 109 ff.](#)). This allows for an in-depth comparative analysis of individual aspects.

After we first entered the Polish real estate market in 2020, in 2023 we continued to work on compiling the data and information for reporting purposes, and on integrating new data into the report. The sustainability activities we implemented in Poland are presented in the respective chapters. Also, further sustainability indicators for the Polish market were collected for fiscal 2023, 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

This Sustainability Report represents TAG's non-financial declaration in accordance with its reporting obligations under Sections 289b et seq. and 315b of the German Commercial Code (HGB). We apply the Sustainability Reporting Standards (SRS) of the Global Reporting Initiative (GRI).⁵⁰ 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. 117](#)). In our reporting from 2024 onward, we will increasingly follow the ESRS (see chapter [Our path to tomorrow](#) section), 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 and publish relevant figures and information on our website [Sustainability | TAG Immobilien AG \(tag-ag.com\)](#).

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.⁵¹ Unless otherwise stated, the financial information on the Company is based on the statements made in the Annual Report for the year 2023. 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, we have assigned changes resulting from the market entry in Poland in 2020 and in connection with the new-build business segment added at that time 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').

⁵⁰ For the Universal Standards, we followed the German version

⁵¹ 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)

Principle of timeliness

[GRI 2-3]

TAG's Sustainability Report is published annually. This report, published in April 2024, follows on directly from the previous year's report, which was published in April 2023. The reporting period of this report is the 2023 financial year (1 January 2023 to 31 December 2023). 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 of 2024 are also discussed in the report. These are indicated accordingly. The editorial deadline was 24 April 2024.

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 2023, the report allows for presenting advances in a direct year-on-year comparison.

For the 2023 reporting year, we again reviewed our materiality analysis 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 CSRD, which came into force on 5 January 2023, the ESRS set binding standards for non-financial reporting. Because of this, we once again scrutinised our materiality analysis (see ➤ [Our path to tomorrow](#) section) as part of a Group-wide CSRD project that was launched in mid-2023. We will report on the resulting adjustments from the 2024 financial year, in accordance with the ESRS.

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. Figures for the Polish portfolio relate only to the letting portfolio. The joint data collection with the Polish subsidiaries will be successively expanded.

Our path to tomorrow

	Unit	Germany		Poland ²		GRI
		2023	2022	2023	2022	
Economic¹						
Fully consolidated companies (operating subsidiaries and property companies)	number	83	83	100	104	
Annualised net actual rent	EUR m	336.7	340.6	11.6	2.7	2-6 201-1
EBITDA (adjusted) rental business	EUR m	227.6	233.5	8.8	-	
EBITDA (adjusted) from sales Poland	EUR m	-	-	100.6	80.8	
Loan-to-value (LTV) Group	%	47.0	46.7	-	-	
Compliance and integrity						
Composition of Management Board	number	2	2	4	4	
female	%	50.0	50.0	25.0	25.0	
male	%	50.0	50.0	75.0	75.0	
under 30 years of age	%	-	-	-	-	
31-50 years of age	%	-	100.0	50.0	50.0	
over 50 years of age	%	100.0	-	50.0	50.0	
Composition of Supervisory Board	number	6	6	6	6	2-9 405-1
female	%	33.3	33.3	16.7	16.7	
male	%	66.7	66.7	83.3	83.3	
under 30 years of age	%	-	-	-	-	
31-50 years of age	%	33.3	66.7	-	50.0	
over 50 years of age	%	66.7	33.3	100.0	50.0	
Average tenure	years	2.9	6.8	5.8	4.8	

¹ Further key figures on TAG's economic performance can be found in the Annual Report 2023.

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

Developing our portfolio responsibly

	Unit	Germany		Poland		GRI
		2023	2022	2023	2022	
Portfolio overview³						
Units portfolio ⁴	number	84,682	86,914	2,417	1,153	
Floor space portfolio ⁴	sqm	5,070,247	5,203,677	108,160	50,639	
Share of administrative units in total portfolio ⁵	%	0.5	0.6	0.6	0.4	
Floor space for administrative activities ⁵	sqm	25,900	29,900	630	185	
Residential units ⁶	number	83,567	85,362	2,366	1,134	
Floor space residential units ⁶	sqm	5,058,649	5,033,939	102,347	48,830	
Average apartment size	sqm	60.5	59.0	43.3	43.1	
Net actual rent (residential units)	EUR/sqm	5.71	5.64	13.00	12.80	2-6
Vacancy (residential units)	%	4.0	4.4	6.7	35.5	
Gross Asset Value (GAV, total) ⁷	EUR m	5,442.9	6,328.8	1,131.5	1,152.6	
Investments - modernisation (Capex)	EUR m	86.1	86.6	-	-	
thereof energetic refurbishment	EUR m	20.0	22.5	-	-	
Investments - maintenance	EUR m	39.7	37.1	-	-	
Investments in new-built flats for rent	EUR m	-	-	63.7	137.2	
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)	%	3.4	4.2	-	-	
Energy efficiency level B (50 to < 75 kWh/sqm a)	%	23.5	23.6	93.0	61.9	
Energy efficiency level C (75 to < 100 kWh/sqm a)	%	35.0	34.6	7.0	38.1	
Energy efficiency level D (100 to < 130 kWh/sqm a)	%	18.3	18.1	-	-	
Energy efficiency level E (130 to < 160 kWh/sqm a)	%	9.5	9.4	-	-	CRE8
Energy efficiency level F (160 to < 200 kWh/sqm a)	%	7.2	7.0	-	-	
Energy efficiency level G (200 to < 250 kWh/sqm a)	%	2.5	2.5	-	-	
Energy efficiency level H (> 250 kWh/sqm a)	%	0.5	0.5	-	-	
Average energy efficiency (energy certificates)	kWh/sqma	109.8	109.1	70.2	70.4	

³ Non-residential units account for approximately 1.3% of the portfolio in Germany (Poland: approx. 2.2% 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 for own administrative activities.

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

⁷ Including flats for sale.

⁸ Comprises for Germany 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. 10% of the total portfolio) and properties sold in 2023.

