

COMBINED NON-FINANCIAL STATEMENT 2024

(Excerpt from the TAG Annual Report 2024)

FOREWORD

The Corporate Sustainability Reporting Directive (CSRD) was not transposed into German law in the 2024 financial year. Originally, the CSRD should have been transposed into national law by 6 July 2024, but this deadline was not met by the German government. On 24 July 2024, the Federal Cabinet adopted a corresponding bill. However, due to various political developments, including the break-up of the governing coalition, implementation did not take place by the end of 2024. As a result, the previous legal framework for sustainability reporting will remain in place for the 2024 financial year. Mandatory reporting in accordance with the CSRD, including extended audit obligations, will only come into force upon national implementation.

On 26 February 2025, the EU Commission published a draft for a simplification package of the contents of the CSRD, the EU Taxonomy Regulation and the CSDDD ("Omnibus Regulation"). The planned changes are far-reaching and affect all undertakings that fall within the previous scope of the CSRD. The draft provides for a 25% reduction in the number of datapoints to be reported for large undertakings compared to the current version of the CSRD. The content and timetable of the planned omnibus regulation are currently still under development. TAG assumes that the legislative process at EU level will be finalised in the course of 2025.

Against the background of the existing discussion about simplifying the requirements of the CSRD and the associated legal uncertainty, particularly with regard to the content and scope of the sustainability reporting standards applicable in the future, the Management Board of TAG has decided in favour of partially applying the first set of ESRS as a framework within the meaning of Section 289d HGB for the non-financial Group statement for the 2024 financial year.

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Overview of unapplied ESRS datapoints

The following datapoints of the 1st set of the ESRS were not disclosed in full compliance with the requirements of the ESRS:

E1 – Climate change

- E1-6 para. 44 c), 51-55 Scope 3 GHG gross emissions

Scope 3 reporting for the 2024 financial year is based on the GHG Protocol Standard. ESRS-compliant reporting in accordance with the GHG Protocol Standard is expected to take place from the 2025 financial year.

1. GENERAL DISCLOSURES (ESRS 2)

1.1.BP-1 – GENERAL BASIS FOR PREPARATION OF SUSTAINABILITY STATEMENTS

The summarised non-financial statement in accordance with Sections 289b and 315b HGB (hereinafter referred to as the "Sustainability Report") for the 2024 financial year was prepared on a consolidated basis. The scope of consolidation corresponds to that of the consolidated financial statements.

The Sustainability Report also includes reporting in accordance with Section 289c of the German Commercial Code (HGB) at the level of TAG Immobilien AG. TAG Immobilien AG acts as the Group's holding company. As of 31 December 2024, TAG AG holds less than 1% of the investment properties reported in the Group; environmental issues are therefore not reported separately. Unless otherwise indicated in the report, the information provided also applies both to TAG as a Group and to TAG Immobilien AG at the level of the individual company

The Sustainability Report covers TAG's upstream and downstream value chain.

TAG has not made use of the option to omit certain disclosures on intellectual property, expertise or innovation results. Similarly, no use was made of the exemption in Art. 29a (3) of Directive 2013/34/EU (Accounting Directive), according to which no disclosures need to be made on future developments or matters that are the subject of negotiations.

TAG published its first Sustainability Report for the 2012 financial year. In the 2024 financial year, TAG prepared its non-financial Group statement for the first time, partially applying the first set of the European Sustainability Reporting Standards (ESRS) as a framework in accordance with Section 289d HGB. The non-financial statement is prepared in accordance with Sections 289c to 289e HGB, Sections 315c in conjunction with 289c to 289e HGB, including the partial application of the first set of the ESRS for the non-financial Group statement and the EU Taxonomy Regulation together with the delegated acts issued in this regard. No framework was applied to the non-financial statement of the Group parent company TAG Immobilien AG. The break in consistency compared to the GRI framework applied in previous years is due to the importance of the ESRS, which were adopted as a reporting standard by the European Commission in 2024.

For a description of the business model in accordance with Section 289c (1) HGB, please refer to the "Overview and Group strategy" section in the summarised management report. For a description of the most significant non-financial performance indicators pursuant to Section 289c (3) No. 5 HGB, please refer to the "Management system" section of the combined management report. The description of the material non-financial risks in accordance with Section 289c (3) Nos. 3 and 4 HGB can be found in the "Presentation of individual risks with regard to future development" section of the combined management report.

1.2.BP-2 – DISCLOSURES IN RELATION TO SPECIFIC CIRCUMSTANCES

Value chain estimates

Value chain estimates are used in the following sections of the sustainability report:

Metrics on consumption and GHG emissions

Estimates are included in TAG's carbon footprint, the results of which are published in section 3.8 E1-5 Energy consumption and mix and 3.9 E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions. For example, extrapolations of energy consumption and resource quantities (inflows and outflows) are used on the basis of incomplete data.

Emission factors are used to calculate the GHG emissions for the extrapolated quantities and consumption. Where available, publicly available data such as that from the German Environment Agency (UBA) or the Deutsche Gesellschaft für Nachhaltiges Bauen (DGNB) is used for the underlying estimates. In the area of new construction, this applies in particular to the carbon emissions generated in the production phase (phases A1 – A3) as part of the life cycle analysis in accordance with EN 15978.

Emissions from tenant electricity consumption in Germany are estimated on the basis of an evaluation of the number of residents registered with TAG per residential unit and data published by the Federal Statistical Office.

GHG emissions and quantities in the context of maintenance measures for the residential portfolio in Germany are determined on the basis of self-calculated emission factors per kg or per sqm. The calculation was based on reference projects that were carried out in the 2024 financial year and for which the total emissions and quantities (ESRS E5) from the construction activities were extrapolated. The degree of accuracy resulting from the use of these indirectly determined parameters is considered to be medium. In particular, the primary data relating to TAG's construction activities is nation-wide not currently available on the market on a case-by-case basis. TAG assumes that the data basis will improve in the future, which could increase the degree of accuracy of the data determined in the future. For a detailed description of the parameters and sources used to determine the data, please refer to our disclosures in the topic-specific sections 3.8 E1-5 Energy consumption and mix, 3.9 E1-6 Gross GHG emissions in Scope 1, 2, 3 and Total GHG emissions and 4.6 E5-4 Resource inflows and 4.7 E5-5 Resource outflows.

Sources of estimates and uncertainty of results

In the Management Board's assessment, the estimates used in connection with TAG's greenhouse gas balance in particular are parameters that are subject to a high degree of measurement uncertainty. Specifically, these are parameters for estimating the electricity consumption of tenants in Germany (Scope 3.13) and parameters for emissions per sqm resulting from construction activities in Poland (Scope 3.1 and Scope 3.2).

TAG has no knowledge of the electricity consumption of the tenants in the German residential portfolio. Likewise, no data is available on the energy mix of tenants' electricity consumption. The available data in this area is limited to data collected by third parties and their derivation of average values and emission factors that apply to an entire sector (e.g. emission factor electricity mix in Germany).

The consumption data for the 2023 financial year used as the basis for calculating energy consumption and emissions in Scope 1 and 2 were extrapolated for the 2024 financial year, taking into account changes in inventories. The data is partly based on estimates (energy certificates).

Available data on emission factors in the area of new construction activity is limited to published studies, which generally contain data for a specific selection of buildings and whose building type is not congruent with TAG's properties in every respect. The emissions in this area were calculated for the 2024 financial year on the assumption that the annual emissions from use over the lifetime of 50 years correspond to the emissions from the use of comparable residential units from the rental portfolio in Poland in the 2024 financial year. This low data availability results in measurement uncertainties with regard to the informative value of TAG's greenhouse gas balance.

The emission factors used were determined on the basis of TAG's research in conjunction with internal coordination between the relevant departments, such as Central Technology, Central Purchasing, Energy Management and Strategic Real Estate Management. The basis in this context was, in particular, a consideration of the informative value of the (limited) data available on the market, while at the same time ensuring transparent and comprehensible disclosure of the data in the sustainability report.

The forward-looking statements contained in this Sustainability Report are based on estimates and conclusions drawn from the information currently available. The statements are based on a number of assumptions relating to future events. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Many of these risks and uncertainties are related to factors that TAG cannot control, influence or estimate precisely. This applies, for example, to future market and economic conditions, the behaviour of other market participants, the development of data availability with regard to GHG emissions, the impacts of climate change, and government legislation on the disclosure of sustainability information. In particular, the specific effects of the ongoing finalisation of a version of the CSRD that has been transposed into German law and the associated impacts on the economy, individual markets and industries cannot be conclusively assessed at present. In this context, the forward-looking information presented in this report is characterised by a high degree of uncertainty.

Incorporation of information by means of a reference

To improve readability and reduce redundancies, TAG has made use of the option to incorporate information by reference. References to other parts of the report have been included in connection with the following ESRS disclosure requirements:

ESRS disclosure requirement	Title of the disclosure requirement	Reference
GOV-3	Integration of sustainability-related performance in incentive schemes	Remuneration report in accordance with Section 162 AktG
GOV-5	Risk management and internal controls over sustainability reporting	"Risk management" and "Compliance management" sections in the summarised management report
SBM-3	Description of material opportunities and risks that could have an impact on TAG's financial position, financial performance and cash flows	"Opportunities and risk report" section in the summarised management report
SBM-3	Information on the resilience of TAG's strategy and business model in relation to material IROs	"Risk-bearing capacity" section in the summarised management report

1.3.GOV-1 – THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

The Management Board and the Supervisory Board are defined as management and supervisory bodies for the purposes of the sustainability report. The Management Board had two members in the financial year, while the Supervisory Board had a total of six members, including two employee representatives. In total, the performance and supervisory bodies therefore consisted of eight members in the reporting year. In the opinion of the Supervisory Board, all shareholder representatives on the Supervisory Board are to be considered independent within the meaning of recommendation C.7 of the German Corporate Governance Code (GCGC). The percentage of independent members on the Supervisory Board was therefore 66.7%.

The gender diversity as an average ratio of female to male members was 1:1 in both the Management Board and the Supervisory Board in the reporting period.

The members of TAG's Management Board and Supervisory Board have extensive knowledge in the field of sustainability. On the Supervisory Board, Prof. Wellner in particular is an expert in the areas of the real estate industry and sustainability, which are part of TAG's operating business, thanks to her professional career and her field of research. This knowledge is continuously expanded and updated, e.g. through participation in training and further education programmes on current developments and best practices in the area of sustainability. If necessary, TAG draws on external experts and consultants who can contribute specific expertise on relevant sustainability topics in relation to the material impacts, risks, and opportunities. These experts support the Company in making well-founded decisions that meet the high requirements for sustainable action.

