



SUSTAINABILITY
REPORT

2015/2016

Content

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INTRODUCTION

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ECONOMIC KEY FIGURES



	2016	2015	2014
Number of properties*	200	215	233
Lettable area in sqm*	1,054,800	1,256,000	1,412,900
Vacancy rate*	11.3%	11.3%	10.9%
Rental income per sqm in EUR*	9.72	9.61	9.60
Gross rental yield*	6.5%	6.4%	6.6%
Annualised rental income in EUR million*	112.3	132.7	150.1
Market value in EUR million*	2,128.1	2,199.2	2,396.9
Funds from Operations (FFO) in EUR million	47.0	49.0	47.9
Adjusted profit for the period in EUR million	26.9	20.7	14.0
Cash flow from operating activities in EUR million	33.9	53.0	34.9
Net Asset Value in EUR million	880.0	884.1	864.8

* all figures pro rata, except number of properties; all figures excluding developments and warehousing, except number of properties and market value

ECOLOGICAL KEY FIGURES*



	2015	2014	2013
per sqm			
Indirect electricity consumption in kWh	83.0	84.5	85.0
Indirect heating energy consumption in kWh	91.0	79.9	98.2
Indirect CO ₂ emissions in kgCO ₂ e	49.1	49.7	53.6
Water consumption in m ³	0.24	0.24	0.25
per work place			
Indirect electricity consumption in kWh	1,327	1,352	1,360
Indirect heating energy consumption in kWh	1,457	1,278	1,571
Indirect CO ₂ emissions in kgCO ₂ e	785	794	857
Water consumption in m ³	3.8	3.8	4.0

* based on the analysis portfolio in the reporting period 2013–2015

SOCIAL KEY FIGURES



	2016	2015	2014
Total employees	184	174	132
Fluctuation rate	10.2%	10.9%	7.9%
Percentage of females	57%	59%	51%
Percentage of males	43%	41%	49%
Absence rate	2.8%	3.6%	3.3%



The Management Board of DIC Asset AG (from left):
Sonja Wärtges, Aydin Karaduman, Johannes von Mutius

TO OUR STAKEHOLDERS,

G4-1

This Sustainability Report – our fifth – is designed to supplement our Annual Report by providing in-depth information about our company's non-financial performance. In this report, we give an extensive account of our key metrics relating to sustainability and describe our future goals.

The past year has been marked by disruption of the status quo. The surprising result of the "Brexit" vote in the UK and the historically low ECB key rate are just two of the major news stories of 2016 with a large potential impact on the global economy and real estate industry. Other macro trends such as demographic shifts as well as rising global temperatures due to climate change must also be taken into account for future planning.

As one of Germany's largest asset and property managers, we see ourselves as uniquely positioned to respond to the challenges and opportunities presented by these trends. A sustainable and responsible approach to the use of environmental and social resources therefore plays a critical role in the ongoing success of our business.

By integrating sustainable best practices in our business processes, we aim to be responsive to the challenges of the future. To achieve this, we follow national and international sustainability guidelines. We take environmental and social requirements into account during business decisions and operative processes, and forgo short-term gains in favour of long-term optimisations whenever possible.



Since the publication of our first Sustainability Report, we have made substantial headway in making DIC Asset AG more economically, environmentally and socially sustainable. 2016 was another successful one in regards to reaching and often exceeding our financial and non-financial targets:

- ◆ Our sustainability report is now in conformance with the Core option of the G4 Standards of the Global Reporting Institute, the international standard for sustainability reporting. By reporting along these guidelines, we continually improve our transparency and provide our readers and stakeholders a benchmark for our successes.
- ◆ The performance capabilities of our management platform exceeded our expectations. Not only did our real estate management close rental contracts for 293,500 square metres in the past year, an increase of nearly 40% over 2015, but we also increased our earnings from real estate management fees from EUR 7.3 million in the previous year to EUR 21.5 million at the end of 2016.
- ◆ We honoured our commitment to financial sustainability for our business. By refinancing EUR 960 million of bank financing in our Commercial Portfolio in December 2016, we secured long-term lower interest rates at a level below the average of our peers and reduced our interest expenses in order to fuel further growth.
- ◆ We have engaged in broader dialogue with stakeholders, including employees, tenants, business partners and investors. In December 2016, we reached out to over 1,000 internal and external stakeholders as part of a detailed survey to identify the most important sustainability topics for DIC Asset AG.

- ◆ Our total carbon emissions, including those of our Commercial Portfolio as well as our own energy usage, declined by more than 23% since 2013. Additionally, beginning in 2013 we have secured carbon-neutral “green energy” contracts for all of our own offices as well as the common spaces of properties in our Commercial Portfolio.
- ◆ We have prioritised occupational health and safety for our employees, and have introduced measures such as first-aid training and fire-safety courses to ensure a safe working environment.

We received the EPRA Bronze Award for the third time for our most recent sustainability report, reflecting our consistent and transparent reporting practices according to the Best Practice Criteria of the European Public Real Estate Association (EPRA).

In the short- to medium-term, we plan to engage in dialogue with even more stakeholders, further improve the efficiency of our properties and our asset management, and maintain sustainable returns for our shareholders. In the longer term, we seek to sustainably grow our business and continue to be responsive to the needs of our society.

We thank you for your interest in our sustainability report and look forward to the continued progress of DIC Asset AG's sustainable development in the future.

Yours sincerely,

Aydin Karaduman

Sonja Wärtges

Johannes von Mutius



DIC ASSET AG AT A GLANCE

G4-3 G4-6 G4-9

DIC Asset AG is one of the largest listed commercial real estate companies in Germany.

Our profitable portfolio comprises real estate assets under management totalling ca. EUR 3.5 billion with a rental space of 1.7 million sqm (including the Company's share in co-investments). Our portfolio is concentrated exclusively on Germany, but is broadly diversified in terms of regions and sectors, with tenants from a wide variety of size classes and approximately 1,200 commercial tenancies. The focus is on office properties (>70%) and retail (around 20%).

The real estate portfolio is divided into two segments:

G4-4

- ◆ The directly held "Commercial Portfolio" (over EUR 2.0 billion) comprises existing properties owned by DIC Asset AG with long-term leases generating attractive rental yields.
- ◆ The "Co-Investments" segment with around EUR 1.5 billion under management comprises mainly fund investments, interests in project developments and other joint venture investments.

We manage the properties using a proprietary real estate management platform with six offices located at regional hubs of the portfolio. Our wealth of expertise and strong regional presence helps to meet the needs of investors in the fund business and safeguard the value of our own properties. We are therefore able to generate recurring income that is secured long term based on minimal risk exposure.

G4-12

DIC Asset AG has been listed on the SDAX index since June 2006 and is represented in the international EPRA Index of the leading real estate companies in Europe.





OUR BUSINESS STRATEGY

“ABBA” Acquisition strategy

Diverse and risk-adjusted investment mix

We operate throughout Germany through our network of regional management teams in six offices. This allows us to successfully identify and develop attractive markets and real estate beyond just internationally known investment focal points. In our investment mix, we incorporate properties in A-locations in B-cities, and B-locations in A-cities, and pay special attention to a diverse mix of regions, sectors, and tenants. This minimises cluster risk and secures an attractive yield profile for the long term.

Dynamic fund business

Increasing income from asset and property management through growing assets under management

In order to further stabilise our earnings, we are concentrating on growing our fund business. We offer institutional fund investors our investment expertise, a broad spectrum of real estate services and custom investment structures in the central and regional real estate markets in Germany. By expanding our fund business, we achieve attractive recurring management fees as well as investment income, diversifying our income streams.

Optimised financial structure

We have a good reputation with our banking and financial partners and on the capital market, which secures us access to various sources of finance. As a rule, we arrange real estate financing arrangements on a long-term basis. Our financing structure prevents unlimited enforcement against the Group and against other portfolios.

Value enhancement in real estate

Thanks to our expertise, we are able to leverage properties' appreciation potential through active letting. Project development activities are focused on adding value in our Commercial Portfolio through repositioning.

Sales are an integral component of our operating activities. We use them to optimise our portfolio, realise profits at the right time and generate cashflows to improve our financial structure and capital efficiency.







A detailed presentation of our strategy can be found in our 2016 Annual Report at www.dic-asset.de/engl



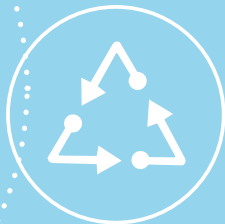
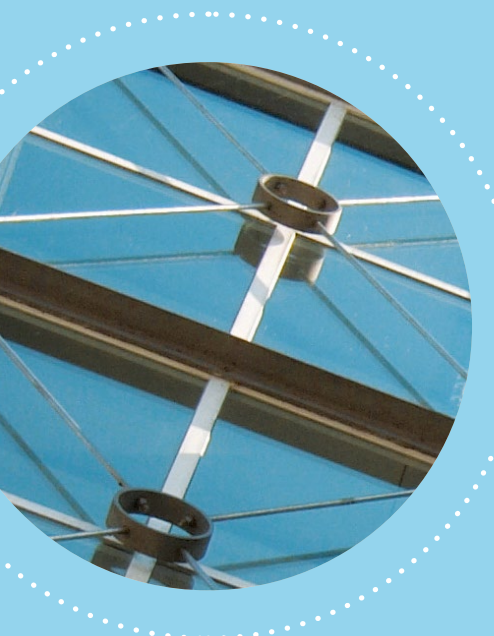


PORTFOLIO BY SEGMENTS

G4-8

							
		North	East	Central	West	South	Total
Number of properties	2016	32	23	38	53	54	200
	2015	33	25	42	54	61	215
Market value in EUR million	2016	433.3	236.3	586.5	580.5	291.5	2,128.1
	2015	330.0	220.0	610.2	666.9	372.1	2,199.2
Rental space in sqm	2016	196,000	116,400	227,200	296,600	218,600	1,054,800
	2015	226,500	141,100	242,800	368,600	277,000	1,256,000
Portfolio share by rental space	2016	19%	11%	21%	28%	21%	100%
	2015	18%	11%	20%	29%	22%	100%
Annualised rental income in EUR million	2016	18.6	11.8	28.9	32.5	20.5	112.3
	2015	21.5	15.4	29.8	40.7	25.3	132.7
Rental income in EUR per sqm	2016	8.4	9.1	12.3	10.1	8.2	9.7
	2015	8.4	9.5	12.7	10.0	7.9	9.6
Weighted average lease term in years	2016	6.5	3.4	4.5	3.8	3.5	4.3
	2015	5.9	4.9	4.1	4.4	3.5	4.4
Gross rental yield	2016	6.7%	6.9%	6.2%	6.3%	7.0%	6.5%
	2015	6.6%	7.0%	5.9%	6.2%	6.8%	6.4%
Vacancy rate	2016	6.3%	8.5%	16.7%	12.3%	10.5%	11.3%
	2015	6.1%	7.0%	22.2%	10.7%	9.0%	11.3%

* All figures pro rata, except number of properties; all figures excluding developments and warehousing, except number of properties and market value



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SUSTAINABILITY AT DIC ASSET AG



Our sustainability strategy

G4-DMA

DIC Asset AG has some EUR 3.5 billion under management, made up of its Commercial Portfolio, real estate funds and other joint ventures. As one of the largest real estate investors and asset managers in Germany, our business activities have numerous environmental, social and economic impacts.

Our sustainability strategy centres on awareness, monitoring, and optimisation of these impacts. Proactive communication with our tenants, our business partners, our employees, our investors and our residents is critical to this process. By cultivating lasting, ethical, and mutually beneficial relationships with our stakeholders, we can effectively prioritize our response to challenges and opportunities that arise.

In our entrepreneurial decisions and processes, we observe ecological and social requirements and, wherever possible, forego the opportunities for short-term gains in favour of successive optimisation of our business practices. With our long-term investment horizon for our Commercial Portfolio and fund business, we aim to manage resources and the environment in a way that is sustainable for years to come.

Our approach to sustainability includes

G4-14

- ◆ strict adherence to environmental, social and safety requirements
- ◆ integrating sustainability issues into our business processes
- ◆ open and transparent communication with stakeholders
- ◆ incorporating the Precautionary Principle into management of sustainability topics



ABOUT THIS REPORT

G4-28 G4-29 G4-30

DIC Asset AG has been continuously reporting on its sustainability activities since 2009. Since March 2011 this has been done in the form of an annual stand-alone sustainability report to give appropriate scope to the growing importance of sustainability within our company. This sustainability report covers the period between January 1 2015 and December 31 2016. Our most recent sustainability report was released in December 2015.

The Investor Relations division coordinates the reporting processes in close cooperation with other divisions, analyses and prepares the necessary information, and reports directly to the Chairman of the Management Board.