Energy Balance

in MWh (unless otherwise stated)	Business operations ⁹		Portfolio (absolute) ¹⁰		Portfolio (Like-for-Like) ¹¹		GRI
	2022	2021	2022	2021	2022	2021	
Energy consumption							
Energy consumption in total portfolio (heat and electricity)	7,578	5,966	614,749	656,455	611,463	641,490	
thereof renewable	1,015	600	6,551	4,714	4,237	25	
renewable share (%)	13.4	10.1	1.1	0.7	0.7	0.004	
Direct energy consumption	5,830	5,366	290,732	316,736	290,544	310,827	
Stationary combustion	n.a.	n.a.	290,732	316,736	290,544	310,827	
Natural gas	n.a.	n.a.	286,433	312,186	286,246	306,278	
Heating oil	n.a.	n.a.	4,299	4,550	4,299	4,550	
Mobile combustion (fleet)	5,830	5,366	-	-	-	-	
Diesel	4,586	4,319	-	-	-	-	302-1
Petrol	1,244	1,046	-	-	-	-	302-2
Indirect energy consumption	1,749	600	324,018	339,719	320,919	330,662	
District heating	383	n.a.	314,733	330,883	311,838	322,034	
thereof renewable	6	n.a.	6,468	4,688	4,212	n.a.	
renewable share (%)	1.5	n.a.	2.1	1.4	1.4	n.a.	
Electricity for heat supply	n.a.	n.a.	206	206	206	206	
General electricity	1,366	600	9,079	8,630	8,875	8,423	
thereof renewable	1,010	600	83	25	25	25	
renewable share (%)	73.9	100.0	0.9	0.3	0.3	0.3	
Energy intensity in total portfolio ¹² (heat and electricity Germany, kWh/sqm)	n.a.	n.a.	136.6	143.5	136.5	144.0	302-3 CRE3

⁹ Includes consumption data for business operations in Germany (own vehicle fleet, green electricity for large office locations) and Poland (own vehicle fleet, electricity and heat consumption at office locations).

¹⁰ This value refers to the heat consumption in the entire portfolio (2022 portfolio excluding condominiums and sales properties) as well as the proportionate electricity consumption for the generation of heating energy in Germany. A total of 78,750 units or around 91% of the 2022 portfolio were included. 2022 heat consumption for the rental portfolio in Poland (approx. 1,150 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 91% of the total portfolio in Germany 2022 and takes into account portfolio changes.

¹² The average consumption value is shown, determined on the basis of actual heat consumption values in the entire portfolio in Germany (2022 portfolio without condominium owners' and sales properties, adjusted for vacant space, with pro rata consideration of general electricity (see footnote 10).

Carbon footprint

in t CO ₂ e (unless otherwise stated)	Business operations		Portfolio (absolute)		Portfolio (Like-for-Like) ¹³		GRI
	2022	2021	2022	2021	2022	2021	
Greenhouse gas emissions							
Total emissions (Scope 1-3)	5,498	2,425	133,949	140,269	131,378	138,715	
Scope 1: Direct emissions ¹⁴	1,965	1,586	59,235	64,500	59,197	64,177	
Emissions from stationary combustion	n.a.	n.a.	59,235	64,500	59,197	64,177	
Natural gas	n.a.	n.a.	58,036	63,241	57,999	62,918	305-1
Heating oil	n.a.	n.a.	1,199	1,259	1,199	1,259	
Emissions from mobile combustion (fleet) ¹⁵	1,965	1,586	-	-	-	-	
Diesel	1,481	1,268	-	-	-	-	
Petrol	485	318	-	-	-	-	
Scope 2: Indirect emissions total ^{16,14}	2,705	n.a.	73,479	75,014	72,181	74,539	
Scope 2: Indirect emissions from purchased energy (market based)	2,705	n.a.	37,527	36,797	36,613	36,651	
District heating	1,663	n.a.	37,394	36,797	36,613	36,651	
General electricity	1,042	n.a.	133	-	-	-	
Tenant electricity for heat supply	-	n.a.	-	-	-	-	305-2
Scope 2: Indirect emissions from purchased energy (location based)	n.a.	n.a.	35,952	38,217	35,568	37,888	
District heating	n.a.	n.a.	32,212	34,674	31,845	34,365	
General electricity	n.a.	n.a.	3,656	3,461	3,639	3,440	
Tenant electricity for heat supply	n.a.	n.a.	84	82	84	82	
Scope 3: Indirect emissions along the value chain ^{17,18}	827	839	1,235	755	n.a.	n.a.	
(Cat. 1) Emissions from purchased goods, services and capital goods	n.a.	n.a.	1,235	755	n.a.	n.a.	
New construction	-	-	1,235	755	n.a.	n.a.	305-3
(Cat. 6) Emissions from business travel	-	-	-	-	-	-	
(Cat. 7) Emissions from employee commuting	827	839	-	-	-	-	
Emission intensity of total portfolio (heat and electricity Germany, kg CO ₂ e/sqm) ¹⁹	n.a.	n.a.	29.4	30.5	29.3	30.6	GRI 305-4 CRE3

¹³ The like-for-like consideration includes around 91% 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 in Germany (2022 portfolio without condominium and sales properties, adjusted for vacant space). Included were a total of 78,750 units or around 91% of the 2022 portfolio (as we only use around 0.5% of our total property space for our administrative activities, we do not differentiate here between our self-used and the rental space). Also included in 2022 was the heat consumption for the rental portfolio in Poland (approx. 1,150 units). Both the location-based and the market-based method were used for the Scope 2 calculation in the German portfolio (the market-based method is preferred if it is available). The market-based method was used for the Scope 2 calculation in the Polish portfolio; the Scope 2 emissions according to the location-based method are 952 tons of CO₂e. CO₂ emission factors of the suppliers and the Environmental Agencies were used to calculate the emissions.

¹⁵ Scope 1 business operations: Include emissions from own fleet in Germany and 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% certified green electricity, this electricity consumption can be considered emission-free. For the Scope 2 calculation, the market-based method was used; the Scope 2 emissions according to the location-based method are 3,369 tonnes of CO₂e. CO₂ emission factors of the suppliers were used.

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 from 2021, 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, first indirect emissions from the upstream chain (from purchased materials) in new construction (rental) were recorded (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 entire portfolio in Germany (2022 portfolio without WEG and sales properties, adjusted for vacant space for properties with consumption data; see footnote 14).

	Unit	Germany		Poland		GRI
		2022	2021	2022	2021	
Water and waste water of portfolio²⁰						
Water consumption	cbm	3,287,451	2,718,581	29,678	5,866	303-5
Water intensity	cbm/sqm	1.02	0.91	1.18	0.61	

²⁰ An analysis portfolio of 55,843 units or approx. 64% of the total portfolio in Germany was evaluated for 2022 (2021: 52,700 units or approx. 60% of the total portfolio). For Poland, the consumption of the rental properties in 2022 was recorded (2021: consumption during the year (six months) of the rental properties). The values were adjusted for vacant space.

