SUSTAINABILITY REPORT

2017

Content

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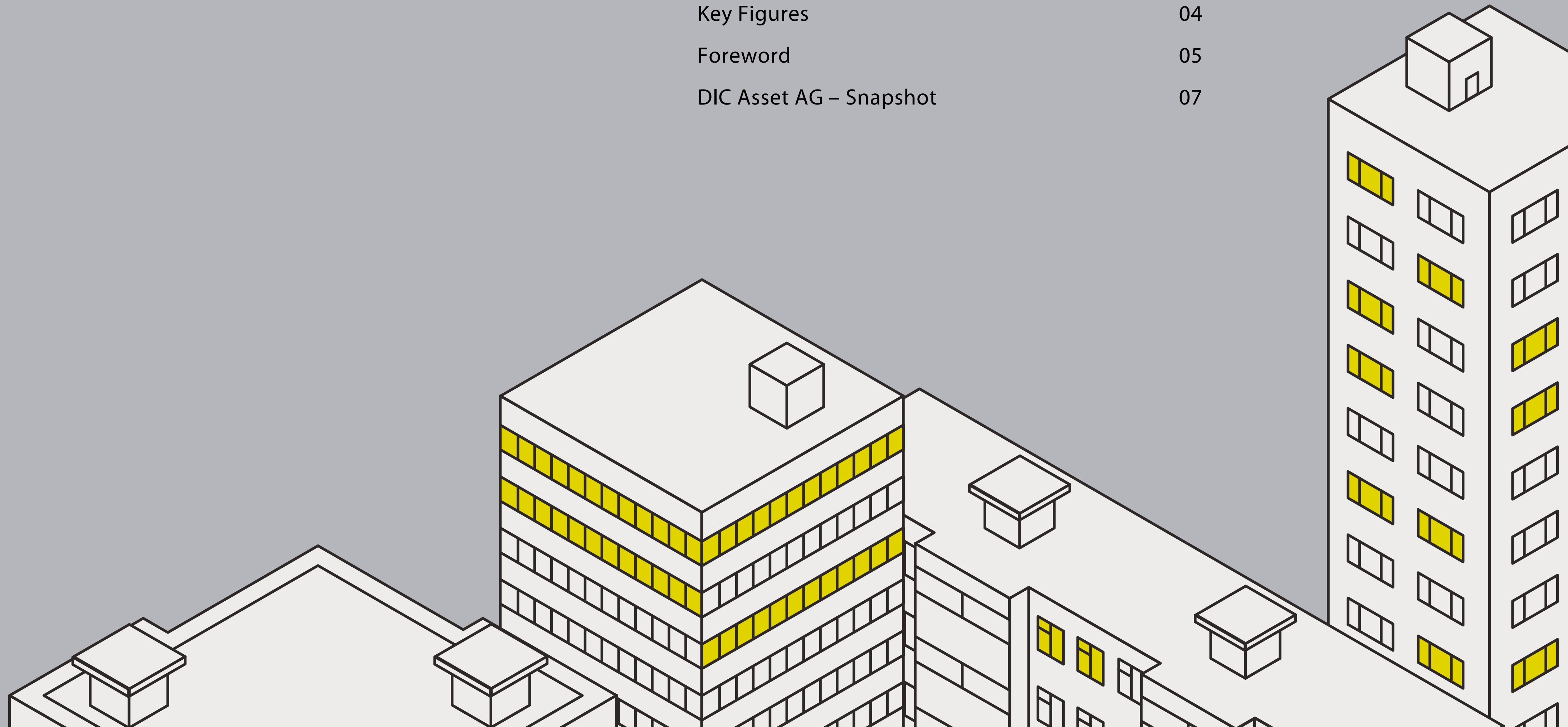


ECONOMIC KEY FIGURES

	2017	2016	2015
Number of properties*	113	142	165
Lettable area in sqm*	911,600	1,020,400	1,187,600
Vacancy rate*	9.9 %	11.8 %	11.6 %
Average rent per sqm in EUR*	9.32	9.56	9.50
Gross rental yield*	6.4 %	6.5 %	6.4 %
Annualised rental income in EUR million*	95.5	106.3	123.5
Market value in EUR million*	1,639.2	1,948.3	1,975.8
Funds from operations (FFO) in EUR million**	60.2	47.0	49.0
Profit/loss for the period in EUR million	64.4	-29.4**	20.7
Cash flow from operating activities in EUR million	56.5	33.9	53.0
Net asset value in EUR million	900.0	880.0	884.1

* All figures representing only the proprietary real estate inventory held in the Commercial Portfolio; all figures excluding property developments and warehousing, except for the number of assets and the market value
** One-off expense of EUR 56 million included

ECOLOGICAL KEY FIGURES*

	2017	2016	2015
per sqm			
Indirect electricity consumption in kWh	80.8	83.2	85.2
Indirect heating energy consumption in kWh	96.9	95.8	92.7
Indirect CO_2 emissions in $kgCO_2e$	54.1	55.2	55.9
Water consumption in cbm	0.27	0.27	0.27
per work place			
Indirect electricity consumption in kWh	1,292	1,331	1,364
Indirect heating energy consumption in kWh	1,550	1,533	1,483
Indirect CO_2 emissions in $kgCO_2e$	865	883	895
Water consumption in cbm	4.3	4.4	4.4

* based on the analysis portfolio in the reporting period 2015–2017

SOCIAL KEY FIGURES

	2017	2016	2015
Total employees	187	184	174
Fluctuation rate	14.4 %	10.3 %	10.9 %
Percentage of females	55 %	57 %	59 %
Percentage of males	45 %	43 %	41 %
Absence rate	3.1 %	2.7 %	3.6 %

DEAR READER, GRI 102-14

If you have been following the corporate development of DIC Asset AG as analyst, investor, business partner or member of an outside audience, you may already be familiar with our sound performance within the market and industry context of the 2017 financial year. We discussed it in detail in our annual report. Our business model – a unique hybrid model featuring diversified income structures – has proven to be robust and well scalable. In our three business segments, we achieved all major objectives with ease in 2017, and more than doubled our profit for the period at the bottom line.

To give the key facts just a passing mention: Not only did we continue to expand our business in management services for investment funds and third parties, but we also reaped tidy revenues from our equity investments. They were the basis underlying a special dividend of EUR 0.20 disbursed, on top of our basic dividend of EUR 0.44, to our shareholders in April 2018. For the first time, we also offered the option to have the dividend rights converted into new share certificates within the framework of a scrip dividend. The vast majority of our investors took advantage of this option, and we took it as a reassuring vote of confidence.

Meanwhile, we managed to increase funds from operations (FFO), our key ratio for the profitability of our property management, from EUR 47.0 million the previous year to EUR 60.2 million in 2017. As expected, the successful refinancing of our Commercial Portfolio made a substantial contribution here. With the sale of non-strategic properties and intense ongoing letting efforts, we continued to optimise our proprietary portfolio in the course of the year, visibly lowering the vacancy rate by 2.9 percentage points year on year.

However, as a company closely networked with, and solely rooted in, the various regions of the German real estate landscape, we gauge our success not only by economic benchmarks. True to the three-pillar model of sustainability, we take the environmental and social aspects of our economic activities just as serious.

Dirk Hasselbring
Chief Funds Officer

Johannes von Mutius
Chief Investment Officer

Sonja Wärntges
Chief Executive Officer

Our commitment to these aspects is based on active communication with our tenants, business partners, employees and investors. The careful maintenance of our stakeholder relations permits us to integrate sustainability issues in our business processes and to take a holistic long-term view of day-to-day business. Wherever possible, we forgo opportunities for short-term gains in favour of the continuous optimisation of our business practices.

With this sixth edition of our Sustainability Report, we continue our steady efforts to professionalise our reporting. Naturally, we apply the new GRI Standards framework of the Global Reporting Initiative. At the same time, we managed to step up the pace of our reporting. Faster data analysis methods make key details and insights available to us sooner. We have thus made it easier for you to compare the sustainability indicators identified by us and to orient yourself among them, while we are also helping to set sustainability standards in our industry. The reporting criteria identified by the European Public Real Estate Association (EPRA) for sustainability reports were also taken into account. In recognition of the fact, our prior-year report already received the Silver Award by EPRA. The report supplements our financial reporting by adding valuable extra information on our company and by enhancing the transparency.

To quote but a few examples for our achievements in the sustainability context:

- For the property data collected from our Commercial Portfolio we were able to reduce like-for-like (that is disregarding portfolio changes) water consumption by 1.4% and indirect power consumption by 4.6% during the period under review from 2015 to 2017. The annual survey of our tenants concerning their consumption data also revealed that a significant proportion of them switched completely to carbon-neutral green electricity in the meantime. At the properties rented by us for office use, we have already been getting our common-area electricity supply entirely from carbon-neutral energy sources since 2010.
- The compliance guideline, comprehensively revised in 2017, highlights the enormous importance of good corporate governance in our company and sets binding standards in the areas of anti-discrimination, avoidance of conflicts of interest and the fight against corruption for all of our employees. For the first time, we appointed a compliance officer responsible for our whole workforce. A whistleblower system introduced at the start of the year created a way for our employees to report observed breaches anonymously.
- With our participation in the "Girls' Day" since 2017, we started giving female secondary school students a chance to gain insights in the professional profiles in the real estate sector, thereby contributing to the long-term promotion of equal opportunity in our industry.
- Sick absences at DIC Asset AG were well below the national average of 15.2 days at 8.2 sick absence days on average. Since employee health is of key importance to us, we make an active effort to preserve it. True to the maxim "healthy moves," we offer our employees dedicated support through professional training and continuous guidance.

As you can see, we are on the move! We would like to take the opportunity to thank you for your interest in our Sustainability Report, and hope you enjoy your read.

Kind regards,

Sonja Wärntges | Dirk Hasselbring | Johannes von Mutius

DIC ASSET AG – SNAPSHOT

GRI 102-1 GRI 102-3 GRI 102-4 GRI 102-7

DIC Asset AG, headquartered in Frankfurt am Main, is one of Germany's leading listed property companies, and specialises in commercial real estate. With around 20 years of experience on Germany's real estate market, we maintain a regional footprint on all major German markets through six branch offices and have around 180 assets with a combined market value of c. EUR 4.4 billion under management (as at: 31 December 2017).

GRI 102-2

Using a hybrid business model, we focus on three business units, these being called "Commercial Portfolio," "Funds," and "Other Investments." We take an active asset management approach, employing a proprietary, integrated real estate management platform to raise capital appreciation potential in our operating segments and to boost our revenues. Our investment strategy is aimed at the ongoing development of a quality-driven, highly profitable, and regionally diversified portfolio.

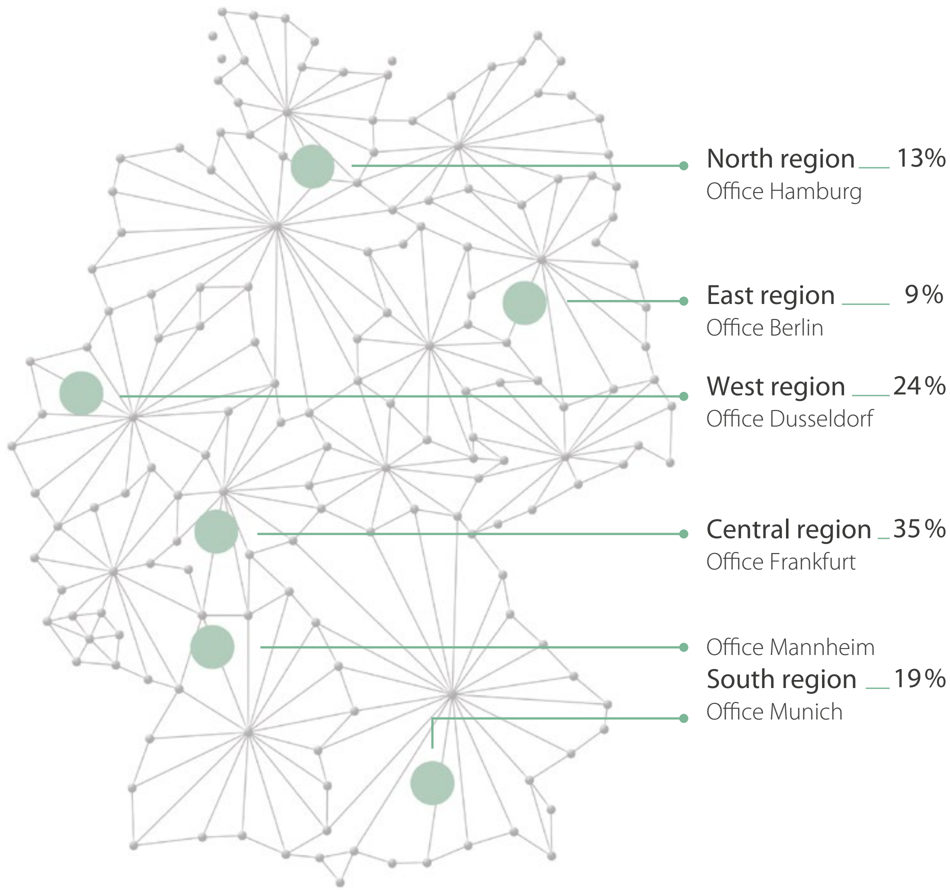
GRI 102-9

In-house property management teams provide a direct service to tenants, working out of our branch offices in each of the regions that our portfolio focuses on. Staying in close touch with our tenants and with regional markets gives us a head start in terms of local footprint and know-how and thus an edge over national and international competitors with no presence on the ground. Our activities seek to secure and increase rent revenues and net income as well as the value of our real estate assets. To this end, we monitor and control the entire value chain – from the acquisition, to the property management, and all the way to the eventual disposal – as well as the use of our resources.

DIC Asset AG has been listed in the SDAX segment of the Frankfurt Stock Exchange since June 2006 and included in the EPRA index of Europe's leading real estate companies.

REGIONALLY ANCHORED ASSET MANAGEMENT AND INVESTMENT PLATFORM

Distribution of assets under management as at 31 December 2017



OUR BUSINESS STRATEGY

Diversified Acquisition Strategy

Our investment mix concentrates on prime locations in Class B cities and secondary locations in Class A cities. We seek a well-balanced diversification by region, sector and tenant type for a portfolio that is free of cluster risks, has an attractive long-term return profile and offers potential to generate value-added for our in-house asset management and property management.

Qualified Investment Products for Institutional Investors in the Fund Business

The investment fund business presents an opportunity to further boost our revenues. What institutional fund investors get from us are investment know-how, a broad spectrum of real estate services and bespoke investment structures in central and regional real estate markets in Germany.

Warehousing

For investment funds yet to be launched, we secure attractive assets well in advance be seizing market opportunities. The properties earmarked for this purpose are initially added to our proprietary portfolio. During this so-called warehousing phase, we manage the properties in our own right and collect their entire rental income.

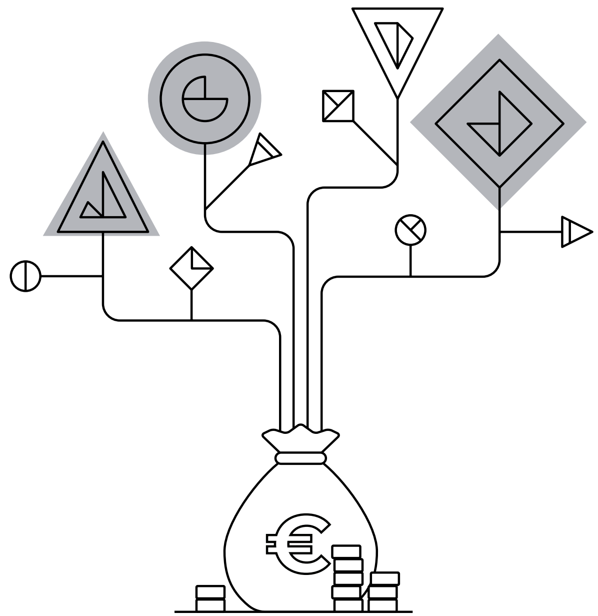
Optimising the Financial Structure

We have an excellent reputation among our banking and finance partners and on the capital market. It secures us access to all sorts of funding sources. The real estate financing arrangements we negotiate are generally long-term. Analogously, the long-term viability of our capital structure is ensured by our business activities, the steady cash flow from rent revenues and the continued growth of our fund business.