More detailed information on financial performance, our portfolio, and our business functions can be found in our Annual Report 2016 at www.dic-asset.de/engl

REPORTING GUIDELINES

G4-15 G4-32

We continually strive to improve our sustainability reporting and level of transparency. This report is organized and presented in accordance with the "Core" Option of Standard Disclosures from the G4 Guidelines of the Global Reporting Initiative and its construction and real estate sector supplement (CRESS). We also follow the "Best Practices Recommendations on Sustainability Reporting" from EPRA (European Public Real Estate Association) to provide additional information on our performance. An integrated table of GRI indicators and EPRA Best Practice Recommendations can be found on page 51 of this report.

In collaboration with the German Property Federation (Zentraler Immobilien Ausschuss e.V.



The European Public Real Estate Association (EPRA) is a not-for-profit organisation with a mission to promote, develop and represent the European public real estate sector. EPRA strives to establish best practices in accounting, reporting and corporate governance, to provide high-quality information to investors and to create a framework for debate and decision-making on the issues that determine the future of the sector.

www.epra.com



Global Reporting Initiative (GRI)

GRI is an international independent organization that develops and publicises a voluntary reporting framework in order to help communicate the impact of business on critical sustainability issues such as climate change, human rights, corruption and many others.

www.globalreporting.org



The German Property Federation (ZIA), founded in 2006, represents general, economic and ideological interests of the entire property sector and promotes collaboration among its members. It supports and accompanies measures suitable for sustaining and improving the economic, legal, political and fiscal framework conditions of the property sector.

www.zia-deutschland.de





– ZIA) and other companies from the industry, DIC Asset AG has pushed for the introduction of a sustainability code of practice for the German real estate sector. We have heeded the recommendation of the code for our sustainability reports since its introduction in 2011 and will also strive to do so in future.

METHODOLOGY AND SCOPE

G4-18

This report utilizes the following methodology when reporting upon financial and non-financial indicators relevant to our business:

- ◆ We describe the fundamentals of DIC Asset AG's business model and state our corporate objectives with regard to sustainability and its importance for the company's strategic direction. We also present DIC Asset AG's organisational structure and its corporate governance principles. Additional information on these topics can also be found in our 2016 Annual Report.
- ◆ We engage in dialogue with our stakeholders in order to identify and prioritise the most important sustainability issues facing DIC Asset AG.
- ◆ In the Economy, Environment and Society sections we report in detail on the topics identified, using both quantitative and qualitative sustainability indicators.

Environmental data and information regarding consumption of the analysis portfolio refers to the time period from 2013 to 2015. The economic and social information in the report relates to the 2016 financial year unless otherwise stated and has been supplemented to reflect developments at DIC Asset AG in 2017. From one year to another, changes in the reporting scope may result due to acquisition, development or sale of assets, as well as changes in organisational structure.

The consolidated financial statements of DIC Asset AG and its subsidiaries were prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB). The results were audited by the firm Rödl & Partner. Their report regarding our 2016 Annual Report and the information contained therein can be found in the Annual Report.

G4-33

The information and data in the environmental part of the report refers primarily to the directly held Commercial Portfolio of DIC Asset AG. Consumption of properties from the "Co-Investments" segment, in which we hold minority shares, are not reflected in this analysis. If this approach differs we will highlight this at the appropriate point. In our statements concerning financial performance indicators, we cover the entire range of properties in our managed portfolio and business activities of our growing fund business. Information regarding carbon emissions and energy and water consumption is not currently subject to an external audit.





CORPORATE GOVERNANCE

Corporate governance refers to the legal and actual regulatory framework for managing and monitoring a company. This includes current laws, guidelines and codes as well as declarations of intent and business practices relating to corporate management and monitoring. DIC Asset AG attaches great value to corporate governance. The Management Board and Supervisory Board feel that they have an obligation to ensure the Company's continued existence and the generation of sustained value added through responsible corporate governance with a long term focus. For DIC Asset AG, good corporate governance also includes managing risks in a responsible manner. The Management Board therefore makes sure that risks are appropriately managed and controlled in the Company (see

also the comments in the report on risks and opportunities) and ensures that the Company complies with the law as well as the recommendations of the German Corporate Governance Code in accordance with the annual Declaration of Conformity. The Management Board regularly informs the Supervisory Board of any existing risks and their development. The Company's internal control, reporting and compliance structures are continuously reviewed, enhanced and adjusted to changes in the general environment.

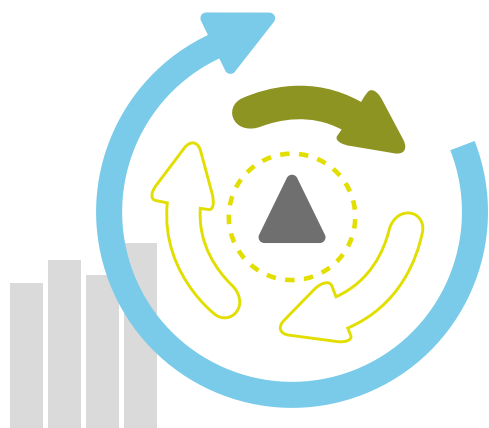
The full corporate governance report can be found in our **2016 Annual Report**.



German Corporate Governance Code

The German Corporate Governance Code aims to make the corporate management and monitoring regulations that apply in Germany clear to both national and international investors, in order to boost confidence in the corporate governance of German companies. The Management Board and Supervisory Board of DIC Asset AG regularly keep informed of changes to the German Corporate Governance Code and every year they adopt a declaration on the extent to which DIC Asset AG complies with the code's recommendations.

Taking into consideration changes made to the German Corporate Governance Code in June 2015, an updated annual Declaration of Conformity was adopted by the Management and Supervisory Boards on 13 February 2017, which has been made permanently accessible to the public on the Company's website.





Strategic group structure

G4-7

DIC Asset AG is a central management holding company responsible for directing Group strategy (in particular investment management, portfolio management and sales strategy), corporate and real estate financing, risk management as well as the control of property management. The management holding company is also in charge of financial and corporate communications.

Two DIC Asset AG subsidiaries carry out important operating tasks: **DIC Onsite GmbH** is responsible for real estate management through six regional offices, and **DIC Fund Balance GmbH** is responsible for the fund business.

The Group has a total of 177 indirect and direct equity investments. The majority of these are property holding companies reflecting the Group's operating activities. All equity investments are listed in appendices 1 and 2 to the notes to the consolidated financial statements, available in our **2016 Annual Report**.

Dual management structure

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As a listed public limited company, the dual management structure of DIC Asset AG consists of a Management Board and a Supervisory Board.

ORGANISATIONAL STRUCTURE

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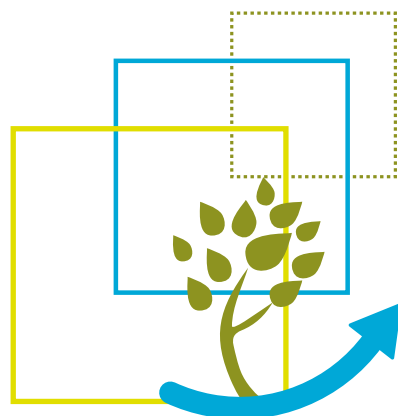
There is rigid separation of the two boards – both in terms of personnel and function – allowing each of them to perform their different duties independently. The duty of the Management Board is to manage the company autonomously, with the duty of the Supervisory Board being to monitor this management.

During the reporting period, the following changes to the composition of the Management Board occurred: **G 4-16**

On 31 December 2015, at the ending of his contract, the former CEO Ulrich Höller left the Management Board. In 2016 he was appointed by shareholders to the Supervisory Board. The position of CEO was filled by the certified economic engineer Aydin Karaduman, who previously served as Executive President of the Real Estate division at the Bilfinger Group. Rainer Pillmayer, COO of DIC Asset AG, left the company in May 2016 at the end of his contract.



The Management Board currently has three members. Additional information regarding the composition of the Supervisory Board can be found in our Annual Report 2016.



RISKS AND OPPORTUNITIES

In a dynamic environment, it is a fundamental entrepreneurial duty to recognise and make the best use of opportunities as they arise. At the same time, the company is exposed to numerous risks, which may make it more difficult to achieve its short and medium-term targets or even implement long-term strategies. Identifying and monitoring possible outcomes of macro sustainability trends is therefore a critical aspect of good corporate governance.

Our risk management procedures with regard to climate change risks and opportunities are integrated into multi-disciplinary company-wide risk management processes. The risk management system (RMS) extends throughout all areas of the Company and its subsidiaries, and is binding on all employees. Risks are defined as strategic and operational factors, events and actions that materially affect the Company's existence and business situation. External factors also analysed include the competitive environment, demographic developments and other factors that could prevent the Company from attaining its goals. The RMS covers strategic decisions by the Management Board as well as day-to-day business.

The internal control and monitoring system is an integral component of the risk management system. It minimises operational and financial risks and monitors processes, and it ensures compliance with laws and regulations including the appropriateness of financial reporting. There were no material changes to the organisation and the processes in 2016. For a comprehensive description of DIC Asset's risk management process, please see the 2016 Annual Report.

Global trends such as climate change and demographic change affect DIC Asset, our stakeholders, and the entire real estate industry. We strive to understand and manage these risks as part of our ongoing goal of creating and maintaining long-term value. The following table shows the identified risks and opportunities with regard to our CSR strategy.



RISK / OPPORTUNITY DRIVER

ESTIMATED IMPACT

MANAGEMENT METHOD

G4-EC2

Demographic trends

- ◆ Housing deficit in urban cities in Germany due to population growth
- ◆ Increasing humanitarian demands

Increasing demand for residential properties could drive rising prices in both the rental and transaction markets.

A large influx of refugees may increase demand for suitable spaces for housing and administrative purposes.

As part of the ongoing optimisation of our Commercial Portfolio, we have sought building permissions from city governments in order to convert particular retail or office spaces to residential usage.

We have made properties in our portfolio available for increased humanitarian demands. In November 2015, we rented a vacant logistics property to a German city government seeking a suitable space for a first-aid station for incoming refugees.

Changing consumer behaviour

- ◆ Tenants may consume more energy and water in the future
- ◆ Tenants may demand more LEED-certified or energy-efficient spaces

If our tenants consume more energy or water in the future, operational costs may increase. Refurbishing properties to meet higher energy standards may incur higher capital expenditures but potential reduce operating costs in the long run.

We communicate with our tenants to find a way to most efficiently meet their energy needs. As part of our overall energy strategy, the electricity used in the communal areas of our properties has been sourced from renewable energies since 2010.

Economic Changes

- ◆ Change in the global economy may lead to more or less rental growth
- ◆ The European Central Bank has indicated that the years of expansive monetary policy could be coming to end
- ◆ Changing availability of debt capital

An increase in raw material prices (oil, gold, etc.) could disrupt Germany's trade balance and lead to an economic contraction.

Potential interest rate increases could affect the profitability, liquidity and expansion potential of DIC Asset.

To minimise risks, we concentrate on long-term rental agreements with tenants with strong credit histories. Additionally we diversify our portfolio by having many different types of tenants and a broad geographical profile.

Although in the mid-term interest rates could begin to rise slightly, we see a significant downturn in the global economy as unlikely.

Regulatory and Legislation

- ◆ Legislation requiring energy efficiency and emissions reductions
 - Energy Saving Regulation (EnEV) requiring regular energy audits
 - Renewable Energy Sources Act (EEG) requiring >40% renewable energy by 2025
- ◆ Demand for increased reporting transparency due to national and international regulations
- ◆ Upcoming 2017 elections in Germany

DIC Asset may be affected due to regulations specifying emission limits or energy efficiency targets for real estate. Future updates to German legislation may require material changes to the construction and remodeling of properties and increase the demand for greater energy efficiency in asset and property management. A potential change in the political climate could lead to increased protectionism worldwide, negatively impacting the German economy.

DIC Asset AG has dedicated staff for energy management and an experienced team of property managers to respond to tenant needs. We regularly invest in our buildings and spent around EUR 14.5 million on tenant upgrades and improvements in 2016. We will monitor changes in legislation and regularly update procedures in order to ensure compliance.

As Germany is a politically and economically stable country, we see risks and opportunities from a change in the governing party as less likely.



COMPLIANCE GUIDELINES

G4-DMA G4-56

Our comprehensive set of compliance guidelines are designed to ensure that DIC Asset AG and its employees act responsibly and consistently. This includes observing the principles of ethics and integrity within the company, and in particular complying with legal provisions, internal company guidelines and self-imposed values.