	Unit	Germany (total)		Germany (Like-for-Like)		Poland		GRI
		2023	2022	2023	2022	2023	2022	
Waste								
Waste in offices ²¹	tons	21	25	n.a.	n.a.	236	380	306-2
- thereof paper/cardboard (recycling)		21	25	n.a.	n.a.	10	21	
Waste in portfolio ²²								
Total amount of non-hazardous waste	cbm	310,885	296,115	307,825	296,115	28,998	4,848	
- thereof residual waste	cbm	152,301	146,730	150,966	146,730	25,833	1,769	
- thereof packaging (recycling)	cbm	84,304	79,997	83,518	79,997	n.a.	1,856	
- thereof paper/cardboard (recycling)	cbm	61,082	57,484	60,506	57,484	3,165	1,223	
- thereof organic waste (recycling)	cbm	13,199	11,904	12,836	11,904	-	-	

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. The figures for Poland include the waste volumes for the ROBYG Vantage Group's business operations and are based on waste certificates, waste collection contracts and self-declarations from external service providers.

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 73,100 units for 2023 (2022: around 72,500 units) with waste management by internal and external service providers. The like-for-like consideration refers to around 72,500 units in Germany. The data for the Poland region include the waste volumes for the rental portfolio and are based on waste records, waste collection contracts and self-declarations by external service providers..

	Unit	Germany		Poland		GRI
		2023	2022	2023	2022	
Outdoor facilities						
Green spaces ²³	sqm	3,000,000	3,000,000	20,415	5,837	304-3
thereof areas with high biodiversity (flowering meadows)	sqm	45,100	42,300	11,960	3,124	
Trees ²⁴	number	41,822	43,121	186	51	
Tenant gardens ²⁵	number	3,120	1,720	134	87	
Playgrounds	number	272	311	5	2	
Proportion of sealed outdoor facilities	%	29.4	29.0	71.0	33.0	

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 (rental) in Poland.

²⁴ Comprises the entire tree population in the German portfolio (tree cadastre) as well as newly planted trees in the Polish rental portfolio as part of the new construction projects.

²⁵ Includes tenant gardens in Germany that are directly assigned to a rented unit. In addition, further tenant gardens can be rented separately.

Our responsibility to society

	Unit	Germany		Poland		GRI
		2023	2022	2023	2022	
Tenants and society						
Customer satisfaction ²⁶	%	74	81	94	94	
Average length of tenancy	years	10.3	10.3	1.0	1.2	
Flats with occupancy obligation	%	1.1	1.5	-	-	
Low-barrier residential units ²⁷	number	14,550	14,400	2,417	1,134	413-1
Residential units Young Living	number	13,540	13,460	2,417	-	
'Aktiv-Treffs' (Activity Lounges), children's and family centres ²⁸	number	29	27	-	-	
Support of non-profit initiatives, donations and sponsoring ²⁹	TEUR	371	407	71	140	

²⁶ The satisfaction rate for Germany was determined from sample surveys of tenants. 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. Poland (rental): 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' (2023: over TEUR 475).

Our employees shape our future

	Unit	Germany		Poland		GRI
		2023	2022	2023	2022	
Number of employees						
Total number of employees as of the reporting date 31.12. ³⁰	number	1,299	1,281	400	465	
female	number	629	615	291	319	
male	number	670	666	109	146	
Total number of permanent employees	number	1,170	1,155	256	289	
	%	90.1	90.2	64.0	62.2	
female	number	561	560	194	205	
male	number	609	595	62	84	
Total number of temporary employees	number	129	126	144	176	
	%	9.9	9.8	36.0	37.8	
female	number	68	55	97	114	2-7 102-8
male	number	61	71	47	62	
Total number of full-time employees	number	1,024	1,011	393	460	
	%	78.8	78.9	98.3	98.9	
female	number	416	410	284	314	
male	number	608	601	109	146	
Total number of part-time employees ³¹	number	232	220	7	5	
	%	17.9	17.2	1.8	1.1	
female	number	188	180	7	5	
male	number	44	40	-	-	

³⁰ The basis here is the number of employees (1,299 in Germany and 400 in Poland excl. associates) as of 31 December 2023. The number of employees in the 2023 Annual Report is calculated in accordance with the regulations of the German Commercial Code (HGB) (total: 1,816, of which 1,221 in Germany and 595 in Poland incl. associates).

³¹ Not included are employees who are employed in a so-called mini-job.

	Unit	Germany		Poland		GRI
		2023	2022	2023	2022	
Number of employees						
Total number of trainees and students ³²	number	50	55	-	6	
Training ratio	%	3.8	4.3	-	1.3	2-7 102-8
female	number	35	31	-	3	
male	number	15	24	-	3	
New employee hires and employee turnover³³						
Total number of new employee hires	number	243	228	71	121	
female	number	112	86	52	80	
male	number	131	142	19	41	
Total number of employee turnover	number	229	234	69	107	
female	number	98	107	37	64	401-1
male	number	131	127	32	43	
Total rate of employee turnover	%	17.6	18.3	17.3	23.0	
thereof employee-initiated terminations	%	7.2	9.1	14.8	14.1	
Rate of employee turnover (TAG Immobilien AG excluding retirements and commercial employees) ³⁴	%	13.0	13.9	-	-	
Average length of service	years	7.3	7.0	4.6	4.0	
Parental leave						
Total number of employees that took parental leave ³⁵	number	51	39	41	24	
female	number	33	26	31	19	
male	number	18	13	10	5	
Total number of employees that returned to work in the reporting period after parental leave ended ³⁶	number	30	26	17	14	
female	number	12	13	8	9	401-3
male	number	18	13	9	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	23	28	16	11	
female	number	12	18	7	11	
male	number	11	10	9	-	
Return to work rate of employees that took parental leave ³⁷	%	100.0	88.5	85.0	84.6	

