SUSTAINABILITY REPORT 2018

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ECONOMIC KEY FIGURES

	2018	2017	2016
Number of properties*	101	113	142
Lettable area in sqm*	884,000	911,600	1,020,400
EPRA vacancy rate*	7.2%	9.9%	11.8%
Average rent per sqm in EUR*	9.64	9.32	9.56
Gross rental yield*	5.9%	6.4%	6.5%
Annualised rental income in EUR million*	97.6	95.5	106.3
Market value in EUR million*	1,696.8	1,639.2	1,948.3
Funds from operations (FFO) in EUR million	68.0	60.2	47.0
Profit/loss for the period in EUR million	47.6	64.4	-29.4**
Cash flow from operating activities in EUR million	61.9	56.5	33.9
Net asset value in EUR million	1,085.8	900.0	880.0

* 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*

	2018	2017	2016
per sqm			
Indirect electricity consumption in kWh	71.5	83.2	85.7
Indirect heating energy consumption in kWh	91.1	99.5	98.2
Indirect CO_2 emissions in $kgCO_2e$	52.1	60.0	60.7
Water consumption in cbm	0.31	0.30	0.30
per work place			
Indirect electricity consumption in kWh	1,144	1,331	1,371
Indirect heating energy consumption in kWh	1,457	1,591	1,572
Indirect CO_2 emissions in $kgCO_2e$	834	961	972
Water consumption in cbm	5.0	4.8	4.9

* based on the analysis portfolio in the reporting period 2016–2018

SOCIAL KEY FIGURES

	2018	2017	2016
Total employees	186	187	184
Fluctuation rate	16.3%	14.4%	10.3%
Percentage of females	52%	55%	57%
Percentage of males	48%	45%	43%
Absence rate	3.8%	3.1%	2.7%

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DEAR READER,

GRI 102-14

This sustainability report takes a broader perspective as we look back at the 2018 financial year. In addition to the economic angle that we focus on in our financial reports, environments and social factors keep gaining in significance for the Company's activities. After all, the real estate industry, more than others, has a particular and far-reaching responsibility for its investments.

Especially the subjects of transparency and comparability play a fundamental role, and it is in this context that international industry standards contribute in important ways to our sustainability reporting. We face up to this challenge by orienting ourselves to the latest international standards of the Global Reporting Initiative (GRI standards) for listed companies while also taking the sectoral supplements for the construction and real estate industry (CRESS) into account. In addition, we meet the reporting standards for real estate companies developed by the European Public Real Estate Association (EPRA), an effort that was honoured once again with the EPRA-sBPR Silver Award for Sustainability Best Practice last year. This year, we expanded our EPRA reporting to include, in addition to the environmental angle, social and governance information for the first time, which you will find in the Appendix to this report. What goes for our annual reports also applies here, namely that as a company in the public eye we permanently strive to improve our reputation.

As far as our economic performance is concerned, the 2018 financial year was blessed with success across all of our business segments. Here is a brief look at the highlights:

- The operating performance indicator "Funds from Operations" (FFO) achieved a year-on-year growth of 13 % at EUR 68.0 million after a robust performance in all three segments.
- On the buying and selling side, our transaction team achieved a record volume of more than EUR 1 billion.
- By launching another two institutional funds and through the on-placement of an existing fund, we continued to expand our trading platform in the investment fund division while significantly increasing the income from property management.

- The proprietary holdings in our Commercial Portfolio registered a like-for-like growth of their market value by around 10%.
- All things considered, our Company's assets under management climbed to an all-time high of EUR 5.6 billion by year-end 2018, driven not least by the growth in our third-party business.
- At the same time, we managed to bring down the EPRA vacancy rate by 24% to 7.2% as of 31 December 2018 and to raise the weighted average lease term (WALT) to 5.8 years (previous year: 5.1 years).
- Against the background of the objectives achieved, the regular dividend paid out in April 2019 was substantially higher than the previous year at EUR 0.48, and once again, our shareholder had the choice of cash payment versus scrip dividend.

Our strong economic performance was complemented by improved consumption data. Especially the following developments should be highlighted in this context:

- On a like-for-like basis, we lowered the electricity consumption in our analysis portfolio to 44.4 million kWh or by 14.8% compared to the benchmark year of 2016. This is attributable primarily to the drop in electricity consumption in common areas like stairwells.
- The CO_2 emissions that our portfolio assets caused through electricity and heating energy consumption also fell on a like-for-like basis by 12.6% to 32,615 tonnes of CO_2 equivalent (tCO_2e) during the analysis period of 2016 through 2018.

As far as the direct electricity consumption of our company goes, we started as early as 2011 to switch entirely to renewable energies, and the fact is positively reflected in our eco-balance. By contrast, the energy consumed by some of our tenants still represents the traditional energy mix, so that roughly one fifth of the floor area in our analysis portfolio had yet to switch to green electricity in 2018. With a view to the immediate future, we will convert the entire proprietary property holdings to green power. To this end, we put the energy supply contracts out to tender again and awarded them in a package deal via a third-party service provider in 2019. The switch comes with the added benefit of improving the availability and standardisation of the consumption data. In the longer term, we expect this to further enhance the quality of our sustainability reporting.

As a company with strong regional roots, we place a premium on the stakeholder dialogue. This plays a particular role in our refurbishment and upgrade efforts that we stepped up over the past years. In fact, we set up an in-house team for this purpose and thus maintain the internal competences and capacities required to revitalise assets exactly as needed and to decorate units in ways that enhance our tenants' enjoyment of them and thereby help to ensure long-term leases of lasting value. The two projects "Wilhelminenhaus" in Darmstadt and "Kaiserpassage" in Frankfurt am Main are featured as case studies in this report. While the project in Darmstadt focuses on the energy refurbishment of the property, parts of which are subject to heritage protection, the key aspect of the project in Frankfurt is the close collaboration with the other project stakeholders. The joint effort repositioned this centrally located asset in a manner that enhanced its appeal while preserving the special character of the quarter in which it is embedded. The new anchor tenant "tegut" and representatives of city hall praised the successful implementation in February 2019 when the arcade was reopened.

Case Study Darmstadt
Case Study Frankfurt

The productivity of our Company is ultimately always the result of the collaboration of many people with a diversified set of skills and know-how. Accordingly, we should like to close by thanking all of our stakeholders and by saying that we will continue to do everything we can to act responsible within a broad-based context and to remain committed to our joint efforts toward sustainable success. We hope you enjoy your read of our report!

Yours sincerely,

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 over 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 178 real estate assets with a combined value of c. EUR 5.6 billion under management (as at: 31 December 2018).

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 income. Our investment strategy is aimed at the ongoing development of a quality-driven, highly profitable, and regionally diversified portfolio.

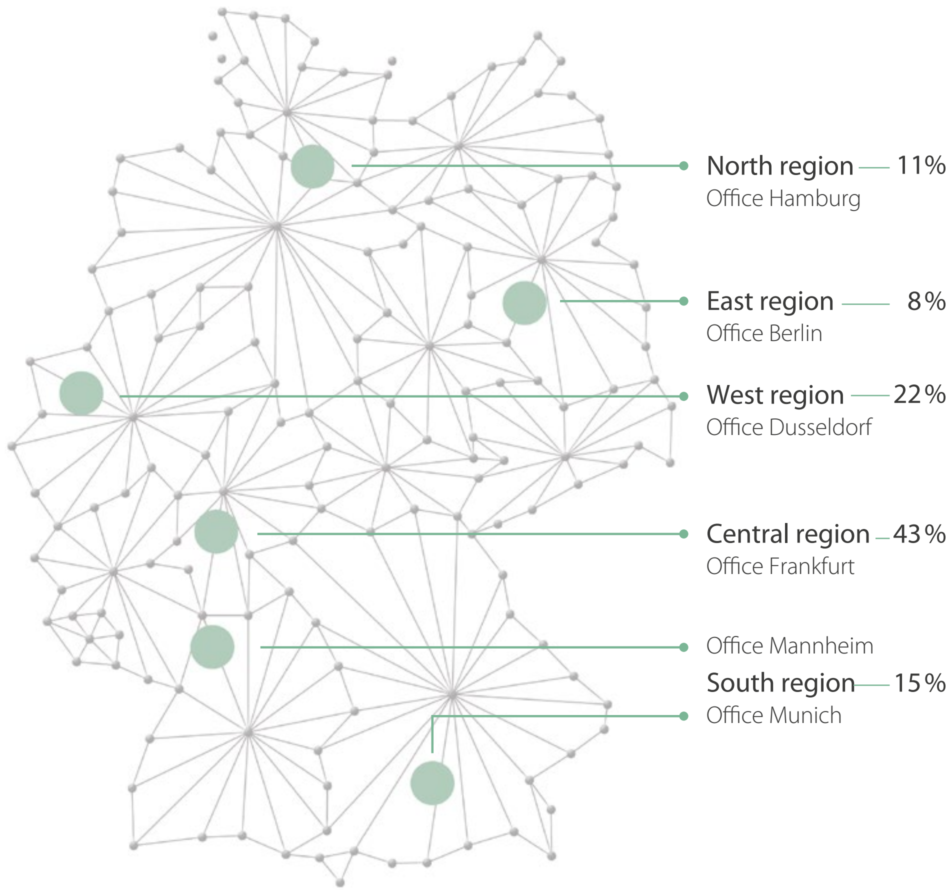
GRI 102-9

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 resources.

DIC Asset AG has been listed in the SDAX segment of the Frankfurt Stock Exchange since June 2006 and is 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 2018



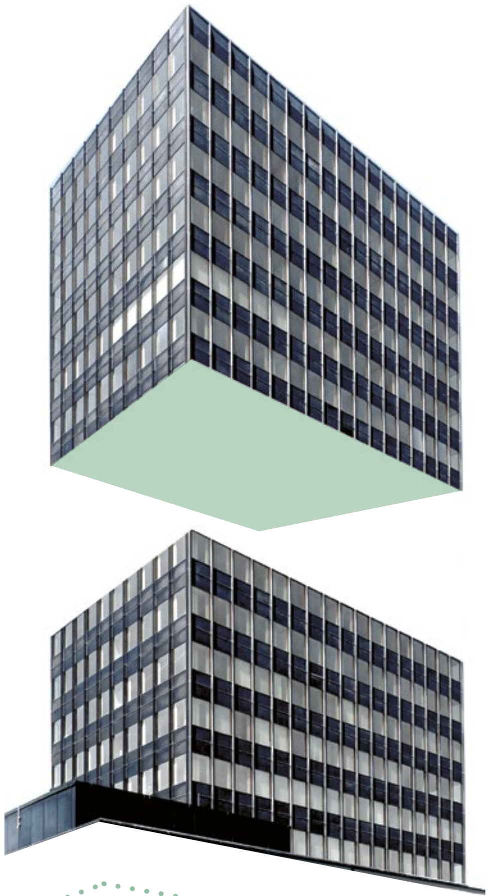
OUR BUSINESS STRATEGY

A Dynamic Portfolio

- Our investment mix concentrates on prime locations in Class B cities and secondary locations in Class A cities. We seek to achieve a well-balanced diversification on a regional, sectoral and tenant-related basis that avoids cluster risks, ensures an attractive yield profile over the long term and offers our asset management and property management the potential to create added value.
- In addition, sales are another integral component of our strategy. We use them to optimise our portfolio, to realise profits at the right time and to release funds that improve our financial structure and capital efficiency.

Creating Value

- Thanks to our expertise, we are able us to raise the appreciation potential of our properties, especially through refurbishment work. We employ in-house teams for portfolio developments.
- By entering into new leases, achieving higher rents for subsequent leases and reducing vacant space, our rental management team plays a key role in increasing the value of our portfolio on a daily basis.



Increasing Income from Funds

- We offer institutional fund investors our investment expertise, a broad range of real estate services and customised investment structures in Germany’s key and regional real estate markets.
- To further enhance our income, we are committed to expanding our trading platform in the Funds segment through growth in the investment and transaction business.

Multiplying Best Practice in the Third-Party Business

- We put our existing in-depth real estate knowledge to use in our growing third-party business and achieve recurring and increasing management income by taking on property management mandates.
- We also offer our market and property expertise to buyers of real estate from our Commercial Portfolio and our equity investment portfolio, thereby boosting our added value.

Strong Financial Foundation

- Our stable financial structure is based on predictable long-term cash flows and proactive planning.
- We have an excellent reputation among our banking and finance partners and on the capital market. It secures us access to various sources of finance.