The compliance guidelines have been issued to all employees of DIC Asset AG and its subsidiaries, who have accepted them with their signature. All employees are requested to report any misconduct or violations of legal provisions and internal company guidelines to their line managers, the Personnel department or the Management Board. These guidelines also cover interactions with third parties and external business partners. In dealing with violations of the compliance guidelines within the context of business relations, DIC Asset AG is guided by the applicable laws, provisions and regulations and reports any such incidents to the relevant authorities. Our guidelines take into account the protection of individuals and all reports are therefore treated anonymously and confidentially without any detriment to the employee making the report.

During the reporting period, DIC Asset AG was not subject to any fines or legal actions related to non-compliance with laws and regulations.

Key elements of DIC Asset AG's compliance guidelines

1. Protection against discrimination

- No discrimination or undesirable behaviour on the grounds of race, ethnic origin, gender, religion, disability, age or sexual orientation.

2. Avoiding conflicts of interest (to ensure transparent corporate actions)

- Prohibition on accepting or granting any personal advantage in connection with direct or indirect business activities.
- Binding rule on accepting and issuing gifts/invitations or other benefits.
- Obligation to comply with legal regulations with regard to office holders.
- No conflicts of interest through any other private secondary employment or participating interests in other companies.

3. Data protection

- Obligation to comply with data secrecy.
- Access to data, particularly protected personal data, only permissible within the context of the legitimate performance of duties.

4. Prohibited agreements

- Commitment to fair, free and undistorted competition.
- Prohibition on agreements in violation of anti-trust law or corrupt practices relating to prices and calculations, warranties and guarantees, the allocation of customers or areas of responsibility or the exchange of confidential market and customer information.



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MATERIALITY ANALYSIS

Thanks to its pan-German activities, DIC Asset AG has a wide real estate industry network, with a multitude of links to players and service providers in the real estate sector. Our decisions and activities influence our investors and capital providers, some 184 employees, approximately 1,200 tenants, more than 6,000 business partners and the entire global environment surrounding our properties. G4-24 G4-25

One of the challenges in reporting, especially in non-financial reporting, is to determine which issues are most significant for our business and for our diverse stakeholders. The materiality analysis serves to identify these topics and to guide our sustainability targets and reporting practices. In this way, we can proactively address the environmental, social and economic issues that are most relevant to us.

As part of our external analysis, DIC Asset AG conducted a wide-ranging G4-26 this year to ask our stakeholders directly what matters most to them. The questionnaire was developed according to the G4 guidelines of the Global Reporting Initiative, or GRI, the leading international sustainability reporting organisation.

The survey was distributed via email in December 2016. Out of approximately 1,000 employees, tenants, business partners and investors who received the survey, we achieved a response rate of 11.7%.

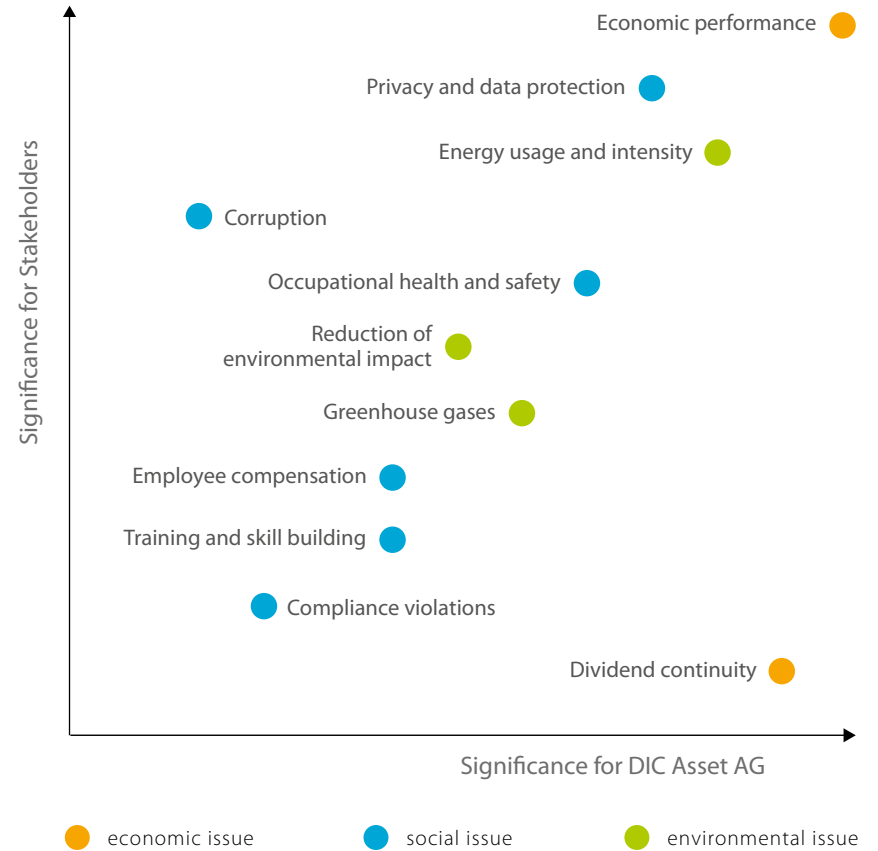
Participants were asked to rate the importance of 27 different sustainability issues covering a wide variety of topical areas. From their answers, we were able to determine the most significant topics for DIC Asset AG.

Just because a specific topic, such as water usage or anti-competitive behavior, does not appear in the matrix does not mean it is not important for our business. Rather, we continually strive to improve our own performance, as well as adhere to all applicable laws and

MATERIALITY MATRIX

Stakeholder Survey December 2016

G4-19 G4-20



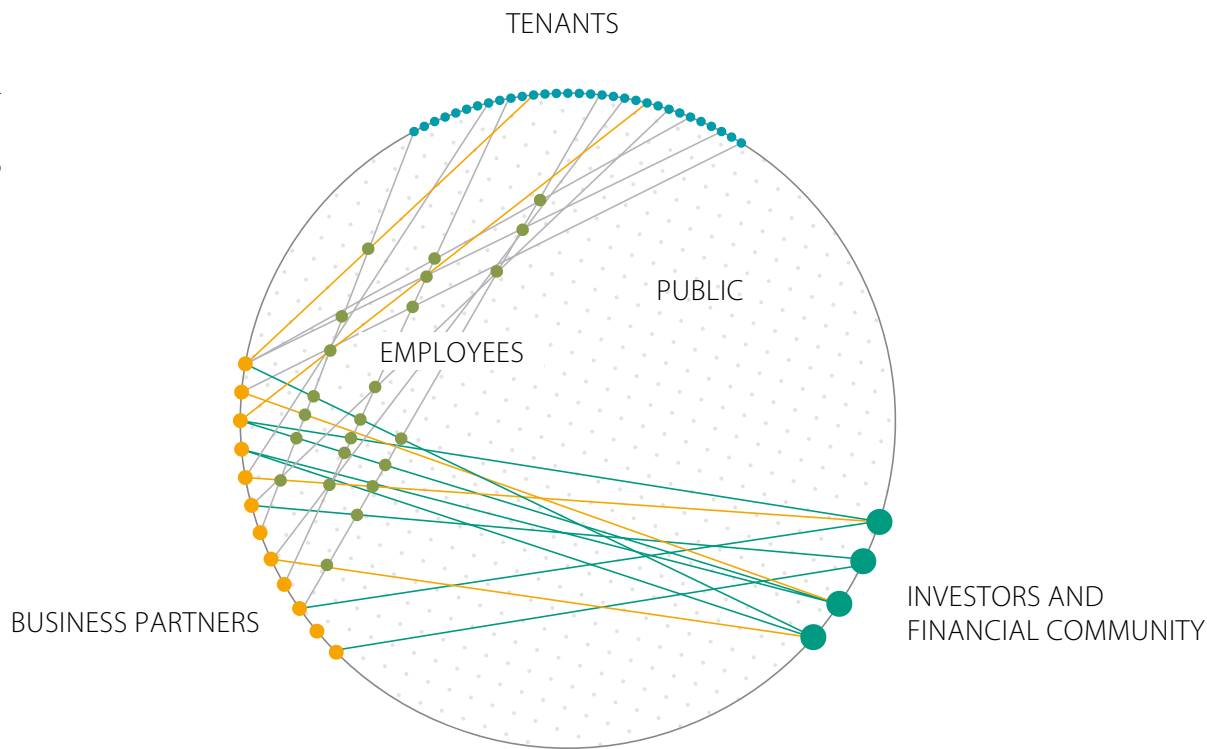
guidelines for our business and apply high ethical standards to our own practices. Additionally, some issues were more important for some stakeholder groups than others. This is addressed in the next section of the report.



OUR STAKEHOLDERS

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In this next section, we discuss the priorities of our stakeholders in more detail. In addition, we elaborate upon actions we have taken in the reporting year in order to respond to their needs.





DIALOGUE AT THE CORPORATE LEVEL

INVESTORS AND FINANCIAL COMMUNITY

Private and institutional shareholders (including notable major shareholders such as Deutsche Immobilien Chancen Group, British Empire and General Trust, solvia Vermögensverwaltung, RAG-Stiftung and Old Mutual plc, fund investors, holders of DIC Asset AG bonds, and numerous financial institutions and financing partners, analysts.

Their expectations

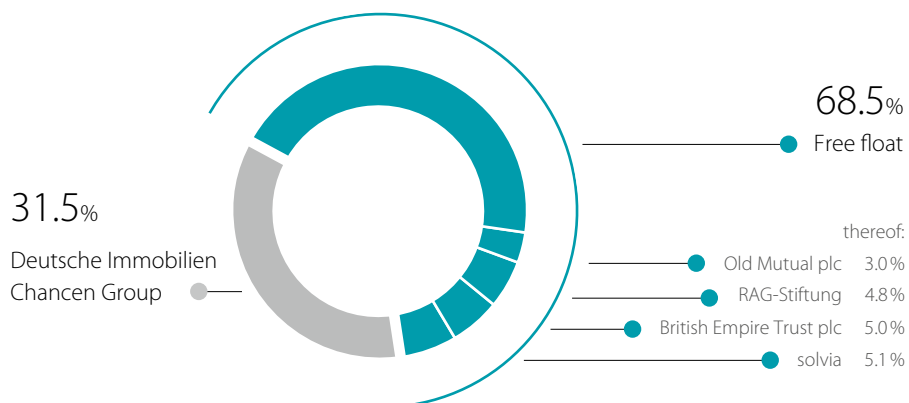
- ⊕ Long-term value creation and a balanced financial structure
- ⊕ Dividend continuity
- ⊕ Adherence to compliance guidelines
- ⊕ Transparent, accurate and timely communication of financial and non-financial information, including supply chains and energy consumption
- ⊕ Proactive dialogue and exchange with management

Actions taken and successes

- ✓ Increased take-up volume in 2016 by nearly 40% (up to 293,500 sqm) and achieved an FFO of EUR 47 million, exceeding the original forecast.
- ✓ Significantly reduced interest expense by refinancing EUR 960 million of bank financing in our Commercial Portfolio
- ✓ Dividend raised to EUR 0.37 per share, attractive dividend yield of 4.1% for 2015, suggested dividend of EUR 0.40 per share for 2016
- ✓ Dialog with investors and analysts at 11 roadshows and conferences
- ✓ Publication of annual and quarterly reports, sustainability reports, press releases and other documents

SHAREHOLDER STRUCTURE

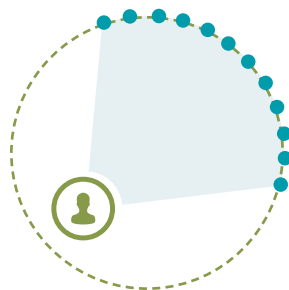
As at March 2017





EMPLOYEES

184 employees of DIC Asset AG as at 31 December 2016 (31 December 2015: 174), working in diverse areas such as asset- and property management, project management, marketing, finance, accounting and administration.



Their expectations

- ⊕ Fair treatment and competitive compensation
- ⊕ Training opportunities and development of professional skills
- ⊕ A safe and comfortable working environment and flexible working hours
- ⊕ Diversity and equal opportunity

Actions taken and successes

- ✓ Support for individuals wishing to undertake further training, including funding and extra time off
- ✓ Modern personnel development system to identify employees' skills and potential and help them to develop further over the long term.
- ✓ Regular work meetings and events to facilitate exchange of knowledge and boost team morale
- ✓ Performance-oriented compensation. In 2016, we paid out 11% of the total wages as bonuses.
- ✓ State-of-the-art, sustainable office spaces with ample common spaces and unlimited coffee, drinks and fruit.

DIALOGUE AT THE CORPORATE AND ASSET LEVEL

TENANTS

Approximately 1,200 commercial tenants ranging from small and medium-sized enterprises to international groups of companies.