TAG's Supervisory Board is responsible for reviewing the sustainability report. Within the Supervisory Board, sustainability reporting and its review are assigned to the Audit Committee. At Management Board level, sustainability reporting, including ESG ratings, is the responsibility of CFO and Co-CEO Mr Thiel. Mrs Hoyer, COO and Co-CEO, is

responsible for sustainability management and operational implementation, including the policies and procedures for dealing with material impacts, risks and opportunities within the Company. The Management Board regularly reports to the Supervisory Board on current developments in the area of TAG's sustainability goals. The Management Board and the Supervisory Board are involved in relevant decision-making processes such as the setting of sustainability targets. Beyond this, there were no other special procedures for impact, risk, and opportunity management in the 2024 financial year.

TAG's sustainability strategy is closely linked to the Company's material impacts, risks, and opportunities. The corporate bodies ensure that the existing skills and competences are directly aligned with these areas. This includes, for example, the ability to identify risks related to climate change and to develop actions to minimise risks, as well as to recognise and exploit development opportunities. The established governance structures ensure that the strategic sustainability targets are aligned with the operational capabilities and expertise of the institutions.

In the Management Board's view, this ensures that TAG fulfils its responsibility as a housing company and at the same time meets stakeholder expectations for sustainable action and management.

1.4. GOV-2 – INFORMATION PROVIDED TO AND SUSTAINABILITY MATTERS ADDRESSED BY THE COMPANY'S ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

The Management Board and Supervisory Board are regularly informed about sustainability issues. The Management Board is informed in particular by the Head of ESG/Sustainability as well as the Strategic Real Estate Management and the Sustainability Committee about current developments in the area of ESG and the effectiveness of the adopted strategies, actions, metrics, and targets. In addition, the Management Board is closely involved in the rating processes and results of the ESG rating agencies. Where relevant, impacts, risks, and opportunities are taken into account when monitoring TAG's strategy, as well as decisions on important transactions in the design of the risk management process and, if necessary, decisions on compromises are made after weighing up economic aspects, among others. In the reporting period, the Management Board and Supervisory Board dealt in particular with the following material impacts, risks, and opportunities:

- Results of the tenant survey in Germany (tenant satisfaction)
- Decarbonisation of the existing portfolio in Germany
- Continuation of TAG's social commitment in the context of promoting social projects

1.5. GOV-3 – INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES

The members of TAG's Management Board receive non-performance-related fixed remuneration as well as variable remuneration, which is paid partly in cash and partly in the form of TAG shares. The fixed remuneration and the variable remuneration are paid exclusively by TAG Immobilien AG; no remuneration is paid to subsidiaries.

- The variable remuneration consists of two components: the Short Term Incentive Plan (STIP) and the Long Term Incentive Plan (LTIP). Both the STIP and the LTIP include non-financial targets (ESG targets). The ESG targets in the LTIP also include the climate-related target of reducing carbon emissions within the German portfolio by 10% (weighting: 40%). In the STIP, the achievement of the non-financial targets is measured on the basis of the risk assessment by the external ESG rating agency Sustainalytics:
 - "Negligible risk": remuneration of TEUR 25
 - "Low risk": remuneration of TEUR 15
 - "Medium risk": remuneration of TEUR 5
 - "High risk" or "severe risk": no remuneration

The ESG targets are set by the Supervisory Board each year for the next LTIP period, i.e. for the next four years. The remuneration system for the Supervisory Board does not include any variable remuneration components.

For a further description of the remuneration and incentive systems of the Management Board and Supervisory Board, including sustainability-related benefits, please refer to the disclosures in the report on the main features of the Company's remuneration system (remuneration report in accordance with Section 162 AktG - Variable remuneration section) within the combined management report.

1.6. GOV-4 – STATEMENT ON DUE DILIGENCE

The following table provides an overview of where in the report the core elements of due diligence (implemented processes for identifying impacts, risks, and opportunities as well as actions to avoid negative impacts) are located.

Core element	Reference to sustainability report
Integration of due diligence into governance, strategy, and business model	<i>ESRS 2 GOV-2, ESRS 2 GOV-3, ESRS 2 SBM-3</i>
Involvement of affected stakeholders in all important steps of the due diligence	<i>ESRS 2 GOV-2, ESRS 2 SBM-2: Stakeholders' interests and positions, ESRS 2 IRO-1, ESRS 2 MDR-P, topical ESRS S1-2 as well as S2-2 and S4-2</i>
Identification and valuation of negative impacts	<i>ESRS 2 IRO-1, ESRS 2 SBM-3</i>
Actions to counter these negative impacts	<i>ESRS 2 MDR-A, topical ESRS E1-3, E5-2, S1-4 as well as S2-4 and S4-4</i>
Tracking the effectiveness of these efforts and communication	<i>ESRS 2 MDR-M, ESRS 2 MDR-T, topical ESRS E1-4, E5-3, S1-5 as well as S2-5 and S4-5</i>

1.7. GOV-5 RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING

For a description of the risk management system implemented throughout the Group, including the approaches used for risk assessment, the description of identified material risks, and mitigation strategies as well as reporting to the management and supervisory bodies, please refer to the Risk Management section of the combined management report for the financial year 2024. For a description of the internal control system (ICS) in place, please refer to the Compliance Management section in the combined management report for the financial year 2024.

The Management Board of TAG is responsible for the established control system with regard to sustainability reporting. The control system helps to ensure that the organisation and processes of sustainability reporting are set up properly and supports the optimal flow of corporate processes. As of the 2024 reporting year, TAG has not yet implemented a comprehensive ICS for sustainability reporting. In the course of the 2025 financial year, sustainability reporting is to be successively integrated into the existing ICS. The results of the risk assessment and the internal controls relating to the sustainability reporting process are an integral part of the relevant internal functions and processes, including the reporting processes.

Two operational risks were identified as material risks in connection with sustainability reporting:

- Incorrect information in the sustainability report

The data contained in the Sustainability Report may deviate from the actual data due to incorrect data transfer, for example, and may therefore be incorrect. To minimise this risk, TAG has implemented upstream and downstream internal controls in connection with data collection and the preparation of the Sustainability Report. Materiality of the upstream controls is the dual control principle, which ensures

correct and complete data transmission. The downstream controls essentially comprise plausibility checks of the content prepared by the ESG department, which reports to the CFO and Co-CEO, and by the Management Board. If any irregularities are identified as part of the internal controls, these are analysed with the departments involved and the report contents are adjusted if necessary. The Sustainability Report is prepared centrally in a dedicated tool, which enables the individual reporting requirements to be processed jointly and across departments and presents changes transparently.

- Missing information in the Sustainability Report

There is a risk that the Sustainability Report may not include all topics that are material for stakeholders. To minimise this risk, TAG has implemented procedures and processes to ensure a complete and correct materiality assessment. These processes include, in particular, the overarching integration of the ESG department in the preparation of the materiality assessment, the involvement of the relevant specialist departments, and the discussion and approval of the results of the materiality assessment by the Management Board.

1.8.SBM-1 – STRATEGY, BUSINESS MODEL AND VALUE CHAIN

TAG's business model in Germany is focused on the long-term management and rental business of affordable housing. All functions material to property management are performed by the Company's own employees. In addition, caretaker services and craftsmen's activities are provided for the Company's own portfolio. The rental business offers affordable housing that appeals to broad sections of the population. The Group's own multimedia company, MMI, supports the provision of television and multimedia services to tenants and expands the range of property management services. Energy management is bundled in the subsidiary Energie Wohnen Service (EWS) and includes the commercial heat supply and heat supply in the Group's own portfolios in order to optimise energy management. In the medium term, these services are to be further expanded and supplemented with new services for tenants.

TAG's investments in Germany are primarily in medium-sized cities and in the vicinity of large metropolises, as it sees not only growth potential but also better yield opportunities compared to investments in large cities. The newly acquired portfolios regularly have higher vacancy rates, which are then reduced after acquisition through targeted investments and proven asset management policies. Within Germany, investments are made almost exclusively in regions already managed by TAG in order to utilise existing management structures. In addition, local market knowledge is of material importance when acquiring new portfolios. The expansion of business activities to Poland began in 2020 with the acquisition of Vantage Development S.A. ("Vantage"), a property developer based and operating mainly in Wrocław. The acquisition of Warsaw-based ROBYG S.A. ("ROBYG") expanded TAG's platform for developing residential units for its own portfolio in the existing regions of Wrocław, Poznań and especially the Tricity, and also enabled a comprehensive market entry in Warsaw. At the same time, TAG expanded its business model to include the development of residential units for sale.

TAG's medium-term growth target is to build up a portfolio of c. 10,000 residential rental units in Poland by the end of 2028. In addition, the existing sales activities in Poland are to be continued in order to support the further growth of the rental portfolio from the liquidity surpluses generated there. The investment focus is on new-build flats in large cities with favourable population trends, proximity to universities and a well-developed infrastructure.

As of 31 December 2024, TAG had 1,312 employees in Germany and 413 employees in Poland. In Poland, in addition to these employees, TAG also employed non-employees who provide services for TAG Group undertakings as natural persons (associates). They are included in the employee figures as part of the financial reporting.

A total of 630 people were employed at TAG Immobilien AG, the parent company of the Group, as of the reporting date.

TAG has divided its sustainability targets into economic, social, and ecological goals.

The economic objective is to secure the Company's future viability and competitiveness on the basis of its long-term business model – the successful management and letting of affordable housing in Germany and the construction of new flats for rental business and sale in Poland. TAG's core business is geared towards long-term economic success, solid growth, and stability. To this end, we aim to maintain and increase the value of our properties. In this way, we aim to ensure a positive earnings trend. Responsible business conduct (corporate governance) is the basis for this sustainable corporate success. TAG Immobilien AG's shareholders should be assured of attractive returns and lenders should be assured of the lowest possible risk return on their capital.

The social targets are particularly focussed on tenants and employees. Tenants from different social backgrounds should be provided with affordable housing to increase their satisfaction. They should receive a secure home and good service in the long term. In addition, the focus is on continuing TAG's social and community involvement and improving the quality of life in its residential neighbourhoods. TAG wants to be an attractive employer for its employees, offering optimal working conditions and development opportunities, and promote personal responsibility, co-determination and participation. It is also important to offer employees and future generations secure jobs and increase their satisfaction with TAG as an employer. In the area of workers in the value chain, the aim is also to prevent accidents at work on TAG's construction sites in Poland.