Increasing Property Values

Our real estate expertise enables us to raise value potential in properties through active letting management. Property development activities focus on value-added repositioning of assets held in our proprietary portfolio.

For a detailed account of our strategy, please see our 2017 Annual Report on our homepage at www.dic-asset.de.



THE PORTFOLIO OF OUR MANAGEMENT PLATFORM* GRI 102-6

Region		North	East	Central	West	South	Total
Number of properties	2017	23	22	39	53	45	182
	2016	32	23	42	53	56	206
Portfolio proportion in % by market value	2017	13 %	9 %	35 %	24 %	19 %	100 %
	2016	14 %	9 %	34 %	22 %	21 %	100 %
Rental space in sqm	2017	288,900	213,600	420,100	522,200	329,000	1,773,800
	2016	331,600	212,400	417,300	495,300	431,800	1,888,400
Annualised rental income in EUR million	2017	32.4	27.7	67.0	60.1	40.8	228.0
	2016	36.3	26.2	64.2	57.7	49.1	233.5
Average rent in EUR per sqm	2017	9.53	10.56	11.98	10.13	9.81	10.33
	2016	8.77	10.33	12.48	10.60	9.35	10.25
Weighted average lease term in years	2017	7.7	4.8	5.8	4.2	4.2	5.2
	2016	6.5	3.4	4.5	3.8	3.5	4.3
Gross rental yield	2017	6.1 %	6.7 %	6.2 %	5.8 %	5.2 %	5.9 %
	2016	6.8 %	6.7 %	6.3 %	6.4 %	6.3 %	6.4 %

* figures excluding developments and warehousing, except for number of properties and market value; figures including third-party properties, except for average rent, weighted average lease term and gross rental yield

2 CORPORATE RESPONSIBILITY 10

SUSTAINABILITY AT DIC ASSET AG

Our Sustainability Strategy

GRI 103-1 GRI 103-2 GRI 103-3

By the end of 2017, DIC Asset AG's property assets under management, including property management services on behalf of third parties, amounted to c. EUR 4.4 billion. With management teams in six regional branch locations, the company maintains a nationwide footprint in all of Germany's major markets.

As one of Germany's leading listed real estate companies, DIC Asset AG is committed to the three-pillar model of sustainable development: To ensure its long-term success, the company's senior management takes environmental and social aspects into account in addition to economic aspects.

Our sustainability strategy focuses on identifying, monitoring and possibly mitigating the adverse consequences of our business activities under any of these three aspects. The active communication with our tenants, business partners, employees, investors and occupiers plays a key role in this context. For it is the cultivation of lasting stakeholder relationships, characterised by integrity and reciprocity, that enables us to define our priorities when seeking the most effective ways to handle new challenges and opportunities.

In our corporate decisions and processes, we take environmental and social requirements into account and, wherever possible, forego the opportunities for short-term gains in favour of the continuous optimisation of our business practices.

Our sustainability approach includes

GRI 102-11

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

ABOUT THIS REPORT

GRI 102-50 GRI 102-51 GRI 102-52

Since 2009, DIC Asset AG has continuously reported on its sustainability activities. Starting in March 2011, this has taken the form of a separate annual report in order to create an appropriate frame for the growing significance of the sustainability subject in our company.

This Sustainability Report covers the period between 01 January 2016 and 31 December 2017. Our previous sustainability report was published in May 2017 and covered the period starting 01 January 2015 and ending 31 December 2015 (economic key ratios only through 31 December 2016).

The Investor Relations division coordinates the reporting processes in close cooperation with other divisions of DIC Asset AG and its subsidiaries, evaluates the necessary information, processes it and reports directly to the Management Board.

For detailed information on the Company's financial performance, portfolio and business divisions, check our 2017 Annual Report at www.dic-asset.de.

REPORTING PRINCIPLES

GRI 102-12 GRI 102-54 GRI 102-55 GRI 102-56

We are committed to helping improve the comparability and standardisation of sustainability reporting in our industry, which is why we consistently apply internationally recognised reporting standards: This report is structured and presented in accordance with the "core" option of the GRI standards that have replaced the previously applied G4 set of rules, and the GRI Construction and Real Estate Sector Supplement (CRESS).

The European Public Real Estate Association (EPRA) is a non-profit organisation that promotes, develops and represents the interests of European property stock corporations. EPRA is committed to establishing best practices in the areas of accounting, reporting and corporate governance, on the one hand in order to provide high-quality information for investors and, on the other hand, to create a forum and decision-making framework for addressing future issues in the industry.

www.epra.com

Global Reporting Initiative (GRI)
The Global Reporting Initiative (GRI) is an independent international organisation for the development and publication of frameworks for voluntary reporting by companies on the consequences that their own business activities have for sustainability issues such as climate change, human rights, the fight against corruption, and many other things.

www.globalreporting.org

Formed in 2006, the German Property Federation (ZIA) represents the general, economic and ideological interests of Germany's entire real estate industry and promotes co-operation among its members. Moreover, it supports and accompanies suitable measures to maintain and improve the economic, legal, political and fiscal framework for the real estate industry.

www.zia-deutschland.de

Moreover, additional performance data are provided in accordance with the Best Practices Recommendations by the European Public Real Estate Association (EPRA). The GRI standards used in our reporting are listed and annotated herein, starting on page 54. For the transition to the EPRA recommendations, see page 62 of this report. Our reporting relies on no third-party consultancy ("external assurance"), and the final quality control is also done in-house.

In collaboration with the ZIA German Property Federation and other real estate industry players, DIC Asset AG has been instrumental in driving the introduction of a sustainability code for the German real estate sector. Our sustainability reports have followed the recommendations of the German Sustainability Code (DNK) since its introduction in 2011 and will continue to do so.

METHODOLOGY AND SCOPE

GRI 102-46 GRI 102-56

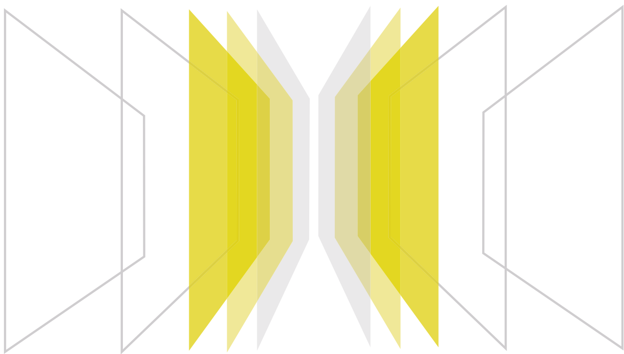
This report employs the following methodology to present our company's financial and non-financial performance indicators:

- In addition to the basic business model of DIC Asset AG, we present the sustainability aspects of the company's strategy. We also explain the organisational structure of DIC Asset AG and our principles of corporate governance. The 2017 Annual Report includes supporting details on these subjects.
- The most important sustainability issues for DIC Asset AG are identified and prioritized in consultation with the stakeholders involved. The most recent stakeholder survey, which continues to be valid, took place in late 2016.
- The sections on economy, environment and society report in detail on the topics identified, including qualitative and quantitative sustainability indicators.

The environmental data and details concerning consumption figures of the analysis portfolio relate to the period 2015 through 2017. Unless otherwise stated, the figures in this report refer to the 2017 financial year, supplemented by the outlook for DIC Asset AG's developments in 2018. Year-on-year changes in the scope of the report may be motivated by the acquisition, development or sale of properties as well as by changes in the organisational structure.

The consolidated financial statements of DIC Asset AG and its subsidiaries were prepared in accordance with the IFRS accounting standards of the International Accounting Standards Board (IASB). The accounts were audited by the audit firm Rödel & Partner. Their audit certificate in regard to the 2017 Annual Report and the disclosures it contains are part of the latest Annual Report.

The information and data in the environmental section of the report relate exclusively to the real estate portfolio held directly by DIC Asset AG, the so-called Commercial Portfolio. Consumption data on properties from our investment funds and joint ventures in which we hold minority interests are not included in the analysis. Any deviation from this approach will be identified in the appropriate place. Disclosures concerning our financial performance indicators cover the full range of our asset management platform with its diversified revenue streams. Our disclosures on CO_2 emissions and consumption data for electricity and water were not subjected to external testing.



CORPORATE GOVERNANCE

The term "corporate governance" signifies the legal and factual framework for managing and monitoring a company. This includes current laws, guidelines and codes as well as the senior management's declarations of intent and business practices along with their supervision.

DIC Asset AG attaches great importance to corporate governance. The Management Board and Supervisory Board are committed to ensuring the continued existence of the company and sustainable value-added through responsible corporate management with a long-term horizon. The responsible handling of risks is also part of good corporate governance in the eyes of DIC Asset AG. The Management Board therefore installs appropriate risk management and risk controlling mechanisms in the company and ensures compliance with applicable laws and regulations. The recommendations of the German Corporate Governance Code (Deutscher Corporate Governance Kodex, DCGK) are adhered to, as stated in the company's annual declaration of conformity. The Management Board regularly briefs the Supervisory Board about existing risks and their development. Internal control, reporting and compliance structures within the company are periodically reviewed, upgraded and adapted to changing parameters.

The full-length Corporate Governance Report is an integral part of our 2017 Annual Report.

German Corporate Governance Code (DCGK)

The German Corporate Governance Code seeks to make the rules that are applicable to corporate management and supervision in Germany transparent for national and international investors in order to boost their faith in the corporate management of German companies. During the 2017 financial year, as in previous years, the Management Board and Supervisory Board reviewed the company's compliance with the DCGK recommendations. The deliberations resulted in the adoption of an updated annual declaration of compliance dated 07 February 2018 that is permanently available to the public on the company's website.

Strategic Group Structure

GRI 102-5

As its central management holding company, DIC Asset AG handles the group's combined corporate management tasks, including the alignment of the corporate strategy (in particular the investment, portfolio management and sales strategies), the corporate and real estate financing, the risk management and the control of the property management. On the group level, it is also responsible for the financial communication and the corporate communication.

Moreover, two subsidiaries of DIC Asset AG perform important operational tasks: DIC Onsite GmbH with its six regional branch locations handles the property management, while DIC Fund Balance GmbH is responsible for the Funds business unit.

ORGANISATIONAL STRUCTURE

DIC Asset AG
Portfolio and Asset Management

- Commercial Portfolio (Direct Investments)
- Funds – DIC Fund Balance GmbH
- Other Investments

Real Estate Management
DIC Onsite GmbH

BUSINESS ACTIVITIES

DIC Asset AG

Investment
- Acquisitions & sales
- Due diligence
- Business planning
- Legal structuring

Group Management
- Corporate development & strategy
- Investor relations, communication & marketing
- Finances, treasury & controlling
- Administration

Portfolio Management
- Portfolio analyses
- Portfolio strategy
- Portfolio controlling

DIC Fund Balance GmbH

Fund Management
- Issuer of special real estate funds
- Investment management
- Fund management

DIC Onsite GmbH

Asset Management
- Owner representation
- Reporting and central facility management
- Market and risk analyses, value-added measures
- Implementation of buying and selling processes
- Due diligence

Letting Management
- Lettings
- Property marketing
- Floor space management
- Coordination of contract negotiations

Property Management
- Tenant management
- Contract management (letting contracts and contract with service providers)
- Active cost management (controlling and cost-cutting potential)
- Property accounting
- Service charge optimisation

Tech. Property Management
- Development of need-based service concepts
- Control of capex and TI measures (investments into contract upgrades and tenant fit-outs)
- Organisation and control of service partners/service providers

GRI 102-45

As of year-end 2017, a total of 148 subsidiaries were included in the consolidated financial statements in addition to DIC Asset AG. The majority of these represent property holding companies associated with the group's operational business. All of the consolidated subsidiaries and all of the companies in which the company holds direct or indirect equity investments of up to 40% are listed in the Annexes 1 and 2 of the Notes to the Consolidated Financial Statements, which are part of our 2017 Annual Report.

Dual management structure

GRI 102-18

The dual management structure of DIC Asset AG as listed stock corporation consists of Management Board and Supervisory Board.

The two bodies are strictly separated in persons and function and fulfil their differing tasks independently of each other. The Management Board is responsible for managing the company on its own authority, while the Supervisory Board's task is monitoring.

GRI 102-10

The 2017 financial year saw the following changes on the level of the Management Board: Effective 01 October 2017, the Supervisory Board appointed Sonja Wärntges as chairwoman of the Management Board (CEO), succeeding Aydin Karaduman in this position, who retired from the board as of 30 September 2017. Also effective 01 October 2017, Dirk Hasselbring was appointed as new member of the Board and put in charge of the just created board mandate "Fund Business" while the appointment to the Board of Johannes von Mutius was extended.

This means the Management Board comprises three members. For details on the Supervisory Board, see our 2017 Annual Report.

RISKS AND OPPORTUNITIES

One of the basic tasks of a company is to identify and exploit emerging opportunities in a dynamic environment. At the same time, companies are exposed to all kinds of risks that can put not only short and medium-term goals in jeopardy but also the implementation of the long-term strategy. It therefore counts among the key aspects of good corporate governance to keep an eye on global phenomena such as climate change and its impacts on the real estate industry.

Our risk management procedures regarding the opportunities and risks of climate change are integrated into the company-wide multidisciplinary risk management processes. The risk management system (RMS) covers all corporate divisions, including the Group subsidiaries, and is binding for all employees. Risks are understood to be strategic and operational factors, events and actions that could have grave implications for the continued existence of the company and its business situation. The external aspects also analysed include the competitive environment, demographics and other factors that could put the achievement of the company's objectives at risk. The RMS comes into play both in strategic decisions of the Management Board and in day-to-day business.

Accordingly, the internal control and monitoring system forms an integral part of the RMS. It helps to minimize operational and financial risks as well as to monitor processes while also ensuring compliance with laws and regulations, including financial reporting requirements. During the year 2017, no material changes were made to the company's organisation and processes. For a comprehensive representation of the risk management process of DIC Asset AG, see the 2017 Annual Report.

The following table shows you which measures DIC Asset AG takes to manage selected opportunities and risks that are of relevance in the sustainability context.