For a detailed account of our strategy, please see our 2018 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	2018	23	18	40	53	44	178
	2017	23	22	39	53	45	182
Portfolio proportion by market value	2018	11 %	9 %	41 %	22 %	17 %	100 %
	2017	13 %	9 %	35 %	24 %	19 %	100 %
Rental space in sqm	2018	291,000	189,800	472,000	560,800	346.600	1,860,200
	2017	288,900	213,600	420,100	522,200	329,000	1,773,800
Annualised rental income in EUR million	2018	32.6	24.3	81.6	73.9	45.3	257.7
	2017	32.4	27.7	67.0	60.1	40.8	228.0
Average rent in EUR per sqm	2018	10.06	9.81	11.74	10.47	10.48	10.56
	2017	9.53	10.56	11,98	10.13	9.81	10.33
Weighted average lease term in years	2018	7.9	4.4	6.0	5.5	3.6	5.5
	2017	7.7	4.8	5.8	4.2	4.2	5.2
Gross rental yield	2018	5.1 %	6.1 %	5.5 %	5.5 %	5.1 %	5.4 %
	2017	6.1 %	6.7 %	6.2 %	5.8 %	5.2 %	5.9 %

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

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SUSTAINABILITY AT DIC ASSET AG

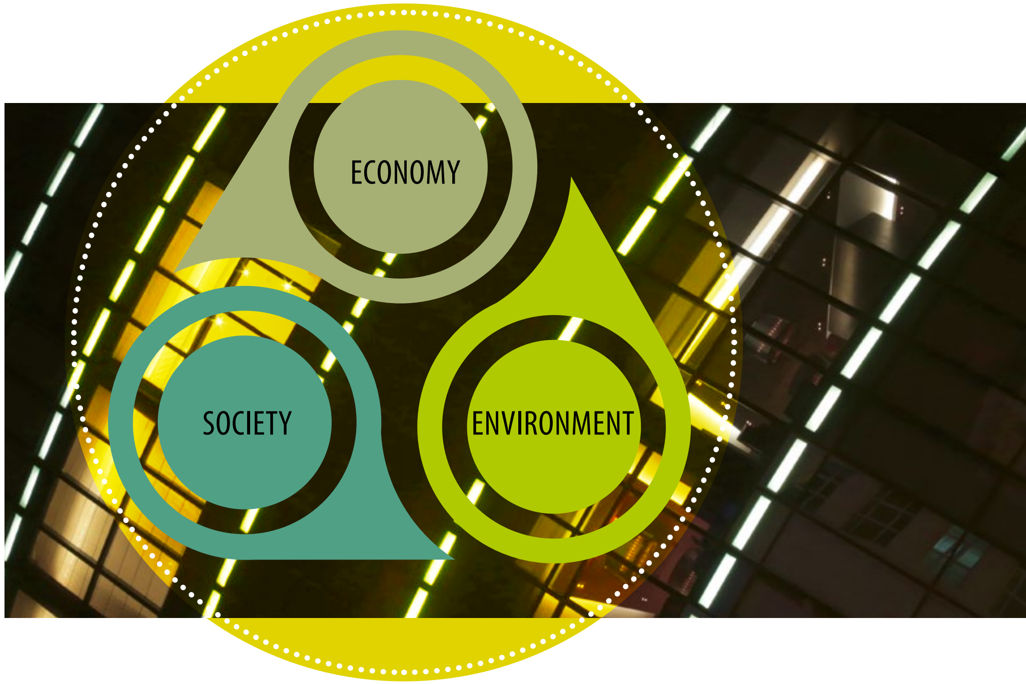
Our Sustainability Strategy

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

The property assets under DIC Asset AG's management, including property management services on behalf of third parties, amounted to c. EUR 5.6 billion by the end of 2018. With management teams in six regional branch locations, the company maintains a footprint in Germany's most important cities and economically strong middle-order centres. This direct and permanent regional presence continuously opens up buying, selling, letting and marketing opportunities and enables us to create value-added along the entire property value chain. Having our own in-house team for portfolio development gives us competencies and capacities to custom-revitalise properties in our proprietary portfolios exactly to suit our purposes and to fit out accommodations in ways that enhance their benefits for the occupiers. We effectively commit all of the fortes of DIC Asset AG to our investment fund platform – especially our transaction know-how.

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 all of our entrepreneurial decisions and processes, we take environmental and social requirements into account and orient ourselves to the long-term exploitation of opportunities and the sustainable optimisation of our business practices.



Our sustainability approach includes

GRI 102-11

- strict adherence to environmental, social and safety requirements,
- integration of sustainability aspects 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 2018 and 31 December 2018. Our previous sustainability report was published in June 2018 and covered several economic key ratios during the extended period between 01 January 2016 and 31 December 2017.

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 2018 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 standards of the Global Reporting Initiative (GRI standards), and the GRI Construction and Real Estate Sector Supplement (CRESS). The GRI standards used in our reporting are listed and annotated herein, starting on page 59.

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). This report also covers social and governance-related EPRA sustainability indicators in addition to environmental indicators for the first time. For a note contextualising the EPRA indicators with GRI reporting, see page 67 of this Report.

Our reporting relies on no third-party consultancy ("external assurance"), and the final quality control is also done in-house. Our disclosures on CO_2 emissions and consumption data for electricity and water were not subjected to external testing.

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 2018 Annual Report includes supporting details on these subjects.
- The most important sustainability issues for DIC Asset AG are identified and prioritised 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.

Unless otherwise noted, the figures in this report refer to the 2018 financial year, supplemented by the outlook for DIC Asset AG's developments in 2019. 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 2018 Annual Report and the disclosures it contains are part of the latest Annual Report.

Disclosures concerning our financial performance indicators cover the entire bandwidth of our asset management platform with its diversified revenue streams. These cover the real estate inventory directly held by DIC Asset AG, the so-called Commercial Portfolio, the indirect investments (especially the institutional funds) and the third-party business (management of properties in which the Company holds no equity interests).

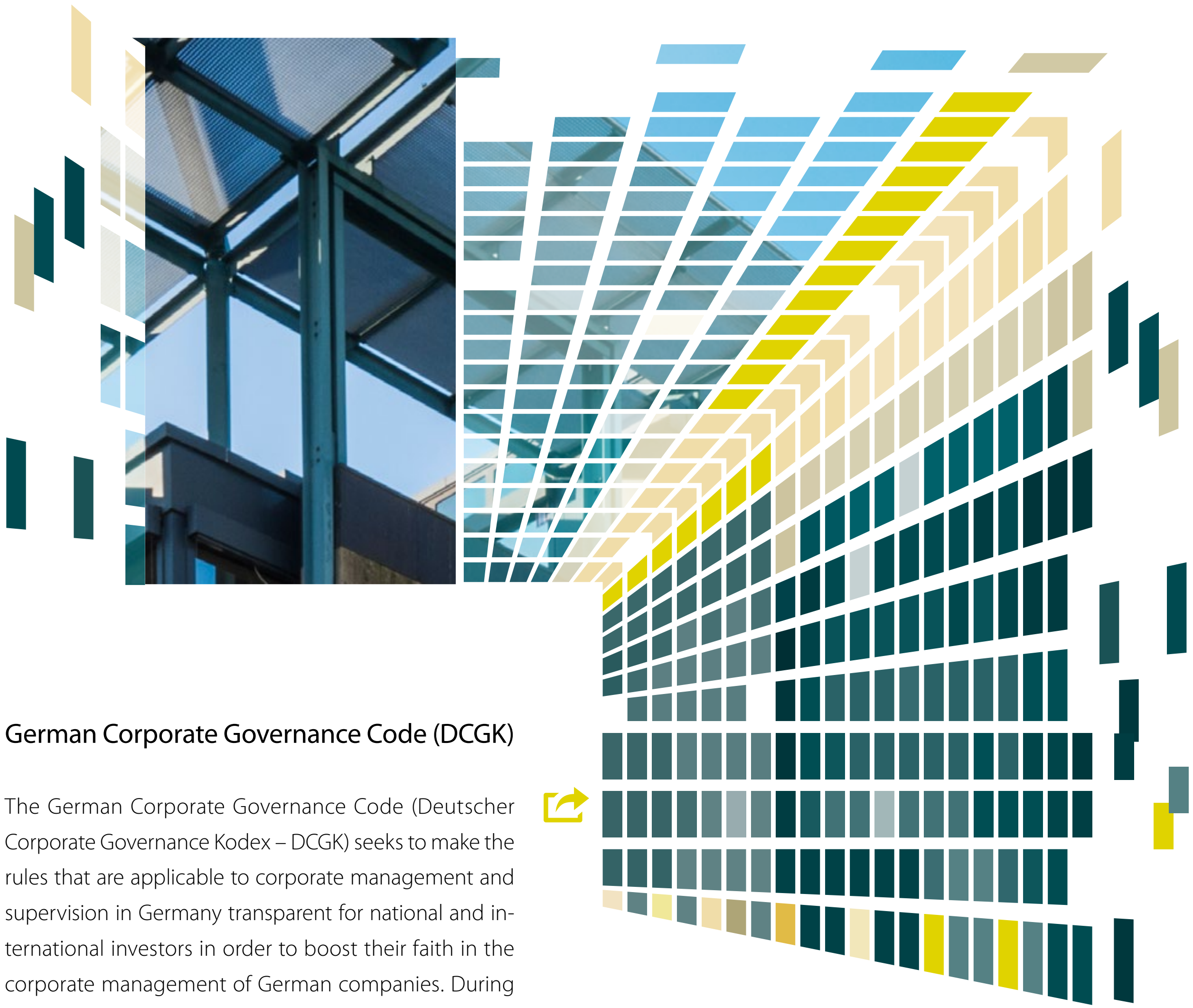
The details and data in the environmental part of the report refer exclusively to the directly held Commercial Portfolio. Consumption data on properties that are relevant through third-party business and associates in which we hold minority interests (essentially the institutional funds set up by us) are not included in the analysis.

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 2018 Annual Report.



German Corporate Governance Code (DCGK)

The German Corporate Governance Code (Deutscher Corporate Governance Kodex – DCGK) 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 2018 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 05 February 2019 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 offices 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 / DIC Fund Balance GmbH

Investment	Group Management	Portfolio Management	Fund Management
Acquisitions & sales Due diligence Business planning Legal structuring	Corporate development & strategy Investor relations, communication & marketing Finances, treasury & controlling Administration	Portfolio analyses Portfolio strategy Portfolio controlling	Issuer of special real estate funds Investment management Fund management

DIC Onsite GmbH

Asset Management	Letting Management	Property Management	Tech. Property Management
Owner representation Reporting and central facility management Market and risk analyses, value-added measures Implementation of buying and selling processes Due diligence	Lettings Property marketing Floor space management Coordination of contract negotiations	Tenant management Contract management (letting contracts and contract with service providers) Active cost management (controlling and cost-cutting potential) Property accounting Service charge optimisation	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 2018, a total of 136 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 2018 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

There were no changes on the level of the Management Board during the 2018 financial year. The Management Board comprises three members: Sonja Wärntges (CEO), Dirk Hasselbring (Head of Fund Business) and Johannes von Mutius (Head of Investments). The Notes to the Financial Statements of 2018 outline the staff composition of the Supervisory Board while also providing disclosures pursuant to Art. 285, No. 10, German Commercial Code (HGB), on pages 163–164. For disclosures on the selection process of the controlling body and on the avoidance of conflicts of interest, see the Corporate Governance chapter on pages 175–176 of the 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 2018, 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 2018 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 increase. ◆ 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, especially whenever we reposition portfolio assets. 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. It is planned to switch the entire proprietary portfolio to green electricity.
Changes in the business cycle		
◆ Shifts in the global business cycle, specifically due to protectionism, the Brexit and geopolitical tensions ◆ The European Central Bank has hinted that its accommodative monetary policy of many years could be nearing its end in the medium term. ◆ 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 Asset AG.	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. Today's persistently low level of interest rates offers opportunities for favourable financing and long-term improvements of our financing structure. Our most recent refinancing measures 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 % by 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 most recent update of the compliance guideline dates back to 2017. A compliance officer was appointed, and a whistleblower system for reporting misconduct and breaches was set up.

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
- Central placement of information that personal data is handled in accordance with the European General Data Protection Regulation (GDPR) on the company website

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

3

MATERIALITY ANALYSIS

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

As a result of its activities across Germany, DIC Asset AG is extremely well networked with all relevant players and service providers of the country's real estate sector. Our decisions and actions influence investors and capital providers, around 180 employees, roughly 1,200 tenants, over 6,000 business partners and the entire environment of our assets, especially when the redevelopment of existing buildings is involved.

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 targets and reporting procedures. It lets us proactively address the environmental, social and economic issues that are most relevant for our purposes.

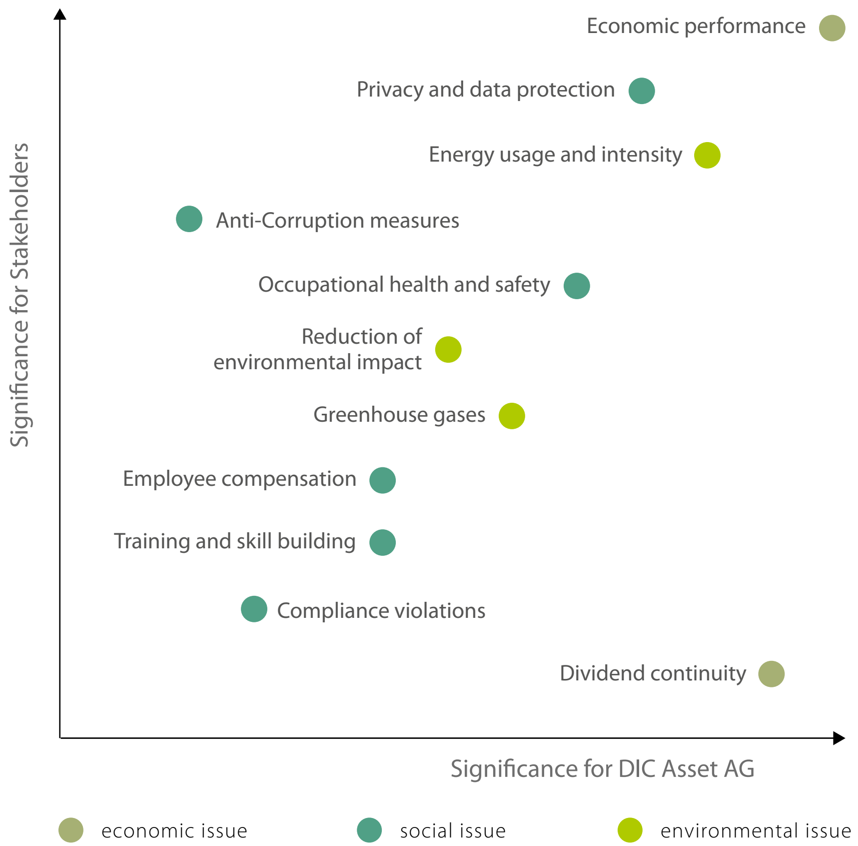
The most recent comprehensive stakeholder survey was conducted in 2016. In conjunction with the survey, around 1,000 employees, tenants, business partners and investors were asked to rate the significance of 27 different sustainability issues within a whole spectrum of subject areas. The questionnaire was developed and evaluated in accordance with the internationally recognised sustainability reporting standards of the Global Reporting Initiative (GRI).