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
		2023	2022	2023	2022	
Training/staff development						
Average hours of training per employee per year	hours	8	8	21	13	
Average hours of training per manager	hours	21	17	20	15	404-1
Average hours of training remaining workforce	hours	7	7	21	12	
Employees with performance appraisals ³⁸	%	90.0	90.0	100.0	100.0	404-3
Health and occupational safety						
Workplace accidents recorded	number	56	41	-	1	
Lost days due to workplace accidents ³⁹	days	n.a.	738	-	3	403-2 403-9
Work-related fatalities total workforce	number	-	-	-	-	
Absence rate ⁴⁰	%	8.8	10.8	4.2	-	
Diversity of management⁴¹						
female	%	44.6	38.1	55.1	48.4	
male	%	55.4	61.9	44.9	51.6	
under 30 years of age	%	0.9	0.8	-	3.9	405-1
31-50 years of age	%	66.1	67.8	53.0	85.6	
over 50 years of age	%	33.0	31.4	45.0	10.4	
Diversity of employees overall						
female	%	48.4	48.0	72.8	68.6	
male	%	51.6	52.0	27.3	31.4	
under 30 years of age	%	12.5	13.3	30.8	24.4	
31-50 years of age	%	51.5	49.9	63.0	63.8	
over 50 years of age	%	36.0	36.8	6.2	11.8	
Total employees post-WWII generation (1946-1955)	%	1.2	1.3	-	-	405-1
Total employees baby boomer generation (1956-1964)	%	13.1	15.5	3.0	3.8	
Total employees Generation X (1965-1979)	%	38.6	38.8	15.0	14.1	
Total employees Generation Y (1980-1993)	%	34.5	32.7	56.0	57.7	
Total employees Generation Z (1994- present day)	%	12.6	11.6	26.0	24.4	
Average age of employees	years	44.6	44.8	36.0	35.7	
Proportion of disabled employees	%	4.8	4.1	0.5	0.6	
Remuneration/Gender-Pay-Ratio						
Gender-Pay-Ratio total (without management board) ⁴²	%	99.9	99.8	89.7	87.8	
Gender-Pay-Ratio management (without management board)	%	89.7	85.2	97.4	97.8	405-2
Gender-Pay-Ratio (remaining workforce)	%	104.9	103.4	92.7	90.2	
Ratio of Management Board remuneration to average employee remuneration ⁴³	x times	10.7	10.9	7.9	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 Days lost due to workplace accidents were not recorded separately in 2023 due to a change in data transmission by the health insurance funds. They are included in the included in the absence rate.

⁴⁰ 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.

⁴¹ 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).

⁴² The values refer to all employees.

⁴³ The values refer to the basic salary of the employees and the fixed remuneration of the Management Board.

GRI Content Index

GRI Standard		Disclosure	Reference	Comments/Omissions
GRI 1: Foundation 2021				
GRI 2: General Disclosures 2021				
The organization and its reporting practices	2-1	Organizational details	Our business model, p. 4	
	2-2	Entities included in the organization's sustainability reporting	Our corporate structure, p. 5 Principle of clear demarcation and consolidation (reporting boundary), p. 108 A complete list of the entities can be found in Annual Report 2023, p. 186-190	
	2-3	Reporting period, frequency and contact point	Principle of timeliness, p. 108 Contact, p. 137	
	2-4	Restatements of information	Our material topics, p. 11 About this report, p. 107	
	2-5	External assurance	Principle of comparability, transparency, and reliability, p. 108	
Activities and workers	2-6	Activities, value chain and other business relationships	Our business model, p. 4 Our corporate structure, p. 5 TAG's value chain, p. 56 Sustainability across the entire life cycle, p. 56 Key Figures, p. 109-114	
	2-7	Employees	Key Figures, p. 114-116	
Governance	2-9	Governance structure and composition	Central coordination of sustainability topics, p. 9 Management and supervisory bodies, p. 37 Key Figures, p. 109	
	2-10	Nomination and selection of the highest governance body	Management and supervisory bodies, p. 37	
	2-12	Role of the highest governance body in overseeing the management of impacts	Dialogue with tenants, local authorities, and other stakeholders, p. 39 Central coordination of sustainability topics, p. 9	
	2-15	Conflicts of interest	Management and supervisory bodies, p. 37	
Strategy, policies and practices	2-22	Statement on sustainable development strategy	Editorial, p. 2 Our sustainability strategy, p. 9	
	2-23	Policy commitments	Group-wide risk management, p. 38 Compliance as an instrument of corporate governance, p. 40	
	2-26	Mechanisms for seeking advice and raising concerns	Compliance management system and business principles, p. 44	
	2-27	Compliance with laws and regulations	Environmental compliance, p. 69 Compliance management system and business principles, p. 44 Social and environmental sustainability in the supply chain, p. 57	
	2-28	Membership associations	see Annual Report 2023, p. 14 Management and supervisory bodies, p. 37	
Stakeholder engagement	2-29	Approach to stakeholder engagement	Dialogue with tenants, local authorities, and other stakeholders, p. 39	
	2-30	Collective bargaining agreements	Fair salaries and benefits for our employees, p. 95	

GRI Standard		Disclosure	Reference	Comments/Omissions
GRI 3: Material Topics 2021				
Disclosures on material topics	3-1	Process to determine material topics	Our material topics, p. 11 Principle of materiality, p. 108	
	3-2	List of material topics	Our material topics, p. 11	
	3-3	Management of material topics	see topic standards of the material topics	
GRI 200: ECONOMIC				
Economic Performance				
GRI 201: Economic performance 2016	3-3	Management of material topics	Our business model, p. 4 Our corporate structure, p. 5 Marketable portfolio development for broad sections of the population, p. 74 Risks of climate change: Preventive measures in our portfolio, p. 69	
	201-1	Direct economic value generated and distributed	Our business model, p. 4 Key Figures, p. 109 Annual Report 2023	
	201-2	Financial implications and other risks and opportunities due to climate change	Risks of climate change: Preventive measures in our portfolio, p. 69	
Indirect Economic Impacts				
GRI 201: Economic Performance 2016	3-3	Management of material topics	Our approach for a responsible development of our portfolio, p. 51 Implementation targets, p. 53 Well-maintained residential environment and infrastructure for generations, p. 77 For a future-proof portfolio, p. 79 Continuous investment for a competitive portfolio, p. 80	
	203-1	Infrastructure investments and services supported	Well-maintained residential environment and infrastructure for generations, p. 77 For a future-proof portfolio, p. 79 Continuous investment for a competitive portfolio, p. 80	
	203-2	Significant indirect economic impacts	For a future-proof portfolio, p. 79	
GRI Standard				
Procurement Practices				
GRI 204: Procurement Practices 2016	3-3	Management of material topics	TAG's value chain, p. 56	
	204-1	Proportion of spending on local suppliers	Social and environmental sustainability in the supply chain, p. 57	
Anti-corruption				
GRI 205: Anti-corruption 2016	3-3	Management of material topics	Compliance management system and business principles, p. 44	
	205-2	Communication and training about anti-corruption policies and procedures	Compliance management system and business principles, p. 44 Prevention of corruption, bribery and political influence-mongering, p. 47	
	205-3	Confirmed incidents of corruption and actions taken	Prevention of corruption and political influence-mongering, p. 47	No violations identified