GRI 201-2

RISK/OPPORTUNITY	POSSIBLE IMPACT	MANAGEMENT APPROACH
Changed consumer behaviour		
◆ The tenant-side energy and water consumption could rise. ◆ In the future, tenants could attach greater importance to accommodation that is energy-efficient or certified for sustainability.	An increase in tenant-side consumption data for energy or water is likely to increase the operating costs as well. While the energy refurbishment of existing buildings involves major expenditures, it will also lower the operating costs in the long run.	Working together with the tenants, we look for the most efficient approach to meeting their energy needs. Within the framework of our overall energy strategy, the electricity needs of the common areas of our properties have been covered by renewable energies since 2010.
Changes in the Business Cycle		
◆ Shifts in the global business cycle, specifically due to protectionism, Brexit and geopolitical tensions ◆ The European Central Bank has hinted that the era of accommodative monetary policy could be coming to an end at long last ◆ Changed availability of debt capital	A negative impact of trade barriers for German foreign trade could also have an impact on Germany's domestic economy. A possible rise in interest rates in the eurozone could have adverse consequences for the profitability, liquidity and growth potential of DIC Asset AG. The development, refurbishment and acquisition of real estate is capital-intensive and presupposes access to debt capital as often as not. Stricter financing criteria could impair the regular business activities of DIC.	To minimise risks, we rely on long-term tenancies with solvent tenants from a variety of sectors. The portfolio is highly diversified, in particular through a relevant proportion of leases with tenants from the public sector. Although interest rates could rise in the medium term, we deem the risks associated with funding and liquidity to be low in both probability and effect. The current historically low level of interest rates offers opportunities for favourable financing and long-term improvements of our financing structure. During our most recent refinancing measures, we managed to secure the currently low level of interest rates for the next few years. We use derivative financial instruments to hedge interest rate risks and rely on strategic refinancing to reduce financing costs.
Regulatory and Legislative Aspects		
◆ Restrictive legislation on energy efficiency and emission limits – Periodic energy audits pursuant to the German Energy Saving Ordinance (EnEV) – The Renewable Energy Sources Act (EEG) prescribes a renewable energy share of over 40 % as of 2025	DIC Asset AG could be affected by a legal tightening of emission limits or of the energy efficiency targets for real estate. Future re-enactments of relevant laws by German lawmakers could necessitate material changes in the construction or conversion of real estate and could also raise energy efficiency requirements in the areas of asset and property management.	DIC Asset AG brings in-house expertise to the field of energy management and has a team of property managers on hand who are experienced in handling tenant needs. We regularly invest in our buildings. We promptly take note of legal and regulatory changes to ensure compliance with all relevant regulations. Given the high degree of regulatory, social and political stability, we believe the risk of rash regulatory interventions is low.

COMPLIANCE MANAGEMENT SYSTEM

GRI 103-1 GRI 103-2 GRI 103-3 GRI 102-16

Our compliance guideline, which has existed since 2013, obliges DIC Asset AG and its employees to act responsibly and lawfully. This includes adherence to the principles of ethical conduct and integrity within the company, in particular compliance with legal provisions, internal company guidelines and self-imposed values. The compliance guideline for the DIC Asset Group was comprehensively updated in the 2017 financial year; a compliance officer was appointed, and the whistleblower system for reporting misconduct and breaches was improved.

KEY ASPECTS OF THE COMPLIANCE GUIDELINE OF DIC ASSET AG

1. Discrimination protection

- No discrimination or undesirable behaviour for reasons of race, ethnic origin, gender, religion/belief, disability, age or sexual identity

2. Avoidance of conflicts of interest and corruption risks

- Rejection of corrupt conduct in any form and of the misuse of entrusted decision-making powers
- Binding regulations for the acceptance and granting of gifts/invitations or other benefits
- When dealing with officials, even the appearance of granting benefits to public officials should be avoided
- No influence on employment contract activities through private secondary activities or corporate investments

3. Data protection

- Obligation to observe trade and business secrets
- Compliance with data protection laws

4. Capital market requirements/prohibition of insider trading

- Prohibition of insider transactions and of the recommendation or inducement of third parties to engage in insider transactions
- Prohibition of unauthorised disclosure of insider information

5. No Money laundering

- No tolerance of money laundering, and reporting suspicious behaviour of business partners and advisers
- Commitment to comply with all relevant regulations and requirements

6. Prohibited agreements

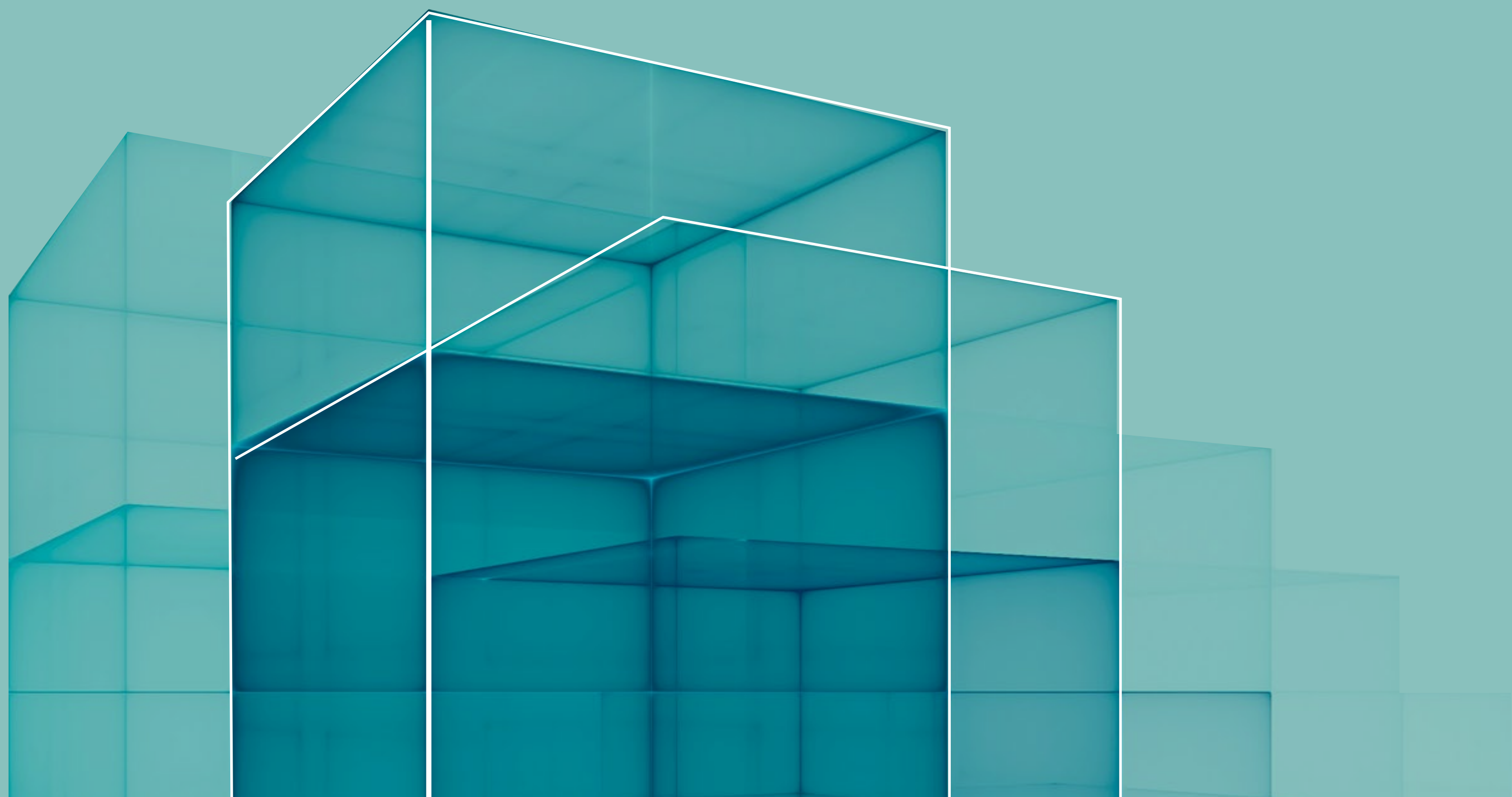
- Strict rejection of any distortion of competition or corrupt practices contrary to antitrust law
- Encouragement to employees to promptly identify violations of competition rules, expressly distance themselves from any such agreement and to notify the compliance officer immediately

7. Indications of misconduct and breaches

- Request to report misconduct and violations of legal provisions or regulations and internal company guidelines either to the Compliance Officer, the relevant supervisor, the Management Board, the Human Resources department or via an anonymous whistleblower system

8. Consequences

- Sanctions under labour law for breaches of legal provisions and internal company guidelines
- Criminal charge / criminal complaint in the event of a criminally relevant violation



MATERIALITY ANALYSIS

GRI 102-40 GRI 102-42 GRI 102-43

As a result of its nationwide activities, DIC Asset AG is extremely well networked with all relevant players and service providers of Germany's real estate sector. Our decisions and measures influence investors and investors, around 190 employees, around 1,200 tenants, over 6,000 business partners and, of course, the areas surrounding our properties.

The key challenges in reporting – especially non-financial reporting – include the identification of topics more important than others for both the company's business and the various stakeholders. The purpose of the materiality analysis is to identify relevant issues of this type but it also serves as a guideline for our sustainability goals and reporting procedures. It lets us proactively address the environmental, social and economic issues that matter most to us.

The most recent stakeholder survey was conducted in late 2016. In conjunction with the survey, the stakeholders were asked to identify their most pressing issues. The questionnaire was developed in accordance with the sustainability reporting standards of the Global Reporting Initiative (GRI), which are widely used internationally.

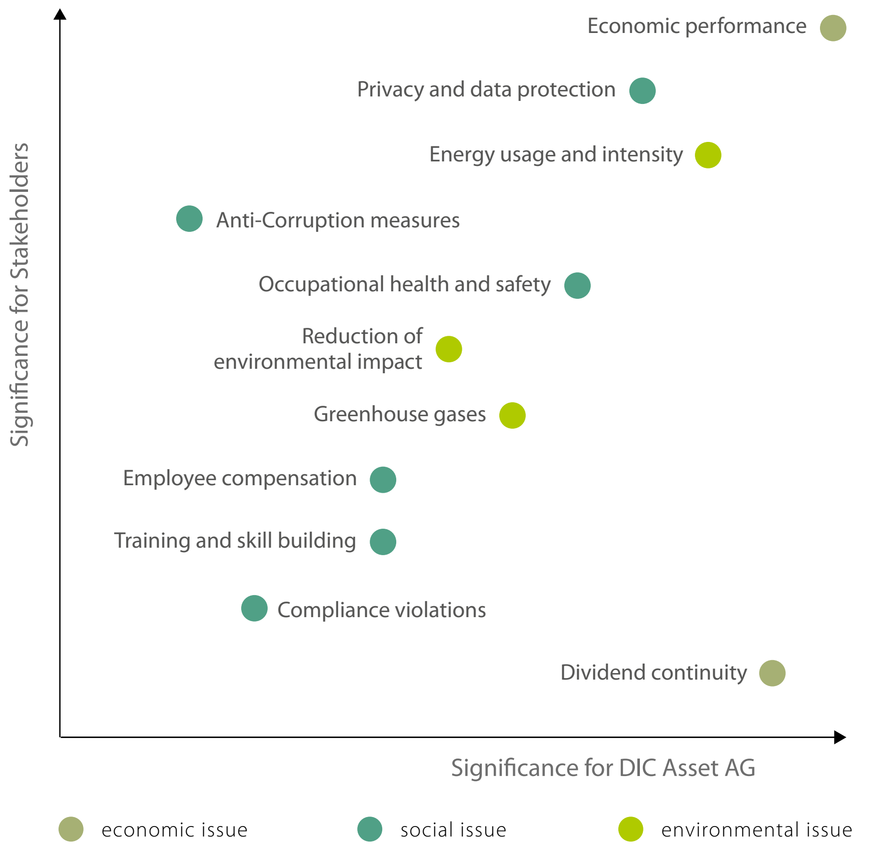
The questionnaires were e-mailed to around 1,000 employees, tenants, business partners and investors in December 2016. The response rate approximated 12%. Respondents were asked to assess the importance of 27 different sustainability issues inside a wide range of subject areas. Based on the replies, we identified the most significant topics for DIC Asset AG.

The matrix, without claiming to be comprehensive, provides the management with details of significance for the sustained stakeholder dialogue and the prioritisation of measures in the respective spheres of activity. The preferences of the individual stakeholder groups are given different weightings in the evaluation and will be discussed in the following section of the report.

MATERIALITY MATRIX

Stakeholder Survey December 2016

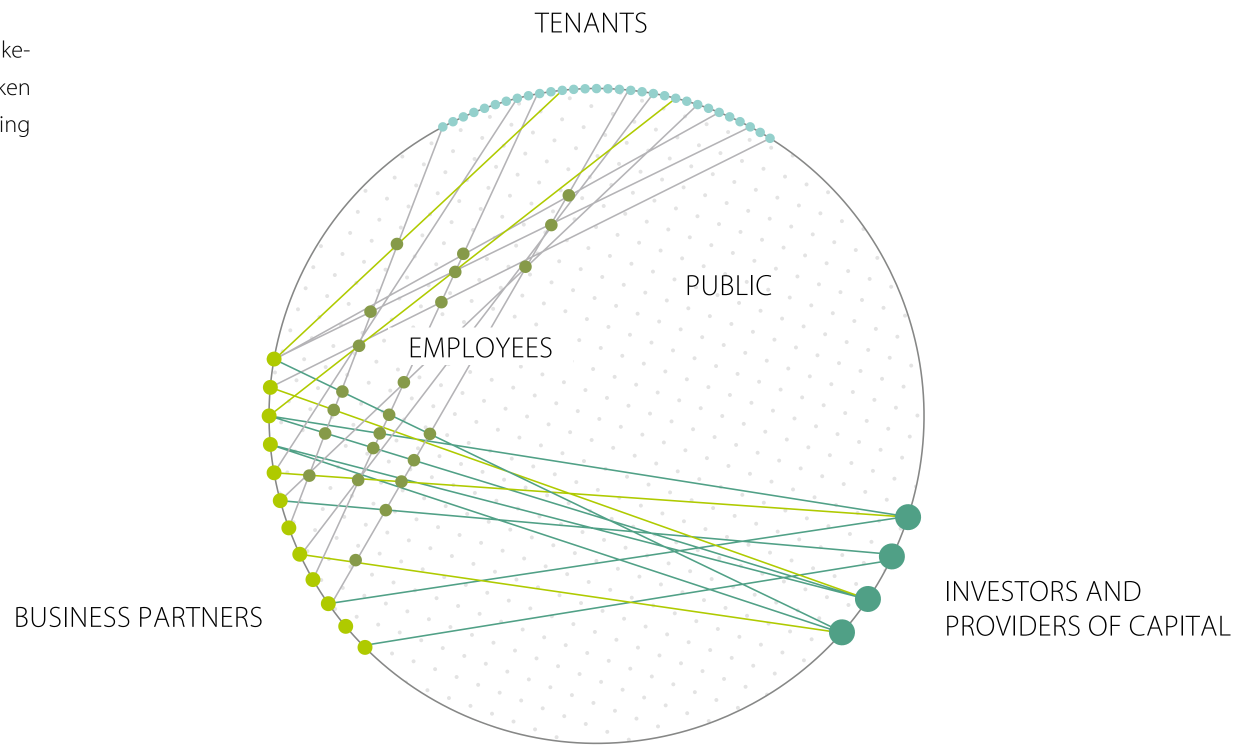
GRI 102-47 GRI 103-1



OUR STAKEHOLDERS

GRI 103-1 GRI 102-44

This chapter discusses the priorities of the various stakeholders in more depth, and elaborates the actions taken to address the stakeholder needs during the reporting period.



DIALOGUE ON THE COMPANY LEVEL

INVESTORS AND PROVIDERS OF CAPITAL

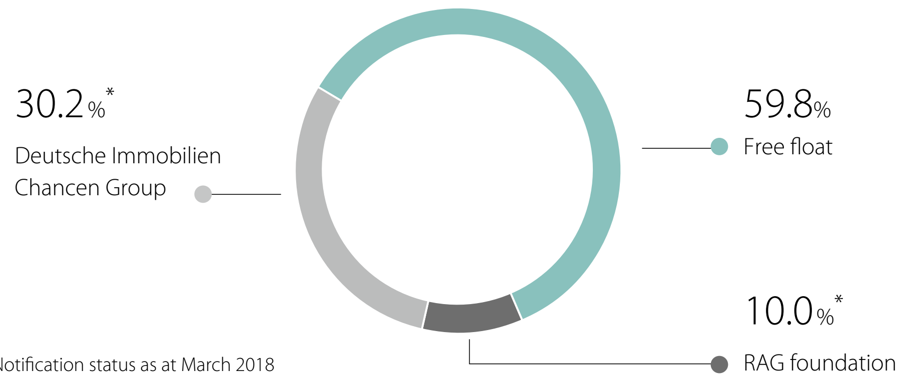
The shareholder base of DIC Asset AG has a broad international footprint and is defined by a fundamentally stable structure. In addition to privately committed shareholders, institutional investors play a key role. Deutsche Immobilien Chancen-Group, from which DIC Asset AG was originally spun off purely as a portfolio company, has been invested since the IPO in 2006 and for the time being continues to hold 30.2 % of the stock as anchor shareholder. The free float equals 59.8 % at this time. Other major stakeholder groups on the capital market include fund investors, holders of DIC Asset AG bonds, a number of banks and finance partners as well as analysts.