The matrix derived from the survey, while not claiming to be comprehensive, provides the management with significant details for the ongoing stakeholder dialogue and the prioritisation of measures in the respective spheres of activity. The preferences of each stakeholder group will be separately discussed in the subsequent section of the report.

MATERIALITY MATRIX

Stakeholder Survey December 2016

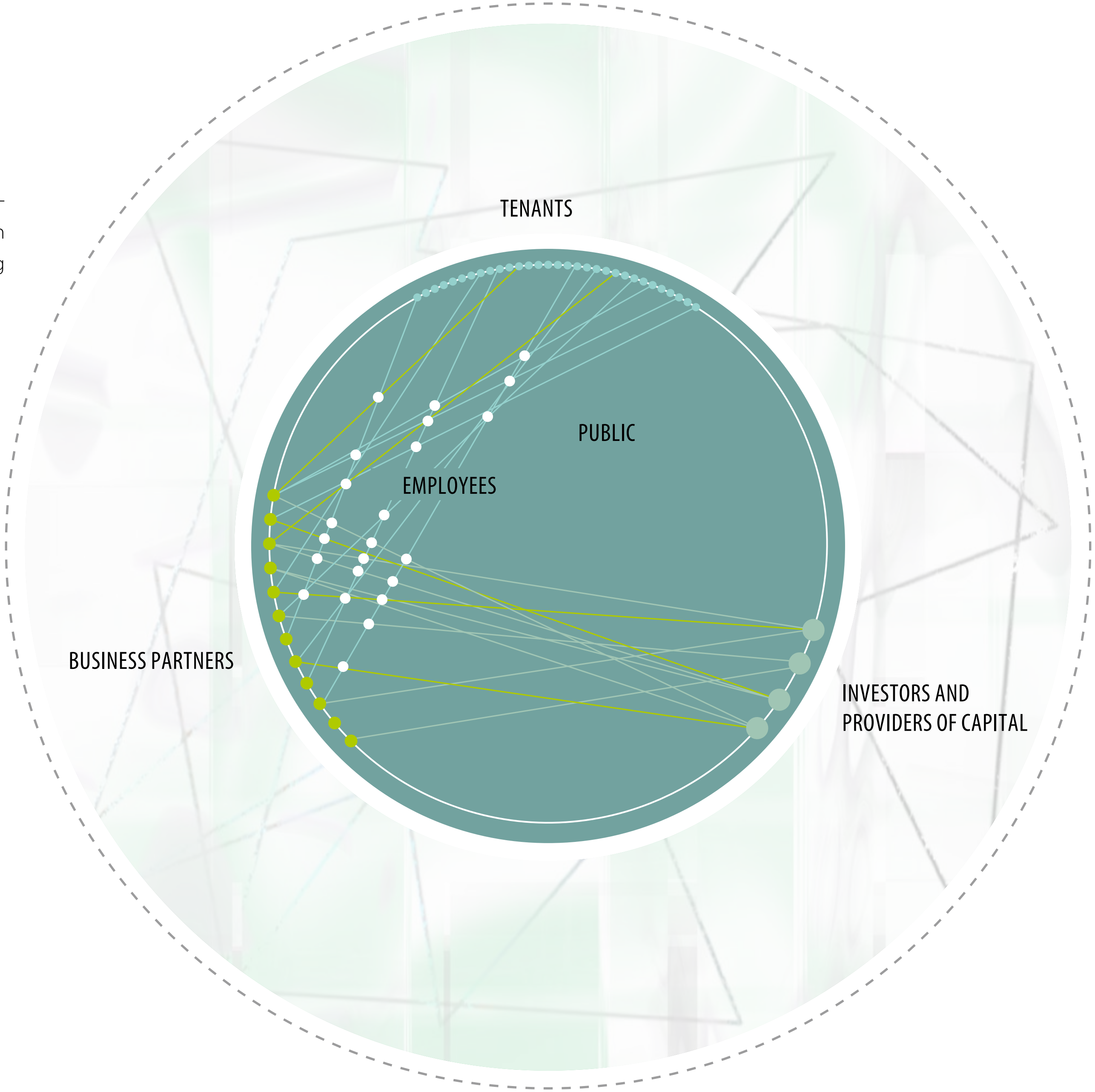
GRI 102-47 GRI 103-1



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

DIC Asset AG is characterised by an internationally broad-based and principally stable shareholder structure. In addition to privately 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 currently holds about 31.2% of the stock as anchor shareholder. On top of that, the RAG Foundation has been a major shareholder of DIC Asset AG with a long-term horizon since 2014 and currently holds around 10.0%. The free float equals 58.8% at this time. Other major stakeholder groups on the capital market include fund investors, bearers of DIC Asset AG bonds, a number of banks and finance partners as well as analysts with whom we maintain a regular exchange.

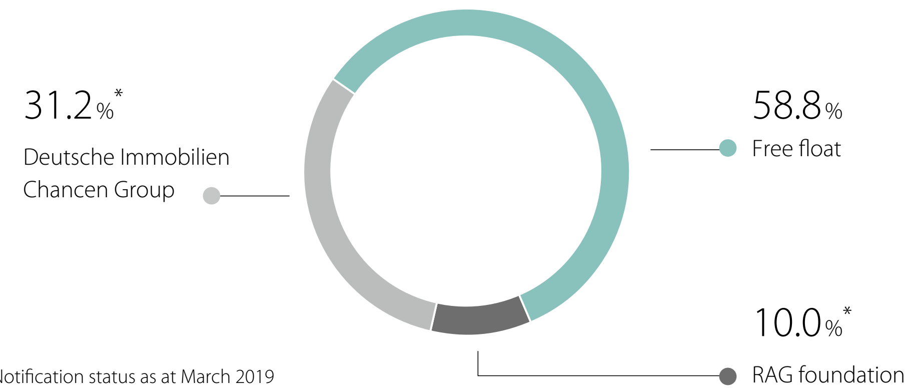
Their Expectations

- Sustainable 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, e. g. in regard to consumption
- Proactive dialogue and exchange with the senior management

SHAREHOLDER STRUCTURE

GRI 102-5

As at June 2019



* Notification status as at March 2019

Actions taken and Achievements during the 2018 Financial Year

- ✓ Funds from operations (FFO) in the area of property management increased by 13% year on year, bringing the total up to a record level of EUR 68.0 million
- ✓ Property management, one of the earnings mainstays, saw significant growth by 62% up to EUR 33.6 million, while the income diversification was enhanced
- ✓ The 17/22 bond was increased by EUR 50 million to a total of EUR 180 million in March 2018 while another corporate bond (18/23) in a volume of EUR 150 million was placed in October 2018.
- ✓ The regular dividend was raised by around 10% to EUR 0.48 and the offer of a "scrip dividend" option was renewed
- ✓ A sustainability report was published in addition to annual and quarterly reports, press releases and other publications
- ✓ Accelerated preparation, review and publication of monthly, quarterly and annual financial statements ("fast close")
- ✓ Reporting transparency was enhanced on the segment level to clarify value components and portfolio transparency was improved on the property level
- ✓ Investors and analysts were engaged in dialogue at four roadshows, seven investor conferences and one analysts' day

DIALOGUE ON THE COMPANY LEVEL

EMPLOYEES

As at 31 December 2018, DIC Asset AG employed 186 people (31 December 2017: 187) in the areas of asset management and property management, project management, finance and accounting, as well as 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

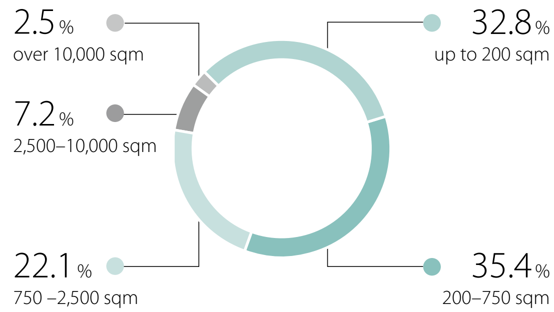
- ✓ Employees willing to undergo further training received personal support, including grants and sabbaticals
- ✓ A modern human resource development system was used to identify skills and potential in employees and to promote them long-term through continued professional development programs
- ✓ Regular work meetings and events were organised to facilitate exchange of knowledge and to boost team morale
- ✓ Performance-based remuneration: In 2018, employees were paid EUR 1.7 million in performance-related remuneration (11 % out of the total compensation expenses of EUR 15.8 million)
- ✓ Modern, sustainable office workstations with generously proportioned common areas and an unrestricted offer of hot and cold beverages

DIALOGUE ON THE COMPANY AND PROPERTY LEVEL

TENANTS

The group of around 1,200 tenants is composed of commercial occupiers of all sizes, from mid-market companies to international conglomerates. Roughly two thirds of the tenants occupy premises of 750 sqm or less.

SIZE STRUCTURE OF RENTAL UNITS
(as at 31 December 2018)



Their Expectations

- Protection of privacy and personal data in accordance with the European Data Protection Regulation (GDPR)
- Resource-conserving buildings and facilities
- Efficient and attractive properties whose specifications meet tenant requirements
- Regular and responsive communication
- Competent and bespoke services on location
- Transparency in relation to compliance guidelines (especially avoidance of corruption risks and protection of competition)

Actions Taken and Achievements

- ✓ Under a tenant-oriented approach to customer service, employees specialise in companies of a certain size or sector affiliation
- ✓ We invest regularly in our portfolio to keep the properties permanently attractive and technologically up to date; we closely coordinate our efforts with the tenants when repositioning a given property
- ✓ We maintain a constant dialogue with the tenants to ensure the high service quality, reliability and consistent availability of our commercial and technical property management

DIALOGUE ON THE COMPANY AND PROPERTY LEVEL

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. These include, for instance, general contractors or else contractors for certain trades in the context of redeveloping portfolio properties.

Their Expectations

- Long-term and consistent business relations
- Fair treatment and support by the DIC contacts
- Protection of privacy and personal data in accordance with the European Data Protection Regulation (GDPR)
- Energy efficiency and reduction of the environmental impact, applying measurable criteria

Actions Taken and Achievements

- ✓ The "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
- ✓ Our headquarters are cleaned by a facility management service that is certified according to the DIN/EN ISO 9001 and 14001 standards, and that uses environmentally friendly cleaning methods
- ✓ We consistently implement the stated financial goals and requirements so as to ensure the long-term sustainability of the company's financial position

PUBLIC

This group includes municipalities, authorities and civil society.

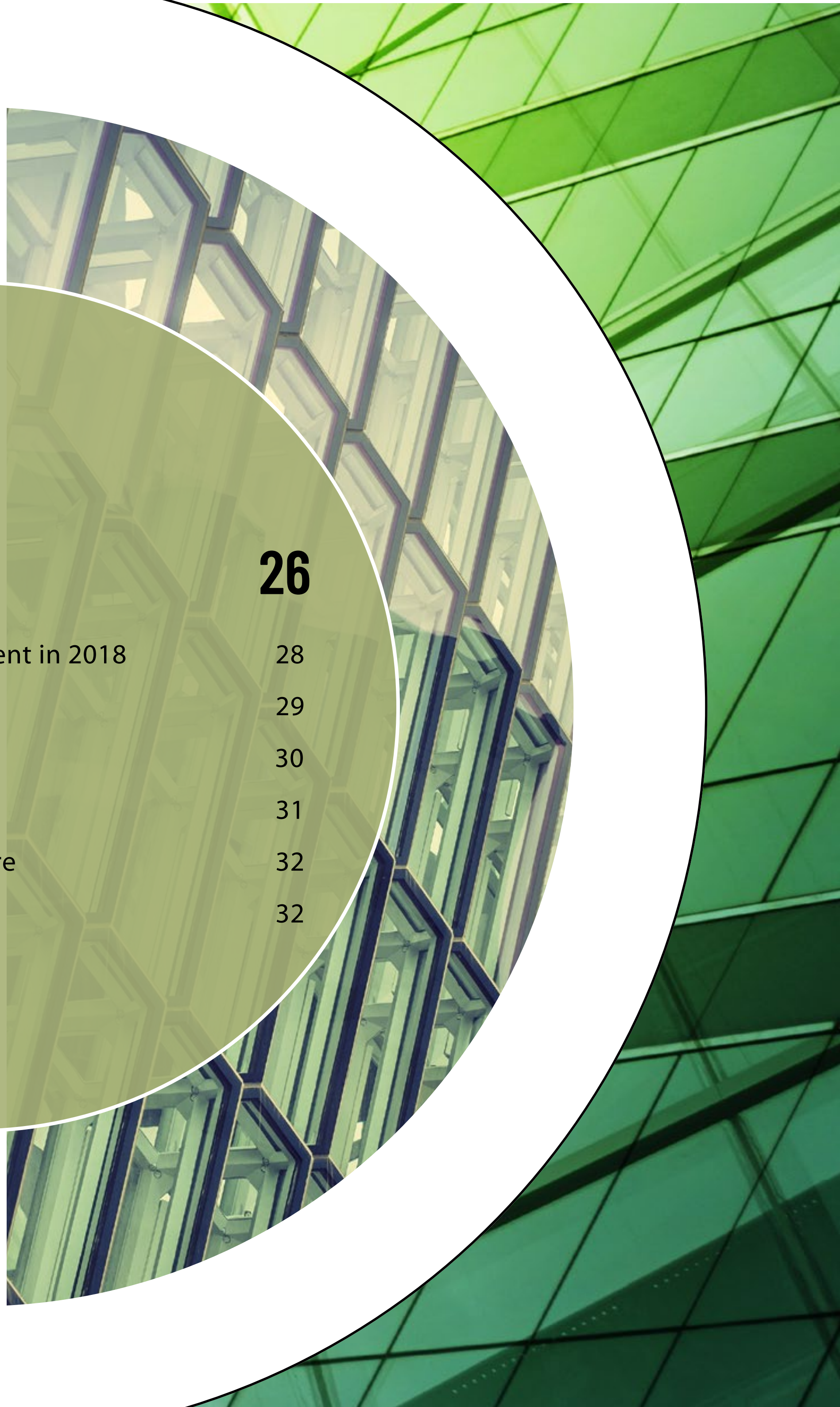
Their Expectations

- Consideration of the needs, wishes and concerns of local communities and willingness to engage in dialogue, e. g. whenever the repositioning of centrally located properties is concerned
- Support for local, regional and inter-regional initiatives to revitalise and develop living and working environments