As part of the long-term decarbonisation strategy for the German portfolio, TAG has specified its ecological targets for a virtually climate-neutral building stock by 2045. It is continuously working to make its real estate portfolio more climate-friendly and to improve its carbon footprint by using fewer resources, optimising the use of resources and further improving the portfolio's energy efficiency. Environmentally friendly portfolio management contributes to reducing carbon emissions and achieving the climate targets for existing buildings, while reconciling the financing and cost-effectiveness of the necessary actions with the targeted emission reductions poses a particular challenge. Targets within the scope of sustainable resource management also include increasing material efficiency by taking a holistic view of material flows according to the principle of circular economy.

For a detailed description of the targets, please refer to the explanations in sections 3.7 E1-4 Targets related to climate change mitigation and adaptation, 4.5 E5-3 – Targets related to resource use and circular economy, 5.7 S1-5 – Targets related to addressing material negative impacts, promoting positive impacts and managing material risks and opportunities] and 6.7 S2-5 – Targets related to addressing material negative impacts, promoting positive impacts and managing material risks and opportunities with respect to employees in the value chain and 7.7 S4-5 Targets related to addressing material negative impacts, promoting positive impacts and managing material risks and opportunities].

TAG's business model in Germany is focussed on portfolio management and rental business for affordable housing.

The supplier relationships required for the relevant procurement processes are managed by the department Central Purchasing. Individual orders can also be placed on a decentralised basis. Central Purchasing determines the requirements of the entire Group and places them on the market according to ecological and economic criteria. Procurement is based on framework agreements that integrate compliance requirements and sustainability standards. In most cases, our construction service providers are also connected to an online portal as part of refurbishment of vacant units and partial maintenance. We regularly evaluate the performance of our suppliers. The primary valuation according to economic criteria and sustainability matters is carried out by Central Purchasing. Our service monitoring forms the second level of assessment. On the one hand, our tenants can evaluate the performance of our subcontractors, and on the other hand, our employees carry out a valuation. The framework agreements are also continuously monitored, with test certificates, quality, and controlling reports being analysed, among other things.

In Poland, TAG's business model consists of property development for the rental business and for sale. The business model is carried out by the two subsidiaries ROBYG and Vantage. Both undertakings strive to create synergies and bundle management expertise and selected operational functions. By bundling competences, the ROBYG Group is expanding its business activities to the institutional rental market and the Vantage Group is receiving support in the construction and sale of residential units. Material input factors in Poland are the capital required for development, and the corresponding human capital in the form of expert employees and a properly established organisational structure.

The relevant development processes begin with a market analysis and the acquisition of the relevant building land and the associated preparation of the necessary architectural work as well as obtaining building permits. After the construction phase, which is carried out with the involvement of general contractors and subcontractors, the completed residential units are handed over to the respective buyers or offered for rental business on the Polish market.

TAG's current and future focus is on providing tenants with attractive living space at reasonable prices. By observing ecological requirements and complying with technical guidelines, their health will continue to be protected in the best possible way in the future. This also includes creating liveable neighbourhoods. In our view, good housing involves more than just living within one's own four walls. That is why TAG is contributing to the creation of liveable neighbourhoods with various actions as part of its neighbourhood development. Tenants should feel comfortable and safe in their neighbourhoods. TAG is also involved in the expansion of multimodal and environmentally friendly mobility options in the neighbourhoods. TAG is easily accessible for its tenants and prospective tenants, and information is readily and quickly available. Tenants are offered a fast service and high quality with the aim of providing as many services as possible within the Company's own undertaking. The range of services includes caretaker and craftsman services, multimedia, mobility and smart home services as well as energy management.

With this business model, TAG also secures reliable income and attractive returns for its predominantly long-term oriented national and international investors.

In Poland, the result of our activities also consists of the completion and handover of residential units sold, which lead to a corresponding revenue recognition in the consolidated income statement.

TAG positions itself at the centre of the value chain by acting as an owner, manager, and developer of residential real estate. The undertaking is responsible for the entire life cycle of the properties it owns, from planning and development to operation, modernisation, and maintenance. Relationships with suppliers and service providers are long-term and of

strategic importance, particularly in terms of ensuring quality and efficiency in the construction and maintenance processes. TAG maintains a close relationship with its sales partners and end-users, focussing on customer satisfaction and service quality.

Upstream value chain:

Suppliers:

- **Construction companies:** In Poland in particular, we work closely with construction companies that are responsible for the construction of new residential areas or the modernisation and renovation of existing properties. This includes both large construction groups and specialised craft businesses.
- **Material suppliers:** These supply the required building materials, from raw materials such as concrete and steel to installation materials for plumbing, heating, and electrical work. Suppliers often include large construction and building materials dealers.
- **Energy suppliers:** Energy suppliers are an important part of the upstream chain, providing the necessary resources for the operation and modernisation of heating and energy systems.

Service providers:

- **Planning and engineering offices:** These support the planning and implementation of construction projects, particularly in the area of energy efficiency and sustainable urban development.
- **Facility management:** Services for the ongoing maintenance and care of properties are also crucial.

Downstream value chain

Distribution channels:

- **Direct sales:** The rental business for residential units is generally handled directly to end-users via dedicated sales channels and platforms.
- **Brokers and agents:** In some cases, TAG also works with real estate agents to support the rental business or sale of properties.

End-user:

- **Tenants/buyers:** TAG's main customers are the tenants who live in the residential areas it manages and, especially in Poland, home buyers.
- **Municipalities and government agencies:** In some cases, TAG works closely with public authorities, particularly in the development of social housing or in public-private partnerships.

1.9.SBM-2 – INTERESTS AND VIEWS OF STAKEHOLDERS

TAG's most important stakeholders include tenants, buyers and employees, business partners and suppliers, shareholders including banks, financing partners and analysts, cooperation partners such as associations, as well as local politicians and associations. Their perspectives are material to TAG's business success.

Tenants are involved in the strategy and the business model in a variety of ways, as their satisfaction is material to TAG's business success. Personal contact persons are available in the tenant offices at the sites. Tenants can contact TAG by letter, telephone, email, tenant app or using the online form on the residential brand's website and via social media. Customer management is centralised to ensure good accessibility for our tenants and fast processing of their concerns. Customer service feedback is possible in Germany via the tenant app. TAG also offers housing counselling at its main locations. The focus is on senior living and serviced housing. Our tenants can also take advantage of our social counselling service. New and existing tenants also have the opportunity to view show flats or showrooms. Every three years, a portfolio-wide tenant survey is conducted to determine tenants' satisfaction with TAG as a landlord and their wishes regarding housing.

With TAG's entry into the project development business in Poland, the buyers of residential units are another important stakeholder group. Our customer service is available to buyers for all matters from the sale to the support, after-sales service, and property takeover. In order to determine how satisfied customers are with the service, a customer satisfaction survey is conducted during and after each disposal. TAG uses the results of the satisfaction surveys to continuously optimise processes and services.

Continuous dialogue with employees is a material part of our corporate culture. There are a variety of opportunities for employees to get involved. TAG uses various communication channels to keep our employees informed and promote cross-team dialogue. Established information formats include the intranet, e-mail distribution lists, brochures, and flyers. Project groups provide an opportunity for cross-site, cross-disciplinary and cross-hierarchical dialogue. The individual teams also meet regularly for team meetings and jours fixes. At the regional offices and in the teams, we encourage our employees to actively address their concerns. We use the annual appraisal interview and regular employee surveys to obtain feedback from our employees. The regional works councils and the general works council meet at regular intervals to discuss current issues at the regional offices and within the Group. Information relevant to the Company is discussed with managers and the Management Board. Employees are also involved in project groups and special workshops. Team events, ideas workshops, and joint celebrations or sports competitions provide additional opportunities for dialogue.

TAG is in regular dialogue with shareholders, investors, banks, and analysts. In particular, personal dialogue takes place at international conferences, roadshows, and property tours, at the Annual General Meeting and at regular bank and capital market days. TAG works closely with suppliers and service providers to manage, maintain and modernise its portfolios. We generally maintain long-standing relationships with our craftsmen, commercial and other partners. Direct contact with the TAG contact persons takes place in person on site, by telephone or by e-mail. The connection to external partners is continuously improved through the optimisation of digital processes, both by the Central Purchasing department and as part of the Group-wide digitalisation project "Mission Future".

As part of its tenant support and neighbourhood management, TAG is directly and personally on site. With our neighbourhood management, we strive for socially balanced and liveable neighbourhoods. This is why TAG supports local initiatives and interest groups as well as associations and social organisations at its sites. We organise campaigns and events in our neighbourhoods, for example in active meeting places or meeting centres.

As one of the largest private housing companies in Germany, we are also at the centre of local politics, associations and urban development. We are actively involved in property industry issues. We enable politicians to visit our neighbourhoods at our main locations. We use these on-site appointments to discuss housing policy issues. We also actively participate in neighbourhood conferences and round-table discussions on the topic of housing. When implementing our new-build projects in Poland, we work together with the respective local authorities to expand and develop the infrastructure, e.g. access roads, cycle lanes and parking spaces as well as charging stations for electric vehicles and green spaces.

Insofar as the interests and positions of our material IROs were analysed in the course of identifying them, these are comprehensible from TAG's perspective. The results of these analyses are generally taken into account in our business policy and, where relevant, in our strategy and business model. The Management Board and Supervisory Board are also informed about relevant stakeholder interests and viewpoints at regular Management Board and Supervisory Board meetings.

Disclosures in accordance with ESRS 2 SBM-2 in relation to Own workforce (ESRS S1)

Continuous dialogue with employees is a material part of TAG's corporate culture. One focus here is on ensuring their integrity. We therefore rely on the active participation of our employees at all levels of the Company and open communication on all material topics of corporate development. The involvement of the workforce in topics material to TAG's strategy takes place in Group-wide projects. Any employee can apply to participate in the projects, so that the interests and requirements of various departments and regions are taken into account, including the protection of employee-related human rights. Fixed project managers are defined in the projects in order to optimally coordinate the various Group-wide projects and ideas. In their work, the project managers regularly liaise with the responsible Management Board. Company-wide surveys supplement the involvement of employees.

According to the Management Board's assessment, the impacts on TAG's own employees identified as part of the materiality assessment are of a fundamental nature and are not specifically related to TAG's business activities.

In addition, statutory co-determination is possible both through involvement in the works council and through representation on the Supervisory Board. The Supervisory Board includes two employee representatives. In addition, employees always have the opportunity to make suggestions for improvement and, if necessary, have an individual discussion with their manager. The HR department and the works council are also always available to answer employees' questions and concerns.