Their Expectations

- Long-term value added and a balanced financial structure
- Continuity of dividends
- Adherence to compliance guidelines (especially capital market requirements/prohibition of insider trading)
- Transparent, accurate and timely communication of financial and non-financial information, for instance in regard to consumption
- Proactive dialogue and exchange with the senior management

SHAREHOLDER STRUCTURE GRI 102-5

As at June 2018



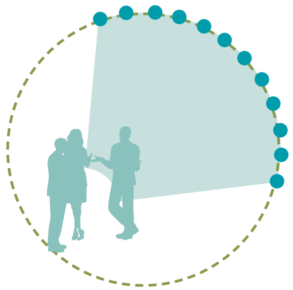
* Notification status as at March 2018

Actions taken and achievements

- ✓ Significant increase in the key performance indicator for the profitability of the real estate management as the funds from operations (FFO) rose by 28 % to EUR 60.2 million during the 2017 financial year.
- ✓ Significant year-on-year reduction in interest expense by 22 % after portfolio refinancing at the end of 2016 and reduction of the loan-to-value ratio (LTV) to 57.0 % as of 31 December 2017
- ✓ Placement of another bond in July 2017 (maturity in July 2022) in a volume of EUR 130 million and an attractive coupon of 3.250 %, subsequently topped up to EUR 180 million in March 2018
- ✓ Increase of the regular dividend by 10 % to EUR 0.44 plus an additional distribution of an extraordinary dividend of EUR 0.20 to let shareholders participate in the special income generated; first-time offer of a scrip dividend option
- ✓ Publication of annual and quarterly reports, sustainability reports, press releases and other publications
- ✓ Accelerated preparation, review and publication of monthly, quarterly and annual financial statements ("fast close")
- ✓ Conversion of the reporting segments for transparent presentation of the profit contributions of the various pillars of our hybrid business model
- ✓ Engaging investors and analysts in dialogue at four roadshows and ten investor conferences and one analysts' day

DIALOGUE ON THE COMPANY AND PROPERTY LEVEL

EMPLOYEES



As at 31 December 2017, DIC Asset AG employed 187 people (31 December 2016: 184) in the areas of asset and property management, project management, marketing, finance and accounting and administration, among others.

Their Expectations

- Fair treatment and competitive compensation
- Options for professional training and continued development
- Secure and pleasant working environment and flexible working hours
- Diversity and equal opportunity

Actions taken and achievements

- ✓ Personal support for employees willing to undergo further training, including stipends and sabbaticals
- ✓ Use of a modern human resource development system to identify skills and potential in employees and promote them long-term through further training programs
- ✓ Regular in-house meetings and events to facilitate the exchange of know-how and boost the team spirit
- ✓ Performance-based remuneration: In 2017, employees were paid EUR 1.7 million in performance-related remuneration (10 % out of the total compensation expenses of EUR 16.6 million)
- ✓ Modern sustainable office workplaces with spacious common areas and an unrestricted supply of fruit, hot and cold beverages
- ✓ Comprehensive updating of the compliance guideline, introduction of a whistleblower system, appointment of compliance officer

TENANTS

The group of around 1,200 tenants is composed of commercial occupiers of all sizes, from mid-market companies to international conglomerates.

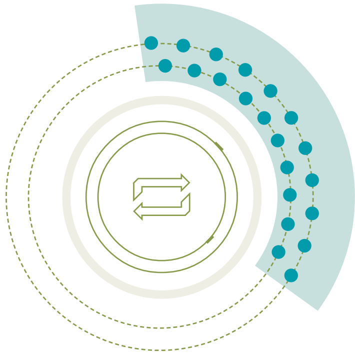
Their Expectations

- Protection of privacy and personal data
- Resource-conserving buildings and facilities
- Efficient and attractive properties whose interior fit-out meets tenant requirements
- Regular and responsive communication
- Competent and bespoke service on location
- Transparency in relation to compliance guidelines (especially avoidance of corruption risks and protection of competition)

Actions taken and achievements

- ✓ Tenant-oriented approach to customer service with employees specializing in companies of a certain size or sector affiliation
- ✓ Inclusion and extension of so-called "green clauses" in our specimen leases
- ✓ Regular investments in our portfolio to keep the properties permanently attractive and technologically up to date
- ✓ Maintaining a constant dialogue with the tenants to ensure high service quality, reliability and reliable availability of our commercial and technical property management. Each employee in asset management and letting management manages ten properties on average

BUSINESS PARTNERS



We work with over 6,000 business partners to implement joint projects or to use third-party services in our real estate value chain.

Their Expectations

- Long-term and consistent business relations
- Fair treatment and support by the DIC contacts
- Protection of privacy and personal data
- Energy efficiency and reduction of environmental impact

Actions taken and achievements

- ✓ "Green Energy" project: Since 2010, master agreements for supplying all of our properties exclusively from renewable energy sources have been in place
- ✓ Compliance with relevant standards on occupational health and safety as well as with environmental constraints
- ✓ Having our headquarters cleaned by a facility management service certified according to the DIN/EN ISO 9001 and 14001 standards, using environmentally friendly cleaning methods
- ✓ Consistent implementation of the stated financial goals and requirements in order to ensure the long-term sustainability of the company's financial position

PUBLIC

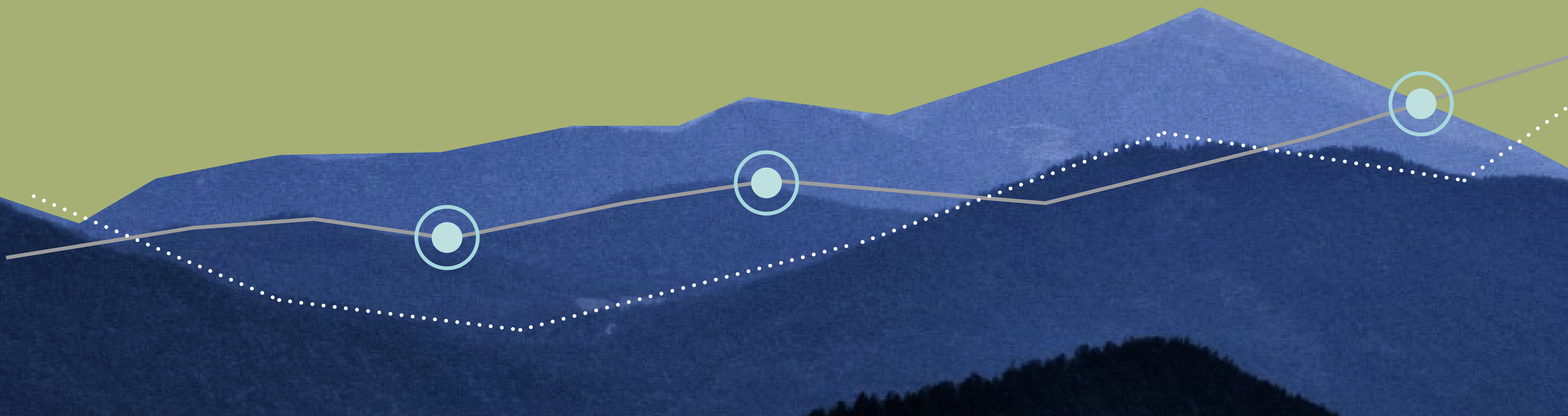
This group includes municipalities, authorities and civil society.

Their Expectations

- Consideration of the needs, wishes and concerns of local communities and willingness to engage in dialogue
- Support for local, regional and inter-regional initiatives to revitalise and develop living and working environments
- Investments in the municipal surroundings

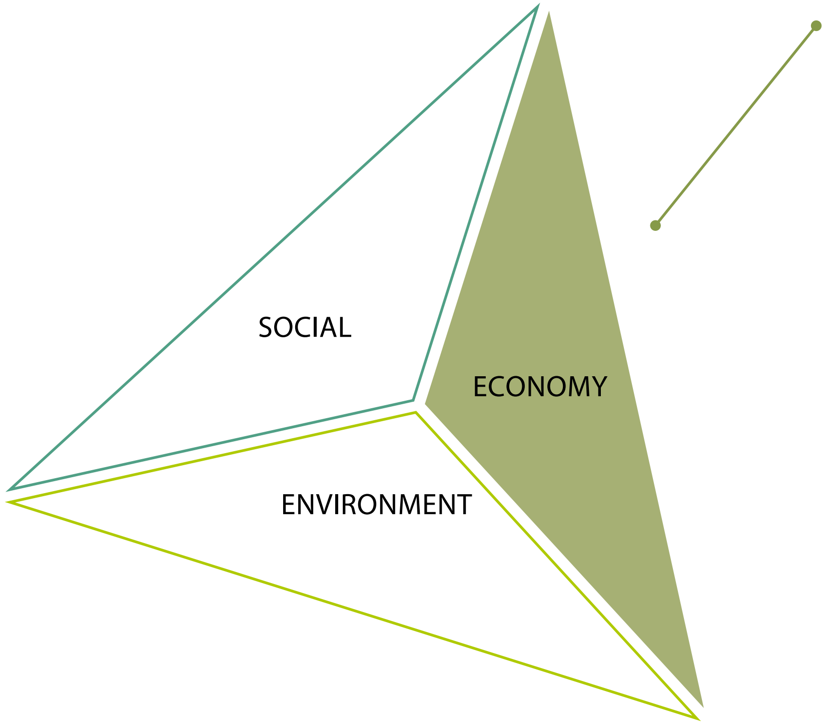
Actions taken and achievements

- ✓ Ongoing dialogue with the various stakeholders to promote the common good
- ✓ Active press and media relations
- ✓ Long-term involvement with relevant professional associations such as the ZIA (German Property Federation) and EPRA (European Public Real Estate Association), CEO Sonja Wärntges contributing her expertise as a member of the ZIA's executive committee
- ✓ Membership in the European Association for Investors in Non-Listed Real Estate Vehicles (INREV) underlines the growing significance of the fund business



GRI 103-1 GRI 103-2 GRI 103-3

DIC Asset AG is a profitably operating company with a long-term horizon whose activities not only create sustainable values for the benefit of shareholders, employees, tenants and business partners but also contribute to the common good. We manage our company on the basis of clearly defined financial performance indicators and brief the public capital market regularly and comprehensively about the progress achieved.



OUR PRINCIPLES OF
ECONOMICAL SUSTAINABILITY:

- Investments in sustainable value added
- Stable long-term cashflows on the basis of an optimised diversified real estate portfolio
- Balanced financial structure with a long-term horizon
- Yield-driven growth and corporate development in sync with the hybrid model
- Continuity in terms of diversified positive contributions to operating income and dividends

STRATEGIC TARGET ACHIEVEMENT IN 2017

GRI 201-1

At the centre of our corporate strategy is the generation of secure, steady long-term income via our own highly productive property management platform. During the 2017 financial year, we made serious progress in all three segments of our hybrid business model. Even after raising them in the course of the year, we easily cleared our targets for the key performance indicators:

- The extensive portfolio refinancing arrangements at the turn of the year 2016/2017 lowered the interest expenses and amortization payments as planned. This coincided with a substantial hike in profitability and cash flow for DIC Asset AG. The loan-to-value ratio (LTV) continued to drop and reach 57.0 % by the end of the year.

- Higher-than-planned gross rental income of EUR 109.7 million, the decline in interest expenses and the contribution from associated companies (WCM/TLG commitment) led to an FFO of EUR 60.2 million, which is somewhere in the middle of the forecast range of EUR 59 to 61 million, which was raised in September 2017.

- The tremendous appeal that the German real estate investment market retained, combined with product scarcity and yield compression, prompted us to take a very selective and analytical approach in our acquisition activities. Therefore, the purchasing volume of EUR 240 million fell short of the forecast of EUR 500 million we had made at the beginning of the year. By contrast, we managed to exploit opportunities on the investment market with sales totalling EUR 241 million, clearly topping the original sales target of EUR 200 million.

ECONOMIC KEY RATIOS

	2017	2016	2015
Number of properties*	**113**	142	165
Lettable area in sqm*	**911,600**	1,020,400	1,187,600
Vacancy rate*	**9.9 %**	11.8 %	11.6 %
Average rent per sqm in EUR*	**9.32**	9.56	9.50
Gross rental yield*	**6.4 %**	6.5 %	6.4 %
Annualised rental income in EUR million*	**95.5**	106.3	123.5
Market value in EUR million*	**1,639.2**	1,948.3	1,975.8
Funds from operations (FFO) in EUR million**	**60.2**	47.0	49.0
Profit/loss for the period in EUR million	**64.4**	-29.4**	20.7
Cash flow from operating activities in EUR million	**56.5**	33.9	53.0
Net asset value in EUR million	**900.0**	880.0	884.1

* All figures representing only the proprietary real estate inventory held in the Commercial Portfolio; all figures excluding property developments and warehousing, except for the number of assets and the market value

** One-off expense of EUR 56 million included

- Year on year, we more than doubled the profit for the period to EUR 64.4 million (not counting the one-off expense of the previous year), not least because of the high sales proceeds we made in conjunction with the optimisation of the Commercial Portfolio.

- The investment volume in our expanding fund business rose by EUR 0.3 billion to EUR 1.5 billion. Due to the increasing significance of our third-party business with management services, the assets under management in the Other Investments segment reached a total of EUR 1.3 billion by the end of the year.

SHARE PRICE PERFORMANCE 2017

assuming reinvestment of dividend; indexed

Capital Market

The DIC Asset AG stock was off to a stable start into 2017 at EUR 9.10 as of 30 December 2016 and gathered momentum in the course of the year. By the end of the year, the share had moved well above EUR 10.00 and closed at EUR 10.53 on 29 December 2017, the last trading day of the year, which implies an increase by 16% for the year. As a result, DIC Asset AG's market capitalisation increased by nearly EUR 100 million to EUR 722 million year-on-year (previous year: EUR 624 million). With this performance, the DIC Asset AG stock outperformed both the DAX (+13%) and the sector-specific index EPRA/NAREIT Developed Europe (+ 9%). Taking into account the reinvested dividend of EUR 0.40 will actually bring the year-end stock performance of 2017 up to 20%.

Aside from the monetary policy, stock markets benefited increasingly from the impressive economic data. Germany's economy outperformed and its gross domestic product and early economic indicators such as the Ifo sentiment barometer reached new record levels in 2017. Analogously, the economy in the eurozone gathered considerable momentum while the global economy grew as well, as virtually all major national economies moved in sync.

Geopolitical crises such as the ongoing North Korean conflict and political uncertainties such as the Brexit negotiations, important elections in Europe, the political events in Turkey and the hazy isolationist policy pursued by the United States have only had a short-term impact, if any, on the upward stock market trend.

ECONOMIC DEVELOPMENT

Lease Signings Return More Value per Square Metre

During the 2017 financial years, the property management teams raised further potential inside the portfolio of DIC Asset AG, substantially reducing the vacancies in the process. By the end of the year, the vacancy rate in the Commercial Portfolio had dropped by 1.9 percentage points to 9.9%, or indeed by 2.9% when taking a like-for-like approach, i.e. disregarding changes in portfolio size.