Their expectations

- ⊕ Protection of privacy and personal data
- ⊕ Resource-conserving buildings and facilities
- ⊕ Efficient and attractive properties equipped to meet tenant needs
- ⊕ Regular, responsive communication
- ⊕ Knowledgeable, local and personalised service
- ⊕ Transparency regarding supply chains and compliance

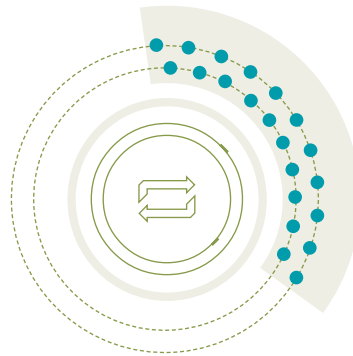
Actions taken and successes

- ✓ Tenant-focused approach to client service with employees specialised in companies of a certain size or sector.
- ✓ Addition of "green clauses" in our sample letting contracts and added further clauses of this kind.
- ✓ Regular investments in our portfolio to maintain the attractiveness of our properties and upgrading their technical aspects. In 2016 we invested a total of EUR 14.5 million in maintenance, repair and upgrades to our properties.
- ✓ Constant communication with our tenants to ensure service quality, reliability and permanent ease of access to our commercial and technical property managers. Each employee from the asset and letting management team takes care of around 10 properties on average.



BUSINESS PARTNERS

More than 6,000 business partners, with whom we jointly implement projects, or whose services we use along the real estate value-added chain.



Their expectations

- ⊕ Long-standing and consistent commercial relationships
- ⊕ Fair treatment and support of DIC employees
- ⊕ Protection of privacy and personal data
- ⊕ Energy efficiency and reduction of environmental impact

Actions taken and successes

- ✓ "Green energy" project: Since 2010, we have concluded framework contracts for all real estate managed by us to supply electricity from 100% renewable energy sources.
- ✓ Adherence to workplace health and safety standards and national and international environmental regulation
- ✓ Use of DIN/EN ISO 9001 and 14001 certified facility management service to maintain our headquarters with environmentally friendly cleaning methods
- ✓ Consistent achievement of stated financial targets and goals to ensure long-term financial sustainability of business

PUBLIC

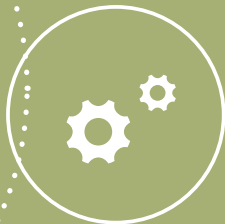
Local communities, government and civil society.

Their expectations

- ⊕ Recognition of needs, wishes and concerns of community and engagement in dialogue
- ⊕ Support local, regional and national initiatives to regenerate and develop residential and economic areas
- ⊕ Investment in local communities

Actions taken and successes

- ✓ Ongoing dialogue with various interest groups to uphold the common good
- ✓ Active communication with press and media
- ✓ Long-standing involvement in relevant professional associations, the German Property Federation ZIA (Zentraler Immobilien Ausschuss) and EPRA (European Public Real Estate Association)
- ✓ Participation in the Sustainability Council of the German Property Federation



4 ECONOMY

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G4-DMA

DIC Asset AG is a cost-effective company, geared in the long term to creating sustainable value through its activities for the benefit of shareholders, employees, tenants and business partners and making a positive contribution to the community. We publicise targets for our economic performance in our investor communications and regularly report on our progress.



Our economic sustainability principles:

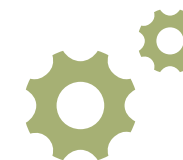
- ◆ Stable, long-term cash flows based on a diversified real estate portfolio and a growing fund business
- ◆ Generating long-term value through effective property and asset management
- ◆ Balance of appropriate financing to ensure growth
- ◆ Profit-oriented growth and corporate development
- ◆ Continuous positive contributions to results and dividends



ACHIEVEMENT OF STRATEGIC TARGETS IN 2016

In the 2016 financial year, we continued to develop and implement our strategic targets across the board:

- ◆ Successful "Strategy 2016" programme to reduce the key LTV (loan-to-value) ratio completed at the start of the financial year; LTV target of <60% reached one year ahead of schedule
- ◆ FFO – At around EUR 47 million, this key indicator of the profitability of our real estate management business met our raised target level
- ◆ Fund business on a growth trajectory; acquisition volume exceeded planning at EUR 520 million
- ◆ Growth in management income from the fund business, with FFO contribution almost tripling to EUR 21.2 million
- ◆ Optimising financing structure: Entire Commercial Portfolio with a volume of EUR 960 million refinanced on highly attractive terms



ECONOMIC KEY FIGURES

	2016	2015	2014
Number of properties*	200	215	233
Lettable area in sqm*	1,054,800	1,256,000	1,412,900
Vacancy rate*	11.3%	11.3%	10.9%
Rental income per sqm in EUR*	9.7	9.6	9.6
Gross rental yield*	6.5%	6.4%	6.6%
Annualised rental income in EUR million*	112.3	132.7	150.1
Market value in EUR million*	2128.1	2,199.2	2,396.9
Funds from Operations (FFO) in EUR million	47.0	49.0	47.9
Profit for the period in EUR million	-29.4	20.7	14.0
Adjusted Profit for the Period in EUR million	26.9	20.7	14.0
Cash flow from operating activities in EUR million	33.9	53.0	34.9
Net Asset Value in EUR million	880.0	884.1	864.8

* all figures pro rata, except number of properties; all figures excluding developments and warehousing, except number of properties and market value



PERFORMANCE

(assuming instant reinvestment of the dividend, indexed)



Capital markets

DIC Asset AG's share price mirrored the DAX's decline in February 2016 by reaching an annual low of EUR 7.28 before recovering to almost the same level as the German benchmark index. Amid fears of an interest rate hike, real estate stocks came under pressure across all markets from September onwards, as investor tension about the prospect of rising interest costs at publicly listed real estate companies grew in both the USA and continental Europe. In the wake of the ECB and Fed's interest rate decisions in early December, the sector index followed the wider market and experienced a turnaround, rallying from its mid-November low to gain around 8% by the end of the year. During that period, DIC Asset AG's share price also gained around 9%, closing the year at EUR 9.10.

DIC Asset AG's market capitalisation stood at EUR 624 million on 31 December 2016, down slightly by 2.3% on the previous year (EUR 639 million). After taking the dividend reinvestment into account, the share price increased by around 2% to outperform the sector index, which declined by around 8%.



ECONOMIC PERFORMANCE

Strong take-up, high volume of new leases

Our real estate management team's letting activities were highly successful in 2016. The rental volume of approximately 293,500 sqm (previous year: 202,800 sqm) for the entire portfolio under management significantly exceeded expectations, generating contractually agreed annual rental income from leases of approximately EUR 32.1 million (previous year: EUR 23.7 million). While new leases made up barely a quarter of letting activity in the previous year, the proportion of leases signed by new tenants rose significantly to over 30% in 2016, with EUR 10.4 million attributable to new leases and EUR 21.7 million to lease renewals.

Sales on target

During the year under review, we sold and notarised 31 properties from our various portfolio areas for a total volume of EUR 201 million – not including the "DIC Office Balance III" portfolio transaction, which was recognised in profit or loss at the beginning of January 2016. With transactions totalling around EUR 108 million for 22 properties from the Commercial Portfolio, we exceeded the upper end of the sales target range of EUR 80-100 million planned for 2016. We also sold nine properties from the Co-Investments segment with a combined volume of EUR 93 million, thus further significantly reducing our joint ventures as intended during the year under review.

On average, the properties were sold at around 11% above the most recent market value. The sales volume for the previous year had amounted to around EUR 220 million.

Further expansion of fund business

The fund business is an attractive line of business for us, providing regular, high income. In general, we have investments as a co-investor in the four funds created since 2010 and provide the added value of our real estate management and investment expertise as a service provider. Our goal is to further expand our fund business considerably. Due to our acquisition activities in 2016, the total volume of the funds rose from around EUR 830 million at the prior-year reporting date to around EUR 1.2 billion as at 31 December 2016.



BALANCED FINANCIAL STRUCTURE

Hedging risks and financing growth

Sound financial management ensures that we are able to guarantee the liquidity of DIC Asset AG and its investments at all times. We also strive to achieve the greatest possible stability vis-à-vis external influences and, at the same time, to maintain the degree of flexibility that guarantees our company's development. We therefore strive to be independent of additional financing for ongoing operations. For this purpose, we carry out annual liquidity planning as part of our budgeting process, which is then continuously updated through weekly liquidity status reports. The consistency of our cash flow enables us to make a detailed liquidity forecast against which we can align our cash deployment and requirements with great precision.

Refinancing of the Commercial Portfolio

To make our financing structure as stable as possible, we arrange our financing on a long-term basis, mainly over 5–8 years. Bank financing is carried out at property and portfolio level on a non-recourse basis, which prevents unlimited access to the Group and other portfolios. We achieved more stability and security in our planning by hedging the vast majority of our financing against fluctuations in interest rates in the past.

In light of increasing question marks regarding the persistently low interest rate environment and the first international and European trends towards a medium-term turnaround in rates, we made a crucial decision in 2016 concerning our financial strategy. Signing a loan agreement in December to refinance almost our entire Commercial Portfolio for almost EUR 1 billion was one of the highlights of our financial year. By refinancing the Portfolio ahead of schedule, we secured what was at the time a very low interest level over a period of seven years, thus significantly reducing costs over the long term.

TARGETS 2017



Details of DIC Asset AG's current business development in 2017 can be found in our annual report and our quarterly reports at www.dic-asset.de/engl





5

ENVIRONMENT

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**G4-DMA**

The mitigation of harmful environmental impacts is one of the most important issues to our stakeholders as well as our sustainability strategy. Real estate makes a significant contribution to general energy consumption and the emissions of greenhouse gases. Our employees and tenants consume electricity and water, as well as generating both recyclable and non-recyclable waste. The cumulative long-term effects of increasing carbon emissions contribute to global climate change, which impacts all of our stakeholders and the general public.

We see the efficient management of our properties and the reduction of our environmental impacts as interconnected goals. While taking into account of economic viability, we adapt properties, processes and procedures so as to enable the most efficient yet cost-effective provision of services. By tracking our performance in areas such as electricity consumption, water usage and greenhouse gas emissions, we can identify areas of improvement and measure our progress. This in turn helps us to better meet the needs of our company and our stakeholders.

Our ecological sustainability principles:

- ◆ Energy- and cost-efficient management of our real estate
- ◆ Long-term improvements in the existing portfolio and during project developments
- ◆ Optimisation and reduction of CO₂ emissions and consumption of resources

THE ANALYSIS PORTFOLIO

Since we first started reporting, we have continuously expanded our analysis portfolio. As of the end of 2015, this covers around 71% of the managed rental space in the DIC Asset Commercial Portfolio. We investigated an analysis portfolio of 110 properties to obtain our findings for the ecological report and took into account data for the period from 2013 to 2015. Though we strive to create the most comprehensive analysis possible, complete consumption data is not available in every case, so appropriate assumptions and simplifications have been made in

some parts of the data analysis. At the time of publication, consumption data for the 2016 financial year was not yet fully available. We provide information within the individual report sections and in the Appendix on the calculation stages and scope of the analysed data. In addition, we collect the consumption data of DIC Asset AG in its six branch locations throughout Germany.

Every year in our analysis portfolio, we collect data on the consumption of power, heating energy and water and calculate the contribution to CO₂ emissions from our Commercial Portfolio. This enables us to draw conclusions about the environmental impact of the real estate portfolio that we manage and also to identify appropriate measures for optimising energy management in the properties.

At the end of 2015, the Commercial Portfolio of DIC Asset AG consisted of 156 properties, with a managed rental space of approximately 1.1 million sqm. The analysis portfolio consists of 110 properties with a total rental space of approx. 810,000 sqm covering about 71% of the directly held portfolio.



Calculating consumption

The evaluation of the data in our analysis portfolio covers the period from 2013 to 2015.

To calculate the amount of heating energy and water consumed, we use the utility bills that are available to us from the supply companies. To calculate the amount of electricity consumed, we use only the actual consumption figures, mainly obtained upon request from our tenants.

In addition to our overall assessment, we also carried out a like-for-like comparison for the years 2013 to 2015 for the analysis portfolio. Only those properties are included in the like-for-like analysis which formed part of the portfolio in the two periods being compared. This eliminates the possible effect of any sales or purchases during the assessment period.

For our reporting, we calculate average values using the data on consumption in the analysis portfolio. It should be noted that the different intensity of use of buildings can have a considerable effect on the figures: for example, properties which have their own computer centre and a cooling system in constant operation consume more energy on average. On the other hand, properties with a bigger proportion of storage space or without their own cooling systems generally have a much lower rate of energy consumption.