GRI Standard		Disclosure	Reference	Comments/Omissions
GRI 300: ENVIRONMENTAL				
Materials				
GRI 301: Materials 2016	3-3	Management of material topics	Use of sustainable materials, p. 58	
	301-3	Reclaimed products and their packaging materials	Use of sustainable materials, p. 58	The recycled products are currently not yet comprehensively recorded.
Energy				
GRI 302: Energy 2016	3-3	Management of material topics	Environmentally friendly energy supply and reduction of emissions, p. 64 More climate protection through our decarbonisation strategy, p. 64 Internal measures for more environmental protection, p. 68	
	302-1	Energy consumption within the organization	Internal measures for more environmental protection, p. 68 Key Figures, p. 111	
	302-2	Energy consumption outside of the organization	Environmentally friendly energy supply and reduction of emissions, p. 64 Key Figures, p. 110-111	
	302-3	Energy intensity	Key Figures, p. 111	
	CRE 1	Building Energy Intensity	Key Figures, p. 111	
	CRE 8	Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation and redevelopment	Reducing emissions in new construction, p. 67 Key Figures, p. 110	Currently no sustainability certification. The residential portfolio is stated according to energy efficiency classes as per energy certificates. The ROBYG Green Standard applies to new builds in Poland.
Water and Effluents				
GRI 303: Water and Effluents 2018	3-3	Management of material topics	Our contribution to resource conservation, p. 59	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.
	303-4	Water discharge	Resource conservation in new construction, p. 63	
	303-5	Water consumption	Our approach for a responsible development of our portfolio, p. 51 Our contribution to resource conservation, p. 59 Key Figures, p. 113	
Biodiversity				
GRI 304: Biodiversity 2016	3-3	Management of material topics	Ongoing efforts for more biodiversity, p. 63	
	304-3	Habitats protected or restored	Key Figures, p. 113	

GRI Standard		Disclosure	Reference	Comments/Omissions
Emissionens				
GRI 305: Emissions 2016	3-3	Management of material topics	Environmentally friendly energy supply and reduction of emissions, p. 64	
	305-1	Direct (Scope 1) GHG emissions	Key Figures, p. 112	
	305-2	Energy indirect (Scope 2) GHG emissions	Key Figures, p. 112	
	305-3	Other indirect (Scope 3) GHG emissions	Key Figures, p. 112	
	305-4	GHG emissions intensity	Key Figures, p. 112	
	305-5	Reduction of GHG emissions	Environmentally friendly energy supply and reduction of emissions, p. 64	
	CRE 3	Greenhouse gas intensity from buildings	Key Figures, p. 112	
Waste				
GRI 306: Waste 2020	3-3	Management of material topics	Our contribution to resource conservation, p. 59	
	306-5	Waste directed to disposal	Key Figures, p. 113	
Environmental Compliance				
GRI 307: Environmental Compliance 2016	3-3	Management of material topics	Environmental compliance, p. 69	
	307-1	Non-compliance with environmental laws and regulations	Environmental compliance, p. 69	
Supplier Environmental Assessment				
GRI 308: Supplier Environmental Assessment 2016	3-3	Management of material topics	Social and environmental sustainability in the supply chain, p. 57	
	308-1	Non-compliance with environmental laws and regulations	Social and environmental sustainability in the supply chain, p. 57	
GRI 400: SOCIAL				
Employment				
GRI 401: Employment 2016	3-3	Management of material topics	How we manage our employee topics, p. 92 Flat hierarchies pave the way for innovation, p. 93 Our employees are the basis of our success, p. 96	
	401-1	New employee hires and employee turnover	Our employees are the basis of our success, p.96 Key Figures, p. 115	
	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. 95 Participation the Company's success, and social benefits, p. 95	
	401-3	Parental leave	Striking a healthy balance between work and personal life, p. 103 Key Figures, p. 115	

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 and health, p. 101
	403-1	Workers representation in formal joint management–worker health and safety committees	Occupational health and safety guaranteed throughout the Group, p. 102
	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. 116
Training and Education			
GRI 404: Training and Education 2016	3-3	Management of material topics	Numerous training and development opportunities, p. 97
	404-1	Average hours of training per year per employee	Key Figures, p. 116
	404-2	Programmes for upgrading employee skills and transition assistance programmes	Numerous training and development opportunities, p. 97
	404-3	Percentage of employees receiving regular performance and career development reviews	Key Figures, p. 116
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. 104
	405-1	Diversity of governance bodies and employees	Key Figures, p. 109
	405-2	Ratio of basic salary and remuneration of women to men	Fair salaries and benefits for our employees, p. 95 Key Figures, p. 116
Non-discrimination			
GRI 406: Non-discrimination 2016	3-3	Management of material topics	Holistic neighbourhood development, p. 87 Diversity as a gain for the Company, p. 104
	406-1	Incidents of discrimination and corrective actions taken	Holistic neighbourhood development, p. 87 Diversity as a gain for the Company, p. 104

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. 57	
	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. 57	
Child Labor				
GRI 408: Child Labor 2016	3-3	Management of material topics	Social and environmental sustainability in the supply chain, p. 57	
	408-1	Operations and suppliers at significant risk for incidents of child labor	Social and environmental sustainability in the supply chain, p. 57	
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. 57	
	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Social and environmental sustainability in the supply chain, p. 57	
Local Communities				
GRI 413: Local Communities 2016	3-3	Management of material topics	Liveable neighbourhoods, p.84 Working for a diverse spirit of community, p. 87	
	413-1	Operations with local community engagement, impact assessments, and development programmes	Liveable neighbourhoods, p. 84 Working for a diverse spirit of community, p. 87 Holistic neighbourhood development, p. 87 Key Figures, p. 113-114	
Supplier Social Assessment				
GRI 414: Supplier Social Assessment 2016	3-3	Management of material topics	Social and environmental sustainability in the supply chain, p. 57	
	414-1	New suppliers that were screened using social criteria	Social and environmental sustainability in the supply chain, p. 57	
	414-2	Negative social impacts in the supply chain and measures taken	Compliance management system and business principles, p. 44	
Public Policy				
GRI 415: Public Policy 2016	3-3	Management of material topics	Prevention of corruption, bribery and political influence-mongering, p. 47	
	415-1	Political contributions	Prevention of corruption, bribery and political influence-mongering, p. 47	
Customer Health and Safety				
GRI 416: Customer Health and Safety 2016	3-3	Management of material topics	Health and safety, p. 81	
	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. 81	No violations identified
Customer Privacy				
GRI 418: Customer Privacy 2016	3-3	Management of material topics	Compliance management system and business principles, p. 44	
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Compliance management system and business principles, p. 44	

Implementing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

Climate change harbours great risks for the global economy, which will intensify in future. According to a study on behalf of the Federal Ministry of Economics and Climate Action, 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.⁵²

To counter this risk, in June 2017 the **Task Force on Climate-related Financial Disclosures (TCFD)** 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 our risk managers – the heads of real estate management and the department heads – as part of our quarterly (ESG) risk management. On a quarterly basis, and ad hoc as needed, we review whether and how our locations can be affected by the repercussions of climate change, 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 consider whether changes in legal requirements and official regulations have occurred, for example with regard to CO₂ pricing (see **Group-wide risk management** and **Optimising energy efficiency and emissions** sections).