While the total letting performance was slightly reduced at 273,600 sqm (previous year: 293,500 sqm), the annual rental income negotiated actually increased to EUR 40.2 million (previous year: EUR 32.1 million). Thereof, more than half (55%) represented new rentals (previous year: 32%). The average rental income per square metre increased from EUR 9.12 to EUR 12.25 for the lease agreements concluded.

Market Opportunities Seized in Forward-Looking Approach

During the 2017 financial year, seven properties with a total volume of around EUR 240 million were acquired (2016: c. EUR 520 million). Thereof, c. EUR 74 million were spent on four properties for existing investment funds. Another three properties in a volume of c. EUR 166 million were acquired within the so-called warehousing framework and are earmarked for the start-up portfolios of investment funds yet to be launched. During the warehousing phase, the company manages the properties and collects the entire rental income from them.

At the same time, we exploited attractive opportunities on the real estate market by selling EUR 368 million worth of properties (thereof EUR 241 million from the Commercial Portfolio). Adjusted for the sale of a larger real estate package with ten properties in March 2017, sales from the Commercial Portfolio in the 2017 financial year were transacted at prices that exceeded the properties' most recently appraised market value by around 11% on average. Moreover, 2017 was the first year we sold a property from the Funds segment.

Another Two Funds Successfully Launched

Since 2010, DIC Asset AG has offered to institutional investors custom-structured investment products together with a wide range of asset management and property management services. We ourselves principally acquire stakes in our funds, acting as co-investor while also contributing property and investment expertise as a service provider. As in previous years, we made visible progress in expanding our fund business in the 2017 financial year: With c. EUR 1.5 billion as of 31 December 2017, our total fund volume increased year on year (31 December 2016: EUR 1.2 billion). The recently launched investment funds "DIC Office Balance IV" and "DIC Retail Balance I" raised the number of funds from four to six by the end of the year while also expanding the circle of investors. The retail segment moved centre stage as second investment focus after office properties.

Expanding the Third-Party Business with Management Services

In our Other Investments segment, which comprises the joint ventures that are being wound down, the equity investments in the MainTor property development in Frankfurt, our strategic equity investments and the growing third-party business, assets under management increased to EUR 1.3 billion by the end of 2017. Here, we were able to expand our business with property management services for third parties and had eight properties with a combined asset value of around EUR 800 million and combined lettable area of 0.2 million sqm under management as of 31 December 2017. In December 2017, we achieved full occupancy for the WINX tower, which is nearly completed and represents the last construction stage of the MainTor project, by letting the last remaining office and commercial units. In conjunction with the takeover of the WCM Beteiligungs- und Grundbesitz-AG by TLG Immobilien AG we acquired a strategic stake in TLG which we expanded to over 15% by the end of the year.

INTRODUCTION 1
CORPORATE RESPONSIBILITY 2
MATERIALITY 3
ECONOMY 4
ENVIRONMENT 5
SOCIETY 6
APPENDIX 7

BALANCED FINANCIAL STRUCTURE

Long-Term Horizon and Planning Certainty

By applying diligent financial management, we ensure that DIC Asset AG and its equity investments are solvent at all times. Moreover, we strive to achieve the highest possible level of stability against external influences while at the same time maintaining degrees of freedom that ensure the ongoing development of our company. Our funding needs are covered both via classic bank financing and via the capital markets. In 2017, we took advantage of the favourable interest rate environment once more by placing a fourth bond in a volume of EUR 130 million with institutional investors and topping it up by another EUR 50 million in spring 2018.

To keep our funding structure as stable as possible, we generally negotiate financing arrangements with maturities of five to eight years. The company's bank financing was restructured in late 2016. Current financing arrangements are negotiated on a non-recourse basis, which means they do not permit unlimited recourse to the group of companies. Around 88% of the financial debt is hedged against interest rate fluctuations – generally at a fixed interest rate. The balance sheet equity ratio increased significantly, reaching 35.4% by the end of 2017 (31 December 2016: 31.6%). The loan-to-value ratio (LTV), adjusted for temporary effects of non-current assets held for sale and liabilities for new fund products, continued to drop and ended the year 2.9 percentage points below the prior-year level at 57.0% (31 December 2016: 59.9%).

For details on the current performance of DIC Asset AG, see our Annual Report, Semi-Annual Report and our Quarterly Statements under www.dic-asset.de.

FORECAST 2018

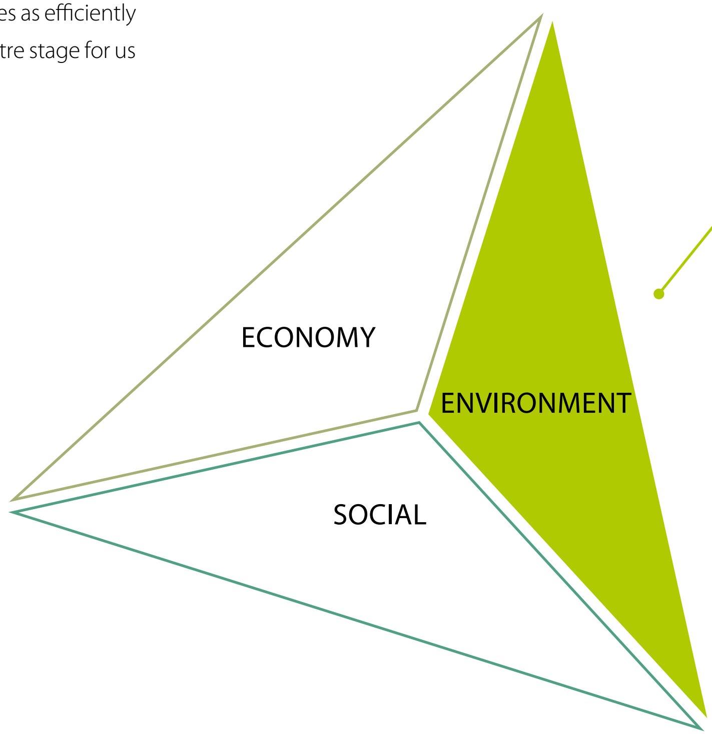
- Growth in assets under management: planned acquisition volume between EUR 450 and 500 million (focusing on the continued expansion of the fund business)
- Further optimisation of the Commercial Portfolio: focused sales in a volume between EUR 100 and 120 million
- Rental income from the Commercial Portfolio n the amount of EUR 95 to 98 million
- Increased funds from operations: FFO between EUR 62 and 64 million (c. EUR 0.90 to 0.93 per share)

5 ENVIRONMENT 32

GRI 103-1 GRI 103-2 GRI 103-3

Real estate accounts for a key share in the general energy consumption and in the emission of greenhouse gases. Our employees as well as our tenants consume electricity and water and produce waste that can be recycled only to a certain extent. The cumulative long-term effect of rising CO_2 emissions is contributing to the ongoing global climate change. Accordingly, there is great potential in the real estate industry in Germany to address the issue and with it the responsibility to contribute to a sustainable development of society. Reducing our environmental impact and managing our properties as efficiently as possible are commitments that take centre stage for us and for our stakeholders.

A good way to trace improvements and progress made in our efforts is to collect and analyse data on electricity, heating energy and water consumption as well as on greenhouse gas emissions. To make the data we gather annually on the environmental impact of the properties under our management truly comparable we use an analysis portfolio. The data thus obtained serve as basis for further efforts to optimise the energy management of our real estate.



OUR PRINCIPLES OF
ENVIRONMENTAL SUSTAINABILITY:

- Energy and cost-effective management of our real estate
- Long-term measures for portfolio properties and property developments
- Optimisation and reduction of CO_2 emissions and resource consumption

ANALYSIS PORTFOLIO

By the end of 2017, the Commercial Portfolio of DIC Asset AG comprised 109 properties (not including project developments and warehousing) with around 0.9 million sqm of lettable area under management. The analysis portfolio included 83 properties with a combined lettable area of around 0.7 million sqm, which equals roughly 76% of the directly held portfolio. In 2012, this floor area percentage still stood at 47% but has been going up continuously in the years since. The more comprehensive the data pool, the more accurate are the insights that we can derive concerning sustainable and efficient property operations and the easier it becomes to develop, together with our tenants, suitable approaches for optimising the energy efficiency of our properties. Our objective is to cover as much of the real estate inventory included in the analysis portfolio as possible.

Although we strive for the most comprehensive analysis possible, consumption data are not always available in their entirety, so that our data analysis in some cases relies on qualified assumptions and simplifications. We will brief you on the steps of the calculation and the scope of the evaluated data in the respective section of the report and in the annex. In addition, we gather the consumption data of DIC Asset AG's own six branch locations in Germany.

Measuring Consumption

The evaluated data of our analysis portfolio cover the period 2015 through 2017.

We use the consumption data from the analysis portfolio to determine average values for our reporting purposes. The process allows for the fact that differences in a building's use will definitively influence the measurements: Properties running their own data centres and cooling systems in continuous operation, for instance, will obviously average a higher energy consumption. Properties with a larger proportion of storage space or without their own cooling system, by contrast, tend to consume significantly less energy. Each type of use can be assigned specific square-metre ratios in accordance with the German Energy Saving Ordinance (EnEV) and guidance by the IWU Institute for Economy and Environment.

The analysis portfolio includes the following types of floor space (aggregated representation):

TYPES OF USE INCLUDED IN THE ANALYSIS PORTFOLIO*

	Floor area (in thousand sqm)	Floor area percentage
Office spaces without A/C	219	31.5%
Storage and archive area, plant building	140	20.1%
Retail units, supermarkets, department stores	139	20.0%
Office spaces with A/C	98	14.1%
Higher and continued education institutions	47	6.7%
Hotels	27	3.9%
Restaurants, cafés, cafeterias	9	1.2%
Residential space	7	1.0%
Server rooms	4	0.6%
Doctors' offices	3	0.4%
Special uses	3	0.4%
Total	696	100.0%

* The categorisation of floor areas follows the recognised system of the Building Classification Catalogue (BWZK) of the Working Group of the Ministers and Senators of the Länder Responsible for Building, Housing and Settlement (ARGEBAU) and the German Energy Saving Ordinance (EnEV) 2009.

In the consumption categories of heating energy and water, we can generally rely on the consumption bills submitted by the utility companies. In addition, meter readings for these media are available for most properties from our facility management service providers.

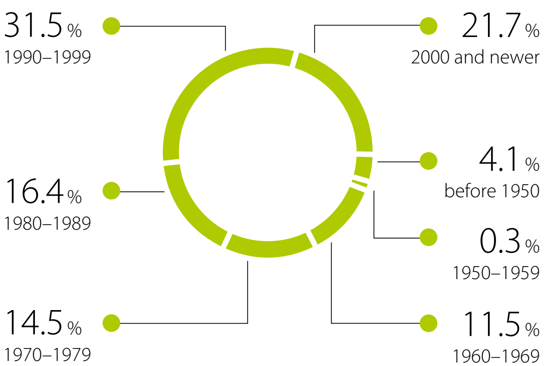
The biggest challenge in measuring the environmental impact lies in the comprehensive determination of electricity consumption per property because the majority of our tenants conclude their own supply contracts. For us as owner, it may seem easy to aggregate the consumption of common-area electricity in analogy to the consumption data for heating energy and water. However, to obtain as complete a picture as possible – tenant-consumed electricity data included – we depend on detailed meter readings by our facility management service providers and the cooperation of network operators and our tenants.

In addition to the overall view, we carried out a like-for-like analysis of the analysis portfolio for the years 2015 through 2017. The like-for-like analysis only included properties that were part of the portfolio in all of these three years. This way, possible effects of purchases and sales during the observation period are ignored.

We refrained from using any methodological adjustments in the evaluation that would neutralize effects possibly caused by a change in use type for a given rental accommodation, the development of vacancies in the real estate portfolio, different material specifications and the age of buildings, or external influences such as weather conditions.

DISTRIBUTION BY CONSTRUCTION YEAR*

As % of lettable area of the analysis portfolio



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

DISTRIBUTION BY SIZE

As % of lettable area of the analysis portfolio

TRENDS IN CONSUMPTION DATA

ENERGY

CRE1 GRI 302-1 GRI 302-2 GRI 302-3 GRI 302-4

Electricity

For the evaluation of electricity consumption during the period from 2015 through 2017, the analysis portfolio accounted for 75.7 % of the Commercial Portfolio on average.

The absolute electricity consumption in our analysis portfolio totalled 56.2 million kWh (2016: 57.3 million kWh). Relative to the lettable area, this implies a decline by 2.9 % to 80.8 kWh/sqm (2016: 83.2 kWh/sqm).

A like-for-like analysis of the 81 portfolio properties shows that, compared to the benchmark year of 2015 (58.4 million kWh), the electricity consumption dropped by 4.6 % to 55.7 million kWh in 2017.

Heating

For the period 2015 through 2017, we were able to establish the heating energy consumption of an average 75.5 % of the lettable area in the Commercial Portfolio on the basis of consumption bills on record and the consumption data made available by tenants.

The total heating energy consumption in our analysis portfolio in 2017 amounted to 66.9 million kWh (2016: 66.1 million kWh). Relative to the floor area, this translates into a 1.1 % increase to 96.9 kWh/sqm (up from 95.8 kWh/sqm in 2016).

On a like-for-like basis, the heating energy consumption in 2017 amounted to 66.6 million kWh. This implies an increase of 4.8 % from the figure of 63.6 million kWh measured for the benchmark year of 2015. In this context, we need to take into account the different lengths of the heating periods in the analysed years, which causes fluctuations around the mean value, among other things.

WATER

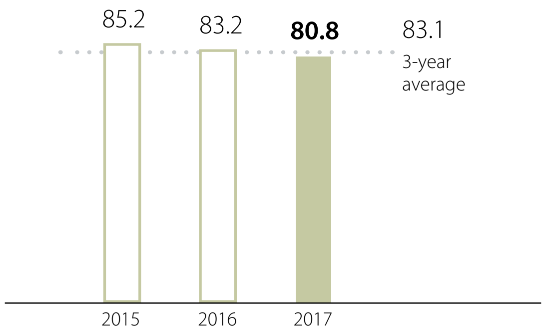
CRE 2 GRI 303-1

To determine the water consumption for the analysis period of 2015 through 2017, we analysed 75.6 % of the Commercial Portfolio's lettable area on average. To this end, we used meter reading lists, utility bills and notifications by our tenants (in cases where water supply contracts are handled directly by the tenants).

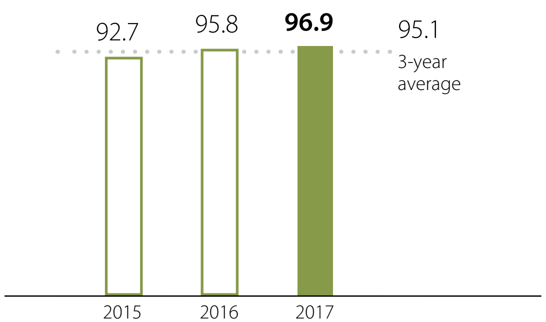
The absolute water consumption in our analysis portfolio amounted to 188,082 cbm in 2017 (2016: 187,658 cbm). This implied an unchanged rate of 0.27 cbm/sqm (2016: 0.27 cbm/sqm).

Our like-for-like comparison revealed a 1.4 % drop in consumption, from 187,691 cbm in the benchmark year of 2015 down to around 185,144 cbm in 2017.