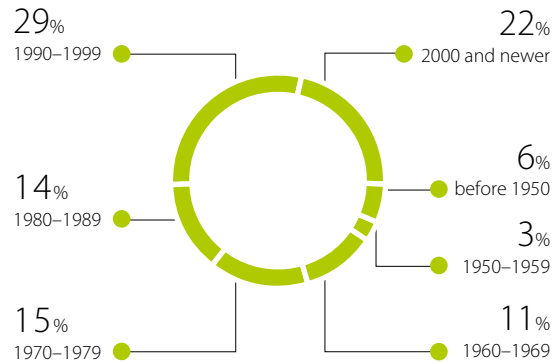
In our evaluation, we do not use any adjustment methods to neutralise any effects which may arise from the different usage of rental space, vacancy trends within the property portfolio, different materials used in the buildings or their age, or from external influences like the weather.

Steady growth in the analysis portfolio

In recent years, we have steadily expanded our analysis portfolio. Since we started producing our Sustainability Report, the analysis portfolio has grown from 58 properties to currently 110, equating to an increase of about 90%. Some of the properties included in the analysis portfolio in 2014 were sold as part of our extensive sales program in 2015.

DISTRIBUTION BY CONSTRUCTION YEAR*

As % of lettable area of the analysis portfolio



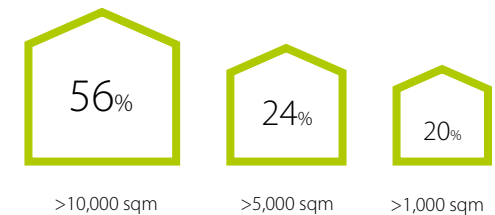
* In case of extensive refurbishments/modernisations: Year of most recent modernisation

The biggest challenge in monitoring our environmental impact is to effectively calculate the electricity consumption for each property, because most of our tenants arrange their own supply contracts. For the data collected to be as complete as possible, we depend on the cooperation of those tenants who obtain their electricity (and in some cases also water) themselves.

The bigger the data pool, the more precisely we can draw conclusions concerning sustainable and efficient property management and devise suitable approaches for optimising the energy efficiency of our properties, in consultation with our tenants. In order to achieve the greatest possible coverage of our real estate portfolio, we plan to continue to expand our analysis portfolio as much as possible to cover most of our directly held portfolio and broaden our data collection framework.

DISTRIBUTION BY SIZE

As % of lettable area of the analysis portfolio





TRENDS IN CONSUMPTION DATA

ENERGY

CRE1 EN3,4,5,6



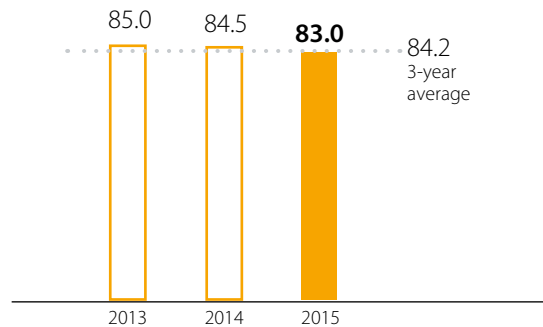
Electricity

For our evaluation of electricity consumption in the period 2013-2015, the usage data for 100% of the rental space in the analysis portfolio was available to us, representing 71% of our total Commercial Portfolio.

In 2015, the total electricity consumption in our analysis portfolio was 66.9 million kWh (2014: 68.2 million kWh). In proportion to the rental space, this equates to a figure of 83.0 kWh/sqm (2014: 84.5 kWh/sqm).

In the like-for-like comparison, 66.9 million kWh of electricity was consumed in 2015. This means that electricity consumption, like-for-like, has fallen by 2.3% (-1.5 million kWh) as compared to base year 2013 (68.5 million kWh).

ELECTRICITY CONSUMPTION in kWh/sqm



Heating

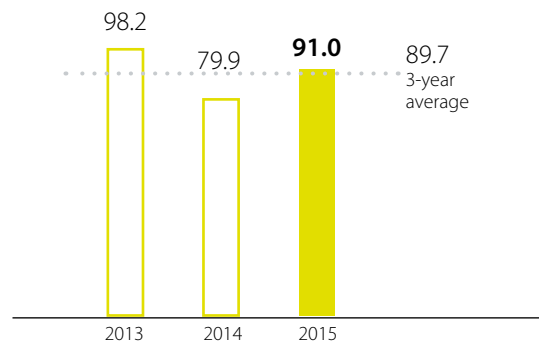
In calculating heating energy consumption, with the utility bills that were available to us and the usage figures provided to us by tenants, we had access to data from 98% of the rental space in the analysis portfolio, representing 70% of the total Commercial Portfolio.

In 2015, the total heating energy consumption in our analysis portfolio was 72.2 million kWh (2014: 63.3 million kWh). In proportion to the rental space, this equates to a figure of 91.0 kWh/sqm (2014: 79.9 kWh/sqm).

In the like-for-like comparison, the consumption of heating energy in 2015 was approximately 72.0 million kWh. This is higher than in 2014, when we consumed 63.2 million kWh, but represents an overall decline of 7% as compared with the usage in 2013 of 77.7 million kWh. The year-on-year increase can be attributed to the record-breaking warm winter in 2014, which led to lower than normal consumption of heating energy that year*.

* Press release, German Weather Service, "Deutschlandwetter im Jahr 2015", 30.12.2015

HEATING ENERGY CONSUMPTION in kWh/sqm



WATER

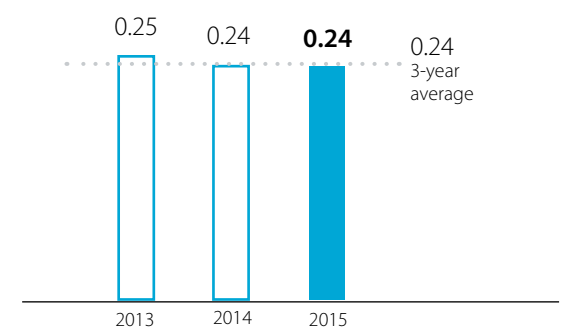
CRE2 EN8

In calculating water consumption, for the period 2013-2015 we were able to use utility bills from the supply companies to evaluate data from, on average, 98% of the rental space in the analysis portfolio, which comprises 70% of the total Commercial Portfolio.

In 2015, total water consumption in our analysis portfolio was approximately 191,300 m³ (2014: approx. 193,700 m³). This equates to a figure of 0.24 m³/sqm (2014: 0.24 m³/sqm). In the overall assessment, consumption remained largely stable over the analysis period.

In the like-for-like comparison, we calculated consumption of approximately 177,000 m³ for 2015, demonstrating a continuing downward trend in our water usage. Like-for-like water consumption has fallen around 8% since 2013.

WATER CONSUMPTION in m³/sqm





CO₂ EMISSIONS



G4-DMA

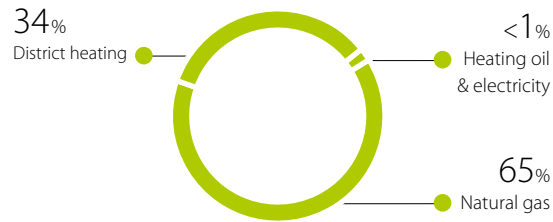
The consumption of energy releases greenhouse gases, which play a major part in climate change. Our aim is to reduce the emissions of greenhouse gases as much as possible. We have taken numerous methods to reduce our carbon footprint.

- ◆ With our "green energy" project, the electricity used in the communal areas of our properties has come from renewable, CO₂-neutral energy sources (eco-electricity) since 2010.
- ◆ We conduct regular external energy audits in our own offices to precisely monitor usage and identify improvement potential. The audit was last conducted in the summer of 2016.
- ◆ Much of our business travel is conducted using carbon-neutral transportation, particularly long-distance train travel with the Deutsche Bahn.

Our calculation of the CO₂ emissions from our analysis portfolio is based on the consumption data for power and heating energy. We calculate the CO₂ footprint caused by the electricity and heating energy from different energy sources by using conversion factors specified by the properties' respective energy providers. If the appropriate conversion factor is not provided by the energy company, then the "Bundesmix" factor, a national average provided by the German Association for Water and Energy Providers, is applied.

TOTAL ENERGY USE by type of energy

EN3



Heating energy is supplied directly and indirectly to our properties from three energy sources – district heating, natural gas and heating oil, with natural gas accounting for the biggest proportion, 65%.

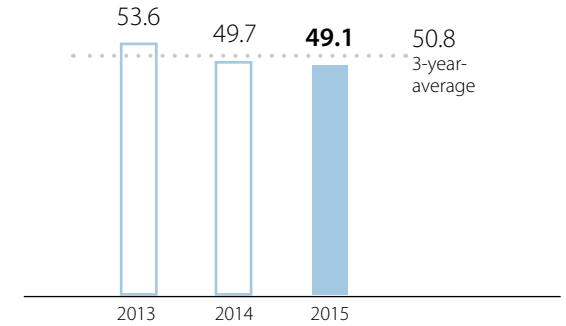
In calculating CO₂ emissions we use the following factors:

- ◆ District heating: 161.0 g CO₂e/kWh*
- ◆ Heating oil: 298.0 g CO₂e/kWh*
- ◆ Natural gas: 221.0 g CO₂e/kWh*
- ◆ Electricity national average ("Bundesmix") 535.0 g CO₂e/kWh*

* Source: CO₂ conversion factors according to power providers and German energy agency

INDIRECT CO₂ EMISSIONS in kgCO₂e/sqm

EN18



In 2015, the CO₂ emissions caused by power and heating energy consumption amounted to approximately 39,300 tCO₂e (2014: approx. 39,800 tCO₂e). In proportion to the rental space, this equates to a figure of 49.1 kgCO₂e/sqm (2014: 49.7 kgCO₂e/sqm).

In the like-for-like comparison, emissions were roughly the same at approximately 39,300 tCO₂e in 2014. Compared with 2013, the like-for-like CO₂ emissions have fallen by 8% (-3600 tCO₂e).



Consumption of a typical property CRE3

At the end of 2015, the average surface area of a property from the Commercial Portfolio, calculated by dividing the rentable space by the number of properties in the portfolio, was 7,270 sqm. Based on the average figures that were calculated for the analysis portfolio, the annual environmental performance results for a property of this size are as follows:

AVERAGE ENERGY, WATER- UND EMISSIONS VALUES

based on the average rental space of a typical property from the Commercial Portfolio

Ø 2013–2015	per year	per sqm and year
Electricity consumption (kWh)	611,702	84.2
Heating energy consumption (kWh)	651,920	89.7
CO ₂ emissions	368,980	50.8
Water consumption (m ³)	1,766	0.24



CONSUMPTION DATA IN ABSOLUTE NUMBERS*

	2015	2014	2013
Indirect electricity consumption (kWh)	66,949,507	68,199,726	68,470,333
Number of analysed properties	110 of 156	110 of 156	109 of 156
Corresponding rental area in sqm	806,982	806,982	805,282
Indirect heating energy consumption (kWh)	72,166,515	63,333,757	77,651,241
Number of analysed properties	108 of 156	108 of 156	107 of 156
Corresponding rental area in sqm	792,703	792,703	791,003
Indirect carbon dioxide emissions (kgCO₂e)	39,338,348	39,841,169	42,866,019
Number of analysed properties	110 of 156	110 of 156	109 of 156
Water consumption (m³)	191,268	193,685	191,379
Number of analysed properties	110 of 156	110 of 156	105 of 156
Corresponding rental area in sqm	806,982	806,982	759,036

* related to the analysis portfolio



1

LIKE-FOR-LIKE CONSUMPTION FIGURES*

	2015	2014	2013	Change from 2013
Indirect electricity consumption (kWh)	66,924,446	68,174,198	68,470,333	-2.3%
Number of analysed properties		109 of 156		
Corresponding rental area in sqm		805,282		
Indirect heating energy consumption (kWh)	72,035,581	63,194,783	77,651,241	-7.2%
Number of analysed properties		107 of 156		
Corresponding rental area in sqm		791,003		
Indirect carbon dioxide emissions (kgCO₂e)	39,293,269	39,794,011	42,866,019	-8.3%
Number of analysed properties		109 of 156		
Water consumption (m³)	176,885	178,027	191,379	-7.6%
Number of analysed properties		105 of 156		
Corresponding rental area in sqm		759,036		

* related to the analysis portfolio

4

KEY FIGURES*

	2015	2014	2013	Change
Indirect electricity consumption (kWh/sqm)	83.0	84.5	85.0	-2.4%
kWh/work place**	1,327	1,352	1,360	-2.4%
Number of analysed properties	110 of 188	110 of 188	109 of 188	
Indirect heating energy consumption (kWh/sqm)	91.0	79.9	98.2	-7.3%
kWh/work place**	1,457	1,278	1,571	
Number of analysed properties	108 of 188	108 of 188	107 of 188	
Indirect CO₂ emissions (kgCO₂e/sqm)	49.1	49.7	53.6	-8.4%
kWh/work place**	785	794	857	
Number of analysed properties	110 of 188	110 of 188	109 of 188	
Water consumption (m³/sqm)	0.24	0.24	0.25	-6.0%
m ³ /work place**	3.8	3.8	4.0	
Number of analysed properties	110 of 188	110 of 188	105 of 188	

* related to the analysis portfolio ** Average size of office work place in the seven largest German cities: around 16 sqm (2015/2016 Cushman & Wakefield Global Occupier Metrics)

7



Extrapolation of the Commercial Portfolio

Based on the consumption data we received from our analysis portfolio, we have extrapolated the consumption of our entire directly held portfolio for the period 2013-2015. This helps us to better capture the actual entire environmental impact of the Commercial Portfolio of DIC Asset AG.