Data according to ESRS 2 SBM-2 in relation to Workers in the value chain (ESRS S2)

Fair, resource-conserving and socially responsible procurement practices are an integral part of our business strategy and procurement policy and are anchored in TAG's Declaration of Human Rights. We are committed to respecting and complying with human rights, based on the United Nations Universal Declaration of Human Rights, the UN Guiding

Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the eight core labour standards of the International Labour Organization (ILO).

We work closely with suppliers and service providers in the management, maintenance, and modernisation of our portfolios and in our new construction business in Poland. Our Business Partner Code sets out requirements and fundamental principles for our business partners to work together in a spirit of partnership, in compliance with the relevant legal regulations, and ethical standards. TAG expects its business partners to behave in a compliant and ethical manner, to observe the established principles of cooperation, and to ensure that these principles are also observed by their business partners.

Disclosure requirements in connection with ESRS 2 SBM-2 – Stakeholders' interests and views

Tenants and buyers of our residential units are one of the most important interest groups for TAG as a housing company. Their interests and needs are a material part of our business and sustainability strategy. We therefore maintain an intensive dialogue with them and involve them through various information and communication formats. A high level of tenant and customer satisfaction as well as continuous neighbourhood involvement through social projects in our neighbourhoods in the regions managed by TAG are central components of our social commitment ("S"). For a detailed description of the processes for engaging with the interests, viewpoints, and rights of our customers, please refer to our comments in chapter 7.4 S4-2 Processes for engaging with consumers and end-users about impacts

1.10. SBM-3 – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

The identified material impacts, risks and opportunities arise primarily in the upstream value chain, such as the construction of new residential units in Poland or the maintenance of the existing portfolio in Germany, as well as in TAG's own activities through the active management of the portfolio and the employment of TAG employees. Short, medium and long-term time horizons were considered here.

For a description of the material impacts, risks and opportunities identified as part of the materiality assessment, please refer to the respective topic-specific chapters within this sustainability report.

The results of the materiality assessment are taken into account in the corporate strategy. If the Management Board believes that adjustments to TAG's strategy are necessary, these are analysed and implemented as part of the strategy process. In the reporting period, no adjustments were necessary from the Management Board's perspective. The future influence of the material impacts, risks and opportunities is also currently considered to be low, and no changes to the strategy or business model are currently discernible against this background.

For a description of the risks and opportunities that could have a material impact on TAG's financial position, financial performance and cash flows, please refer to the Opportunities and risk report section in the summarised management report for the financial year 2024.

For a description of the analysis of TAG's resilience with regard to the identified material impacts and risks, please refer to the Risk management – individual risks section in the combined management report for the financial year 2024.

Please refer to the information on SBM-3 in the topic-specific chapters for a description of the material impacts, opportunities and risks identified.

1.11. ESRS 2 IRO-1 DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

TAG has published its first sustainability report for the 2012 financial year. The previous sustainability reports were also based on an analysis of the material sustainability matters for TAG. The previous materiality analysis was revised as part of an analysis of the material impacts, opportunities and risks (IROs), the double materiality assessment as defined by ESRS 1. The materiality assessment covers all of TAG's business activities and was carried out independently for the two main areas of activity of portfolio development in Germany and project development in Poland. Expert groups identified for this purpose, each consisting of the ESG teams and the respective relevant specialist departments, carried out the analysis with the support of external consultants on the basis of the qualitative characteristics of information in Appendix B to ESRS 1 and the respective accompanying information in the individual ESRs. Environmental concerns, employee concerns, social concerns, respect for human rights and combating corruption and bribery were also included. In the first step, a stakeholder analysis was carried out and the list of stakeholders from the previous sustainability report was expanded at a granular level. Experts from TAG Germany and the Polish subsidiaries represented the relevant stakeholder groups. Due to their proximity to and close dialogue with the relevant stakeholders, they have a good insight into their interests. For this reason, it was not necessary to conduct an external stakeholder survey. The results of the analyses of TAG Germany and the Polish subsidiaries were then combined.

In a second step, the impact materiality, i.e. the inside-out perspective, and the financial materiality, i.e. the outside-in perspective, were analysed. A distinction was made in the dimension as to whether it was an IRO at company level, portfolio level or both.

As part of the impact materiality, the impacts of TAG's business activities on the respective business areas concerned were analysed with regard to the environment, people and/or society. They were assessed with regard to

- Type of impacts: actual or potential
- Cause of impacts: directly caused by the undertaking or influenced by its business activities
- Location: within the undertaking or in the upstream or downstream value chain
- Time horizon of impacts: short-term as up to one year, medium-term as more than one year up to five years and long-term as more than five years.

The dimensions for valuation were the extent, scope, immutability and probability of occurrence. The rating scales were between 0 and 5 for extent, scope and irreversibility and between 1 and 4 for probability of occurrence:

Extent	Scope	Immutability	Probability of occurrence
5 – Very high impacts	5 – Global scope	5 – Cannot be rectified	
4 – High impacts	4 – Wider scope	4 – Very difficult/long-term to rectify	4 – Very likely (Factor 1)
3 – Moderate impacts	3 – Moderate scope	3 – Difficult/ medium-term to rectify	3 – Probable (factor 0.85)
2 – Low impacts	2 – Concentrated scope	2 – Can be remedied with time and cost	2 – Unlikely (factor 0.7)
1 – Very low impacts	1 – Limited scope	1 – Relatively easy to rectify in the short term	1 – Very unlikely (factor 0.65)
0 – No impacts	0 – No Impacts	0 – Very easy to fix	

The quantitative categorisation of impacts results from the product of the severity (sum of extent, scope and immutability) and, in the case of potential impacts, the probability. This results in a value between 0 and 15. Impacts classified as 8 or higher are considered material in the sense of double materiality for the sustainability report.

In the event of a potential negative impact on human rights, the degree of severity was given priority over the probability of occurrence.

The quantitative valuation of the financial materiality of risks and opportunities is based on the valuation dimensions of financial impact and probability of occurrence. The financial impact was assessed on a scale from 0 (no financial impact) to 5 (very high financial impact). The product of the financial impact and the probability results in a quantitative valuation between 0 and 5. Risks and opportunities with a quantitative valuation of 3 or more are considered material in the sense of double materiality for the sustainability report. The type and time horizon of opportunities and risks were considered in the same way as the valuation of the impact materiality.

In principle, there are often correlations between the identified risks, opportunities and impacts.

Once the materiality assessments for the two different areas of activity in Germany (portfolio management) and Poland (project development) had been completed independently of each other, the results were consolidated at Group level in accordance with the maximum principle and the principle of completeness, taking materiality into account. IROs that were not identical in terms of content were combined in accordance with the principle of completeness. IROs with identical content were combined in accordance with the maximum principle, i.e. the higher value of an impact, opportunity or risk was always included in the Group analysis. The IROs were then reviewed from a TAG Group perspective and, if necessary, additions or adjustments were made and the quantitative valuation of the impact or financial materiality was adjusted. The Risk Management department was involved in the entire process. The results were then discussed with the Management Board and presented to the Supervisory Board for discussion at a meeting.

Sustainability risks have the same importance as all other risks in the Group.

In future, the materiality assessment will be reviewed annually to ensure that it is up to date and will also be updated as required (e.g. when the business model is adjusted).

1.12. IRO-2 – DISCLOSURE REQUIREMENTS IN ESRS COVERED BY THE UNDERTAKING'S SUSTAINABILITY STATEMENT

For an overview of the disclosure requirements that are followed when preparing the sustainability report based on TAG's materiality assessment, please refer to the table of contents for the combined non-financial statement within the combined management report for the financial year from 1 January 2024 to 31 December 2024.

The sustainability report contains the following datapoints resulting from the EU legislation attached in Appendix B to ESRS 2. The individual disclosures can be found in the relevant topical chapters or subchapters of this sustainability report.

Disclosure requirement and associated datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation Reference	EU Climate Law Reference	Sustainability report reference (chapter)
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816 (27 57), Annex II		1.3
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Commission Delegated Regulation (EU) 2020/1816, Annex II		1.3
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				1.6
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 (28 58), Table 1: Qualitative disclosures on environmental Risks, and Table 2: Qualitative disclosures on social Risks	Commission Delegated Regulation (EU) 2020/1816, Annex II		not material
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		not material
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818 (29 59), Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		not material
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		not material
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	3.4
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, template 1: Banking book – Climate change transition risk: credit quality of exposures by sector, Emission and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12(1)(d) to (g) and Article 12(2)		not material
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator No. 4 in Annex 1 Table 2	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU)	Delegated Regulation (EU) 2020/1818, Article 6		3.4

Disclosure requirement and associated datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation Reference	EU Climate Law Reference	Sustainability report reference (chapter)
		2022/2453, Template 3: Banking book – Climate change transition risk: alignment metrics			
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator No. 5 in Annex 1 Table 1 and Indicator No. 5 in Annex 1 Table 2				3.8
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator No. 5 in Annex 1 Table 1				3.8
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator No. 6 in Annex 1 Table 1				3.8
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators No. 1 and 2 in Annex 1 Table 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, template 1: Banking book - Climate change transition risk: credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), Article 6 and Article 8(1)		3.9
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicator No. 3 Table 1 in Annex 1	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book – Transition risk related to Climate change: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		3.9
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	not material
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		phase-in
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, paragraphs 46 and 47; template 5: Banking book – Physical risk related to			phase-in

Disclosure requirement and associated datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation Reference	EU Climate Law Reference	Sustainability report reference (chapter)
		Climate change: exposures with physical risk			
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)		Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, paragraph 34; Template 2: Banking book – Climate change transition risk: Loans collateralised by real estate - Energy efficiency of collateral			phase-in
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69			Commission Delegated Regulation (EU) 2020/1818, Annex II		phase-in
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator No. 8 in Annex 1 Table 1 Indicator No. 2 in Annex 1 Table 2 Indicator No. 1 in Annex 1 Table 2 Indicator No. 3 in Annex 1 Table 2				not material
ESRS E3-1 Water and marine resources paragraph 9	Indicator No. 7 in Annex 1 Table 2				not material
ESRS E3-1 Dedicated policy paragraph 13	Indicator No. 8 in Annex 1 Table 2				not material
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator No. 12 in Annex 1 Table 2				not material
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator No. 6.2 in Annex 1 Table 2				not material
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Indicator No. 6.1 in Annex 1 Table 2				not material
ESRS 2 IRO 1 - E4 paragraph 16 (a) i	Indicator No. 7 in Annex 1 Table 1				not material
ESRS 2 - IRO 1 - E4 paragraph 16 (b)	Indicator No. 10 in Annex 1 Table 2				not material
ESRS 2 - IRO 1 - E4 paragraph 16 (c)	Indicator No. 14 in Annex 1 Table 2				not material
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator No. 11 in Annex 1 Table 2				not material