Actions Taken and Achievements

- ✓ We maintain an ongoing dialogue with the various stakeholders to promote the common good, e. g. close coordination with the City of Frankfurt to prepare to repositioning of the Kaiserpassage property (preservation of the neighbourhood character, new mix of uses)
- ✓ We cultivate active press and media relations, particularly on the local level
- ✓ We have long involved ourselves in relevant professional associations, the German Property Federation ZIA (Zentraler Immobilien Ausschuss) and EPRA (European Public Real Estate Association). CEO Sonja Wärntges contributes her expertise as a member of the ZIA's executive committee.
- ✓ The fund management is a member of the European Association for Investors in Non-Listed Real Estate Vehicles (INREV)

4 ECONOMY 26



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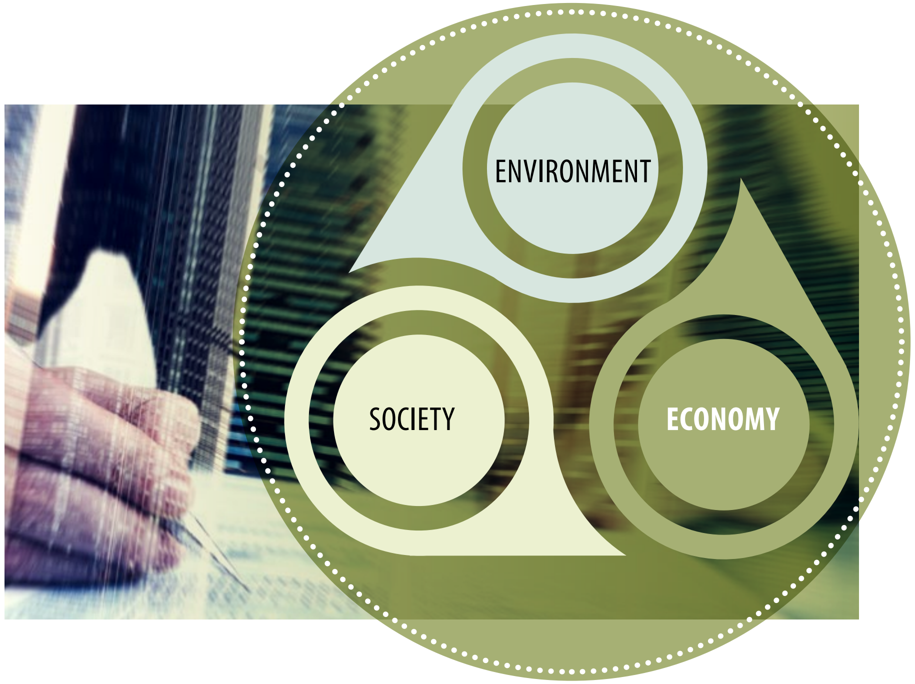
GRI 103-1 GRI 103-2 GRI 103-3

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 we brief the public capital market regularly and comprehensively about the progress achieved.



OUR PRINCIPLES OF ECONOMIC SUSTAINABILITY:

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

STRATEGIC TARGET ACHIEVEMENT IN 2018

GRI 201-1

Our corporate strategy focuses on the generation of secure, steady long-term income via our own highly productive in-house asset management on behalf of our proprietary portfolio, investment funds and third parties. We easily achieved the targets we had predicted for our key performance indicators at the start of 2018, exceeding some of them by a significant margin, and this even though we had raised the forecast for the gross rental income and FFO financial indicators in the course of the year.

- At EUR 100.2 million, the gross rental income marked the upper end of the target range that had been raised to EUR 98-100 million in October 2018
- Rising by 13 % to EUR 68.0 million, the FFO reached the target raised in October 2018 to EUR 68 million from an original forecast of EUR 62–64 million
- The transaction total of EUR 1.2 billion across segments represents the highest sales volume in the annals of the company to date
- The assets under management grew by 27 % to a total of EUR 5.6 billion year over year, driven most notably by growth in the third-party business
- The prospering fund business and the growing third-party business have caused the income from management fees to increase by 62 % to EUR 33.6 million
- We bolstered our portfolio development resources through the progressive enlargement of the development team
- We managed to reduce the LTV ratio (loan-to-value) by a substantial 390 basis points to 53.1 %
- We continued our attractive dividend policy: The dividend increased to EUR 0.48 while the offer of a scrip dividend option was renewed

ECONOMIC KEY RATIOS

	2018	2017	2016
Number of properties*	**101**	113	142
Lettable area, in sqm*	**884,000**	911,600	1,020,400
EPRA vacancy rate*	**7.2 %**	9.5 %	11.8 %
Average rent per sqm, in EUR*	**9.64**	9.32	9.56
Gross rental yield*	**5.9 %**	6.4 %	6.5 %
Annualised rental income, in EUR million*	**97.6**	95.5	106.3
Market value of real estate assets, in EUR million*	**1,696.8**	1,639.2	1,948.3
Funds from operations (FFO), in EUR million*	**68.0**	60.2	47.0
Profit/loss for the period, in EUR million	**47.6**	64.4	-29.4**
Cash flow from operating activities, in EUR million	**61.9**	56.5	33.9
Net asset value (NAV), in EUR million	**1,085.8**	900.0	880.0

* 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 c. EUR 56 million included

VALUE-ADDED 2018

GRI 201-1

The economic value directly generated and distributed (EVG&D) is derived for the 2018 financial year in compliance with the GRI requirements of the group.

The **economic value directly generated** in the amount of EUR 301.8 million represents the sum of the total income in the amount of EUR 241.6 million, the share of the profit or loss of associates in the amount of EUR 15.8 million and other comprehensive income in the amount of EUR 44.4 million.

Deducted from this sum total is the **distributed economic value** in the amount of EUR 234.8 million, which breaks down into the sum of EUR 164.7 million in total expenses (thereof EUR 18.2 million in personnel expenses), the net interest expense of EUR 36.8 million, taxes in a total amount of EUR 8.3 million (thereof EUR 6.2 million current income tax expense), the dividend payments for the previous year in the amount of EUR 43.9 million, offset by the capital increase against contribution in kind in the amount of EUR 19.3 million, and miscellaneous expenses in the amount of EUR 0.4 million.

This results in an **economic value** of EUR 67.0 million **remaining in the company**, a sum that matches the increase in group equity in the 2018 financial year.

ECONOMIC VALUE DIRECTLY GENERATED AND DISTRIBUTED (EVG&D)

in EUR million	2018	2017
Total income	241.6	381.9
Share of the profit or loss of associates	15.8	29.0
Other comprehensive income	44.4	35.7
Economic value directly generated	**301.8**	**446.6**
Total expenses	-164.7	-305.3
Net interest expense	-36.8	-35.1
Taxes	-8.3	-6.1
Dividend paid for the prior year	-43.9	-27.4
Shares issued against contributions in kind	19.3	0.0
Miscellaneous expenses	-0.4	-0.7
Distributed economic value	**-234.8**	**-374.6**
Economic value retained by the company	**67.0**	**71.9**

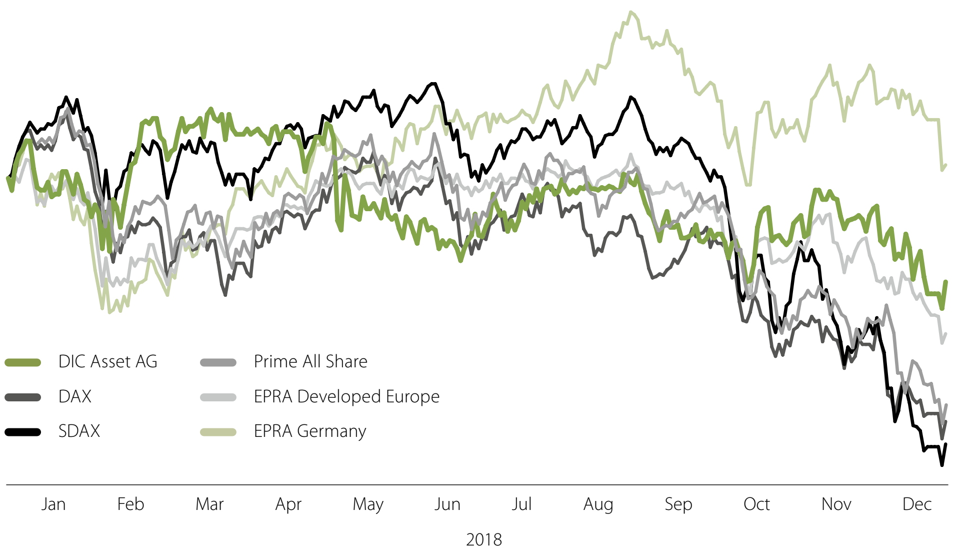
BREAKDOWN OF THE DISTRIBUTED ECONOMIC VALUE

in EUR million	2018	2017
Distributed to employees (personnel expenses)	18.2	19.0
Distributed to lenders (net interest expense)	36.8	35.1
Distributed to public authorities (current income tax expense)	6.2	5.9
Distributed to shareholders (dividend payments - capital contribution in kind)	24.6	27.4
Other distributed economic value	149.0	287.2
Distributed economic value	**234.8**	**374.6**

CAPITAL MARKET

SHARE PRICE PERFORMANCE IN 2018

(assuming reinvestment of dividend; indexed)



For German blue-chip stock, 2018 was a trading year rich in stress factors. By the last trading day of the year, the DAX had fallen to 10,559 points, losing almost one fifth since the start of the year. In addition, highly weighted industries and multinational stocks suffered from problems of their own making, such as auto stocks from the diesel scandal and bank stocks from legacy assets and the permanent dilemma of lacking sources of income in a low-interest-rate environment.

In this challenging environment, the DIC Asset AG stock stood its ground: Having started into the 2018 trading year at EUR 10.53 as at 30 December 2017, it peaked at EUR 10.92 by the end of February. The dividend discount and the issue of the first-ever scrip dividend offered, which increased the number of shares outstanding, influenced the share price performance during the second quarter. Starting in the middle of the year, our stock performed relatively well against the backdrop of a broad downward trend on the stock market that accelerated towards the end of the year. The closing price was EUR 9.07 on 28 December 2018, the final trading day of the year. With a decline by -13.9%, the DIC Asset AG stock outperformed the German top standard indices DAX (-18.3%), SDAX (-20.0%) and Prime All Share (-17.1%) in 2018. With the reinvested dividend taken into account, the year-end stock performance was actually -7.8%.

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ECONOMIC DEVELOPMENT

Sustainably Successful Lettings on Longer Lease Terms

By letting a total of 264,400 sqm (previous year: 273,600 sqm), we signed leases that will generate annual rent revenues worth EUR 35.7 million (previous year: c. EUR 40.2 million). Based on the annualised rent, almost three quarters (73 %) of the lease signings represented renewed rentals (previous year: 45 %). The average contract term for new rentals in the Funds segment rose from 8.7 years to 10.6 years on average (in the Commercial Portfolio from 6.4 to 6.5 years). For renewed rentals, we signed significantly longer leases, especially with incumbent tenants in properties belonging to the Commercial Portfolio, having extended them for an average of 9.5 years, after a previous average of 3.3 years, while also negotiating higher average rents (EUR 11.18/sqm; previous year: EUR 10.63/sqm).

Transaction Volume of c. EUR 1.2 billion

In the course of the 2018 financial year, we managed to fully implement our planned acquisitions and sales projects in a highly competitive market environment, achieving a record total of c. EUR 1.2 billion in acquisitions and sales. This is DIC Asset AG's highest transaction volume on record to date.

In total, acquisitions totalling c. EUR 510 million were completed across segments, thus exceeding the target corridor of EUR 450-500 million. At EUR 405 million, high-yield acquisitions for the proprietary portfolio accounted for the bulk of them. A smaller volume of c. EUR 105 million represented acquisitions during the year concluded that were earmarked for investment funds.

Sales transactions with a total volume of c. EUR 693 million across segments represent our active approach of continuously optimising the deployment of capital and know-how in investments: At around EUR 100 million as planned, the sales volume was on target for the optimisation of the Commercial Portfolio. In conjunction with our active fund management mandates, we also transacted sales worth c. EUR 426 million and joint venture sales as planned in a total value of EUR 167 million.

Trading Platform Established, Seventh and Eighth Institutional Fund Launched

We made very good progress in 2018 with our strategy to establish the fund business as trading platform on the market. In March 2018, we completed the on-placement of the DIC HighStreet Balance fund, which is managed by us, by selling the share certificates to a renowned institutional investor. In addition, we sold a property each from the funds DIC Office Balance I and DIC Office Balance III, respectively, for a combined total of c. EUR 192 million for a tidy profit.

At the end of the first half of the year, we launched the seventh open-ended special AIF – making it the fifth one in the successful DIC Office Balance series of funds. The DIC Office Balance V invests in commercial real estate in German metro regions and has a target investment volume of EUR 350–400 million. Next, in late September, we structured the DIC Metropolregion Rhein-Main investment fund: It brings the number of the company's open-ended special AIF up to eight, and focuses its commitments on commercial real estate in the Frankfurt-Rhine-Main metro region, one of the economically strongest conurbations in Germany with a high degree of sector diversification.