PORTFOLIO EXTRAPOLATION

	2015	2014	2013
Area of Commercial Portfolio in sqm	1,133,763	1,343,100	1,400,800
Electricity consumption			
of analysis portfolio in kWh/sqm	83.0	84.5	85.0
Extrapolated electricity consumption of Commercial Portfolio in mn kWh	94,060,142	113,508,123	119,105,130
– Thereof electricity in common spaces in (100% renewable energy)	17,323,824	20,167,395	20,441,472
– Thereof electricity consumed by tenants	76,736,318	93,340,728	98,663,657
Heating energy consumption			
of analysis portfolio in kWh/sqm	91.0	79.9	98.2
Extrapolated heating energy consumption of Commercial Portfolio in mn kWh	103,216,101	107,308,230	137,513,842
Total extrapolated energy consumption of Commercial Portfolio in mn kWh	197,276,243	220,816,353	256,618,971
Water consumption			
of analysis portfolio in m ³ /sqm	0.24	0.24	0.25
Extrapolated water consumption of Commercial Portfolio in mn m ³	268,721	322,359	353,190
CO₂ Emissions in tCO₂e *	61,869	71,522	80,507

* Carbon dioxide emissions from tenant consumption (Conversion factor according to national average 535 gCO₂e/kWh) and heating energy



DIC ASSET AG'S ECO-BALANCE

Over the reporting period of 2015, DIC Asset AG had on average 168 employees at six offices in Germany. In evaluating the consumption data for the properties used by ourselves, we apply the same methodology as in evaluating our analysis portfolio.

In the financial year 2015, DIC Asset AG's electricity consumption amounted to some 98.6 kWh/sqm (2014: 87.9 kWh/sqm). Consumption increased by 26.3% as compared to the benchmark year 2013. This can be attributed to the increased electricity consumption in common spaces resulting from the relocation of our headquarters in April 2014 to a building with higher energy demands, including heating and cooling systems.

2015 marks the first full reporting year in the more energy-intensive location. Energy usage per employee, however, remained constant at 1,484 kWh per person (2014: 1,456 kWh per person).

DIC Asset AG obtains heating energy from district heating and gas at all six of its locations. The heating energy consumption in 2015 of 56.7 kWh/sqm remained on the same level as the previous year (2014: 55.0 kWh/sqm), an overall decline of 20.7% since 2013.

ELECTRICITY AND WATER CONSUMPTION OF DIC ASSET AG Absolute figures

	2015	2014	2013	Change since 2013
Total energy consumption (kWh)	561,521	396,605	363,628	54.4%
of which energy consumed by tenants	249,322	195,106	199,292	25.1%
of which energy consumed in common spaces	312,199	201,500	164,335	90.0%
in kWh/sqm	98.6	87.9	78.1	26.3%
in kWh/employee	1,484	1,456	1,476	0.5%
Heating energy consumption (kWh)	322,892	248,262	332,871	-3.0%
in kWh/sqm	56.7	55.0	71.5	-20.7%
in kWh/employee	1,922	1,853	2,466	-22.1%
Water consumption (m³)	2,012	1,310	1,319	52.6%
in m ³ /sqm	0.35	0.29	0.28	24.8%
in m ³ /employee	12.0	9.8	9.8	22.6%
Number of offices	6	6	6	
Total area in sqm	5,693	4,512	4,656	
Number of employees (yearly average)	168	134	135	

Water consumption, at 0.35 m³/sqm in 2015, increased 24.8% as compared to base year 2013, which reflects the increased demands of the new headquarters space.



Sustainability in our workplace

An efficient and responsible usage of resources is always a high priority for us. Since our head office in Frankfurt was relocated in April 2014, we have become the main tenants in a sustainable office block which was built in compliance with the very strictest Green Building Standards.

Another area where we seek to maximise effectiveness is in our IT infrastructure. Through a number of different approaches, including implementing refurbished equipment, centralising printing facilities and regular replacement of older hardware with newer, more efficient technology, we have achieved significant cost and energy savings.

We have also gradually been switching our company offices to eco-electricity. All six of our offices use carbon-neutral electricity since 2014.

Recycling and waste management EN23

The disposal of trash and waste in Germany consumes significant energy resources. 2015 marks the first year that we are reporting on waste management, disposal and recycling at DIC Asset AG, demonstrating our commitment to continuously improving our data collection and transparency.

Information regarding the volume and type of waste material is provided by waste management companies at our office locations. In 2015, the DIC Asset AG produced approximately 500,000 litres of trash total at its six offices around Germany. Approximately 40% of our trash is recyclable paper and cardboard, 17% is recoverable waste and 18% is recyclable material such as plastic. Around 23% of our waste cannot be recycled. This includes food waste and other organic material.

WASTE GENERATION AT DIC ASSET AG

First reporting year: 2015

Type of waste	Volume in 2015
Non-recyclable waste	117,182 l
Paper	204,560 l
Recoverable waste	86,778 l
Recyclables	91,175 l
Total	499,696 l

Carbon emissions

The CO₂ balance sheet for DIC Asset AG includes all greenhouse gas emissions – measured in carbon dioxide – arising from its business operations.

In addition to the emissions arising from the use of the properties at our locations, these mainly comprise the CO₂ emissions resulting from employees' business travel by air or by train and from vehicles of our own fleet.

In the financial year 2015, the CO₂ balance sheet outcome including consumption of tenants was 62,235 tCO₂e (2014: 71,843 tCO₂e).



GREENHOUSE GAS EMISSIONS ACCORDING TO GHG PROTOCOL* in tCO₂e EN15,16,17,19

	2015	2014	2013	Change since 2013
Scope 1				
Vehicle Fleet	229	244	299	-23.3%
Scope 2				
Consumption of DIC Asset AG (tenant-consumed electricity, heating)*	0	0	8	-100.0%
Energy consumed in common spaces (Commercial portfolio)**	0	0	0	
Scope 3				
Business travel***	47	28	45	4.4%
Consumption of DIC Asset AG (Energy consumed in common spaces rented by DIC, e.g. headquarters building)****	90	49	37	
Tenant consumption (based on extrapolation of portfolio)	61,869	71,522	80,507	-23.2%
Total tCO₂e	62,235	71,843	80,896	-23.1%

* Carbon-neutral electricity supplied to company offices in Mannheim as of 01.01.2011, Frankfurt from 01.01.2012, Hamburg as of 01.10.2012, München as of 21.01.2013, Düsseldorf as of 01.01.2013, Berlin as of 01.01.2014
 ** Electricity in common areas supplied by 100% renewable energy since 2010
 *** Not counting commuting by employees
 **** Information supplied by property owner

“Greenhouse Gas Protocol” (GHG Protocol)

Our CO₂ accounting is based on the globally recognised “Greenhouse Gas Protocol”. The standards distinguishes between three types of emissions, so-called “scopes”:

- Scope 1 encompasses direct CO₂ emissions. For DIC Asset AG, these come from the company’s vehicle fleet.
- Scope 2 relates to indirect CO₂ emissions. These are produced by our suppliers in the generation of energy (electricity and heat) for our office locations as well as the common spaces for properties we own. We have secured carbon-neutral energy sources for these areas, thus reducing our emissions to zero.
- Scope 3 covers all the other CO₂ emissions associated with our business operations. These include greenhouse gas emissions resulting from business travel and commuting, and the CO₂ emissions caused by usage at the properties in our analysis portfolio (electricity consumed by our tenants at properties we own) and electricity consumed in the common spaces of the properties we rent (e.g. our company offices.)



6 SOCIETY

Our employees	43
Sector involvement and memberships	47



G4-DMA

As one of Germany's largest portfolio managers for commercial properties and providers of real estate investment products, our business impacts many aspects of society. We are not only part of the professional lives of many people, whether as employees, business partners or investors, but also influence the local and regional environment in cities and communities through our business activities.

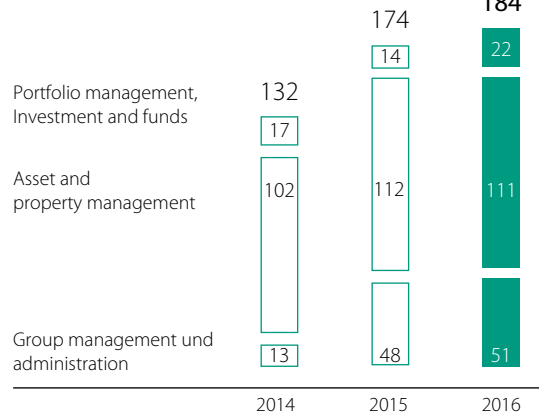
Our principles of social sustainability

- ◆ Development of a positive corporate culture and safe and comfortable working environment
- ◆ Support for employee growth and advancement, including training and market-level compensation
- ◆ Long-term partnerships with high-performing companies
- ◆ Cautious urban development with respect for the growing environment
- ◆ Charitable and social involvement focused on investment in local communities

We see our impact on society as equally important compared to our environmental and economic impact. We strive to treat our employees, customers and business partners in a fair and responsible manner at all times. A positive corporate culture has a beneficial impact both on the quality of work itself and on the sense of cohesion amongst our employees. Constructive exchange and dialogue with our stakeholders allows us to regularly evaluate our performance and maintain our high standards.

NUMBER OF EMPLOYEES

G4-10



OUR EMPLOYEES

Though DIC Asset AG is one of the largest listed commercial real estate and investment companies in Germany, it deliberately does not have the characteristic features of a large firm. We strive to empower our employees to display and develop their ideas and potential. Our success as a company is based on the knowledge, skills and dedication of our employees. We can only achieve our ambitious goals if we have qualified and motivated employees who represent our company externally with success and conviction.

We operate throughout Germany with six offices located in areas where our portfolio is concentrated. The corporate headquarters of DIC Asset AG is in Frankfurt am Main, and this is where central management and administrative tasks are performed.

At the end of 2016, DIC Asset AG had 184 employees (2015: 174).

The previously outsourced accounting and finance, controlling, human resources, and IT functions (part of Group management and administration) were integrated into DIC Asset AG in 2015. In line with our business strategy, we welcomed new team members in the portfolio management, investment and funds divisions.



Our company brand

Attracting new colleagues that are passionate about our company is one of the most important issues for our Human Resources department. In order to be attractive to talented and well-qualified candidates, we invest in positioning DIC Asset AG as an excellent employer and ensuring public awareness of the benefits we offer. We participated, for example, in the real estate careers forum organised by Immobilien Zeitung in Frankfurt in June 2016, among other events.

Diversity

LA12

As of the end of 2016, 57% of the employees at DIC Asset AG were female (2015: 59%).

DIC Asset AG is required by German law to stipulated targets for the share of women on the Supervisory Board, on the Management Board and, if applicable, at the two executive levels below the Management Board.

In September 2015, the Supervisory Board adopted targets of 1/6th (corresponding to around 16.7%) for the share of women on the Supervisory Board and 25% for the share of women on the Management Board. Additionally, the Management Board adopted a target of 20% for the single executive level below the Management Board. This represents an increase in the share of women in management positions, which was approximately 11% at the time this target was set.

Having colleagues of diverse ages and backgrounds helps create a dynamic exchange of ideas. As per the end of 2016, the majority of our employees, around 69%, are aged between 31 and 50. An additional 18% of our employees are younger than 30 years old, and 13% are older than 51 years old.