Disclosure requirement and associated datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation Reference	EU Climate Law Reference	Sustainability report reference (chapter)
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator No. 12 in Annex 1 Table 2				not material
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator No. 15 in Annex 1 Table 2				not material
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator No. 13 in Annex 1 Table 2				4.7
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator No. 9 in Annex 1 Table 1				4.7
ESRS 2 SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator No. 13 in Annex I Table 3				1.10
ESRS 2 SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator No. 12 in Annex I Table 3				1.10
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator No. 9 in Annex I Table 3 and Indicator No. 11 in Annex I Table 1				5.3
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Commission Delegated Regulation (EU) 2020/1816, Annex II		5.3
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator No. 11 in Annex I Table 3				5.3
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator No. 1 in Annex I Table 3				5.3
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator No. 5 in Annex I Table 3				5.5
ESRS S1-14 Number of fatalities and number and rate of workrelated accidents paragraph 88 (b) and (c)	Indicator No. 2 in Annex I Table 3		Commission Delegated Regulation (EU) 2020/1816, Annex II		phase-in
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator No. 3 in Annex I Table 3				phase-in
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator No. 12 in Annex I Table 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		5.13
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator No. 8 in Annex I Table 3				5.13
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator No. 7 in Annex I Table 3				5.14

Disclosure requirement and associated datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation Reference	EU Climate Law Reference	Sustainability report reference (chapter)
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator No. 10 in Annex I Table 1 and indicator no. 14 in Annex I Table 3		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818Article 12(1)		5.14
ESRS 2 SBM3 - S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators No. 12 and 13 in Annex I Table 3				not material
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator No. 9 in Annex 1 Table 3 and indicator no. 11 in Annex 1 Table 1				not material
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicators No. 11 and 4 in Annex 1 Table 3				not material
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator No. 10 in Annex 1 Table 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818Article 12(1)		not material
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Commission Delegated Regulation (EU) 2020/1816, Annex II		not material
Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator No. 14 in Annex 1 Table 3				not material
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator No. 9 in Annex 1 Table 3 and indicator no. 11 in Annex 1 Table 1				not material
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator No. 10 in Annex 1 Table 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818Article 12(1)		not material
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator No. 14 in Annex 1 Table 3				not material
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator no. 9 in Annex 1 Table 3 and indicator no. 11 in Annex 1 Table 1				not material
ESRS S4-1N Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator No. 10 in Annex 1 Table 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818Article 12(1)		not material
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator No. 14 in Annex 1 Table 3				not material

Disclosure requirement and associated datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation Reference	EU Climate Law Reference	Sustainability report reference (chapter)
ESRS G1-1 United Nations Convention against Corruption paragraph 10(b)	Indicator No. 15 in Annex 1 Table 3				9.2
ESRS G1-1 Protection of whistleblowers paragraph 10 (d)	Indicator No. 6 in Annex 1 Table 3				9.2
ESRS G1-4 Fines for violation of anticorruption and anti-bribery laws paragraph 24 (a)	Indicator No. 17 in Annex 1 Table 3		Commission Delegated Regulation (EU) 2020/1816, Annex II		9.4
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Indicator No. 16 in Annex 1 Table 3				9.4

For an explanation of the process for determining the material information to be disclosed in connection with TAG's material IROs, including the use of thresholds in the assessment of materiality, please refer to the explanations in chapter ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities. As a result, the standards E2 – Pollution, E3 – Water and marine resources, E4 – Biodiversity and S3 – Affected Communities have been assessed as not material for the business activities of the TAG Group.

ENVIRONMENTAL INFORMATION

2. INFORMATION IN ACCORDANCE WITH ARTICLE 8 OF REGULATION (EU) 2020/852 (EU TAXONOMY REGULATION)

The EU Taxonomy Regulation (EU) 2020/852 (hereinafter referred to as the Taxonomy) is the core of the European Commission's "Financing Sustainable Growth" action plan. It is intended to provide support in achieving the goals of the European Green Deal and make Europe the first climate-neutral continent by 2050. The Taxonomy is designed to promote a common, holistic understanding of the environmental sustainability of economic activities and investments, and channel capital flows into sustainable economic activities and sustainable companies. As a European classification system, the regulation provides uniform, binding and detailed rules on what economic activities are considered environmentally sustainable in the EU. The Taxonomy obliges companies to report transparently on their environmentally sustainable activities, using standardised indicators.

According to the Taxonomy, economic activities are considered "environmentally sustainable" or "Taxonomy-aligned" if they

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

The six environmental objectives set out in the Taxonomy are:

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

The specific quantification of the objectives is based on sector-specific, technical screening criteria, which were published in 2021 in the form of a delegated act, Commission Delegated Regulation (EU) 2021/2139 to supplement the Taxonomy. The technical screening criteria for the first two environmental objectives "Climate Change Mitigation" and "Climate Change Adaptation" were initially specified. The technical screening criteria for each economic activity are basically defined in Annex I and II of the delegated act and include criteria for the "Substantial contribution" (SC) to one of the two environmental objectives as well as the so-called "Do No Significant Harm" (DNSH) criteria. In addition, it must be ensured for the individual economic activities that companies comply with the Minimum Social Safeguards (MS) criteria in accordance with Article 18 of the Taxonomy.

For TAG, due to its business activities, the criteria set out in Annex I and II No. 7, "Construction and Real Estate" are essentially relevant. These technical screening criteria relate to new construction of buildings, the renovation of existing buildings, individual energy efficiency measures, and the acquisition and ownership of buildings.

Turnover, CapEx and OpEx that show an overlap with the activities “3.1 New construction” and “3.2 Renovation of existing buildings” in environmental objective (4) “Circular economy” and “2.1 Hotels, vacation accommodation, campsites and similar accommodation” from the operation of TAG’s serviced apartments in environmental objective (6) “Protection and Restoration of Biodiversity and Ecosystems” are allocated in full to environmental objective (1) “Climate Change Mitigation” in order to avoid double counting.

Reporting obligations

The Taxonomy entered into force on 12 July 2020. The associated reporting obligations will initially apply from 1 January 2022 for the two environmental objectives “Climate Change Mitigation” and “Climate Change Adaptation”. From 1 January 2024, there is an obligation to report on the fulfilment of the other environmental objectives as well. The content and presentation of the information to be published by companies have been concretised by the European Commission in a further delegated act, Commission Delegated Regulation (EU) 2021/2178.

Companies that are required to publish a non-financial statement or a consolidated non-financial statement pursuant to Art. 19a or Art. 29a of Directive 2013/34/EU (EU Accounting Directive) shall report on the environmentally sustainable proportion of their turnover, capital expenditure (CapEx) and operating expenditure (OpEx) in relation to the first two environmental objectives in accordance with Art. 8 in conjunction with Art. 27 (2) (a) of the Taxonomy since financial year 2022. The obligation to disclose the required information thus also applies to TAG as a capital market-oriented real estate company. Since the 2024 financial year, three tables for the disclosure of the Taxonomy-eligible and Taxonomy-aligned proportion of turnover, CapEx and OpEx in relation to environmental objectives 1-6 must be disclosed for the first time.

Process for implementing the EU Taxonomy in the company

In the 2021 financial year, TAG formed a project team consisting of the Group Accounting, Controlling and Strategic Real Estate Management (Sustainability Management) departments to implement the requirements of the Taxonomy. The project team analysed all of TAG’s business activities regarding their conformity with the activities described in the Taxonomy. On the one hand, the analysis was carried out on the basis of the activity descriptions and NACE Codes listed in the sector-specific technical screening criteria. On the other hand, the listing and breakdown of TAG’s business activities according to the accounting and reporting system (accounting data, accounts) was used. Within the framework of the regulations, premises and specifications were made for the consideration of the data in the denominator and numerator of the indicators and the data were evaluated and processed accordingly.

Disclosure of the required information

Taxonomy eligibility

Since the expansion of the business territory to Poland in fiscal year 2020, the Group's main activities as a residential real estate group include not only the letting of residential space but also the construction of new apartments for subsequent sale. The main activities of TAG analysed and identified as Taxonomy-eligible in the reporting for the financial years 2021 to 2023 basically continues to apply unchanged in financial year 2024 and are as follows:

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

As in the previous year, revenue from other services without reference to technical screening criteria, such as rental and sales revenue from parking spaces, was identified as not Taxonomy-eligible. In the area of capital expenditure, the not Taxonomy-eligible expenses relate in particular to capitalised investments without reference to technical screening criteria, such as investments in fire brigade access roads or waste disposal sites. Non Taxonomy-eligible operating expenses relate in particular to non-capitalised operating expenses, e.g. in connection with expenses for cleaning and waste disposal, where there is no reference to the technical screening criteria.

Taxonomy alignment

To identify the Taxonomy-aligned activities, TAG's taxonomy-eligible activities were checked for their fulfilment of the SC (Significant Contribution) criteria to one of the two environmental objectives of CCM and CCA, as well as the associated DNSH criteria for "Do No Significant Harm" to the other environmental objectives. In each case, the review was generally based on the relevant asset value for the turnover, investments, and operating expenses. In addition, it was analysed and checked whether the MS (Minimum Safeguards) were met in the performance of the activities.

Criteria for a substantial contribution and avoidance of harm to the other environmental objectives (SC or DNSH criteria)

Due to the letting activities, the majority of Taxonomy-eligible activities are attributable to activity 7.7 "Acquisition and ownership of buildings". Revenues from letting, as well as CapEx and OpEx for buildings that meet the technical screening criteria defined in the del. Regulation (EU) 2021/2139 were initially classified as basically Taxonomy-aligned within the scope of the analysis. For rented buildings in Poland for which the building application was submitted after 31 December 2020, in accordance with the regulations in the del. Regulation 2021/2139, the technical criteria of activity 7.1 "Construction of new buildings for subsequent sale" were applied. With regard to the environmental objective CCM, the DNSH criteria of activity 7.7 are limited, for financial year 2024, to the performance of a robust climate risk and vulnerability assessment of the physical climate risks material for the activity, in accordance with the specifications in Appendix A to Annex I of the del. Regulation (EU) 2021/2139. Together with a scientific partner, TAG has carried out such a climate risk and vulnerability assessment for TAG's entire real estate portfolio in Germany and Poland based on the specified climate scenarios (RCP 2.6, RCP 4.5 and RCP 8.5 of the Intergovernmental Panel on Climate Change (IPCC)). The risk assessment is based on Scenario RCP 4.5, which, according to the United Nations, represents the increase in the global average temperature that is most likely to be expected as a result of the currently implemented and defined national climate protection contributions (UNEP Emissions Gap Report 2023). In Scenario RCP 4.5, no climate risks evaluated as "extreme" occur at the level of the entire Company, not in the time horizon up to 2030 nor up to 2045. CapEx of activity 7.7 is classified as Taxonomy-aligned, provided that the SC and DNSH criteria for activity 7.7 are met. For buildings constructed by 31 December 2020, the relevant SC criterion for activity 7.7 in relation to the environmental objective CCM is a Class A energy performance certificate or, alternatively, allocation to the top 15% of the national or regional building stock in terms of primary energy demand. For buildings constructed after 31 December 2020, the SC criteria of activity 7.1 New construction must be applied.