Growing Third-Party Business, Sale of TLG Stake Agreed

We significantly expanded our business with property management services for third parties in 2018 and proceeded to take on additional tasks. As a result, assets under management in our third-party business segment doubled to c. EUR 1.7 billion (previous year: c. EUR 0.8 billion), spread across 13 properties with a lettable area of 0.3 million sqm (2017: 8 properties, 0.2 million sqm). Our management of landmark properties such as Japan Center in Frankfurt am Main generates additional current revenues.

In December, we reached agreements with Ouram Holding S.à.r.l. and with the Bedrock Group regarding the sale of our shares in TLG Immobilien AG, which account for around 14 % of the latter's share capital. The purchase price volume ranges in a size band of c. EUR 376 million. The most recent part sale was closed in April 2019. The sales proceeds are earmarked for DIC Asset AG's own continued growth.

BALANCED FINANCIAL STRUCTURE

Long-Term Horizon and Planning Certainty

Through our 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 March 2018, we successfully increased our 17/22 bond, issued in 2017, by EUR 50 million to EUR 180 million at a face value of 102 %. In July, we repaid our 13/18 bond in the amount of EUR 100 million as scheduled. In October of the financial year, we successfully placed another bond with an issue volume of EUR 150 million on the capital market.

To keep our financing structure as stable as possible, we generally conclude long-term financing agreements, in most cases with maturities of 5 to 8 years. 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 rose to 36.0 % by the end of 2018 (31 December 2017: 35.4 %). Substantial valuation effects, above all, helped to bring the LTV ratio (loan-to-value) down to 53.1 %, well below the prior-year figure (31 December 2017: 57.0 %).

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

FORECAST FOR 2019

(updated in June 2019)

- Growth in assets under management: acquisition volume of c. EUR 1 billion planned across segments
- Pinpoint sales of assets from all segments in a volume of EUR 200 to 230 million.
- Stable rental income from the Commercial Portfolio in the amount of EUR 98 to 100 million
- Increased funds from operations: FFO between EUR 88 and 90 million

5

ENVIRONMENT

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

Real estate accounts for a major 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 annually gathered data 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.

Case Study on Sustainable Portfolio Development

OUR PRINCIPLES OF ENVIRONMENTAL SUSTAINABILITY:

- Energy and cost-effective management of our real estate
- Long-term approach to upgrades of existing buildings and to project developments
- Optimisation and reduction of CO_2 emissions and resource consumption

CASE STUDY "WILHELMINENHAUS" IN DARMSTADT

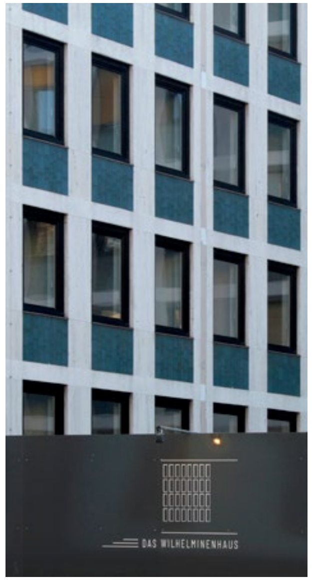
Complete renovation, energy modernisation and structural alterations for handicap accessibility

Energy savings of around 40 %

We are investing c. EUR 40 million in the sustainable development of Wilhelminenhaus in Darmstadt. The 25,000-square-metre building, seat of the regional council, will be equipped with a large photovoltaic system on the roof, better thermal insulation, new windows and a new solar shading system, among other things. The idea is to achieve energy savings of around 40 percent and to cover a quarter of the building's electricity requirements with renewable energy in the future.

In the course of the comprehensive rebuilding and renovation measures, the building will be brought up to the latest technical standards – not least its IT and telecommunications specifications – in order to meet the long-term requirements of modern public administration.

"We are creating modern workspaces for our employees at the authority's main office," says District President Brigitte Lindscheid. "In the future, it will also become easier for citizens – especially those of limited mobility – to visit the authority and its employees with their concerns."



The entrance area will be redesigned and a handicap-accessible lift be added

The project started in October 2018, to be completed within about 18 months

ANALYSIS PORTFOLIO

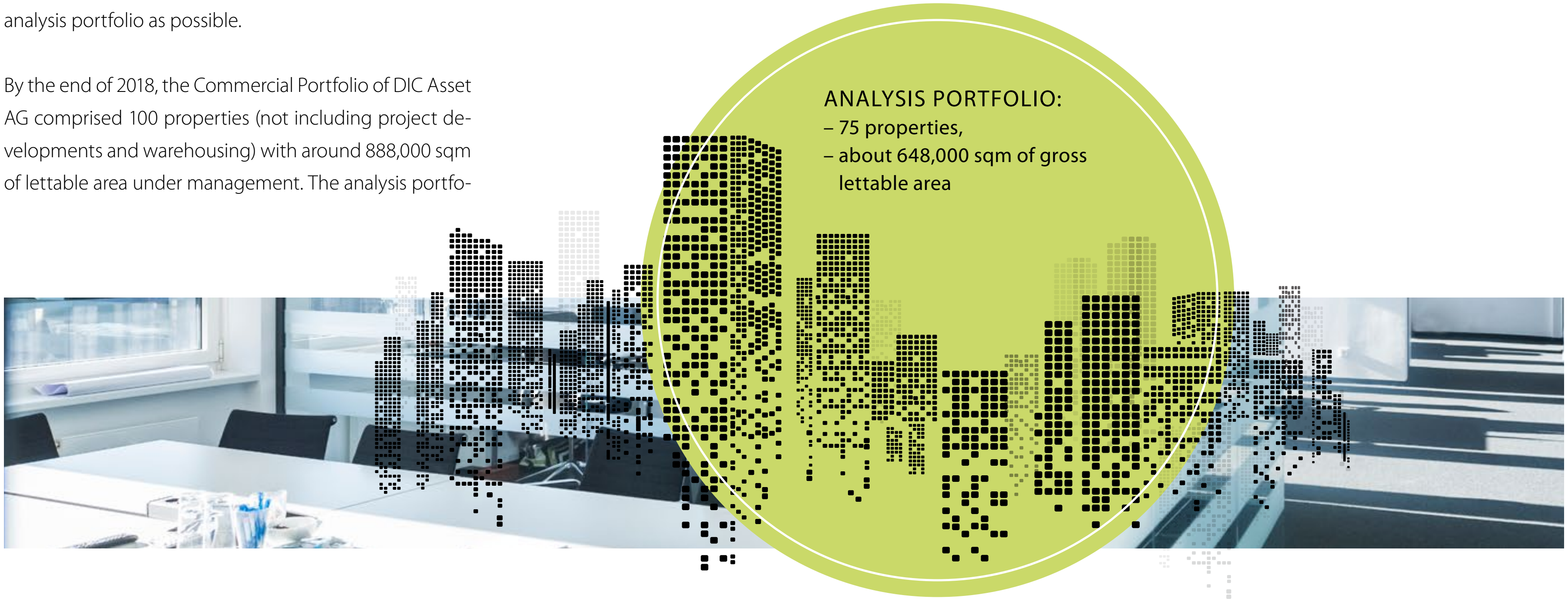
For the reporting year 2018, we raised the prerequisites for including a given property in the analysis portfolio so as to improve the quality of the data. For each property, at least 89% of the consumption data for a three-year period should be on record. The higher the quality of the data pool, the 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.

By the end of 2018, the Commercial Portfolio of DIC Asset AG comprised 100 properties (not including project developments and warehousing) with around 888,000 sqm of lettable area under management. The analysis portfolio included 75 properties with a gross lettable area of around 648,000 sqm, which equals roughly 73% (previous year: 76%) of the directly held portfolio assets. The decrease in floor area percentage during the 2018 reporting year is explained by the aforementioned threshold requirements for admission to the analysis portfolio, among other reasons.

In addition to the consumption data of the analysis portfolio, we gather the consumption data of DIC Asset AG's own six branch offices in Germany.

Scope of Estimates

Although we strive to make our analysis as comprehensive and precise as possible, our data analysis relies in some cases 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.



Measuring Consumption

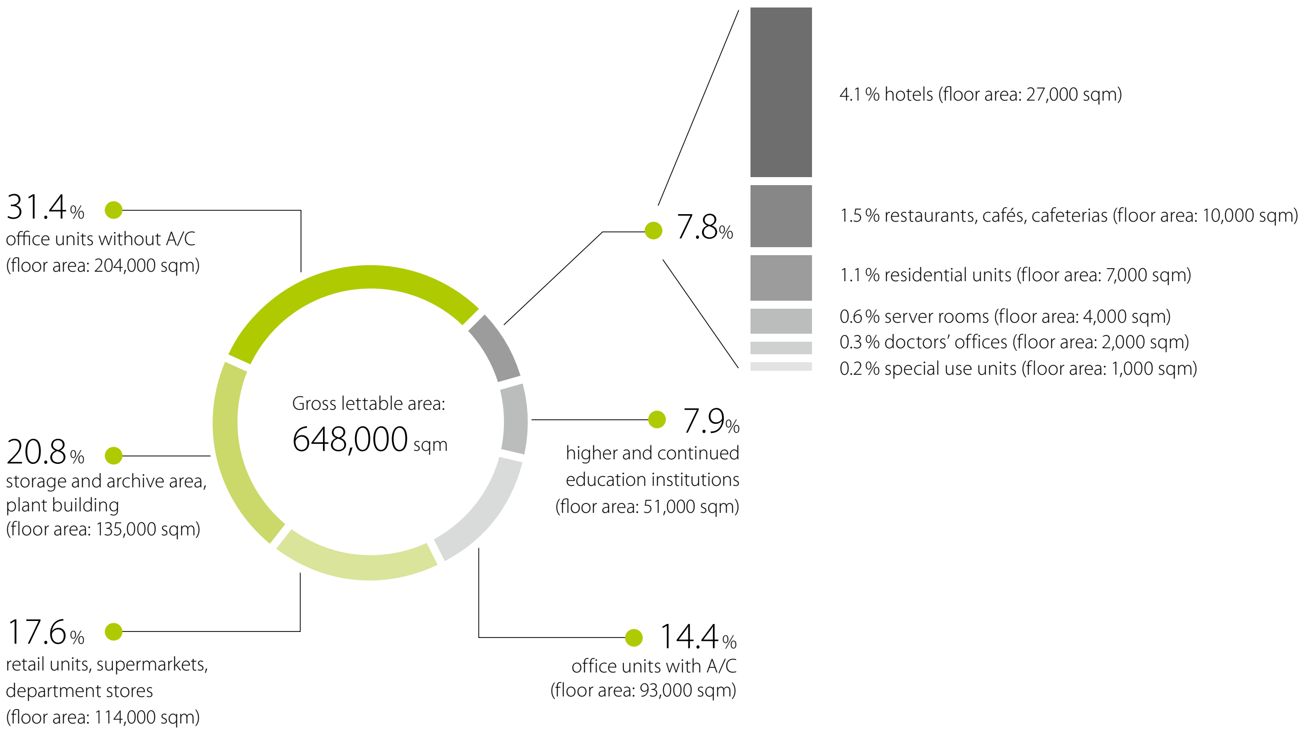
The evaluated data of our reference portfolio cover the period 2016 through 2018.

We use the consumption data from the reference 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 reference portfolio includes the following types of floor space (aggregated representation):

TYPES OF USE IN THE ANALYSIS PORTFOLIO*

Floor area percentage (%)



* 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 generally have access to 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.

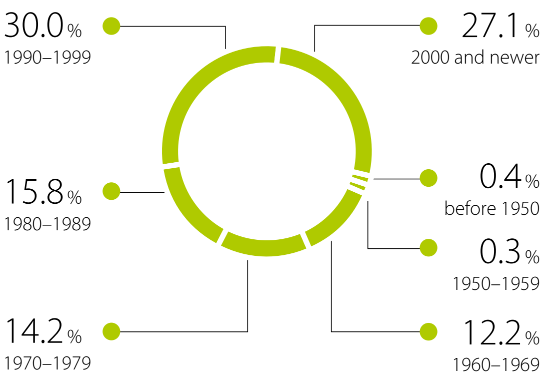
The biggest challenge in measuring the environmental impact lies in the comprehensive determination of electricity consumption per property because the majority of our tenants conclude their own supply contracts. For us as owner, it may seem easy to aggregate the consumption of common-area electricity in analogy to the consumption data for heating energy and water. However, to obtain as complete a picture as possible – tenant electricity consumption figures 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 examination of the analysis portfolio for the years 2016 through 2018. 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*

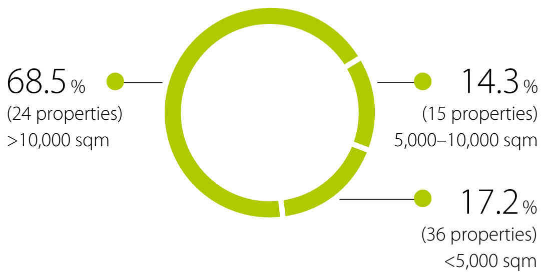
As % of lettable area of the analysis portfolios



* 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 2016 through 2018, the analysis portfolio accounted for 71.9% of the current Commercial Portfolio on average.

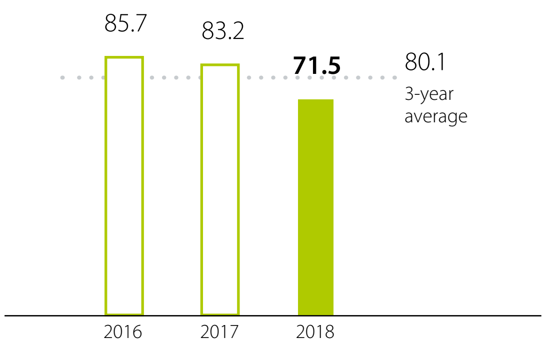
In 2018, the absolute electricity consumption of the assets in our analysis portfolio dropped to 44.5 million kWh (2017: 53.9 million kWh). This is attributable particularly to the decline in electricity consumption in common-part areas (stairwells, multi-storey car parks, et al.) to 8.6 million kWh (2017: 12.3 million kWh).