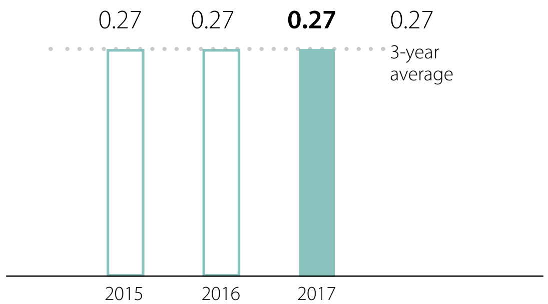
ELECTRICITY CONSUMPTION in kWh/sqm



HEATING ENERGY CONSUMPTION in kWh/sqm



WATER CONSUMPTION in cbm/sqm



CO_2 CONTRIBUTION

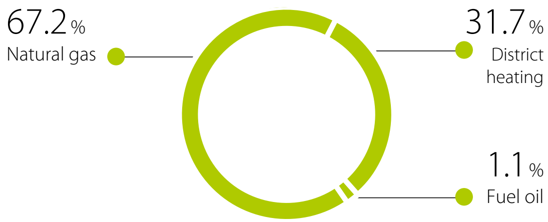
GRI 103-1 GRI 103-2 GRI 103-3

The consumption of energy releases greenhouse gases that are among the main drivers of climate change. We have set ourselves the goal to minimise greenhouse gas emissions as far as possible. To reduce our carbon footprint, we pursue several approaches.

- Since 2010, our "Green Energy" project has ensured that the common-area electricity supply in the properties rented by us for office use comes from renewable, carbon-neutral energy sources (green electricity).
- From time to time, we ask third-party agencies to compile energy balances for our business premises so as to determine the exact consumption as well as any potential for improvement. The most recent balance was prepared in summer 2016.
- We intend to encourage employees more strongly to use the carbon-neutral long-distance service connections of Deutsche Bahn for their business travels.

ENERGY SUPPLY by energy source

GRI 302-1



The direct and indirect heating energy supply of our properties is based on three energy sources, these being district heating, natural gas and fuel oil, with natural gas accounting for the bulk of it at 67.2 %.

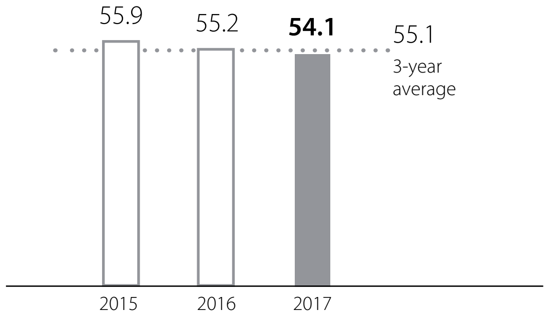
To calculate the CO_2 environmental contribution of the heating energy consumed for the various energy sources we use specific conversion factors:

- District heating: 161.0 g CO_2e/kWh*
- Fuel oil: 298.0 g CO_2e/kWh*
- Natural gas: 221.0 g CO_2e/kWh*

* Source: International Economic Forum for Renewable Energies (IWR) – http://www.iwr.de/re/eu/co2/co2.html

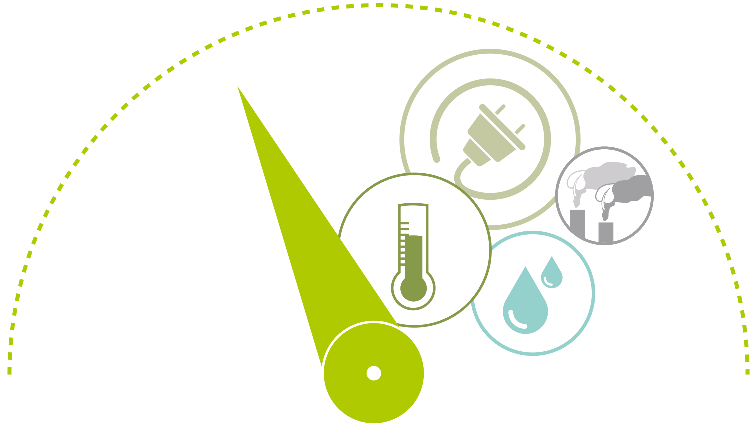
INDIRECT CO_2 EMISSIONS in $kgCO_2e$/sqm

GRI 305-4



In 2017, the CO_2 emissions caused by electricity and heating energy consumption decreased by 1.4 % down to a total of 37,510 tCO_2e (2016: 38,055 tCO_2e). Relative to the lettable area, the reduction actually amounts to 2.0 % at 54.1 $kgCO_2e$/sqm (2016: 55.2 $kgCO_2e$/sqm).

A like-for-like comparison returns emissions of around 39,100 tCO_2e for 2017, which implies a like-for-like increase by 4.2 % over the benchmark year of 2015 (37,525 tCO_2e).



CONSUMPTION OF A TYPICAL PROPERTY IN THE COMMERCIAL PORTFOLIO

CRE3

Avg. 2015-2017	p.a.	per sqm and year
Electricity consumption (kWh)	694,705	83.1
Heating energy consumption (kWh)	795,653	95.1
CO_2 emissions (kgCO_2e)	460,617	55.1
Water consumption (cbm)	2,280	0.27

* The typical property size is 8,363 sqm, based on the lettable area and the number of properties held in the Commercial Portfolio at year-end 2017 (not including project developments and warehousing).

CONSUMPTION DATA IN ABSOLUTE NUMBERS*

	2017	2016	2015
Indirect electricity consumption (kWh)	**56,192,609**	57,322,010	58,373,415
Number of analysed properties	**83 of 109**	82 of 109	81 of 109
Corresponding floor area in sqm	**695,802**	689,040	684,756
Indirect heating energy consumption (kWh)	**66,858,586**	66,099,009	63,569,508
Number of analysed properties	**82 of 109**	82 of 109	81 of 109
Corresponding floor area in sqm	**689,973**	689,973	685,689
Indirect carbon dioxide emissions (kgCO2e)	**37,509,866**	38,055,148	38,329,006
Number of analysed properties	**83 of 109**	83 of 109	83 of 109
Water consumption (cbm)	**188,082**	187,658	187,691
Number of analysed properties	**83 of 109**	82 of 109	81 of 109
Corresponding floor area in sqm	**695,802**	**687,849**	**683,566**

* related to the analysis portfolio

LIKE-FOR-LIKE CONSUMPTION FIGURES*

	2017	2016	2015	Change since 2015
Indirect electricity consumption (kWh)	**55,669,873**	57,255,010	58,373,415	-4.6%
Number of analysed properties		81 of 109		
Corresponding floor area in sqm		684,756		
Indirect heating energy consumption (kWh)	**66,596,586**	65,939,009	63,569,508	4.8%
Number of analysed properties		81 of 109		
Corresponding floor area in sqm		685,689		
Indirect carbon dioxide emissions (kgCO2e)	**39,099,772**	36,825,954	37,525,398	4.2%
Number of analysed properties		83 of 109		
Water consumption (cbm)	**185,144**	187,331	187,691	-1.4%
Number of analysed properties		81 of 109		
Corresponding floor area in sqm		683,566		

* related to the analysis portfolio

KEY FIGURES*

	2017	2016	2015	Change since 2015
Indirect electricity consumption (kWh/sqm)	**80.8**	83.2	85.2	-5.3%
kWh/work place**	**1,292**	1,331	1,364	
Number of analysed properties	**83 of 109**	82 of 109	81 of 109	
Indirect heating energy consumption (kWh/sqm)	**96.9**	95.8	92.7	4.5%
kWh/work place**	**1,550**	1,533	1,483	
Number of analysed properties	**82 of 109**	82 of 109	81 of 109	
Indirect CO_2 emissions ($kgCO_2e$/sqm)	**54.1**	55.2	55.9	-3.3%
kWh/work place**	**865**	883	895	
Number of analysed properties	**83 of 109**	83 of 109	83 of 109	
Water consumption (cbm/sqm)	**0.27**	0.27	0.27	-1.6%
cbm/work place**	**4.3**	4.4	4.4	
Number of analysed properties	**83 of 109**	82 of 109	81 of 109	

* 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)

Projection for the Commercial Portfolio

Based on the consumption data of our analysis portfolio, we extrapolated the consumption of our entire directly held portfolio for the period 2015 through 2017. This makes it easier to establish the actual overall environmental impact of DIC Asset AG.

PORTFOLIO PROJECTION

	2017	2016	2015
Floor area of the Commercial Portfolio in sqm*	**911,600**	1,020,400	1,187,600
Electricity consumption			
in kWh/sqm	**80.8**	83.2	85.2
Total consumption in kWh	**73,620,390**	84,888,213	101,239,302
– thereof common-area electricity (sourced to 100% from renewable energy)	**13,519,898**	15,390,398	16,543,525
– thereof consumed by tenants	**60,100,492**	69,497,815	84,695,777
Heating energy consumption			
in kWh/sqm	**96.9**	95.8	92.7
Total consumption in kWh	**88,334,363**	97,753,784	110,101,155
Total energy consumption			
in kWh/sqm	**161,954,753**	182,641,997	211,340,457
Water consumption			
in cbm/sqm	**0.27**	0.27	0.27
Total consumption in cbm	**246,414**	278,384	326,087
CO_2 emissions in tCO2e**	**53,671**	60,886	72,407

* not including project developments and warehousing
** CO_2 emissions from tenant-consumed electricity (conversion factor using the national average of 590gCO2e/kWh) and heating energy

DIC ASSET AG'S ECO-BALANCE

During the 2017 financial year, DIC Asset AG maintained an average workforce of 185 at its six locations in Germany. The evaluation of consumption data in the properties we use takes the same methodological approach as the evaluation of our analysis portfolio.

The electricity consumption of DIC Asset AG decreased by 4.2 % to 504,592 kWh (2016: 526,674 kWh) during the 2017 financial year. Compared to the benchmark year of 2015, the consumption was reduced by an actual 11.1 %. The decline is primarily attributable to the substantially lower tenant-consumed electricity (-16.1 % since 2015).

ELECTRICITY AND WATER CONSUMPTION OF DIC ASSET AG Absolute values

	2017	2016	2015	Change since 2015
Total electricity consumption (kWh)	**504,592**	526,674	567,495	-11.1 %
– for tenant-consumed electricity	**210,939**	234,147	251,275	-16.1 %
– for common-area electricity	**293,653**	292,527	316,220	-7.1 %
in kWh/sqm	**96.1**	97.3	98.6	-2.6 %
in kWh of tenant-consumed electricity/employee	**1,140**	1,308	1,496	-23.8 %
Heating energy consumption (kWh)	**415,726**	430,514	330,946	25.6 %
in kWh/sqm	**79.2**	79.5	57.5	37.6 %
in kWh/employee	**2,247**	2,405	1,970	14.1 %
Water consumption (cbm)	**2,530**	2,280	2,014	25.6 %
in cbm/sqm	**0.48**	0.42	0.35	37.6 %
in cbm/employee	**13.7**	12.7	12.0	14.1 %
Number of offices	**6**	6	6	
Total area in sqm	**5,252**	5,412	5,753	
Number of employees (yearly average)	**185**	179	168	

Since the floor space rented by DIC Asset AG decreased as well, electricity consumption per square metre dropped by 2.6 % from 98.6 kWh/sqm in 2015 to 96.1 kWh/sqm in 2017.

The total electricity consumption per employee equalled 1,140 kWh (2016: 1,308 kWh). This represents a conspicuous decrease by 23.8 % since 2015.

DIC Asset AG uses district heat or natural gas to heat all six of its office locations. The heating energy consumption came to 2,247 kWh per employee in 2017, and thus fell short of the prior-year level (2016: 2,405 kWh). Compared to 2015 (1,970 kWh), it meant an increase by around 14.1 %.

Water consumption in 2017 amounted to 13.7 cbm per employee (2016: 12.7 cbm/employee). Compared to the benchmark year of 2015 (12.0 cbm/employee), the consumption increased by 14.1 %.

Sustainability at the Workplace

Among our key priorities is the efficient and responsible use of resources. All six of our branch offices are supplied with carbon-neutral electricity. At our headquarters in Frankfurt, we are the main tenant of a sustainable office building built to the strictest green building standards (DGNB certificate in platinum).

Another area in which we seek to achieve cost and energy savings is the IT infrastructure, e.g. by regularly replacing older equipment with technically more efficient new equipment. Our printers are centralised and require the input of a personal pin code. This way, we want to raise awareness toward a resource-conserving paper consumption in line with the "Think before you print" maxim. It is also a good way to improve data protection.

Recycling and Waste Management

GRI 103-1 GRI 103-2 GRI 103-3

Starting with our last Sustainability Report, we have been reporting on waste management, disposal and recycling. The resulting transparency creates a better decision-making basis and thus facilitates our control.

Details on the type and quantity of waste materials are provided by the local waste disposal companies as well as our commercial waste disposal partners at our office locations. In all locations, the waste disposal is carried out jointly for all tenants of a given property. This means that the volume of waste attributable to DIC Asset AG is calculated as the total volume of waste per type of waste for an entire property, multiplied by the rental floor area share occupied by DIC Asset AG.

In 2017, the six branch offices that DIC Asset AG operates across Germany generated a combined waste quantity of around 458,406 litres (2016: 477,023 litres), thereof 77 % recyclable: Around 41 % thereof represented paper and cardboard recyclables, another 19 % were recoverable waste, and 17 % other recyclable materials (reusable materials / packaging). Non-recyclable waste included food waste and other organic substances (residual waste). Since 2015, the total volume of waste at the DIC locations has declined by 9.2 % after the occupied floor area was downsized in 2016.

WASTE GENERATION AT DIC ASSET AG

GRI 306-2

Volume in litres	**2017**	2016	2015	Change since 2015
Non-recyclable waste (residual waste)	**105,712**	111,136	118,485	-10.8 %
Paper	**188,055**	195,491	206,514	-8.9 %
Recoverable waste	**86,778**	86,778	86,778	0.0 %
Recyclable material (reusable material)	**77,861**	83,618	92,804	-16.1 %
Total	**458,406**	477,023	504,581	-9.2 %

CO_2 Contribution

The carbon footprint of DIC Asset AG includes all greenhouse gas emissions – measured in carbon dioxide – that are generated in the course of its business activities.

In addition to the emissions generated by the use of the properties at our branch locations, these are mainly CO_2 emissions caused by the business trips that our employees undertake either by air or by using vehicles from our car fleet.

During the 2017 financial year, the CO_2 contribution of DIC Asset AG amounted to 54,095 tCO_2e (2016: 61,221 tCO_2e), with tenant consumption (electricity and heating energy) in the Commercial Portfolio accounting for 99.2 % thereof. Since 2015, the Group's carbon footprint has decreased by 25.7 % (2015: 72,819 tCO_2e), primarily because the Commercial Portfolio was downsized in line with the strategic portfolio optimisation.