Concerning the high requirements for new buildings, there are still uncertainties in relation to business activities in Poland regarding the interpretation of the requirements of the Taxonomy and the quality of evidence. In addition, the share of the Group's total revenue generated from rental business in Poland amounted to less than 2% in the financial year 2024. In the lights of this, we have decided to classify TAG's activities in Poland as not Taxonomy-aligned, as in the previous year.

This preliminary assessment may change in the future as the regulation continues to be applied and the associated scope for interpretation is clarified. In addition to activities 7.1 and 7.7, the capital expenditures (CapEx) and operating expenditures (OpEx) for the 2024 financial year were analysed to determine whether the content of these activities falls under economic activities 7.2 to 7.6 of the del. Regulation (EU) 2021/2139. For these CapEx and OpEx, the technical screening criteria of activities 7.2 to 7.6 were applied to verify Taxonomy alignment. Existing questions of interpretation or room for interpretation were applied by TAG according to the current state of knowledge with regard to the regulatory purpose of the Taxonomy. The technical screening criteria published by the EU leave room for interpretation, particularly with regard to the characteristic of the "top 15% of the national or regional building stock". This results from the required disclosure in relation to the "national or regional building stock" without provision of a reference to a specific database or benchmark. Furthermore, the term "regionality" in the del. legal acts is not explained in more detail. Also, the thresholds for classification in the corresponding energy efficiency classes vary across Europe, resulting in limited comparability of the data. TAG has therefore used the updated version of the joint study by the vdp (Association of German Pfandbrief Banks) and Drees & Sommer from 2023 as the basis for determining the top 15% of its building stock in Germany with regard to the current disclosure of Taxonomy alignment. According to this study, residential buildings with a primary energy demand or consumption of up to and including 74 kWh/sqm are considered to be in the top 15%. As a result of this analysis, around a quarter of our residential units belong to the top 15% of the German building stock.

Compliance with Minimum Social Safeguards (MS)

Another criterion for Taxonomy alignment is ensuring compliance with minimum social safeguards. This includes due diligence obligations in the Company itself and in the supply chain through the implementation of suitable processes. Essentially, this refers to compliance with human rights, corruption and bribery, fair competition and taxation. TAG uses a Group-wide approach to ensure that the MS criteria are met. As part of our compliance management system, we have implemented comprehensive procedures, Group-wide guidelines (e.g. Declaration on Respect for and Observance with Human Rights, Business Partner Code, and Anti-Corruption Policy) and grievance mechanisms to prevent and detect violations. Further information on the implementation of human rights due diligence can be found in section 9.2 G1-1 – Policy and corporate culture.

2.1.RESULTS OF THE ANALYSIS OF TAXONOMY ALIGNMENT

The proportion of Taxonomy-eligible and Taxonomy-non-eligible turnover, capital expenditure (CapEx) and operating expenditure (OpEx) determined for the reporting year 2024 are shown below :¹

Reporting form: Proportion of turnover from goods or services related to Taxonomy-aligned economic activities – Disclosure for the year 2024

¹ Y - Yes, Taxonomy-eligible activity that is Taxonomy-aligned with the relevant environmental objective

N - No, Taxonomy-eligible activity but not Taxonomy-aligned with the relevant environmental objective

N/EL - 'not eligible', activity not eligible for Taxonomy for the respective environmental objective

Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		952.3	87.9	87.9	-	-	-	-	-								81.1		
Total (A.1 + A.2)		1,044.4	96.4	96.4	-	-	-	-	-								94.8		

B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY

Turnover of activities not eligible for Taxonomy		38.6	3.6
Total (A + B)		1,083.0	100.0

7.2 Renovation of existing buildings	CCM 7.2 /CE 3.2	8.9	4.0	Y	N/E L	N/E L	N/E L	Y	N/EL								3.3		
7.7 Acquisition and ownership of buildings	CCM 7.7	177.4	79.1	Y	N/E L	N/E L	N/E L	N/E L	N/EL								47.0		
CapEx Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		186.3	83.1	83.1	-	-	-	-	-								50.3		
Total (A.1 + A.2)		210.1	93.7	93.7	-	-	-	-	-								65.0		

B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY

CapEx of activities not eligible for Taxonomy		14.2	6.3
Total (A + B)		224.3	100.0

7.7 Acquisition and ownership of buildings	CCM 7.7	23.8	48.2	J	N/E L	N/E L	N/E L	N/E L	N/E L								76.3		
OpEx Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		23.8	48.2	48,2	-	-	-	-	-								76.3		
Total (A.1 + A.2)		31.3	63.4	63.4	-	-	-	-	-								97.4		

B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY

OpEx of activities not eligible for Taxonomy		18.1	36.6
Total (A + B)		49.4	100.0

The Taxonomy-eligible and Taxonomy-aligned proportion of turnover, CapEx and OpEx in relation to environmental objectives 1 to 6 are as follows:

**Share of turnover/total turnover
in %**

Environmental objective	Taxonomy-alignment per objective	Taxonomy-eligibility per objective
CCM	8.5	52.2
CCA	0.0	0.0
WTR	0.0	0.0
CE	0.0	35.8
PPC	0.0	0.0
BIO	0.0	0.0

CapEx share/total CapEx in %

Environmental objective	Taxonomy-alignment per objective	Taxonomy-eligibility per objective
CCM	14.7	79.1
CCA	0.0	4.0
WTR	0.0	0.0
CE	0.0	0.0
PPC	0.0	0.0
BIO	0.0	0.0

OpEx share/total OpEx in %

Environmental objective	Taxonomy-alignment per objective	Taxonomy-eligibility per objective
CCM	15.2	45.8
CCA	0.0	0.0
WTR	0.0	0.0
CE	0.0	0.0
PPC	0.0	0.0
BIO	0.0	0.0

2.2. SUPPLEMENTARY DISCLOSURES IN CONNECTION WITH THE INFORMATION TO BE DISCLOSED

Turnover

The total turnover of EUR 1,082.9m (previous year: EUR 1,329.8m) includes revenues from rentals totalling EUR 473.0m (previous year: EUR 462.3m) and from the sale of flats amounting to EUR 497.4m (previous year: EUR 749.5m). Please refer to the consolidated financial statements for a presentation of the consolidated income statement. The share of revenues from services amounts to EUR 112.5m (previous year: EUR 118.0m). The numerator of the 'Turnover' KPI includes revenue from the rental of buildings that meet the Taxonomy requirements for activity 7.7. Taxonomy-aligned turnover totalled EUR 92.1m or 8.5% of total turnover (previous year: EUR 181.8m or 13.7% of total turnover). The year-on-year change is in particular attributable to lower revenues from the sale of investment properties in activity 7.7 compared to the previous year.

Capital expenditure (CapEx)

Taxonomy-aligned capital expenditure relates to capitalised investments in non-current assets and, at EUR 23.8m or 10.6% of total CapEx (previous year: EUR 25.2m or 14.7% of total CapEx), is mainly attributable to properties held as financial investments (investment properties). There were no investments in property, plant and equipment, or additions to right-of-use assets capitalised in accordance with IFRS 16, or intangible assets acquired or internally generated or capitalised as part of business combinations, that would be classified as Taxonomy-aligned in the financial year 2024. CapEx is presented in the notes to the consolidated financial statements on the development of investment properties, property, plant and equipment, right-of-use assets and intangible assets.

Operating expenses (OpEx)

Operating expenses mainly contain expenses in connection with the daily maintenance and repair of investment properties and tangible assets. EUR 7.5m or 15.2% of total OpEx (previous year: EUR 9.0m or 21.1% of total OpEx) of the Taxonomy-aligned portion relates to the maintenance and repair of buildings that are to be classified as Taxonomy-aligned in accordance with the requirements for activity 7.7 as part of the review of the requirements of the Taxonomy. The Taxonomy-aligned portion essentially includes non-capitalised expenses in connection with the maintenance and repair of heating and ventilation systems, as well as work on the building and electrical systems, and carpentry and painting work, and is roughly on a par with the previous year's level in terms of absolute amount.

Outlook

Due to the very high requirements for Taxonomy alignment and the associated interpretation issues as well as requirements for the quality of evidence, we expect that as before, only some of our business activities will continue to meet the technical screening criteria. For example, the share of our German portfolio with an energy performance certificates score of C or better is currently around 63%, of which around 4% have an energy efficiency class of A or better. In Poland in particular, we expect to increase our Taxonomy-aligned business activities in the coming years.

The Taxonomy and the related delegated acts contain formulations and terms that are still subject to uncertainties of interpretation and for which clarifications have not yet been published in every case. Therefore, the legal representatives of TAG have set out their interpretation of the Taxonomy and the delegated acts adopted in this regard in the "EU Taxonomy" section of the Group's non-financial statement. They are responsible for the reasonableness of this interpretation. However, due to the inherent risk that indeterminate legal terms may be interpreted differently, the legal conformity of this interpretation is subject to uncertainties.

3. CLIMATE CHANGE (ESRS E1)

3.1.E1.SBM-3: MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

The impacts, risks and opportunities (IROs) identified as material for the Group in relation to the respective ESRS are presented below. The presentation is labelled according to the extent to which the respective IRO affects the Group's own operations (OO) or the upstream value chain (UVC) or downstream value chain (DVC).