Relative to the lettable area, the energy consumption declined by 14.0% to 71.5 kWh/sqm in 2018 (2017: 83.2 kWh/sqm).

A like-for-like analysis of 71 properties shows that, compared to the benchmark year of 2016 (52.1 million kWh), the electricity consumption dropped to 44.4 million kWh in 2018.

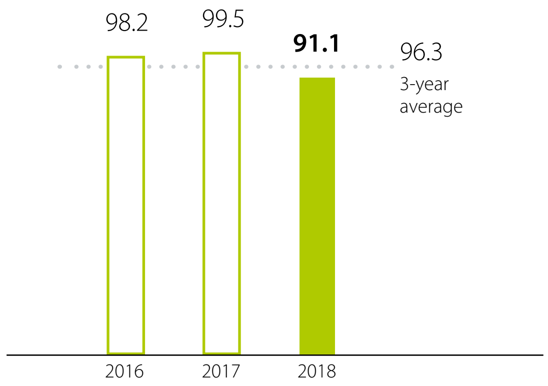
INDIRECT ELECTRICITY CONSUMPTION

in kWh/sqm



INDIRECT HEATING ENERGY CONSUMPTION

in kWh/sqm



Heating

For the period 2016 through 2018, we were able to establish the heating energy consumption of an average 72.5% 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 absolute heating energy consumption of the assets in our analysis portfolio totalled 57.9 million kWh (2017: 64.5 million kWh).

Relative to the floor area, this translates into an 8.4% decrease to 91.1 kWh/sqm (2017: 99.5 kWh/sqm).

On a like-for-like basis, the heating energy consumption in 2018 amounted to 57.9 million kWh. This implies a decline by 6.9% from the figure of 62.2 million kWh measured for the benchmark year of 2016.

When comparing the heating energy consumption rates over time, you principally need to take the fluctuating lengths of the heating periods in the years analysed into account as an external influencing factor. A plausibility check is based on heating days and degree day figures that are calculated by the IWU on the basis of the German Weather Service's climate station data in accordance with recognised guidelines. The key ratios for 2018 at the chosen sample stations of Berlin-Tempelhof and Frankfurt-Airport fell short of the long-term mean value (1971 through 2018).*

* Source: Institute for Economy and Environment (IWU) - http://www.iwu.de/fileadmin/user_upload/dateien/energie/werkzeuge/Gradtagszahlen_Deutschland.xls

WATER

CRE 2 GRI 303-1

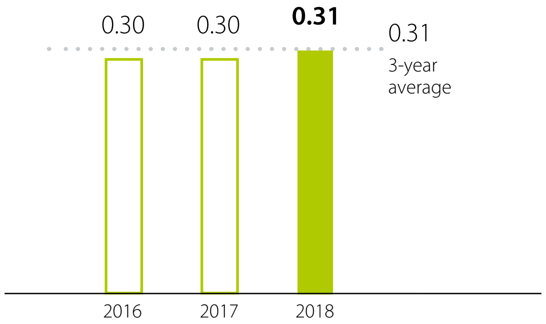
To determine the water consumption for the analysis period of 2016 through 2018, we analysed 72.9% of the current Commercial Portfolio's lettable area on average. To this end, we used meter reading lists, utility bills and notifications by our tenants (in cases where water supply contracts are handled directly by the tenants).

The absolute water consumption in our analysis portfolio stayed on a stable level of 201,888 cbm in 2018 (2017: 194,529 cbm). Relative to the floor area, this implies a rate of 0.31 cbm/sqm (2017: 0.30 cbm/sqm).

Our like-for-like comparison for 2018 determined that consumption rose by 2.7% to 201,888 cbm since the benchmark year of 2016 (196,508 cbm).

WATER CONSUMPTION

in cbm/sqm



CO_2 CONTRIBUTION

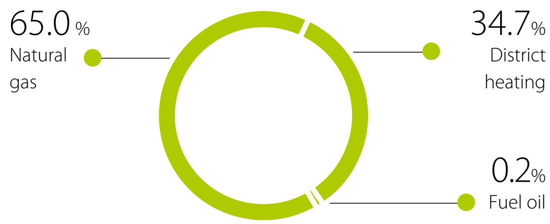
GRI 103-1 GRI 103-2 GRI 103-3

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. 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).
- 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 promote the use of carbon-neutral long-distance service connections of Deutsche Bahn for our employees' business travels.

ENERGY SUPPLY by energy sourcet

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 65.0 %.

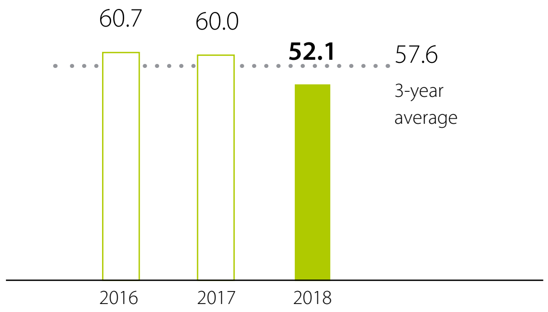
For each energy source, we use the following specific conversion factors to calculate the CO_2 environmental contribution of the energy consumed:

- District heating: 225.0 g CO_2e/kWh*
- Fuel oil: 280.0 g CO_2e/kWh*
- Natural gas: 191.9 g CO_2e/kWh*
- Electricity, national average (if utility provider is unknown): 590.0 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 2018, the CO_2 emissions caused by electricity and heating energy consumption decreased by 16.0 % to a total of 32,676 tCO_2e (2017: 38,055 tCO_2e). Relative to the lettable area, this implies a decline in CO_2 emissions by 13.2 % to 52.1 kWh/sqm (2017: 60.0 kWh/sqm).

A like-for-like comparison returns emissions of around 32,615 tCO_2e for 2018, which implies a like-for-like drop by 12.6 % vis-à-vis the benchmark year of 2016 (37,316 tCO_2e).

INTRODUCTION 1
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APPENDIX 7

CONSUMPTION OF A TYPICAL PROPERTY IN THE COMMERCIAL PORTFOLIO

CRE3

Average 2016-2018	per year	per sqm and year
Electricity consumption (kWh)	711,890	80.1
Heating energy consumption (kWh)	855,194	96.3
CO_2 emissions ($kgCO_2e$)	512,090	57.6
Water consumption (cbm)	2,710	0.31

* The typical property size is 8,884 sqm, based on the lettable area and the number of properties held in the Commercial Portfolio at year-end 2018 (not including project developments and warehousing).

ABSOLUTE CONSUMPTION DATA*

	2018	2017	2016
Indirect electricity consumption (kWh)	**44,475,817**	53,926,110	55,267,952
– thereof common-area electricity	**8,618,786**	12,299,018	11,964,174
– thereof tenant-consumed electricity	**35,857,031**	41,627,091	43,303,778
Number of analysed properties	**72 of 100**	75 of 100	74 of 100
implies a lettable area in sqm	**621,858**	648,182	645,116
Indirect heating energy consumption (kWh)	**57,871,069**	64,463,299	63,683,282
Number of analysed properties	**74 of 100**	75 of 100	75 of 100
implies a lettable area in sqm	**635,407**	648,182	648,182
Indirect CO_2 emissions ($kgCO_2e$)	**32,676,416**	38,921,451	39,239,560
Water consumption (cbm)	**201,888**	194,529	196,571
Number of analysed properties	**75 of 100**	75 of 100	75 of 100
implies a lettable area in sqm	**647,410**	648,182	648,182

* relative to the analysis portfolio

LIKE-FOR-LIKE CONSUMPTION DATA*

	2018	2017	2016	Change since 2016
Indirect electricity consumption (kWh)	**44,372,037**	51,464,321	52,088,673	-14.8 %
Number of analysed properties		71 of 100		
implies a lettable area in sqm		618,792		
Indirect heating energy consumption (kWh)	**57,871,069**	63,092,110	62,186,595	-6.9 %
Number of analysed properties		74 of 100		
implies a lettable area in sqm		635,407		
Indirect CO_2 emissions ($kgCO_2e$)	**32,615,186**	37,443,344	37,315,843	-12.6 %
Number of analysed properties		74 of 100		
Water consumption (cbm)	**201,888**	194,444	196,508	2.7 %
Number of analysed properties		74 of 100		
implies a lettable area in sqm		647,410		

* relative to the analysis portfolio

KEY RATIOS*

	2018	2017	2016	Change since 2016
Indirect electricity consumption (kWh/sqm)	**71.5**	83.2	85.7	-16.5 %
kWh/workplace**	**1,144**	1,331	1,371	
Number of analysed properties	**72 of 100**	75 of 100	74 of 100	
Indirect heating energy consumption (kWh/sqm)	**91.1**	99.5	98.2	-7.3 %
kWh/workplace**	**1,457**	1,591	1,572	
Number of analysed properties	**74 of 100**	75 of 100	75 of 100	
Indirect CO_2 emissions ($kgCO_2e$/sqm)	**52.1**	60.0	60.7	-14.1 %
$kgCO_2e$/workplace**	**834**	961	972	
Water consumption (cbm/sqm)	**0.31**	0.30	0.30	2.8 %
cbm/workplace**	**5**	4.8	4.9	
Number of analysed properties	**75 of 100**	75 of 100	75 of 100	

* relative to the analysis portfolio ** average workplace in 7 major German cities, around 16 sqm (source: Cushman & Wakefield, "Office Space Across the World," 2017)

Projection for the Commercial Portfolio

Based on the consumption data of our reference portfolio, we extrapolated the consumption of our entire directly held portfolio for the period 2016 through 2018. This makes it easier to establish the actual overall environmental footprint of DIC Asset AG.

PORTFOLIO PROJECTION

	2018	2017	2016
Floor area of the Commercial Portfolio, in sqm*	**888,426**	911,600	1,020,400
Electricity consumption			
in kWh/sqm	**71.5**	83.2	85.7
Total consumption, in kWh	**63,540,961**	75,841,390	87,419,071
– thereof common-area electricity	**12,313,342**	17,297,273	18,924,113
– thereof tenant electricity	**51,227,619**	58,544,117	68,494,958
Heating energy consumption			
in kWh/sqm	**91.1**	99.5	98.2
Total consumption, in kWh	**80,915,269**	90,660,836	100,253,320
Total energy consumption			
in kWh/sqm	**144,456,230**	166,502,225	187,672,391
Water consumption			
in cbm/sqm	**0.31**	0.30	0.30
Total consumption in cbm	**277,046**	273,585	309,452
CO_2 emissions in tCO_2e**	**46,700**	52,899	60,710

* not including property developments and warehoused assets

** CO_2 emissions from tenant-consumed electricity (conversion factor using the national average of 590 gCO_2e/kWh) and heating energy

ECO-BALANCE OF DIC ASSET AG

During the 2018 financial year, DIC Asset AG maintained an average headcount of 184 employees at its six regional offices in Germany. The evaluation of consumption data in the properties we use takes the same methodological approach as the evaluation of our reference portfolio.

The **total electricity consumption** of DIC Asset AG increased by 19.5 % to 603,003 kWh (2017: 526,674 kWh) during the 2018 financial year. Compared to the benchmark year of 2016, the consumption increased by 14.5 %. The rise is attributable primarily to the increased common-area electricity consumption in 2018. It also needs to be remembered that the floor area rose to 6,108 sqm in 2018 (2016: 5,412 sqm, which is attributable to the fact that the floor area occupied by our Centre Management unit in Halle is included for the whole year.

The electricity consumption per square metre rose by 1.4 % from 97.3 kWh/sqm in the benchmark year of 2016 to 98.7 kWh/sqm in 2018.

The tenant electricity consumption per employee was 1,313 kWh and thus on a level comparable to the benchmark year (2016: 1,308 kWh).

DIC Asset AG uses district heat or natural gas to heat all six of its branch offices. The **heating energy consumption** came to 2,216 kWh per employee in 2018, and thus fell short of the prior-year level (2017: 2,263 kWh). Compared to 2016 (2,405 kWh), the heating energy consumption declined by 7.9 %.

Water consumption amounted to 13.3 cbm per employee in 2018 (2017: 13.7 cbm/employee). Compared to the benchmark year of 2016 (12.7 cbm/employee), the consumption increased by 4.7 %.

ENERGY AND WATER CONSUMPTION OF DIC ASSET AG (Absolute Values)

	2018	2017	2016	Change since 2016
Electricity consumption (kWh)	**603,003**	504,592	526,674	14.5 %
– for tenant electricity	**241,510**	210,939	234,147	3.1 %
– for common-area electricity	**361,493**	293,653	292,527	23.6 %
in kWh/sqm	**98.7**	96.1	97.3	1.4 %
Tenant electricity/employee (kWh)	**1,313**	1,140	1,308	0.3 %
Heating energy consumption (kWh)	**407,732**	415,726	430,514	-5.3 %
in kWh/sqm	**66.7**	79.2	79.5	-16.1 %
in kWh/employee	**2,216**	2,247	2,405	-7.9 %
Water consumption (cbm)	**2,455**	2,530	2,280	7.7 %
in cbm/sqm	**0.40**	0.48	0.42	-4.6 %
in cbm/employee	**13.3**	13.7	12.7	4.7 %
Number of offices*	**6**	6	6	
implies a floor area, in sqm**	**6,108**	5,252	5,412	
Number of employees (annual average)	**184**	185	179	

* The branch office in Halle (Centre Management) has been grouped with the Berlin office since July 2017
** Units sublet by DIC Asset AG are not included in the calculation

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 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. It helps us to raise awareness for a resource-conserving paper consumption in line with the "Think before you print" maxim. It is also a good way to improve data protection.