GREENHOUSE GAS EMISSIONS ACCORDING TO GHG PROTOCOL* in tCO_2e

	2017	2016	2015	Change since 2015
Scope 1				
Vehicle Fleet	224	165	229	-2.4 %
Scope 2				
Consumption of DIC Asset AG: tenant-consumed electricity at branch offices*	0	0	0	n. a.
Common-area electricity (Commercial portfolio)**	0	0	0	n. a.
Scope 3				
Business travel***	89	44	47	88.5 %
Consumption of DIC Asset AG: common-area electricity in properties rented by DIC, e.g. headquarters building ****	112	125	136	-17.9 %
Tenant consumption electricity and heating (based on extrapolation of portfolio)	53,671	60,886	72,407	-25.9 %
Total tCO_2e	54,095	61,221	72,819	-25.7 %

* Carbon-neutral electricity supplied to company offices in Mannheim as of 01 January 2011, Frankfurt from 01 January 2012, Hamburg as of 01 October 2012, München as of 21 January 2013, Düsseldorf as of 01 January 2013, Berlin as of 01 January 2014
** Electricity in common areas supplied by 100 % renewable energy since 2010
*** Not counting commuting by employees
**** Information supplied by property owner in properties rented

„Greenhouse Gas Protocol" (GHG Protocol)

GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-5

Our CO_2 accounting is based on the globally recognised Greenhouse Gas (GHG) Protocol corporate standard. The standard distinguishes between three different emission types, the so-called "scopes":

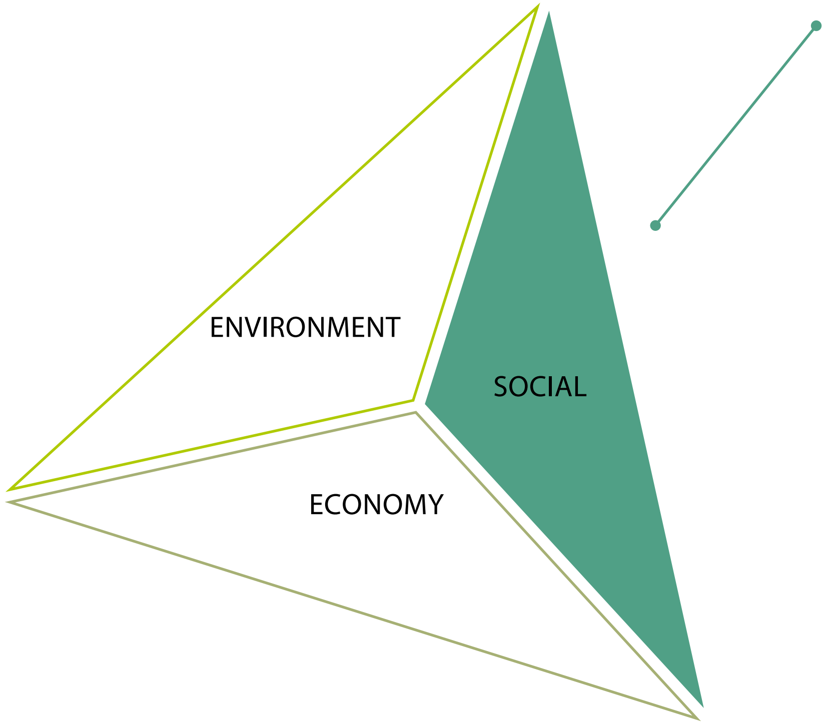
- Scope 1 represents direct CO_2 emissions. In the case of DIC Asset AG, these originate in the company's car fleet.
- Scope 2 refers to indirect CO_2 emissions. These are generated by our suppliers to produce energy (electricity and heat) for our branch offices and for the common-area electricity consumption associable with our real estate portfolio ("consumption control by DIC Asset AG").
- Scope 3 covers all other CO_2 emissions that are in some way related to our corporate activities. These include greenhouse gas emissions from business travel and CO_2 emissions caused by the occupancy of our analysis portfolio assets (electricity and heating energy consumption by tenants in properties owned by us) or by common-area electricity and heating energy consumption in properties rented by us for office use.

6 SOCIETY 44

GRI 103-1 GRI 103-2 GRI 103-3

In keeping with the three-pillar model of sustainability, we aim for responsible and fair treatment of our employees, clients and business partners. The constructive exchange and dialogue with all stakeholders permits us to rate the corporate performance in its societal context, too.

As one of the largest portfolio owners of commercial real estate and providers of real estate investment products in Germany, our business activities have social ramifications that extend beyond our industry and even influence the municipal and regional environment in German cities and communities.



OUR PRINCIPLES OF SOCIAL SUSTAINABILITY:

- Developing a positive corporate culture along with a safe and pleasant working environment
- Helping employees to unfold and develop their potential, not least through continuing education and market-consistent pay
- Cultivating long-term partnerships with highly productive companies
- Ensuring respectful treatment of historically evolved neighbourhoods through sensitive urban development
- Sponsoring charitable and social commitments, specifically to promote the common good

OUR WORKFORCE

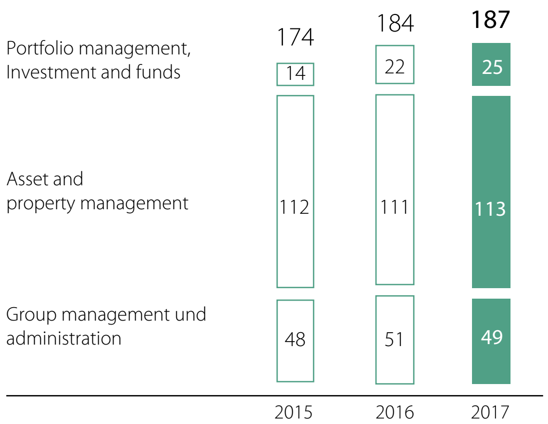
We encourage our employees to make the most out of their ideas and performance potential and to keep developing them. The knowledge, skills and commitment of our employees constitute the bedrock of our company's success. We will achieve our ambitious goals only if we have qualified and motivated employees who represent our company to the outside world with dedication and success.

Maintaining six branch offices across Germany enables us to be active on site in the focal regions of our portfolio. DIC Asset AG's principal place of business is Frankfurt am Main where the key management and administrative tasks are handled.

Since early 2017, the strategy of DIC Asset AG has concentrated on its ongoing, dynamic efforts to keep expanding the real estate assets under management and its investment funds unit. To this end, we reinforced capacities in the course of the financial year, especially in the area of fund management. Our workforce experienced a net growth of three new employees after year-end 2016. As at balance sheet date 31 December 2017, we had a total of 187 employees on the payroll.

NUMBER OF EMPLOYEES

GRI 102-8



Employer Brand

Inspiring enthusiasm in new co-workers is one of the most critical tasks of our Human Resources department. In order to appeal to young talent and highly skilled job seekers, we are committed to positioning DIC Asset AG as an excellent employer. We offer flat organisational structures, let employees assume responsibilities early on, and delegate serious decision-making competences. As in previous years, we participated in the "IZ-Karriereforum" job fair hosted by "Immobilien Zeitung" in Frankfurt in June 2018.

Diversity

GRI 405-1

By the end of 2017, the female share of DIC Asset AG's workforce equalled 55 % (2016: 57 %).

As far as the composition of the Management Board goes, the Supervisory Board pursues a diversity concept that is described in the "Corporate Governance" section of the 2017 Annual Report. In addition to the knowledge, skills and professional experience required to perform the tasks properly, it seeks to take diversity into account when making board appointments. The board's composition is to integrate different, complementary professional profiles as well as job and life experiences that benefit the board's work. In accordance with its declaration of conformity, which reflects the recommendations of the German Corporate Governance Code, the Supervisory Board supplemented its stated objectives for the board's composition in February 2018. These objectives also include the competence profile for the entire body and the diversity concept the Supervisory Board pursues in regard to its composition.

DIC Asset AG is legally obliged to set targets for the number of female appointees to the Supervisory Board, the Management Board and, where applicable, to the two executive levels below the Management Board:

- The original target of 1/6 or 16.66 % for the Supervisory Board was not achieved before the deadline on 30 June 2017, the actual rate being 0 %. It was resolved to uphold the target of 1/6 for the period ending on 30 June 2022.
- The target of 1/4 or 25 % on the Management Board was achieved with an actual rate of 1/3 (33.33 %). The target of 1/4 was left in place.
- The target for the percentage of women on the executive levels below the Management Board was 1/5 (20 %) and was not achieved by 30 June 2017, the actual rate being 2/13 (15.38 %). The target through 30 June 2022 was set at 2/13.
- There is no second executive level below the Management Board.

By the end of 2017, the majority of our employees (about 68 %) was between 30 and 50 years of age. Another 18 % of our staff are younger than 30, whereas those older than 50 years of age account for a share of 14 %.

Salaries: Fair Remuneration and Promotion of Performance

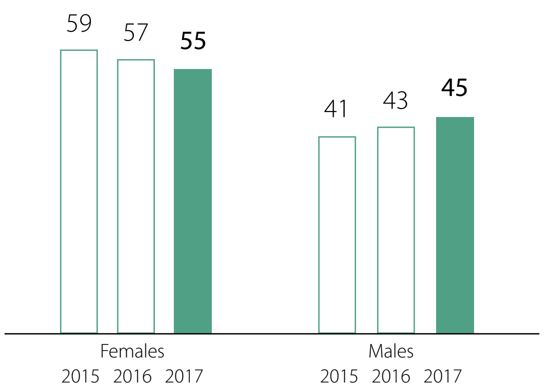
GRI 103-1 GRI 103-2 GRI 103-3 GRI 201-3

In the materiality analysis, all stakeholders identified fair salaries and adequate remuneration as a particularly important aspect for DIC Asset AG (see p. 21).

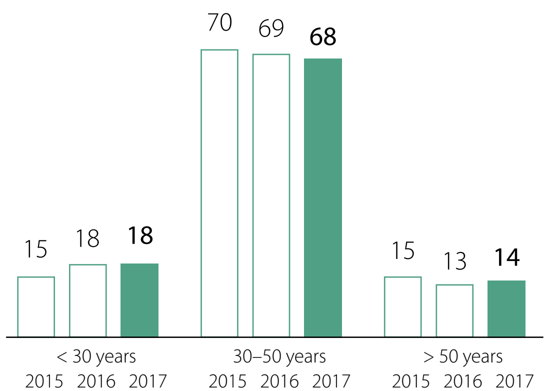
Salary payments break down into basic income, additional benefits, and performance-related components. Our salaries are oriented to industry levels and competitive standards. The performance-related component is based on the achievement of strategic, operational and personal goals, which are determined annually for each employee together with his or her superiors. We have found this to be a good way to promote and support entrepreneurial awareness among our employees. In 2017, DIC Asset AG's total payroll costs amounted to EUR 16.6 million. They included performance-related remunerations in the amount of EUR 1.7 million, representing a share of around 10 %. Social security contributions, pensions and other benefits added up to EUR 2.1 million.

EMPLOYEE GENDER BREAKDOWN in %

GRI 102-8



AGE STRUCTURE in %



EMPLOYEE INFLOW AND OUTFLOW*

GRI 401-1

	2017 Male	2017 Female	2017 Total		2016 Male	2016 Female	2016 Total		2015 Male	2015 Female	2015 Total
Inflow	20	14	34	Inflow	21	19	40	Inflow	16	15	31
Outflow	12	15	27	Outflow	9	10	19	Outflow	9	10	19
Fluctuation in %			14.4	Fluctuation in %			10.3	Fluctuation in %			10.9

*adjusted for staff changes within the DIC Group, based on termination of non-temporary employment contracts.

Human Resource Development

GRI 103-1 GRI 103-2 GRI 103-3 GRI 404-2

Systematic human resource development is an essential part of our long-term corporate development. We ensure that talents are discovered, sponsored and tested in our company. We therefore support the personal goals of our employees in terms of continued professional development, and invest as necessary in the development of individual expertise and competence. In addition to general training programs, we also offer theme-specific professional development classes on currently relevant industry topics. These are taught by in-house and third-party experts or by training institutes.

Human resource development and advancement are among the key responsibilities of our executives. We support our executives in the process and provide them with the tools they need, such as training classes and/or one-to-one coachings.

Training and Sponsoring Young Employees

Our work placements give high school students (two weeks) and university students (two to six months) the opportunity to get to know the various units of our company. University graduates may take advantage of our trainee program of 12 to 18 months after getting their degrees. The programs' purpose is to prepare career starters for senior positions.

We have also been certified as trainers for the profession of estate agent since 2015. Moreover, we support university students in their bachelor or master thesis projects. We consider all of these programs to be important building blocks to keep attracting qualified young talent to our company in the future, but also to live up to our social responsibility. Not least, we participated in a Girls' Day in 2017 for the first time – giving female secondary school students insights into the professional profiles available to them in the real estate industry.

Occupational Health and Safety

GRI 103-1 GRI 103-2 GRI 103-3 GRI 403-1

We ensure safe working conditions through timely preparation and training. The occupational safety strategy is defined in regular meetings of the senior management and the occupational safety committee, which is composed of internal representatives and third-party experts. Our executives are briefed on best practices in tutorial, e.g. on the subject of their accountability for occupational safety.

The fire safety training we provide for our fire protection officers and the fire safety briefing we give to all new employees when entering the company also contribute to a safe working environment. Fire protection equipment and first aid materials with appropriate instructions are easily accessible on each floor in case of an emergency. In addition, we offer first aid training courses for employees at any of your branch offices in Germany every six months.

GRI 401-2

Ultimately, our ambition is to make our offices not just safe, but also attractive and comfortable. This is facilitated by the fact that our principal place of business is located in the MainTor property development in the heart of Frankfurt, with a rich variety of gastronomy, retail and cultural venues within walking distance. The offices themselves get plenty of natural light and overlook both the MainTor grounds and downtown Frankfurt. The location has protected bicycle parking spaces, convenient access to public transportation and a spacious cafeteria for joint lunch breaks with co-workers. Each floor features a kitchen with a choice of fresh fruit, hot beverages and chilled soft drinks. In cooperation with a fitness chain, we give our employees the opportunity to take out a discounted membership by citing their company affiliation. To prepare for the JP Morgan Chase Corporate Challenge 2018, employees at all of our branch offices had the opportunity to train on the job with a professional coach for ten weeks, and the response was overwhelmingly positive.

Flexible Working Time Models

DIC Asset AG offers flexible working time models, especially to support employees returning to work after parental leave. The idea is, of course, to make it easier for our employees to reconcile family and job. In 2017, a total of 25 employees (13 %) worked part-time, up from 24 employees (13 %) in 2016.

Acting Responsibly from the First Day on the Job

GRI 404-3

All of our employees receive a regular assessment of their performance and career progress within the framework of annual feedback interviews. In addition to established human resource development tools such as this one, we put a premium on open dialogue among our employees across hierarchical boundaries. The general idea is that our employees should be able to approach their superiors any time with queries and concerns.

New employees are given a comprehensive guide to their workplace, including practical energy-saving tips for the office, and a copy of the expanded compliance policy as amended for them to sign and thereby to pledge a responsible and lawful conduct. Aside from enhancing the flow of communication, this approach directly briefs new team members about their rights and obligations and the resources available to them.

We promote collaboration and the exchange of know-how through regular meetings of working groups in which staff from different regional offices and from the head office work together on a variety of projects.

Employee Absence Remains on Low Level

GRI 403-2

We strive to keep sickness absence days to a minimum through active communications. For instance, we will sit down with employees returning to work after a lengthy sickness absence and jointly try to find ways to adjust their work environment optimally to their needs.

The average sickness absence per employee experienced a modest year-on-year increase in 2017, rising from 7.0 days to 8.2 days. However, it remained clearly below the established average among German employees, which is 15.2 sick absence days annually, according to the latest data released by the TK health insurance*.

Specifically, the sickness absence rate at DIC Asset AG was 3.1 % in 2017 (2016: 2.7 %).

* Source: Gesundheitsreport 2017; Techniker Krankenkasse https://www.tk.de/centaurus/servlet/contentblob/942842/Datei/63887/Report-AU-Zeiten.pdf

SICK ABSENCE

	2017	2016	2015
Total sick absence days	**1,526**	1,294	1,596
Avg. absence days per employee	**8.2**	7.0	9.2
Sickness absence rate* in %	**3.1 %**	2.7 %	3.6 %

* Calculation: Sick absence days p.a. / (target work days x average number of employees during that financial year)

TRADE ASSOCIATION WORK AND MEMBERSHIPS

Active Trade Association Work

GRI 102-13

We have commitments in various trade associations and industry organisations with the aim of anchoring sustainability-related topics such as transparency, reporting or investor communications more firmly in the German real estate sector and promoting the exchange of experience and information within our industry.