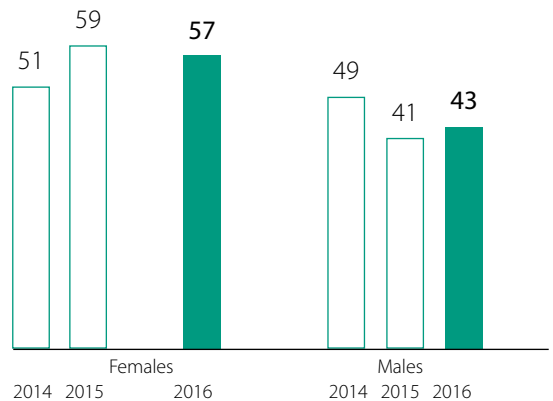
Salaries: fair remuneration and rewards for performance

EC3 G4-DMA

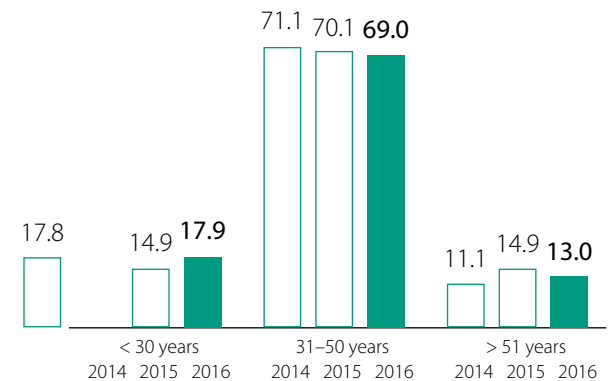
Fair salaries and appropriate compensation were one of the most important material issues identified by our stakeholders for DIC Asset AG. Our salaries consist of a basic income, supplementary benefits and performance-re-

lated components. We base our salaries on industry standards and those of our competitors. The performance-related component is linked to the achievement of strategic, operational and personal targets, determined on an annual basis with supervisors. In this way, we encourage and support an awareness of entrepreneurial issues among our employees. In 2016, DIC Asset AG paid a total of EUR 13.9 million to its employees. This figure includes performance-related bonuses of EUR 1.5 million, corresponding to approximately 11%. Social security taxes, pension contributions and other additional benefits amounted to a total of EUR 1.9 million.

PROPORTION FEMALE/MALE EMPLOYEES in %



AGE STRUCTURE in %





NEW/LEAVING EMPLOYEES* LA1

	2016				2015				2014		
	Men	Women	Total		Men	Women	Total		Men	Women	Total
New	21	19	40	New	16	15	31	New	9	9	18
Leaving	9	10	19	Leaving	9	10	19	Leaving	6	5	11
Fluctuation in %	10.2			Fluctuation in %	10.9			Fluctuation in %	7.9		

* adjusted for employee turnover within the DIC Group; based on the number of resignations by permanently employed staff.

Professional development LA10

Opportunities for training and professional development were also identified as material by our stakeholders, especially our employees. Systematic personnel development is crucial to our long-term corporate development strategy. We strive to ensure that talents are discovered, nurtured and appropriately deployed throughout the Company. We therefore support our employees in achieving their personal goals in terms of their professional development and advancement, and we invest in building knowledge and skills. For instance, we offer trainings on both general and specialised topics to improve employee skills. We make use of internal and external trainers as well as professional development providers.

Personnel development and advancement is also an integral part of the role of our managers. We support our managers in this regard and provide them with regular training sessions and/or one-on-one coaching.

Training and support for young employees

Students are given an insight into various areas of our company through school internships (lasting 14 days) and student internships (lasting two to six months). We offer university graduates the opportunity to embark upon a 12- or 18-month training programme following their studies, during which young professionals beginning their careers are trained for positions of responsibility. Since 2015, we have also been certified to train real estate professionals. We also provide students with support for their Bachelor's or Master's theses. We view all these programmes as important ways of acquiring new and well-qualified junior employees for our company.

Health and safety in the workplace LA5

We ensure safe working conditions for our employees through early preparation and education. Occupational health and safety strategy is determined in regular meetings of our executive board and the Health and Safety Committee, which is comprised of internal representa-

tives and external subject matter experts. Courses such as "Responsibility for Occupational Safety" educate our corporate leadership in safety best practices.

Fire safety trainings for employees also help us maintain a safe workplace. Fire safety and first aid materials and instructions are available on every floor for easy access in case of an emergency. Additionally, we provide biannual first aid trainings for employees across Germany.

Ultimately, we seek to make our office environment not only safe but also attractive and comfortable. LA2 In 2014, we moved our headquarters to the MainTor development in central Frankfurt, just minutes from numerous restaurants, shops and cultural attractions. Our offices have access to natural light with views of the city center and the MainTor site. The new location also has secure areas for bicycles and easy access to a number of public transportation opportunities, as well as a spacious dining room for colleagues to enjoy their meals together. Each floor also has a kitchen offering a selection of fresh fruit as well as coffee, tea and soft drinks.



Flexible working patterns

DIC Asset AG offers flexible working patterns, principally in order to support employees returning to the workplace after parental leave. In this way we enable our staff to balance their family and professional lives. In 2016, a total of 24 employees (13%) had part time working arrangements, while in 2015 there were 21 (12%).

Promoting open communication and fostering team spirit

In addition to the established tools for personal development, such as annual feedback reviews, we also place great value on promoting an open exchange amongst our employees, unimpeded by different hierarchical levels. In general, our employees should be able to approach their line managers with their questions or concerns at any time.

We encourage a spirit of cooperation and information exchange through regular meetings of working groups in which employees from the regional offices and headquarters work together on different projects. The compliance guidelines that were introduced in 2013 also encourage responsible cooperation.

Low level of absenteeism

LA 6

We endeavour to reduce the number of days lost through illness to a minimum through active communication. After long absences due to illness, we meet with employees upon their return to adapt their work environment to best suit their needs.

The absence rate per employee in 2016 decreased in comparison to the previous year from an average of 9.2 days to 7.2 days. This is the equivalent of an average absence rate of 2.8% in 2016 (2015: 3.6%).

Illness-related absences by employees of DIC Asset AG are therefore still considerably below the average rate for employees in Germany, which in 2015, the most recent year for which data were available, was 15.4 days of sickness (2014: 15.4)*.

* Source: Gesundheitsreport 2016 und 2015; Techniker Krankenkasse
<https://www.tk.de/tk/praevention/gesundheitsreport/gesundheitsreport-2016/840806>



ABSENCE

	2016	2015	2014
Total days of absence	1,294	1,596	1,134
Ø days of absence per employee	7.2	9.2	8.4
Absence rate*	2.8%	3.6%	3.3%

* Calculation: Absent days in the year/ (Target work days multiplied by average number of employees in the year)



SECTOR INVOLVEMENT AND MEMBERSHIPS

EC7 G4-16

Taking an active role

We are involved in a number of associations and organisations in the sector, with the aim of embedding sustainability-related issues such as transparency, reporting and communication with investors even more firmly in the real estate sector.

To raise awareness of real estate companies and their concerns, we work with other sector participants especially in the ZIA (German Property Federation) and EPRA (European Public Real Estate Association). CFO Sonja Wärtges contributes her expertise to the EPRA Reporting & Accounting Committee and to the corresponding committee at the ZIA. Supervisory Board Member Ulrich Höller served on the executive board of EPRA until September 2015 and currently serves as Vice President of ZIA.

Support for industry networking

We also play an active role in sponsoring real estate conferences and important sector gatherings (for example Quo Vadis, Real Estate Forum), in order to promote the sharing of experience and information within the industry, as well as showcasing DIC Asset AG on the national and international scene.

Charitable sponsoring

We actively support a number of social projects. Promoting arts and culture forms a large part of our charitable giving. In 2015, we sponsored the "Blickachsen" exhibition, which displayed the works of international sculptors throughout the Frankfurt, Germany area.



7

APPENDIX

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GRI G4 Content Index	51
Contact	60



GLOSSARY

CO₂

Carbon dioxide is a chemical compound of carbon and oxygen and is one of the main and best-known greenhouse gases. It is produced in particular during the combustion of fuels containing carbon, such as fossil energy carriers, e.g. coal, natural gas or crude oil.

CO₂e = carbon dioxide equivalent

To be able to quantify all greenhouse gas emissions using a single value, the impact on the climate of gases such as methane and nitrous oxide are converted into that for carbon dioxide. This value is termed carbon dioxide equivalent (CO₂e).

Co-investments

Comprises the investments in which DIC Asset AG has a minority interest. These include co-investments in special funds and joint venture investments.

Commercial portfolio

The commercial portfolio comprises the direct real estate investments (investment properties) of DIC Asset AG. Real estate in this portfolio is fully consolidated under the balance-sheet item "investment property".

Corporate Governance

Rules for sound, responsible business management geared towards management in line with values and standards in accordance with shareholders and other interested groups. The annual declaration of conformity of the management to the German Corporate Governance Code provides a tool to assess Corporate Governance.

CRESS (Construction and Real Estate Sector Supplement)

Sector-specific supplement to the current GRI Guidelines aimed at companies within the construction and real estate sector. In addition to general performance indicators, these also include sector-specific performance indicators.

DGNB (Deutsche Gesellschaft für Nachhaltiges Bauen) [German Sustainable Building Council]

The DGNB is a non-profit, non-governmental organisation whose task is to develop and promote approaches and solutions for sustainable planning, construction and the use of buildings. At the centre of its work are the composition and development of a certification system for sustainable buildings as well as the awarding of a certificate for the quality levels of gold, silver and bronze.

DIRK (Deutscher Investor Relations Verband e.V.) [German Investor Relations Association]

The DIRK is the German professional association for investor relations. With over 350 members, the DIRK sets the standards for the communication between companies and the capital market.

Energy Savings Ordinance (Energieeinsparverordnung – EnEV)

The Energy Savings Ordinance in Germany lays down standard requirements in structural engineering for developers and owners in order to ensure efficient energy consumption in buildings and construction projects. It applies to residential property, offices and certain industrial premises.

EPRA (European Public Real Estate Association)

The European Public Real Estate Association (EPRA) is an organisation based in Brussels, which represents the interests of major European real estate companies in public and supports the European real estate corporations' development and market presence.

FFO (Funds from Operations)

Operating income from property management, before depreciation, tax and before profits from sales and development projects.

**GHG Protocol**

The GHG Protocol defines the basic principles of relevance, completeness, consistency, transparency and precision that underpin the recording of CO₂ emissions. It is based on principles of financial reporting. Emissions are divided into three so-called scopes.

Scope 1 covers all emissions generated directly through combustion in a company's own facilities. Scope 2 covers emissions generated by energy bought in (e.g. electricity, district heating). Scope 3 covers emissions from services performed by third parties.

GRI (Global Reporting Initiative)

The Global Reporting Initiative is seen as a continuous international dialogue, involving a wide range of different stakeholders. It was founded in 1997, and its vision was to provide the foundation for transparent, standardised and comparable sustainability reporting on the global economy's economic, ecological and social performance. Its guidelines are designed to promote sustainable global development while helping companies/organisations to prepare sustainability reports with a voluntary framework for reporting.

G4 guidelines

The G4 guidelines serve as quality assurance in the preparation of sustainability reports. The reporting framework including the guidelines sets out the principles and indicators that the organisations can use to measure their economic, ecological and social performance.

Joint venture

Real estate investments with strategic financial partners in which DIC Asset AG has a minority interest. Part of the co-investments portfolio. Shares in these investments are consolidated as associated companies in accordance with the equity method.

Net asset value (NAV)

Represents the intrinsic value of a company. The net assets are calculated as the balance of the current value of the assets minus the liabilities.

Renewable energy sources

Renewable energy comes from sources which renew themselves within a short period of time or whose use does not contribute to the depletion of the resource and which are therefore considered to be particularly sustainable resources. They include, in particular, hydropower, wind energy, solar radiation (solar energy) and geothermal energy.

Stakeholder

Stakeholders are generally people or groups with different requirements or interests in the corporate process or result, business sector or project. The distinction can also be made between internal stakeholders (employees, proprietors) and external stakeholders (business partners, tenants, service providers, the public).

Sustainability

Sustainability means achieving a balance between economic, ecological and social aspects, which is also compatible with business targets, as well as safeguarding resultant values and future potential for all current and future stakeholders and generations.

ZIA (Zentraler Immobilien Ausschuss)**[German Property Federation]**

The ZIA represents the interests of the real estate industry in Germany in terms of regulation and economic policy.