In addition, in 2022, 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 by the Strategic Real Estate Management division with the participation of relevant TAG departments such as Controlling/Risk Management, EWS/ Energy Management, Central Technical department and LIM Regions.

⁵² German Federal Ministry for Economic Affairs and Climate Action (ed.) 2023: Costs of climate change impacts in Germany (<https://www.bmwk.de>)

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,
- Floods and high water.

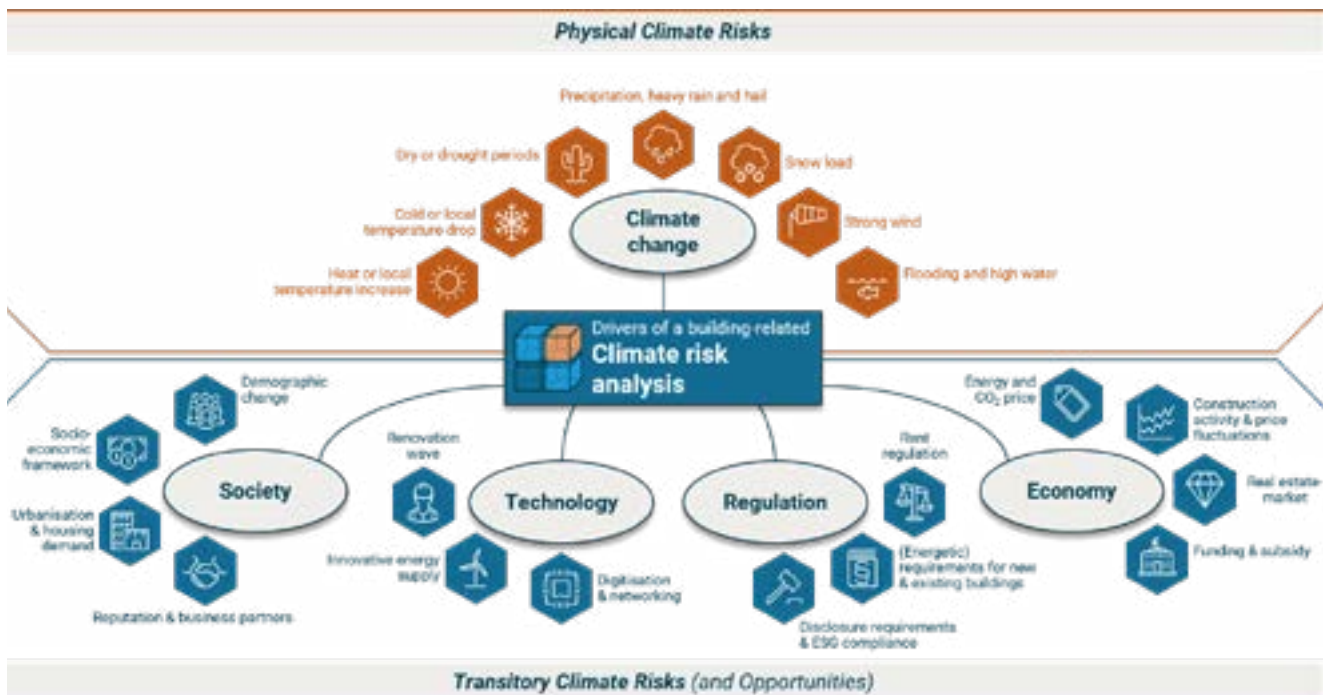
Based on the given climate scenarios (RCP 2.6, RCP 4.5 and RCP 8.5 of the Intergovernmental Panel on Climate Change (IPCC)), potentially harmful consequences of physical climate risks on our portfolio and our project developments as well as possible adaptation solutions to minimise the climate risks 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 scenario,⁵³ 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.

In the reporting year, as the second step in our climate risk and vulnerability assessment, we conducted an indepth 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). The transitional risks arising from the shift to a low-carbon global economy are limited in time, but can be significant in their extent and intensity.

The four main transitory climate risk drivers are society, technology, economy and regulation, for each of which three to four drivers have been analysed. The model focuses on quantifying the impact of these transitory risks on the Company's relevant key indicators up to 2030 based on these risk drivers. By precisely quantifying the transitional risks, we are able to estimate the effects of the individual drivers on financial KPIs in the various climate change narratives. This enables us to make data-driven decisions, plan strategic measures to minimise risk, and ensure the long-term financial performance of our portfolio.

The results of the climate risk analysis can be integrated into TAG's existing risk management and controlling system by clearly assigning them to climate risk drivers. Their incorporation into the risk management system and into operationalisation are scheduled for 2024. The analysis thus provides valuable information for reporting and for a climate-resilient alignment of the TAG portfolio.

Overview of the proposed physical and transitory climate risk drivers for TAG Immobilien AG



⁵³ 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>

Evolving the climate strategy

In 2021, with the support of a consultancy firm, we finalised our decarbonisation strategy for our portfolio in Germany, which is designed as a long-term strategy through 2045. The planned reduction of CO₂ emissions in our portfolio to below 7 kg per sqm 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 in Germany 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 sqm (floor space) for the baseline year 2019. For 2022, the CO₂ intensity was 29.4 kg per sqm (floor space).

In phase 2 of the strategy development process, we developed specific concepts, measures, and a timeline. The timeline covers the implementation of short and medium-term goals and measures through 2030. This is how we aim to reduce the CO₂ emissions (total Scope 1 and Scope 2) in our German portfolio by approx. 10 to 12% compared to the baseline year 2019 (first-time accounting), to approx. 28.0 kg CO₂/sqm p.a. by 2025. A further reduction in CO₂ emissions (total Scope 1 and Scope 2) by approx. 30% compared to the baseline year 2019 (first-time accounting), to approx. 22.0 kg CO₂/sqm p.a. by 2030 is planned. We will then concretise further measures afterwards. The measures we plan to implement in the next few years include, above all, modernising the building substance and heating systems in our existing inventory, switching to more efficient system controls, and using renewable fuels (see [↪ More climate protection 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 re-

paired 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 analysis and assessment of potentially damaging consequences of physical climate risks on our overall portfolio, which will take place annually going forward, 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 enables us to professionalise our energy management. We achieve a reduction in emissions by continuously modernising heating systems and using energy sources efficiently. As of 31 Dec 2023, EWS supplied 49% of our portfolio with energy. Installing photovoltaic systems on properties in our existing inventory also makes it possible to use renewable energies and contributes to reducing CO₂ emissions. In a project in Cologne, for example, we installed a photovoltaic system on a building and sell the green electricity to our tenants (see [↪ Developing our portfolio responsibly section](#)).