E1 – Climate change	Settlement (OO/VC)	Positive Impacts	Settlement (OO/VC)	Negative impacts	Opportunities	Risks
Energy						
Energy concepts/energy procurement	UVC	The implementation of energy concepts for the use of renewable energies reduces the consumption of fossil fuels and CO ₂ emissions.	UVC	Delaying the construction/expansion of the corresponding infrastructure hinders the switch to renewable energy in terms of scope and speed.	Better financeability (incl. use of subsidies) of properties with high energy efficiency (purchase/ prolongations), of actions to reduce energy consumption or for the use of renewable energies.	Reduced availability of or poorer conditions for financing energy and CO ₂ -intensive properties.
					Emission of "green" promissory notes for appropriate actions (e.g. for energy procurement, energy supply, energy reduction) is establishing itself as a material financing component.	
	OO	The purchase of renewable energies is an important lever for increasing the share and scope of TAG's energy mix, for new construction and for upstream suppliers to reduce CO ₂ n emissions.	OO	Further use of fossil fuels leads to increased CO ₂ emissions and further destruction of biodiversity (e.g. through fossil fuel extraction).	The use of green district heating can lead to lower energy and CO ₂ costs.	Increased energy and CO ₂ costs for fossil fuels (especially at the subsidiaries in Poland due to a high dependency on hard coal and lignite).
	OO/VC		OO	As part of the property sector, TAG has a share in the high energy consumption of buildings.		Fundamental change in the heating price structure, as high investments will be required for the "green" transformation in the coming years and these will be passed on to users via the basic price share. TAG tenants could therefore initially be burdened with higher costs.

Power generation	OO	Own generation of renewable energy/utilisation of renewable energy systems (e.g. PV systems, heat pumps) reduces the use of fossil fuels.	UVC	The production of renewable energies or the implementation of sustainable energy concepts increases the demand for limited raw materials (e.g. lithium) and can lead to additional energy/ CO ₂ consumption as well as to an impairment of biodiversity.	Renewable energies are less volatile and are therefore less exposed to price fluctuations.	The conversion of the entire market to renewable energy can lead to bottlenecks in terms of the availability of materials, technology, and infrastructure as well as craftsmen's capacities and result in price increases.
					The use of renewable energies can reduce dependencies on raw material costs and offer greater price stability in the face of geopolitical changes.	
Energy saving	OO	The implementation of actions to reduce energy consumption (e.g. planned increase in properties with an energy rating of energy efficiency class C or better to at least 65%) by TAG reduces tenants' energy consumption.	UVC	A limited use of energy/resources is also required for the production/procurement of new technologies, which initially continues to cause carbon emissions and affect biodiversity.	The implementation of actions to reduce energy consumption or the use of renewable energies leads to a reduction in heating and electricity costs. With regard to the warm rent, this opens up opportunities to adjust the net cold rent and increases the attractiveness of the property (for tenants/buyers).	The lack of tenant involvement (e.g. tenant does not agree to the installation of smart technology) can lead to delays in the implementation of the decarbonisation strategy and result in rising energy and CO ₂ costs.
	OO	The use of intelligent technology for energy distribution (smart technology) in conjunction with the promotion of energy-saving behaviour by tenants through actions and information can lead to lower energy consumption in owner-occupied spaces (e.g. implementation of recommended measures from energy audits).	DVC	Increased demands on the tenants' duty to cooperate (lack of willingness) can prevent optimal results.	Optimisation of the overall investment over time through low-investment actions in relation to energy distribution (e.g. smart technology) can lead to short-term energy and carbon savings.	Bottlenecks in terms of material and technology availability as well as craftsman capacities can lead to price increases and make it more difficult to implement the decarbonisation path.
					New technologies can reduce maintenance costs.	The durability of new technologies has not yet been tested, which is why the optimisation of overall investments may not be realised over time.
						New technologies can lead to extended insurance requirements and thus increased insurance costs.
Climate change mitigation						

CO ₂ reduction	OO	Actions to reduce CO ₂ emissions in new and existing portfolios (e.g. through insulation, installation of renewable heating systems, optimisation of the consumption of existing heating systems, use of intelligent technology) contribute to climate change mitigation.	OO	Failure to implement actions to reduce CO ₂ emissions prevents climate change mitigation and thus has climate-related impacts on the environment and people (e.g. loss of biodiversity, many parts of the world no longer habitable for humans, refugee flows to the global North, etc.).	The implementation of actions to reduce CO ₂ emissions leads to better financing conditions, a reduction in the CO ₂ tax for TAG or a shift to the tenants (e.g. if only the building is initially insulated but the fossil fuel heating is not yet replaced) and positioning as a more attractive landlord on the market.	Failure to implement actions to reduce CO ₂ emissions will lead to higher costs or lower revenues (e.g. increase in CO ₂ tax, tenants moving to lower-emission buildings, no or more expensive follow-up financing, etc.) and possible reputational damage (due to failure to achieve decarbonisation targets).
Utilisation of alternative/low-emission energies and materials	OO	The use of alternative construction methods enables environmentally friendly building materials as well as energy and CO ₂ -neutral or reduced operation, thereby improving the quality of life for tenants and also the urban climate (e.g. by greening roof terraces and façades).	OO	The use of energy-intensive materials (e.g. concrete and steel) in (new) construction projects results in a large CO ₂ footprint.	The construction or refurbishment of energy-efficient and low-emission buildings provides better access to subsidies and financing conditions and also has a positive impact on the reputation (also through the realisation of decarbonisation targets) and the attractiveness of the properties for tenants/buyers.	Actions to achieve a CO ₂ reduction (e.g. through CO ₂ -neutral energy sources, materials and construction processes) are very cost-intensive.
	OO	The installation of renewable energies (e.g. PV etc.) accelerates the implementation of the TAG decarbonisation strategy and reduces the CO ₂ footprint.				
	OO	The implementation of "green" business travel policies (through public transport, the use of electric vehicles, sustainable accommodation, suspension of air travel) contributes to the reduction of GHG emissions.				
Climate change adaptation						
Building			OO	Buildings contribute to urban warming through black roof surfaces, for example. This favours climate change and can affect the quality of life of residents.	Buildings with climate change adaptation concepts are more attractive, retain their value, and achieve better valuations.	Adaptation measures for buildings in the face of climate change are cost-intensive.

						Buildings that are inadequately adjusted to climate change lead to poorer results in terms of Taxonomy alignment by environmental objective 2, which can reduce the marketability of the buildings and result in lower rental income.
						Climate risks can increase the cost of building insurance.
						The occurrence of physical climate risks, such as flooding, heavy rainfall events or storms, can cause damage to buildings and construction projects.
						Uncertainties about the course of climate change and the occurrence of extreme weather events mean that there is a risk of long-term losses in the value of buildings.
Neighbourhood solutions for climate change adaptation	00	Climate change adaptation actions (e.g. climate-resistant trees, unsealing of surfaces, greening, infiltration solutions for rainwater, shading solutions) will make a positive contribution to the urban climate and for residents against the backdrop of increasing climate change.	00	A lack of climate change adaptation actions in the neighbourhood can have a negative impact on the urban climate (e.g. heat build-up, flooding) and the residents.		Rising sea levels as a risk for portfolios near the coast may make adaptation measures necessary, which are cost-intensive.

3.2.E1.IRO-1 – DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL CLIMATE-RELATED IMPACTS, RISKS AND OPPORTUNITIES

The identification and valuation of the material climate-related impacts, risks and opportunities took into account both physical and transitory climate risks.

In addition, TAG's climate risk and vulnerability assessment analysed potentially damaging consequences of physical climate risks with a focus on its own business activities for the existing portfolio and project development, as well as possible adaptation solutions to minimise climate risks that are considered material. The upstream and downstream value chain was not explicitly included in the climate risk and vulnerability assessment. The valuation takes into account both external factors (in particular climate projections) and internal factors, i.e. factors that can be influenced by TAG (e.g. structural or portfolio-changing actions). The external impact drivers are scenario-dependent and describe different climatic effects. The internal impact drivers are scenario-independent and assess the sensitivity and vulnerability of the property portfolio.

The climatic impacts of the external impact drivers were analysed from scientific climate projections of the IPCC for four scenarios. The result of the external impact drivers is the site-specific exposure of each building to the seven defined climate risk drivers. For the results of the analysis, please refer to our comments in chapter 3.3 E.1.ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model in this section.

The Company's internal impact drivers can be divided into building-specific and impact-specific factors. The building-specific factors assess the damage that could potentially be caused by the realisation of physical climate risks. For this purpose, the buildings in the portfolio are categorised into damage classes based on their monthly target rent, the turnover to be generated or the construction costs incurred to date. Impact-specific factors categorise the potentially harmful climate impact per risk driver for the property portfolio. The valuation of impact relevance is based on expert assessments by the departments involved. This assessment, together with the damage class, results in the sensitivity of each building to the individual climate risk drivers. The sensitivity represents the gross damage potential. Implemented adaptation measures describe physical and non-physical actions that can minimise the gross damage potential (= sensitivity). The experts from the various specialist areas have assessed the existing adaptation measures for each climate risk driver. In particular, climate risks and their impacts on the building fabric, the living environment and the tenants were assessed. The combination of these adaptation solutions with the sensitivity results in the vulnerability - the so-called net damage potential. If the vulnerability is combined with the exposure, the result is the qualitative climate risk per building per risk driver per scenario.

In addition to the physical climate scenario analysis, in 2023 we conducted an in-depth analysis of climate-related transitory risks and opportunities and their impact on business activities, strategy and financial planning on the basis of four representative climate change narratives.² The various narratives reflect a range of possible developments and highlight potential risks and uncertainties.³ Transitory risks arise from the transition to a low-carbon global economy and are limited in time, but can be significant in their scale and intensity.

The material four transitory driver categories comprise society, technology, economy, and regulation, for each of which three to four risk drivers have been analysed. The model focuses on quantifying the influence of these transitory risks on the relevant key performance indicators up to 2030⁴ using the risk drivers. These are parameter-based factors that can have a significant impact on TAG's future business results. They were identified by TAG experts and made measurable using defined parameters for the four different climate change narratives.

² Narrative 1: Business-as-usual, Narrative 2: Social/technical focus becomes tighter/more uncertain, Narrative 3: Regulatory focus becomes tighter/more uncertain, Narrative 4: Worst case scenario: Too little, too late

³ The upstream and downstream value chain was not explicitly included in the analysis.

⁴ No long-term time horizons were considered when analysing transitory risks.

The following risk drivers were taken into account in the four transitory driver categories:

Society:

- Demographic change
- Socio-economic framework
- Urbanisation and housing demand
- Reputation and business partners

Technology:

- Renovation wave
- Innovative energy supply
- Digitalisation and networking

Economy:

- Energy and carbon price
- Construction activity and price fluctuations
- Residential real estate market
- Financing and subsidies

Regulation:

- Rent regulation
- (Energy) requirements for new builds and portfolios
- Disclosure obligations and ESG compliance

Studies on the German and Polish residential property markets were used to validate the plausibility of the valuation of possible consequences.