In the context of procuring office supplies, we strive for CO_2 savings by placing fewer small-scale orders and by favouring environmentally friendly products in order to reduce packaging material and transport-related carbon emissions. Moreover, we prefer to buy sustainable products that are associated with reforestation projects wherever sensible and possible, so as to compensate actively for carbon emissions.

Recycling and Waste Management

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

We have reported on waste management, disposal and recycling since our 2015/2016 Sustainability Report. The resulting transparency creates a better decision-making basis and thus facilitates our control.

Details on the type and quantity of waste materials are estimated based on the general data provided by the local waste disposal companies as well as our commercial waste disposal partners at our office locations. At all of our locations, the waste disposal is carried out jointly for all tenants of a given property. The volume of waste attributable to DIC Asset AG is estimated as the total waste volume of each type of waste for an entire property, multiplied by the floor area percentage of the rental units that are occupied by DIC Asset AG. Next, the result is multiplied by 52 for the total number of weeks of the year to obtain the annual total (method used since 2018).

WASTE GENERATION AT DIC ASSET AG

GRI 306-2

Volume, in litres	2018
Non-recyclable waste (residual waste)	96,679
Paper	253,282
Recoverable waste	47,371
Recyclable material (reusable material)	117,151
Sum total	514,483

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 2018 financial year, the CO_2 footprint of DIC Asset AG amounted to 47,139 tCO_2e (2017: 53,324 tCO_2e), with tenant consumption (electricity and heating energy) in the Commercial Portfolio accounting for 99.1 % thereof. Since 2016, the Group's carbon footprint has decreased by 22.8 % (2016: 61,044 tCO_2e), primarily because the Commercial Portfolio was downsized in line with the strategic portfolio optimisation.

GREENHOUSE GAS EMISSIONS ACCORDING TO THE GHG PROTOCOL* in tCO_2e

	2018	2017	2016	Change since 2016
Scope 1				
Car fleet	**231**	224	165	40.0 %
Scope 2				
DIC Asset AG consumption: Tenant electricity consumption at the branches*	**0**	0	0	n. a.
Common-area electricity (Commercial Portfolio)**	**0**	0	0	n. a.
Scope 3				
Business travel***	**71**	89	44	61.3 %
DIC Asset AG consumption: Common-area electricity consumed in properties rented by DIC Asset AG, e. g. head office ****	**137**	112	125	9.2 %
Tenant electricity and heating energy (based on a portfolio extrapolation)	**46,700**	52,899	60,710	-23.1 %
Total tCO_2e	**47,139**	53,324	61,044	-22.8 %

* Specifically, our branch offices switched to green electricity on 01 January 2011 in Mannheim, on 01 January 2012 in Frankfurt, on 01 October 2012 in Hamburg, on 21 January 2013 in Munich, on 01 January 2013 in Düsseldorf and on 01 January 2014 in Berlin.

** Since 2010, common-area electricity supply has been to 100 % sourced from renewable energies since and is therefore fully carbon-neutral.

*** not including employee commutes

**** in rented properties according to information provided by the property owners.

"Greenhouse Gas Protocol" (GHG Protocol)

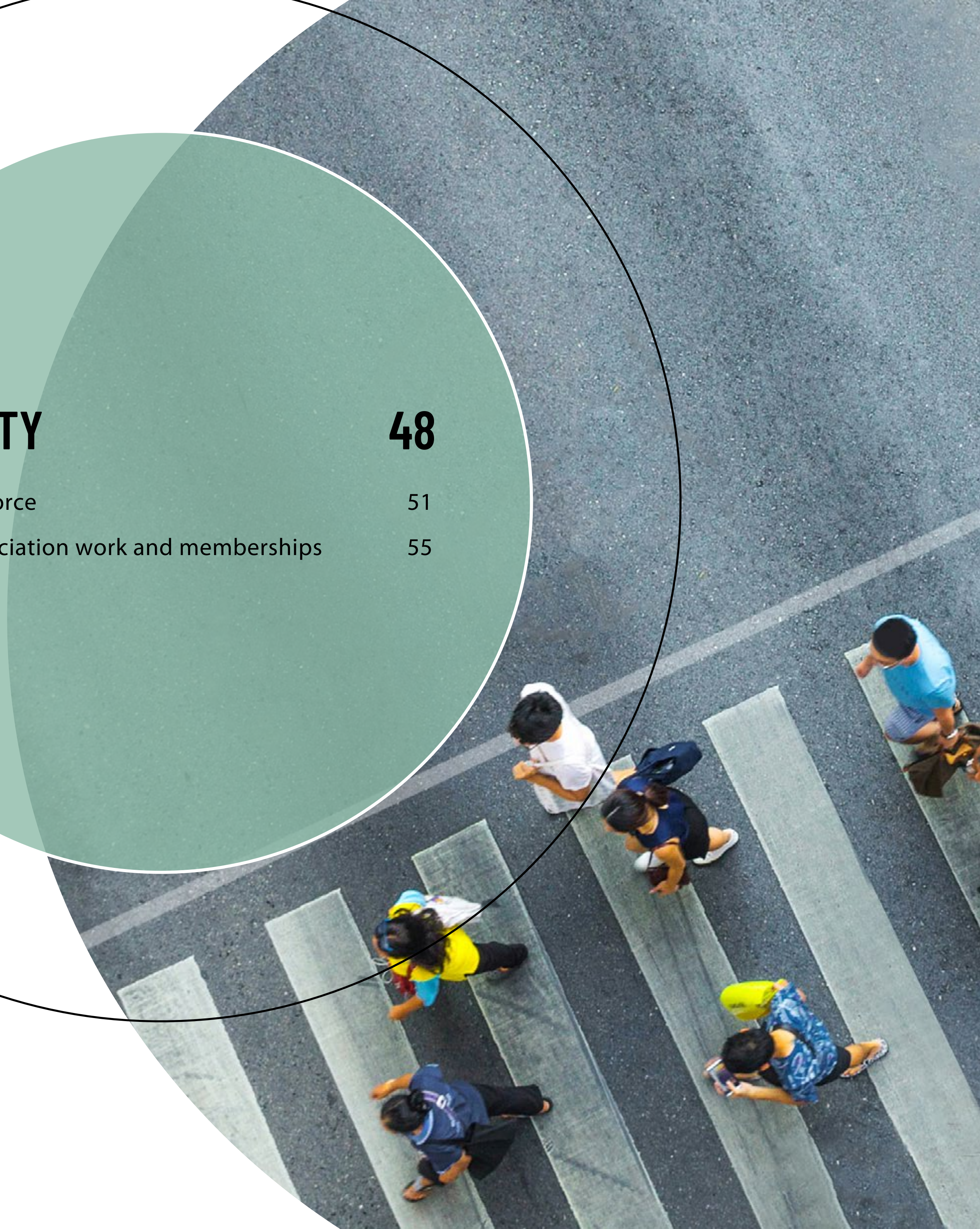
GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-5

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 reference 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 48

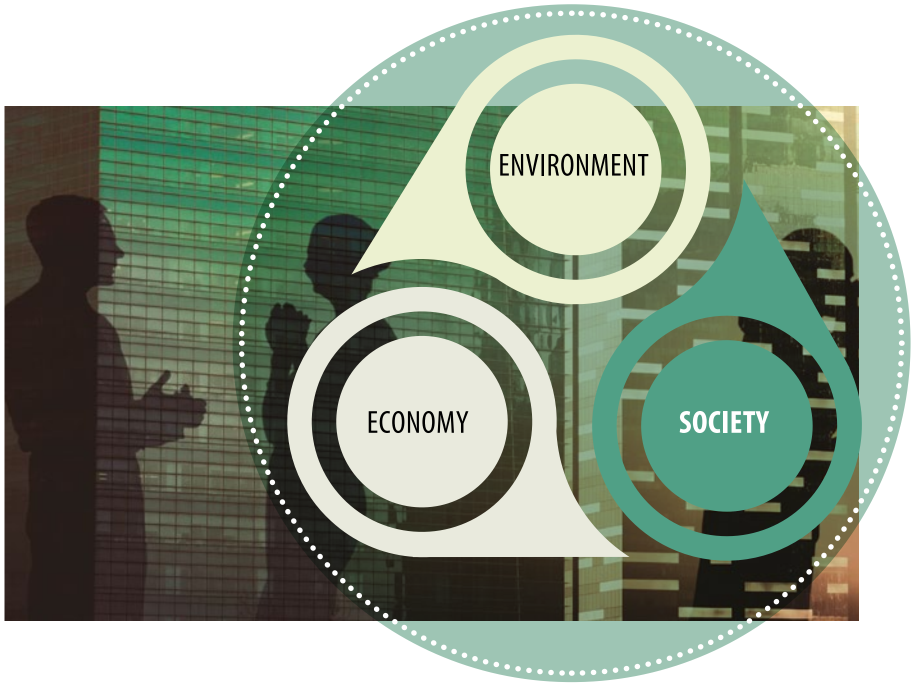


GRI 103-1 GRI 103-2 GRI 103-3

In accordance 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 permit us to rate the corporate performance in its societal context, too.

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

Case Study on Sustainable Portfolio Development



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
- Handling historically evolved neighbourhoods respectfully through sensitive urban development
- Sponsoring charitable and social commitments, specifically to promote the common good

CASE STUDY "KAISERPASSAGE" IN FRANKFURT

Urban development that involves all stakeholders and is respectful of historically evolved neighbourhoods

Official reopening in February 2019:
After a two-year restructuring and building phase, Kaiserpassage is back in the middle of things.

"Through its tremendous and sustainable investment, DIC restored a historic and sensitive location to the city in general and to the Bahnhofsviertel quarter in particular, letting Kaiserpassage shine with a new aesthetic while retaining its unique flair. With a well-positioned grocery retailer and the return of the small storefronts, the shopping gallery is bringing a piece of urban life back to the quarter,"

said Markus Frank, Head of Economic Affairs of the City of Frankfurt, in his key note on occasion of the shopping gallery's grand reopening.

- Repositioning a shopping gallery that is centrally located in Frankfurt's Bahnhofsviertel neighbourhood
- Taking an approach sensitive to the character of the surrounding quarter and integrating the main stakeholders (incumbent tenants, neighbours, the City of Frankfurt) in the structural alteration process
- Overhauling formerly dark passageways under an attractive and welcoming design while retaining established tenants
- Expanding the existing hotel and creating modern, affordable short-stay apartments
- Upgrading the grocery line-up by bringing in the "tegut" grocery multiple as new anchor tenant

From left to right: Markus Frank, Head of Economic Affairs of the City of Frankfurt; Sonja Wärntges, CEO of DIC Asset AG; Lukas Sommer, member of the senior management of tegut GmbH, at the grand reopening of Kaiserpassage

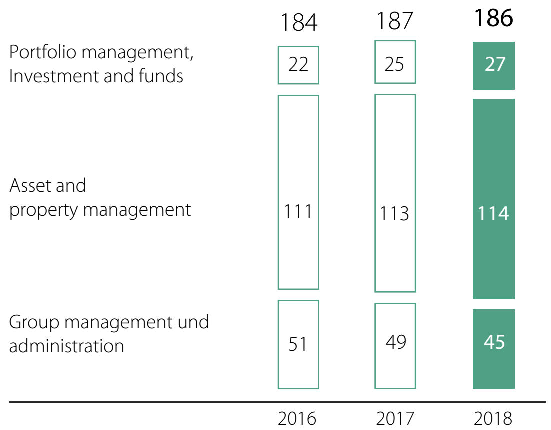
OUR WORKFORCE

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. Accordingly, we value and encourage an entrepreneurial mindset and behaviour, accountability, flexibility and expertise.

Maintaining six branch offices across Germany enables us to be active 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 taken care of.

During the 2018 financial year, the number of employees in the units Portfolio Management, Investment and Funds as well as in Asset Management and Property Management rose to a total of 141. As in previous years, capacities for the dynamic growth of real estate assets under management and the Funds division were expanded in order to strengthen our real estate expertise and our implementation capacity. Overall, the total number of employees dropped to 186 as of 31 December 2018 as a result of the decline in the number of administrative staff.

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 position DIC Asset AG as an excellent employer. We offer flat organisational structures, let employees assume responsibilities early on, and delegate serious decision-making competences. In May 2019, as in previous years, we participated in the IZ-Karriereforum job fair hosted by the Immobilien Zeitung real estate trade paper in Frankfurt for the purpose of networking and raising awareness among career starters for the job opportunities at DIC Asset AG.

Diversity GRI 405-1

By the end of 2018, the female share of DIC Asset AG's workforce stood at 52 % (2017: 55 %).

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 2018 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. The objectives for its composition were defined according to the recommendations of the German Corporate Governance Code (DCGK) as stipulated by the Declaration of Conformity. 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 set deadline for achieving the targets is 30 June 2022:

- The target of 1/6 or 16.66 % for the Supervisory Board was not achieved, the current rate being 0 %.
- The target of 1/4 or 25 % for the Management Board is currently exceeded at 1/3 (33.33 %).
- The target figure for the proportion of women on the executive level below the management board, which is 2/13 or 15.38 %, is currently exceeded at 2/11 or 18.18 %.
- There is no second executive level below the Management Board.

By the end of 2018, the majority of our employees (62 %) were between 30 and 50 years of age. An additional 18 % of our employees are less than 30 years old while 20 % are older than 50. The employees of nine different nationalities work for DIC Asset AG.