We place a priority on ensuring that our portfolio can be reached by sustainable means of transport, which is why a basic requirement in our acquisition process is that the locations have good local infrastructure, including public transport

links. We develop concepts to enhance sustainable transport infrastructure which 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 in our neighbourhoods. These include car-sharing partners at all major locations, e-scooters, EV charging stations, 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 Technical department, 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 repercussions for TAG locations as well and lead to increased investment needs for adaptation measures in the portfolio (see ↘ Risks of climate change: 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, and the final assessment by the Management Board. • In addition, we carry out an IT-supported annual analysis and assessment of potentially damaging consequences of physical climate risks on TAG's overall portfolio. • 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. • As a result of this analysis, climate-related transitional risks and opportunities will be expanded and quantified in our risk management and financial reporting. • 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 goals 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/sqm 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/sqm 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. • In 2022, the database on energy consumption and CO₂ emissions was further expanded and processed, and a carbon footprint was calculated following the GHG Protocol Standard.

	Governance	Strategy	Risk management	Key indicators and targets
Sustainability Report 2023	<p>'Our path to tomorrow' section</p> <ul style="list-style-type: none"> Central coordination of sustainability topics, p. 9 Our corporate governance principles, p. 37 Management and supervisory bodies, p. 37 Group-wide risk management, p. 38 <p>'Developing our portfolio responsibly' section</p> <ul style="list-style-type: none"> Optimising energy efficiency and emissions, p. 64–70 <p>'Our responsibility to society' section</p> <ul style="list-style-type: none"> Health and safety p. 81 	<p>'Our path to tomorrow' section</p> <ul style="list-style-type: none"> Our sustainability strategy, p. 9 Central coordination of sustainability topics, p. 9 Our corporate governance principles, p. 37 Management and supervisory bodies, p. 37 Group-wide risk management, p. 38 <p>'Developing our portfolio responsibly' section</p> <ul style="list-style-type: none"> Optimising energy efficiency and emissions, p. 64–70 <p>'Our responsibility to society' section</p> <ul style="list-style-type: none"> Health and Safety, p. 81 	<p>'Our path to tomorrow' section</p> <ul style="list-style-type: none"> Central coordination of sustainability topics, p. 9 Our corporate governance principles, p. 37 Group-wide risk management, p. 38 <p>'Developing our portfolio responsibly' section</p> <ul style="list-style-type: none"> Optimising energy efficiency and emissions, p. 64–70 <p>'Our responsibility to society' section</p> <ul style="list-style-type: none"> Health and Safety, p. 81 	<p>'Our path to tomorrow' section</p> <ul style="list-style-type: none"> Sustainability programme, p. 21–30 <p>'Developing our portfolio responsibly' section</p> <ul style="list-style-type: none"> Optimising energy efficiency and emissions, p. 64–70 <p>'Key indicators' section, p. 110–112</p> <ul style="list-style-type: none"> Portfolio overview Energy Greenhouse gas emissions
Annual Report 2023	<p>Foundations of the group (Management report)</p> <ul style="list-style-type: none"> Management system, p. 25–26 <p>Forecast, opportunities and risk report, p. 66–86</p> <ul style="list-style-type: none"> Opportunities and risk report <p>Remuneration report, p. 92–105</p>	<p>Foundations of the group (Management report)</p> <ul style="list-style-type: none"> Overview and corporate strategy, p. 22–23 <p>Forecast, opportunities and risk report, p. 66–86</p> <ul style="list-style-type: none"> Opportunities and risk report Individual risks with regard to their future development 	<p>Forecast, opportunities and risk report, p. 66–86</p> <ul style="list-style-type: none"> Opportunities and risk report Individual risks with regard to their future development 	<p>Forecast, opportunities and risk report, p. 66–86</p> <ul style="list-style-type: none"> Opportunities and risk report Individual risks with regard to their 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 action plan for 'Financing Sustainable Growth'. 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

- make a significant contribution to one or more of the six EU environmental objectives,
- do not significantly harm the other environmental objectives, and
- comply with minimum social safeguards.

The six environmental objectives stipulated in the Taxonomy are:

- (1) Climate Change Mitigation (CCM)
- (2) Climate Change Adaptation (CCA)
- (3) Sustainable Use and Protection of Water and Marine Resources (WTR)
- (4) Circular Economy (CE)
- (5) Pollution Prevention and Control (PPC)
- (6) Protection and Restoration of Biodiversity and Eco-Systems

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 Delegated 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 TAG, due to its business activities, 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.

In 2023, technical assessment criteria for environmental objectives (3) to (6) were published in the form of Delegated Regulation (EU) 2023/2486. In principle, TAG has only identified a small number of other taxonomy-eligible activities in its business model. Turnover, CapEx and OpEx that show an overlap with the activities '3.1 New construction' and '3.2 Renovation of existing buildings' in environmental objective (4) 'Circular Economy' and '2.1 Hotels, vacation accommodation, campsites and similar accommodation' from the operation of TAG's serviced apartments in environmental objective (6) 'Protection and Restoration of Biodiversity and Ecosystems' are allocated in full to environmental objective (1) 'Climate change mitigation' to avoid double counting.

Reporting obligations

The Taxonomy entered into force on 12 July 2020. In the first step from 1 January 2022, the associated reporting obligations apply for the two environmental objectives 'Climate change mitigation' and 'Climate change adaptation'. From 1 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 since financial year 2022. The obligation to disclose the required information thus also applies to TAG as a capital market-oriented real estate company.

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. The material activities of TAG analysed and identified as Taxonomy-eligible in the reporting for the financial years 2021 and 2022 basically continue to apply unchanged in financial year 2023 and are as follows:

No.	Economic Activity	Turn-over	CapEx	OpEx
7.1	Construction of new buildings for subsequent sale	x	-	-
7.2	Renovation of existing buildings	-	x	x
7.3	Installation, maintenance and repair of energy-efficiency equipment	-	x	x
7.4	Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	-	x	x
7.5	Installation, maintenance and repair of instruments and devices for measuring, regulating, and controlling energy performance of buildings	-	x	x
7.6	Installation, maintenance and repair of renewable energy technologies	-	x	x
7.7	Acquisition and ownership of buildings	x	x	x

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 not Taxonomy-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, TAG's Taxonomy-eligible activities were checked for their fulfilment of the Significant Contribution Criteria (SC) to one of the two environmental goals of Climate Change Mitigation (CCM) and Climate Change Adaptation (CCA), as well as the associated DNSH criteria for 'doing no significant harm' to the other environmental objectives. In each case, the review was based on the relevant asset value for the turnover, investments, and operating expenses. Also, it was analysed and checked whether the Minimum Safeguards (MS) 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 financial year 2023, 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. TAG carried out such a climate risk and vulnerability assessment 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 4.5,⁵⁴ 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.