Units of measurement

– kWh/year	Kilowatt hours per year
– kWh/sqm	Kilowatt hours per square metre
– m ³ Cubic metres	
– m ³ /sqm	Cubic metres per square metre
– kgCO ₂ e	Kilograms of carbon dioxide equivalent
– kgCO ₂ e/sqm	Kilograms of carbon dioxide equivalent per square metre
– kWh/employee	Kilowatt hours per employee
– kWh/work place	Kilowatt hours per work place
– m ³ /employee	Cubic metres per employee
– m ³ /work place	Cubic metres per work place



GRI G4 CONTENT INDEX including Construction and Real Estate Sector Supplement

GENERAL STANDARD DISCLOSURES

No.	Description	Page No.	Comment
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Strategy and Analysis

G4-1	Statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	5	
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Organisational Profile

G4-3	Name of the organization.	7	
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G4-4	Primary brands, products, and/or services.	7	
------	--	---	--

G4-5	Location of organization's headquarters.	43	
------	--	----	--

G4-6	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	7	
------	--	---	--

G4-7	Nature of ownership and legal form.	15	
------	-------------------------------------	----	--

G4-8	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	9	
------	--	---	--

G4-9	Scale of the reporting organization.	7	
------	--------------------------------------	---	--

G4-10	Total number of employees (permanent and temporary) by employment type, by region and by gender (and variations).	43, 44	
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G4-11	Percentage of total employees covered by collective bargaining agreements	n.r.	DIC Asset AG does not have any collective bargaining agreements with employees
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G4-12	Description of the organization's supply chain	7	
-------	--	---	--

G4-13	Any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain,	16	
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G4-14	Organization's approach to the precautionary principle	11	
-------	--	----	--

G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organizations subscribes or which it endorses	12	
-------	---	----	--

G4-16	List of memberships in industry organizations and national or international advocacy organizations	47	
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Identified Material Aspects and Boundaries

G4-17	Entities included in the organization's consolidated financial statements or equivalent documents.	15	
-------	--	----	--

G4-18	Process for defining the report content and the Aspect Boundaries.	13	
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G4-19	List all the material Aspects identified in the process for defining report content.	20	
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GENERAL STANDARD DISCLOSURES

No.	Description	Page no.	Comment
G4-20	Relevance of aspects and precision of the scope within the organisation (according to the description in point G4-17).	20	
G4-21	For each material Aspect, report the Aspect Boundary outside the organization	21-24	
G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements.	n.r.	There were no major restatements of information provided in previous reports
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.		There have been no significant changes in the scope or aspect boundaries during the reporting period.

Stakeholder Engagement

G4-24	Stakeholder groups engaged by the organization.	20	
G4-25	Basis for identification and selection of stakeholders with whom to engage.	20	
G4-26	Approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	20	
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	21-24	

Report Profile

G4-28	Reporting period for information provided	12	
G4-29	Date of most recent previous report	12	
G4-30	Reporting cycle (such as annual, biennial)	12	
G4-31	Contact point for questions regarding the report content	60	
G4-32	GRI G4 compliance option chosen by the organization and reference to the External Assurance Report	12	
G4-33	Policy and practice with regard to seeking external assurance	13	DIC Asset AG does not currently seek external assurance for sustainability reporting. Our 2016 Annual Report and the financial statements within were audited by Rödl & Partner in 2017.

Governance

G4-34	Governance structure of the organization	15	
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Ethics and Integrity

G4-56	The organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	18	
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SPECIFIC STANDARD DISCLOSURES

No.	Description	Page no.	Comment
Economic			
Economic performance			
G4-DMA	Management approach	26	
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	27	Additional information regarding financial performance is available in our Annual Report 2016.
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change and other sustainability issues.	16-17	
EC3	Coverage of the organization's defined benefit plan obligations.	44	Additional information regarding compensation and benefits is available in our Annual Report 2016.
Market presence			
G4-DMA	Management approach	44	
EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	See note	DIC Asset AG offers competitive compensation based on market norms and industry standards. Employees receive a basic income and a performance-oriented bonus. In 2016, we paid out EUR 1.9 mn in bonuses.
Indirect economic impacts			
G4-DMA	Management approach	11	
EC7	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	24, 47	
Procurement practices			
G4-DMA	Management approach	n.a.	
EC9	Proportion of spending on local suppliers at significant locations of operation	n.a.	Proximity to our properties and tenants is a key part of our business model. Our six regional offices rely heavily on the services of local suppliers to maintain our properties.



SPECIFIC STANDARD DISCLOSURES

Environmental

Energy

No.	Description	Page no.	Comment
G4-DMA	Management approach	32	
EN3	Energy consumption within the organization by primary energy source	39	
EN4	Energy consumption outside the organization by primary source	34-35	
CRE1	Building energy intensity	35-36	
EN5	Energy intensity	34	
EN6	Reduction of energy consumption	34	

Water

G4-DMA	Management approach	32	
EN8	Total water withdrawal by source.	34	The original source of the water consumed was not available during our data collection process.
CRE2	Building water intensity	39	

Emissions

G4-DMA	Management approach	35	
EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	41	
EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	36, 41	
CRE3	Greenhouse gas emissions intensity from buildings	36	
EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	35, 41	
EN18	Greenhouse gas (GHG) emissions intensity	35	
EN19	Reduction of greenhouse gas (GHG) emissions	35, 41	

Waste

G4-DMA	Management approach	32	
EN23	Total weight of waste by disposal route	40	Waste production was calculated in litres (volume) not kilograms or tonnes (weight).



SPECIFIC STANDARD DISCLOSURES

No.	Description	Page no.	Comment
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Compliance

G4-DMA	Management approach	18	
EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.		No such incidents were recorded in the reporting period

Construction and Real Estate Sector Supplement

CRE8	Type and number of sustainably certified assets	See note	Currently no properties in our Commercial Portfolio have achieved a green building certification.
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Social: Labor Practices and Decent Work

Employment

G4-DMA	Management approach	43	
LA1	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	43-45	
LA2	Benefits provided to full-time employees	45-46	
LA3	Return to work and retention rates after parental leave, by gender	n.a.	

Labor/management relations

G4-DMA	Management approach	43	
LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements		Employees are given early and proactive notice of any organizational changes. DIC Asset AG does not have collective bargaining agreements.

Occupational health and safety

G4-DMA	Management approach	43	
LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	45	
CRE6	Percentage of the organization operating in verified compliance with an internationally recognized health and safety management system.		Although DIC Asset AG does not currently orient itself to an international health and safety standard, all workplaces operate according to the strictest safety standards of German law. Additionally, internal and external Occupational Safety Commissions regularly review current practices.



SPECIFIC STANDARD DISCLOSURES

No.	Description	Page no.	Comment
LA6	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	46	
LA8	Health and safety topics covered in formal agreements with trade unions	n.a.	DIC Asset AG does not currently have any formal or informal agreements with trade unions.

Training and education

G4-DMA	Management approach	43	
LA9	Average hours of training per year per employee by gender, and by employee category.	n.a.	The average amount of hours of training per employee is not recorded at this time. However, DIC Asset AG provides considerable support in the form of compensation or flexible working hours to employees pursuing training or further education. For more information, see page 45 of this report.
LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	45	
LA11	Percentage of employees receiving regular performance and career development reviews, by gender.	46	All employees receive annual performance reviews with their supervisor.

Diversity and equal opportunity

G4-DMA	Management approach	43	
LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	44	Additional information regarding the composition of our Management and Supervisory Boards is available in our Annual Report 2016.

Equal remuneration for men and women

G4-DMA	Management approach	18	Our compliance guidelines prohibit any form of gender-based discrimination or unfair treatment in the workplace.
LA13	Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.	n.a.	Our compliance guideline states that our employees are to be treated equally and colleagues must not be disadvantaged based on gender and/or other criteria. Equal pay for equal work is highly important to our organisation. We plan to focus on this topic more in the future by implementing regular reporting.



SPECIFIC STANDARD DISCLOSURES

No.	Description	Page no.	Comment
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Supplier assessment for labor practices

G4-DMA	Management approach	18	Compliance guidelines cover interactions with third parties.
LA 14	Percentage of new suppliers that were screened using labor practices criteria	n.a	DIC Asset AG conducts its business activities exclusively in Germany, a country with very high standards for labour and human rights. We expect suppliers to adhere to national and international regulations at all times. Though there is no formal screening practice at this time, we are considering potentially implementing a Supplier Code of Conduct in the future.

Social: Human Rights

Non-discrimination

G4-DMA	Management approach	18	
HR3	Total number of incidents of discrimination and actions taken.		No such incidents

Child labor

G4-DMA	Management approach	18	See Compliance Guidelines
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor		No operations or suppliers were determined to have a risk for incidents of child labor

Forced or compulsory labor

G4-DMA	Management approach	18	See Compliance Guidelines
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor		No operations or suppliers were determined to have a risk for incidents of forced or compulsory labor

Supplier assessment for human rights

G4-DMA	Management approach	18	Compliance guidelines cover interactions with third parties
G4-HR10	Percentage of new suppliers that were screened using human rights criteria		See indicator G4-LA14



SPECIFIC STANDARD DISCLOSURES

No.	Description	Page no.	Comment
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Social: Society

Anti-corruption

G4-DMA	Management approach	18	See Compliance Guidelines
G4-SO5	Confirmed incidents of corruption and actions taken		No such incidents

Anti-competitive behaviour

G4-DMA	Management approach	18	See Compliance Guidelines
G4-SO7	Total number of legal actions for anti-competitive behaviour, anti-trust and monopoly practices and their outcomes		No such legal actions

Social: Product Responsibility

Customer privacy

G4-DMA	Management approach	18	See Compliance Guidelines
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.		No such incidents

Compliance

G4-DMA	Management approach	18	
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.		No such incidents

Explanations/Abbreviations

CRE	Real estate sector-specific key performance indicators
n.r.	not relevant
n.a.	not available



EPRA SUSTAINABILITY BEST PRACTICES PERFORMANCE MEASURES

Code	Performance Measure	GRI G4 indicator	Units of measure	Page	Note
Elec-Abs	Total electricity consumption	G4-EN3	annual kWh	34	
Elec-LFL	Like-for-like total electricity consumption	G4-EN3	annual kWh	34	
DH&C - Abs	Total district heating & cooling consumption	G4-EN3	annual kWh	34	
DH&C LFL	Like-for-like total district heating & cooling consumption	G4-EN3	annual kWh	34	
Fuels- Abs	Total fuel consumption	G4-EN3	annual kWh	35	
Fuels-LFL	Like-for-like total fuel consumption	G4-EN3	annual kWh	n.a.	Data for lfl consumption currently not available.
Energy-Int	Building energy intensity	CRE1	kWh/ m ²	35-36	
GHG-Dir-Abs	Total direct greenhouse gas (GHG) emissions	G4-EN15	annual metric tonnes CO ₂ e	41	
GHG-Indir-Abs	Total indirect greenhouse gas (GHG) emissions	G4-EN16	annual metric tonnes CO ₂ e	35-36, 41	
GHG-Dir-LFL	Like-for-like total direct greenhouse gas (GHG) emissions	G4-EN15	annual metric tonnes CO ₂ e	n.a.	Data for lfl GHG emissions not currently available
GHG-Indir-LFL	Like-for-like total indirect greenhouse gas (GHG) emissions	G4-EN16	annual metric tonnes CO ₂ e	35	
GHG-Int	Greenhouse gas (GHG) intensity from building energy consumption	CRE3	kg CO ₂ e / m ²	35-36	
Water-Abs	Total water consumption	G4-EN8	annual m ³	34	
Water-LFL	Like-for-like total water consumption	G4-EN8	annual m ³	34	
Water-Int	Building water intensity	CRE2	m ³ / m ²	34, 36	
Waste-Abs	Total weight of waste and proportion by disposal route	G4-EN23	annual litres and proportion by disposal route	40	Waste production was calculated in litres (volume) not kilogrammes or tonnes (weight)
Waste-LFL	Like-for-like total weight of waste and proportion by disposal route	G4-EN23	annual metric tonnes and proportion by disposal route	n.a.	Tracking of the total volume of waste disposed began in 2015. Like-for-like information not yet available.
Cert-Tot	Type and number of sustainably certified assets	CRE8	Total number by certification	n.a.	No sustainably certified assets at this time.



CONTACT

G4-31

DIC Asset AG

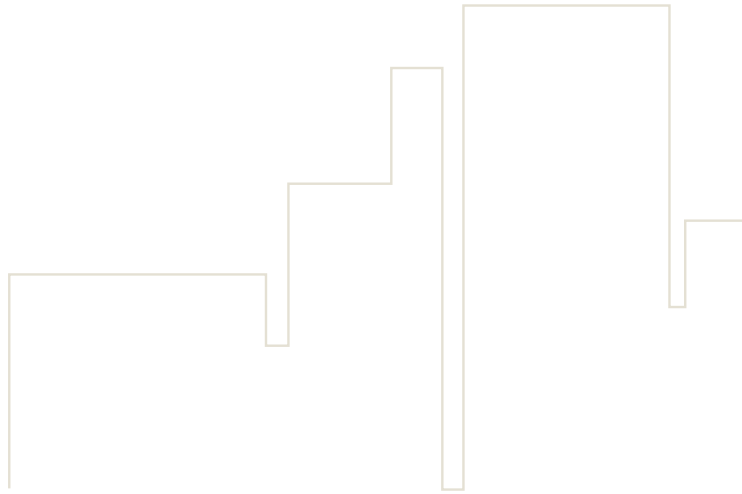
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Forward-looking statements

This annual report contains statements that refer to future developments. Such statements constitute assessments that have been taken in the light of the information available. Should the assumptions on which they are based not prove accurate, or should – as specified in the section entitled risk report – risks occur, the actual results may differ from those anticipated.

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