Salaries: Fair Remuneration and Promotion of Performance

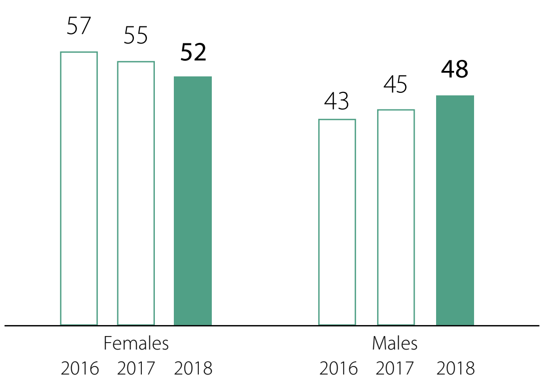
GRI 103-1 GRI 103-2 GRI 103-3 GRI 201-3

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

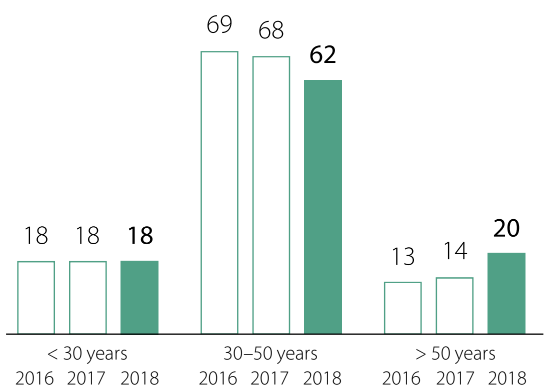
Salary payments break down into basic income, additional benefits, and performance-related components. Our salaries are oriented to industry levels and competitive standards. The performance-related component is based on the achievement of strategic, operational and personal goals, which are determined annually for each employee together with his or her superiors. Total payroll and benefit expenses in 2018 equalled EUR 15.8 million. They include performance-related remunerations in the amount of EUR 1.7 million, implying a share of around 11 %. Social security contributions, pension plans 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

	2018				2017				2016		
	Male	Female	Total		Male	Female	Total		Male	Female	Total
Inflow	19	24	43	Inflow	20	14	34	Inflow	21	19	40
Outflow	9	21	30	Outflow	12	15	27	Outflow	9	10	19
Fluctuation **			16.3%	Fluctuation **			14.4%	Fluctuation **			10.3%

* adjusted for staff changes within the DIC Group, based on termination of non-temporary employment contracts
** defined as outflows relative to the average number of employees during the financial year. The ratio determined for 2018 is 30/184 or 16.3 % (previous year: 27/187 or 14.4 %)

Human Resource Development

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

Target-oriented 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 regard to their 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 coaching.

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 trainer 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.

In April 2018, we participated a second time in the Girls' Day, the largest career orientation project for schoolgirls worldwide. During the event, schoolgirls had the chance to familiarise themselves with vocational job training and degree programs in the real estate industry, and to meet female executives. We also took part in the 2019 Girls' Day.

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 tutorials, 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 periodically offer first aid training courses for employees at any of our branch offices in Germany.

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 where a rich variety of gastronomy, retail and cultural venues lies 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 hot beverages and chilled soft drinks. In cooperation with a fitness chain, we give our employees the opportunity to take out a discounted membership. To prepare for the JP Morgan Chase Corporate Challenge 2018, employees at all of our branch offices had the opportunity to train on company time with a professional coach for ten weeks. The response was overwhelmingly positive, and so the program was resumed in 2019.

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 to make it easier for our employees to reconcile family and job. In 2018, a total of 26 employees (14 %) worked part-time, up from 25 employees (13 %) in 2017.

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 compliance policy for them to sign and thereby to commit themselves to 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 increased year on year in 2018, rising from an average of 8.2 days to 10.0 days. However, it remained clearly below the established average among German employees, which is 15.1 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 3.8 % in 2018 (2017: 3.1 %). The national average was determined as 4.1 %.*

* Source: Gesundheitsreport 2018; Techniker Krankenkasse https://www.tk.de/resource/blob/2035866/020269554b71a1686ae-fec7106ba5dc3/gesundheitsreport-2018-data.pdf

SICK ABSENCE

	2018	2017	2016
Total sick absence days	**1,866**	1,526	1,294
Avg. sick absence days per employee	**10.0**	8.2	7.0
Sickness absence rate*	**3.8 %**	3.1 %	3.6%

* Calculation: Sick absence days p.a. / (target work days multiplied by 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.

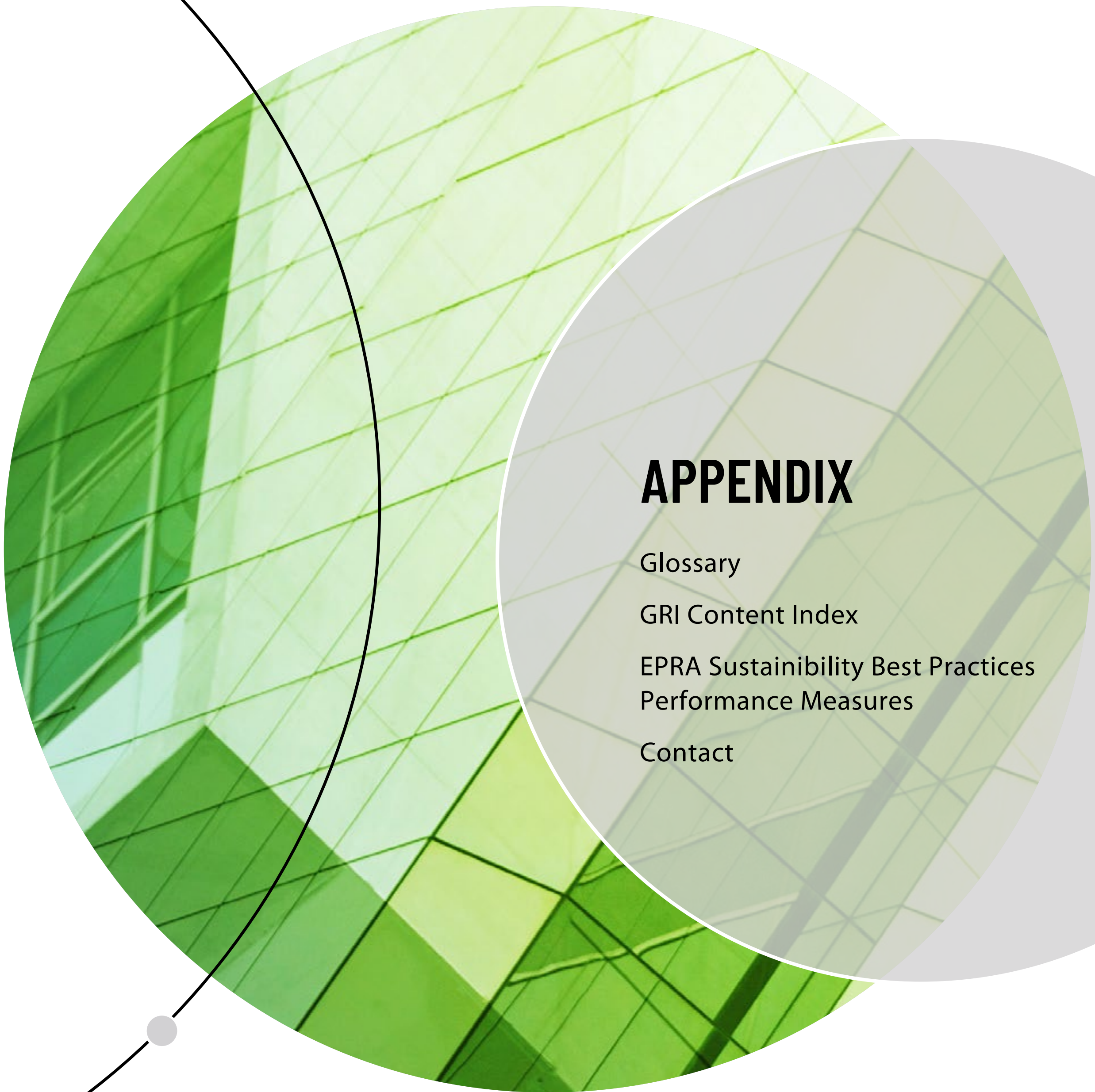
Together with other industry players, we involve ourselves in efforts to boost awareness for real estate businesses and their concerns, especially in the trade associations German Property Federation (ZIA) and European Public Real Estate Association (EPRA). Sonja Wärntges, our CEO, contributes her expertise to the ZIA German Property Federation as a member of its executive committee. 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 2019, we once again sponsored the "Blickachsen" biannual sculpture exhibition, which presents the works of international artists living in the Frankfurt metro region. We appreciate this opportunity to promote regional art and culture.

7



APPENDIX 56

GLOSSARY

Analysis portfolio
Environmental aspects are analysed for any property in our proprietary real estate holdings (Commercial Portfolio) for which a full set of consumption data is on record as at the reporting date. The analysis portfolio covers the bulk of the Commercial Portfolio (2018: 73 % of the gross lettable 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 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 to 3). 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

The Other Investments business unit handles the management of properties in which we hold no equity interests. The strategic equity investments, interests in project developments and joint venture investments this business unit continued to hold by year-end 2018 are about to expire.

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	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)	51, 52	
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	14	
102-13	List of memberships in industry organizations and national or international advocacy organizations	55	
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	22–25	

Stakeholder Engagement

No.	Description	Page	Comment
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

No.	Description	Page	Comment
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	69	
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 2018 Annual Report and the financial statements within were audited by Rödl & Partner in 2019

Governance

No.	Description	Page	Comment
102-18	Governance structure of the organization	16	

Ethics and Integrity

No.	Description	Page	Comment
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	28	
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 2018
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 2018, they included performance-related remunerations in the amount of EUR 1.7 million, representing a share of around 11 %
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	55	
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	34	
302-1	Energy consumption within the organization by primary energy source	39	
302-2	Energy consumption outside the organization by primary source	39	
302-3	Energy intensity	39	
302-4	Reduction of energy consumption	39	
CRE1	Building energy intensity	39	
Water			
103-1, 103-2, 103-3	Management approach	34	
303-1	Total water withdrawal by source	40	Drinking water is procured exclusively from local water suppliers
CRE2	Building water intensity	40	
Emissions			
103-1, 103-2, 103-3	Management approach	41	
305-1	Direct GHG emissions (Scope 1)	47	
305-2	Energy indirect GHG emissions (Scope 2)	47	
305-3	Other indirect GHG emissions (Scope 3)	47	
305-4	GHG emissions intensity	41	
305-5	Reduction of GHG emissions	47	
CRE3	GHG intensity from buildings	41	
Waste			
103-1, 103-2, 103-3	Management approach	46	
306-2	Total weight of waste by disposal route	46	Waste production was estimated 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	49	
401-1	Total number and rate of new employee hires and employee turnover by age group, gender, and region	53	
401-2	Benefits provided to full-time employees	54	
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	52	
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	53	
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	53	

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	54	
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

No.	Description	Page	Comment
103-1, 103-2, 103-3	Management approach	53	
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	53	
404-3	Percentage of employees receiving regular performance and career development reviews, by gender	54	

Diversity and equal opportunity

No.	Description	Page	Comment
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	51	

Equal remuneration for men and women

No.	Description	Page	Comment
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
Environment					
Elec-Abs	Total electricity consumption	302-1	annual kWh	39	
Elec-LFL	Like-for-like total electricity consumption	302-1	annual kWh	39	
DH&C - Abs	Total district heating & cooling consumption	302-1	annual kWh	39	
DH&C LFL	Like-for-like total district heating & cooling consumption	302-1	annual kWh	39	
Fuels- Abs	Total fuel consumption	302-1	annual kWh	39	
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	39	
GHG-Dir-Abs	Total direct greenhouse gas (GHG) emissions	305-1	annual metric tonnes CO_2e	47	
GHG-Indir-Abs	Total indirect greenhouse gas (GHG) emissions	305-2	annual metric tonnes CO_2e	47	
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	47	
GHG-Int	Greenhouse gas (GHG) intensity from building energy consumption	CRE3	kg CO_2e/sqm	42	
Water-Abs	Total water consumption	303-1	annual cbm	40	
Water-LFL	Like-for-like total water consumption	303-1	annual cbm	40	
Water-Int	Building water intensity	CRE2	cbm/sqm	40	
Waste-Abs	Total weight of waste and proportion by disposal route	306-2	annual litres and proportion by disposal route	46	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	46	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

EPRA SUSTAINIBILITY BEST PRACTICES PERFORMANCE MEASURES

Code	Performance Measure	GRI Standard	Units of measure	Page	Comment
Social					
Diversity-Emp	Employee gender diversity	405-1	%	51	
Diversity-Pay	Gender pay ratio	405-2	Ratio		Pursuant to the Compliance Directive, our employees must be treated equally and should not be privileged based on gender and/or other criteria. Our company attaches great importance to equal pay for equal work
Emp-Training	Training and development	404-1	Number		No statistics are on record concerning the average time employees spent in professional training and continued professional development
Emp-Dev	Employee performance appraisals	404-3	%	54	
Emp-Turnover	Employee turnover and retention	401-1	Number and %	53	
H&S-Emp	Employee health and safety	403-2	Number	54	
Governance					
Gov-Board	Composition of the highest governance body	102-22			For the current composition of the Supervisory Board during the 2018 financial year as well as for the disclosures pursuant to Art. 285, No. 10, German Commercial Code (HGB), please see pages 163–164 of the Notes to the Consolidated Financial Statements annexed to the Annual Report 2018
Gov-Selec	Nominating and selecting the highest governance body	102-24			The Supervisory Board's objectives in regard to its composition, competence profile and diversity concept are detailed in the Corporate Governance Report 2018, which is part of the Annual Report 2018 (pages 175–176)
Gov-COI	Process for managing conflicts of interest	102-25			No conflicts of interest arose during the 2018 financial year (see statement on page 176 of the Corporate Governance Reports 2018, which is part of the Annual Report 2018)

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.

For computational reasons, rounding differences from the exact mathematical values calculated (in EUR thousand, %, etc.) may occur in tables and cross-references.

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

Publisher: DIC Asset AG

Concept and Realisation:
LinusContent AG, Frankfurt am Main
www.linuscontent.com

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