Concerning the high requirements for new buildings, there are uncertainties in Poland regarding interpretation, and the quality of evidence. Besides, the share of the Group's total revenue generated from the rental business in Poland amounted to less than 1% in the financial year. In light of this, we have decided to categorise TAG's activities in Poland as not Taxonomy-aligned, as in the previous year. 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 financial year 2023 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, particularly with regard to 'top 15% of the national or regional building stock' criterion. This results from the required disclosure in relation to the 'national or regional building stock' without provision of a reference to a specific database or benchmark. Furthermore, the term 'regionality' in the del. legal acts is not explained in detail. Also, the thresholds for classification in the corresponding energy efficiency classes vary across Europe, resulting in limited comparability of the information. TAG has therefore used the updated version of the 2023 joint study by the vdp (Association of German Pfandbrief Banks) and Drees & Sommer as the basis for determining the top 15% of its building stock in Germany for the current disclosure of taxonomy alignment.⁵⁵ According to this, residential buildings with a primary energy demand or consumption of 74 kWh/m² and less 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.⁵⁶

⁵⁴ 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>

⁵⁵ www.dreeso.com – Drees Summer 2023 (www.pfandbrief.de)

⁵⁶ Related to existing energy certificates

Compliance with Minimum Safeguards (MS)

Another criterion for Taxonomy alignment is ensuring compliance with minimum social safeguards. This includes due diligence obligations in the Company itself and in the supply chain through the implementation of suitable processes. Essentially, this refers to 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 2023 are listed below.

Turnover

Economic activities (1)	Code(s) (2)	Absolute turnover (3)	Proportion of turnover (4)	Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')*						Taxonomy-aligned (A.1) or Taxonomy-eligible (A.2) proportion of turnover 2022 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)	
				Climate change mitiga- tion (5)	Climate change adapta- tion (6)	Water (7)	Circular econ- omy (8)	Pollution (9)	Biodiver- sity and ecosys- tems (10)	Climate change mitiga- tion (11)	Climate change adapta- tion (12)	Water (13)	Circular econ- omy (14)	Pollution (15)	Biodiver- sity and ecosys- tems (16)				Minimum safe- guards (17)
		EUR.m	%	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	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	CCM 7.7	181.8	13.7	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	14.8		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		181.8	13.7														14.8		
of which enabling activity		-	-																E
of which transitional activity		-	-																T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
7.1 New construction for subsequent sale	CCM 7.1 CE 3.1	478.1	36.0														43.9		
7.7 Acquisition and ownership of buildings	CCM 7.7	600.3	45.1														37.4		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1,078.4	81.1														81.2		
Total (A.1 + A.2)		1,260.2	94.8														96.1		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		69.6	5.2																
Total (A + B)		1,329.8	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 (A.1) or Taxonomy-eligible (A.2) proportion of CapEx 2022 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
				Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)				
		EUR m.	%	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	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	CCM 7.7	25.2	14.7	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	8.3		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		25.2	14.7														8.3		
of which enabling activity		-	-																E
of which transitional activity		-	-																T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
7.2 Renovation of existing buildings	CCM 7.2 CE 3.2	7.8	4.5														2.9		
7.7 Acquisition and ownership of buildings	CCM 7.7	111.1	64.7														83.7		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		118.9	69.2														86.6		
Total (A.1 + A.2)		144.1	83.9																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		27.6	16.1																
Total (A + B)		171.7	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.

OPEX

Economic activities (1)	Code(s) (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')*						Minimum safe- guards (17)	Taxonomy-aligned (A.1) or Taxono- my-eligible (A.2) proportion of OpEx 2022 (18)	Category (enabling activity) (19)	Category (transi- tional activity) (20)	
				Climate change mitiga- tion (5)	Climate change adapta- tion (6)	Water (7)	Circular econo- my (8)	Pollution (9)	Biodiver- sity and ecosys- tems (10)	Climate change mitiga- tion (11)	Climate change adapta- tion (12)	Water (13)	Circular econo- my (14)	Pollution (15)	Biodiver- sity and ecosys- tems (16)					Y/N
		EUR.m	%	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	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	CCM 7.7	9.0	21.1	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y		18.8		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		9.0	21.1															18.8		
of which enabling activity		-	-																	E
of which transitional activity		-	-																	T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
7.7 Acquisition and ownership of buildings	CCM 7.7	32.5	76.3															78.5		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		32.5	76.3															97.3		
Total (A.1 + A.2)		41.5	97.4																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
OpEx of Taxonomy-non-eligible activities		1.1	2.6																	
Total (A + B)		42.6	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

The total turnover of EUR 1,329.8 million (previous year: EUR 954.9 million) mainly includes EUR 462.3 million in revenues from rentals (previous year: EUR 453.9 million) and EUR 749.5 million from the sale of flats (previous year: EUR 418.8 million). The share of revenues from services amounts to EUR 118.0 million (previous year: EUR 82.2 million). Revenues from the sale of flats in the 2023 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 for the 'Turnover' KPI includes revenue from the rental of buildings that meet the Taxonomy requirements for activity 7.7.

Taxonomy-aligned turnover totalled EUR 181.1 million or 13.7% of total turnover (previous year: EUR 141.7 million or 14.8% of total sales). The year-on-year change is due mainly to the increase in total turnover by EUR 374.9 million, which is mainly attributable to the year-on-year increase in revenue from sales.

Capital expenditure (CapEx)

Taxonomy-aligned capital expenditure relates to capitalised investments in non-current assets and, at EUR 25.2 million or 14.7% of total CapEx (previous year: EUR 31.3 million or 8.3% of total CapEx), is mainly attributable to properties held as financial investments. In financial year 2023, 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 9.0 million or 21.1% of total OpEx (previous year: EUR 7.5 million or 18.8% of total OpEx), 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, and is roughly on par with the previous year's level.

Outlook

Due to the very high requirements for Taxonomy alignment and the associated questions of interpretation as well as requirements for the quality of evidence, we expect that, as before, 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 62%, of which about 4% 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 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.

Contact

[GRI 2-3]

TAG Immobilien AG

Steckelhörn 5
20457 Hamburg
Phone +49 (0)40 380 32-0
Fax +49 (0)40 380 32-390
info@tag-ag.com
www.tag-ag.com

Dominique Mann

Head of Investor & Public Relations
Phone +49 (0)40 380 32-300
Fax +49 (0)40 380 32-388
ir@tag-ag.com

Verena Schulz | Kati Pohl

ESG/Sustainability
Phone +49 (0)30 52 00 54-100
Fax +49 (0)30 52 00 54-951
nachhaltiger@tag-ag.com

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Henryk Spieß,
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Henryk Spieß (Cover), Julian Kliner (p. 5, 10, 19, 55, 60),
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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.