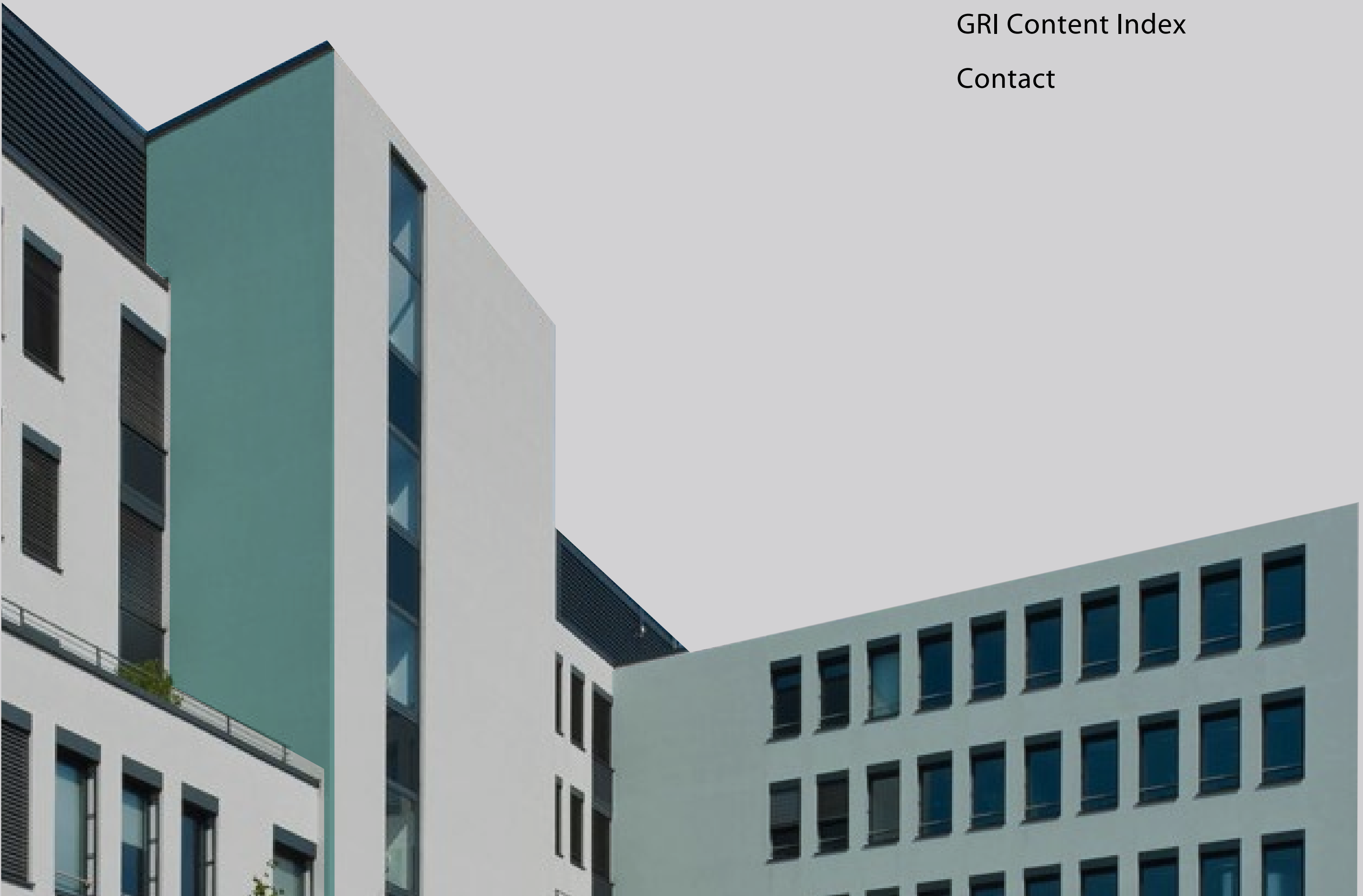
Together with other industry players, we involve ourselves in efforts to boost awareness for real estate companies and their concerns, especially in the trade associations German Property Federation (ZIA) and European Public Real Estate Association (EPRA). CEO Sonja Wärntges contributed her expertise as member of the Executive Committee of ZIA, while Supervisory Board member Ulrich Höller is the incumbent Vice President of ZIA. Our membership in the European Association for Investors in Non-Listed Real Estate Vehicles (INREV) underlines the growing significance of the fund business.

Community Involvement

GRI 203-1

In 2017, we once again sponsored the Blickachsen biannual sculpture exhibition, which presents the works of international artists living in the Frankfurt metro region, and thereby helped to promote regional art and culture.

7 APPENDIX 51



GLOSSARY

Analysis portfolio
The analysis portfolio serves as basis for analysing the consumption data and includes those properties in the Commercial Portfolio for which a complete set of values is available at the time the report is compiled. In 2017, the analysis portfolio included 76 percent of the Commercial Portfolio floor area.

CO_2
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..

CO_2e = 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 (CO_2e).

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”. The revenues generated by the management and value optimisation of the proprietary real estate portfolio as well as of the warehoused assets are gathered in the business unit of the same name.

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 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 platinum, 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.

EPRA NAV (Net asset value)
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.

FFO (Funds from Operations)
Operating income from property management, before depreciation, tax and before profits from sales and development projects.

Funds
The "Funds" business unit generates its revenues by acting as initiator and manager of special real estate funds for institutional investors.

GHG Protocol
The GHG Protocol defines the basic principles of relevance, completeness, consistency, transparency and precision that underpin the recording of CO_2 emissions. It is based on principles of financial reporting. Emissions are divided into three 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.

GRI Standards
The reporting standards of the Global Reporting Initiative (GRI) have now taken the place of the GRI 4 framework for the purposes of this report. These internationally recognised sustainability standards help to improve the comparability of the economic, environmental and social indicators reported back to us.

Other Investments
Gathered in the "Other Investments" business unit are joint venture investments, equity investments in property developments, strategic financial investments, and the management of properties in which the company holds no equity stakes.

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 (Three Pillars of Sustainability), 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
– cbm	Cubic metres
– cbm/sqm	Cubic metres per square metre
– $kgCO_2e$	Kilograms of carbon dioxide equivalent
– $kgCO_2e$/sqm	Kilograms of carbon dioxide equivalent per square metre
– kWh/employee	Kilowatt hours per employee
– kWh/work place	Kilowatt hours per work place
– cbm/employee	Cubic metres per employee
– cbm/work place	Cubic metres per work place

GRI CONTENT INDEX including Construction and Real Estate Sector Supplement

GENERAL STANDARD DISCLOSURES

No.	Description	Page	Comment
Strategy and Analysis			
102-14	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	5–6	
Organisational Profile			
102-1	Name of the organization	7	
102-2	Primary brands, products, and/or services	7	
102-3	Location of organization's headquarters	7	
102-4	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	
102-5	Nature of ownership and legal form	15, 23	
102-6	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	9	
102-7	Scale of the reporting organization	7	
102-8	Total number of employees (permanent and temporary) by employment type, by region and by gender (and variations)	46, 47	
102-9	Description of the organization's supply chain	7	
102-10	Any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	16	
102-11	Organization's approach to the precautionary principle	11	
102-12	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organizations subscribes or which it endorses	12	
102-13	List of memberships in industry organizations and national or international advocacy organizations	50	
102-41	Percentage of total employees covered by collective bargaining agreements		DIC Asset AG does not have any collective bargaining agreements with employees
Identified Material Aspects and Boundaries			
102-45	Entities included in the organization's consolidated financial statements or equivalent documents	16	
102-46	Process for defining the report content and the Aspect Boundaries	13	
102-47	List all the material Aspects identified in the process for defining report content	21	

GENERAL STANDARD DISCLOSURES

No.	Description	Page	Comment
102-48	Effect of any restatements of information provided in previous reports, and the reasons for such restatements		There were no major restatements of information provided in previous reports
102-49	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
103-1	Explanation of the material topic and its Boundary	21–25	

Stakeholder Engagement

102-40	Stakeholder groups engaged by the organization	21	
102-42	Basis for identification and selection of stakeholders with whom to engage	21	
102-43	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	21	
102-44	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	22–25	

Report Profile

102-50	Reporting period for information provided	12	
102-51	Date of most recent previous report	12	
102-52	Reporting cycle (such as annual, biennial)	12	
102-53	Contact point for questions regarding the report content	63	
102-54, 102-55, 102-56	GRI compliance option chosen by the organization and reference to the External Assurance Report	12	
102-56	Policy and practice with regard to seeking external assurance		DIC Asset AG does not currently seek external assurance for sustainability reporting. Our 2017 Annual Report and the financial statements within were audited by Rödl & Partner in 2018

Governance

102-18	Governance structure of the organization	16	

Ethics and Integrity

102-16	The organization’s values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	18–19	

SPECIFIC STANDARD DISCLOSURES

No.	Description	Page	Comment
Economic			
Economic performance			
103-1, 103-2, 103-3	Management approach	27	
201-1	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		Additional information regarding financial performance is available in our Annual Report 2017
201-2	Financial implications and other risks and opportunities for the organization's activities due to climate change and other sustainability issues	17	
201-3	Coverage of the organization's defined benefit plan obligations		Additional information regarding compensation and benefits is available in our Annual Report 2017
Market presence			
103-1, 103-2, 103-3	Management approach	27	
202-1	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of oepration		The competitive compensation of DIC Asset AG's employees maintains a market-consistent and industry-standard level across gender lines. The employee remuneration breaks down into basic income and performance-based bonuses. In 2017, they included performance-related remunerations in the amount of EUR 1.7 million, representing a share of around 10%
Indirect economic impacts			
103-1, 103-2, 103-3	Management approach	27	
203-1	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	50	
Procurement practices			
103-1, 103-2, 103-3	Management approach	27	
204-1	Proportion of spending on local suppliers at significant locations of operation		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

No.	Description	Page	Comment
Environmental			
Energy			
103-1, 103-2, 103-3	Management approach	33	
302-1	Energy consumption within the organization by primary energy source	36	
302-2	Energy consumption outside the organization by primary source	36	
302-3	Energy intensity	36	
302-4	Reduction of energy consumption	36	
CRE1	Building energy intensity	36	
Water			
103-1, 103-2, 103-3	Management approach	33	
303-1	Total water withdrawal by source	36	Drinking water is procured exclusively from local water suppliers
CRE2	Building water intensity	36	
Emissions			
103-1, 103-2, 103-3	Management approach	37	
305-1	Direct GHG emissions (Scope 1)	43	
305-2	Energy indirect GHG emissions (Scope 2)	43	
305-3	Other indirect GHG emissions (Scope 3)	43	
305-4	GHG emissions intensity	37	
305-5	Reduction of GHG emissions	43	
CRE3	GHG intensity from buildings	38	
Waste			
103-1, 103-2, 103-3	Management approach	42	
306-2	Total weight of waste by disposal route	42	Waste production was calculated in litres (volume) not kilogrammes or tonnes (weight)

SPECIFIC STANDARD DISCLOSURES

No.	Description	Page	Comment
Compliance			
103-1, 103-2, 103-3	Management approach	18–19	
307-1	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		Currently no properties in our Commercial Portfolio have achieved a green building certification

Social: Labor Practices and Decent Work

No.	Description	Page	Comment
Employment			
103-1, 103-2, 103-3	Management approach	45	
401-1	Total number and rate of new employee hires and employee turnover by age group, gender, and region	48	
401-2	Benefits provided to full-time employees	49	
401-3	Return to work and retention rates after parental leave, by gender		The percentage of employees who returned to their job in the Company after taking parental leave is 100%
Labor/management relations			
103-1, 103-2, 103-3	Management approach	47	
402-1	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			
103-1, 103-2, 103-3	Management approach	48	
403-1	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	48	

SPECIFIC STANDARD DISCLOSURES

No.	Description	Page	Comment
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 Comissions regularly review current practices
403-2	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender	49	
403-4	Health and safety topics covered in formal agreements with trade unions		DIC Asset AG does not currently have any formal or informal agreements with trade unions
Training and education			
103-1, 103-2, 103-3	Management approach	48	
404-1	Average hours of training per year per employee by gender, and by employee category		No statistics are on record concerning the average time employees spent in professional training and continued professional development
404-2	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	48	
404-3	Percentage of employees receiving regular performance and career development reviews, by gender	49	
Diversity and equal opportunity			
103-1, 103-2, 103-3	Management approach	18–19	
405-1	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	46	
Equal remuneration for men and women			
103-1, 103-2, 103-3	Management approach		Our Compliance Guideline prohibit any form of gender-based discrimination or unfair treatment in the workplace
405-2	Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation		Our Compliance Guideline state 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

SPECIFIC STANDARD DISCLOSURES

No.	Description	Page	Comment
Supplier assessment for labor practices			
103-1, 103-2, 103-3	Management approach		The Compliance Guideline covers interactions with third parties
414-1	Percentage of new suppliers that were screened using labor practices criteria		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. The Company conducts no formal screening of its suppliers

Social: Human Rights

No.	Description	Page	Comment
Non-discrimination			
103-1, 103-2, 103-3	Management approach	18–19	
406-1	Total number of incidents of discrimination and actions taken		No such incidents
Child labor			
103-1, 103-2, 103-3	Management approach	18–19	
408-1	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			
103-1, 103-2, 103-3	Management approach	18–19	
409-1	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

SPECIFIC STANDARD DISCLOSURES

No.	Description	Page	Comment
Social: Society			
Anti-corruption			
103-1, 103-2, 103-3	Management approach	18–19	
205-3	Confirmed incidents of corruption and actions taken		No such incidents
Anti-competitive behaviour			
103-1, 103-2, 103-3	Management approach	18–19	
206-1	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			
103-1, 103-2, 103-3	Management approach	18–19	
418-1	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data		No such incidents
Compliance			
103-1, 103-2, 103-3	Management approach	18–19	
419-1	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services		No such incidents

EPRA SUSTAINIBILITY BEST PRACTICES PERFORMANCE MEASURES

Code	Performance Measure	GRI Standard	Units of measure	Page	Comment
Elec-Abs	Total electricity consumption	302-1	annual kWh	36	
Elec-LFL	Like-for-like total electricity consumption	302-1	annual kWh	36	
DH&C - Abs	Total district heating & cooling consumption	302-1	annual kWh	36	
DH&C LFL	Like-for-like total district heating & cooling consumption	302-1	annual kWh	36	
Fuels- Abs	Total fuel consumption	302-1	annual kWh	36	
Fuels-LFL	Like-for-like total fuel consumption	302-1	annual kWh		Data for lfl consumption currently not available
Energy-Int	Building energy intensity	CRE1	kWh/sqm	36	
GHG-Dir-Abs	Total direct greenhouse gas (GHG) emissions	305-1	annual metric tonnes CO_2e	43	
GHG-Indir-Abs	Total indirect greenhouse gas (GHG) emissions	305-2	annual metric tonnes CO_2e	43	
GHG-Dir-LFL	Like-for-like total direct greenhouse gas (GHG) emissions	305-1	annual metric tonnes CO_2e		Data for lfl GHG emissions not currently available
GHG-Indir-LFL	Like-for-like total indirect greenhouse gas (GHG) emissions	305-2	annual metric tonnes CO_2e	43	
GHG-Int	Greenhouse gas (GHG) intensity from building energy consumption	CRE3	kg CO_2e/sqm	38	
Water-Abs	Total water consumption	303-1	annual cbm	36	
Water-LFL	Like-for-like total water consumption	303-1	annual cbm	36	
Water-Int	Building water intensity	CRE2	cbm/sqm	36	
Waste-Abs	Total weight of waste and proportion by disposal route	306-2	annual litres and proportion by disposal route	42	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	306-2	annual metric tonnes and proportion by disposal route		Data for lfl total weight not currently available
Cert-Tot	Type and number of sustainably certified assets	CRE8	Total number by certification		No sustainably certified assets in the Commercial Portfolio at this time

CONTACT

GRI 102-53

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.

This report is published in German (original version) and English (non-binding translation).

Publisher: DIC Asset AG

Concept and Realisation:
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