The quantitative valuation of the transitional scenario analysis has not yet been finalised. At this stage, the Management Board assumes that there are no assets that are not compatible with the transition to a climate-neutral economy.

By precisely quantifying potential transitory risks, TAG will in future be able to estimate the effects of the individual drivers in the various climate change narratives on key financial performance indicators. According to the Management Board, this will allow data-based decisions to be made, strategic actions to minimise risks to be planned, and the long-term financial performance of the portfolio to be ensured.

3.3.E1.SBM-3 – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL IN RELATION TO CLIMATE CHANGE

Climate risks are identified and monitored on an ongoing basis as part of Group-wide risk management. These risks are identified and valued by the respective risk managers as part of quarterly risk reporting. The extent to which sites may be affected by physical climate risks such as heavy rainfall, storms, flooding or heat is monitored on a quarterly basis as well as on an ad hoc basis. We also determine the extent to which negative impacts have occurred or could occur as a result of extreme weather events. The regular evaluation of insurance statistics and reports as well as the valuation of specifically recorded damage and its frequency help us to assess whether these are isolated incidents or whether extreme weather events are increasing systematically. Climatic changes can also have impacts on building insurance costs or require additional adaptation measures to protect against weather-related damage. Climate-related transition risks, such as carbon pricing, are also part of Group-wide risk management.

In addition, in 2022 we carried out a systematic climate risk and vulnerability assessment in collaboration with a scientific partner for the physical risks associated with climate change in accordance with the recommendations of the International Sustainability Standards Board (ISSB) as the successor to the Task Force on Climate-related Financial Disclosures (TCFD) for our entire portfolio in Germany and Poland. In addition, the methodology used complies with the recommendations of the Federal Environment Agency.⁵ The project was carried out with the involvement of the Strategic Property Management, Controlling/ Risk Management, Energy Management, Central Technology and LIM regions departments.

The physical climate risks were analysed for the periods up to 2030 and 2045. These time periods correspond to TAG's medium-term investment planning (3–5 years) and the lifespan of properties, which is considered long-term (> 10 years). They are also aligned with the time periods of TAG's medium- and long-term climate targets as part of its decarbonisation strategy and those of the national climate targets.

The physical climate risk drivers considered in the analysis include

- Heat and local temperature increase,
- Cold and localised temperature drop,
- Drought and dryness,
- Precipitation, heavy rain and hail,
- Snow load,
- Wind or storm,
- Flooding and high water.

Based on the climate scenarios (Representative Concentration Pathway, RCP) RCP 2.6, RCP 4.5, RCP 8.5 min and RCP 8.5 max of the IPCC, potentially harmful consequences of physical climate risks on our existing portfolio and our project

⁵ Guidelines for climate impact and vulnerability analyses.pdf

(https://www.umweltbundesamt.de/sites/default/files/medien/377/publikationen/uba_2017_leitfaden_klimawirkungs_und_vulnerabilitatsanalysen.pdf | 18.03.2025)

developments in Germany and Poland as well as possible adaptation solutions to minimise the climate risks considered material were identified, analysed and valued at property and neighbourhood level. Adaptation solutions describe physical and non-physical actions with regard to the building fabric, living environment and residents that have the potential to minimise the gross damage potential (sensitivity). Details of the climate protection measures for TAG's existing portfolio can be found in chapter 3.6 E1-3 – Actions and resources in relation to climate change policies.

By taking RCP 2.6 into account, a scenario was used that predicts a temperature increase of 1.5 °C to 2 °C in line with the Paris Agreement to keep global warming well below 2 °C. Various climate scenarios were used to assess the range of impacts and classify possible uncertainties. The probabilities, scope and duration of the physical climate risks were determined using climate forecasts in accordance with the above-mentioned RCP scenarios. The climate forecasts are based on a grid of 12 km x 12 km or finer.

The risk assessment is based on scenario RCP 4.5⁶, which represents the increase in global average temperature that is most likely to be expected as a result of the currently implemented and defined national climate protection contributions.

In the reporting year, we updated the analysis of potential physical climate risks for our entire portfolio in Germany and Poland. Scenario RCP 4.5 does not result in any physical climate risks with an extreme valuation in the time horizon up to 2030 or 2045.

TAG has not yet conducted a formal resilience analysis. As part of its climate strategy, TAG is focusing on the gradual decarbonisation of its portfolio in Germany in order to adapt to climate change. This involves short-, medium- and long-term adaptation measures, e.g. energy modernisation and refurbishment of the building stock, renewal of heating systems and conversion to renewable energy. In order to benefit from more favourable conditions for investments in the portfolios, sustainable financing and subsidies are also used to implement the actions. These actions help to increase the adaptability of our portfolio to potential climate-related risks and reduce carbonemissions at the same time. Further information on the actions taken with regard to TAG's climate concepts can be found in chapter 3.6. E1-3 – Actions and resources in relation to climate change policies.

⁶ Roger Pielke Jr et al (2022), "Plausible 2005-2050 Emission scenarios project between 2 °C and 3 °C of warming by 2100" Environ. Res. Lett. 17 024027 (<https://iopscience.iop.org>) | 18.03.2025

3.4.E1-1 – TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION

Transition plan, 1.5-degree target, decarbonisation levers and key measures

The operation of buildings is associated with a considerable ecological footprint. In Germany, for example, the building sector accounts for around 35% of final energy consumption⁷ and around 30% of carbon emissions.⁸ TAG's residential portfolio forms the basis of its business activities and is a substantial driver of these challenges.

GHG emissions in TAG's residential portfolio are primarily caused by heat and energy consumption during the utilisation phase of the buildings. In addition, so-called "grey emissions" in the upstream value chain result from the use of building materials in connection with the construction, renovation, and modernisation of buildings. High carbon emissions can also exacerbate transition risks as they are the focus of regulatory changes, technological advances or changing market preferences. This could result in financial impacts due to the need to adapt to stricter climate protection requirements.

TAG's ecological goal is therefore to make its building stock virtually climate-neutral by 2045. To this end, a long-term decarbonisation strategy was developed for the existing portfolio in Germany, which was adopted by the Management Board and Supervisory Board in 2021. It contains outcome-oriented, measurable targets and interim goals as well as an investment programme of around EUR 690m for an environmentally and climate-friendly portfolio. Actions and timelines are integrated into the strategy. The Management Board is responsible for implementing the decarbonisation strategy. The strategy and the resulting planning of measures as well as their operational implementation are continuously developed and managed by the "Climate Board" operating consistency.

By reducing carbon emissions, we want to make our contribution to meeting the national climate targets in Germany and thus to achieving the 1.5-degree target. The Federal Climate Protection Act (KSG) stipulates that Germany must produce at least 65% fewer GHG emissions in 2030 compared to 1990 and at least 88% fewer by 2040. We also want to minimise the additional costs incurred by TAG and its tenants as a result of carbon pricing under the Carbon Dioxide Cost Allocation Act (CO₂KostAufG).

In the first step of the strategy development process, all material data was collected and analysed in order to value the entire portfolio in Germany in terms of energy efficiency and the carbon emissions generated. The average carbon emissions (carbon equivalents) calculated in this way for the entire portfolio in Germany were 31.9 kg per sqm p.a. in relation to the usable floor space for the base year 2019.

The next step was to develop a policy and accompanying actions to be implemented by 2045. The main focus is on actions to modernise heating systems and building envelopes to save energy, switching to more efficient system control using innovative technologies and converting to lower-emission energy sources, including the increasing use of non-fossil fuels. The planned actions focus on areas of the building envelope that can be influenced by TAG and building technology as well as the supply of heating energy, taking into account the best possible cost-benefit ratio. Through the planning process, we ensure a comprehensive assessment of the ecological actions not only in terms of

⁷ | <https://www.bmwi.de/Redaktion/DE/Dossier/energie-wende-im-gebaeudebereich.html> | 14.03.2025

⁸ Federal Environment Agency 2023: Energy-saving buildings (www.umweltbundesamt.de), <https://www.umweltbundesamt.de/themen/klima-energie/energiesparen/energiesparende-gebaeude#gebaeude-wichtig-fur-den-klimaschutz> | 18.03.2025

the effect of the actions themselves, but also with regard to the economic consequences for the tenants, e.g. through modernisation levies.

As part of the decarbonisation strategy, we are working on practicable solutions to ensure that rents remain affordable in the long term. Otherwise, there is a risk that climate change mitigation measures in existing buildings will lose acceptance among broad sections of the population. This could also reduce the opportunities for building owners to implement energy modernisation measures.⁹

Actions to save energy, use resources more efficiently and switch to renewable energy are supported by the Group's internal energy management. The Group's own energy company, EWS, aims to ensure an efficient supply of energy to our portfolios and optimally utilise synergy effects through holistic approaches to modernisation measures. EWS currently supplies around 54% of the portfolio in Germany with heating energy and hot water (around 44,900 units as at 31 December 2024) and is also responsible for the maintenance and modernisation of the heating systems. Carbon savings in these areas are primarily achieved by switching from natural gas to district heating and to fuels with lower emission factors, such as renewable energy sources. Modernising installations can also increase energy efficiency. This reduces primary energy consumption and carbon emissions.

As part of the decarbonisation strategy, the aim is to further promote the conversion of heating systems from natural gas to district heating and to reduce the primary energy factor and carbon emissions by using existing infrastructure.

The Central Technology department, which was newly formed in 2021, is primarily responsible for major construction, refurbishment and maintenance measures as well as project developments as part of the decarbonisation strategy. It coordinates its activities with regional property management and EWS. Central Technology also contributes its expertise to the work of the Climate Board, for example on the topics of photovoltaics, smart technology and serial refurbishment.

Serial building refurbishment is regarded as a key technology for overcoming current and future challenges such as a shortage of tradespeople, construction time and cost-effectiveness on the way to a climate-neutral building stock. Serial refurbishment is an innovative technology, particularly in the course of converting residential units in energy efficiency classes F, G and H to class E and better.

Digitalisation offers further opportunities to save energy and is also part of our decarbonisation strategy. Smart home solutions in buildings, for example, can network building technology and energy information from residential units. Other digitalisation projects are being implemented in areas such as smart technology and serial refurbishment. For example, we have been implementing remote meter reading at various sites together with cooperation partners for several years. This makes it possible to monitor system efficiency in real time and take swift countermeasures if necessary. It records consumption and efficiency figures and automatically analyses technical optimisation options such as night-time reduction or adjusting the heating characteristic curve.

¹² <https://www.bmwk.de/Redaktion/DE/Dossier/energiewende-im-gebaeudebereich.html> | 14/03/2025

Targets, financial resources/investments, progress

By 2025, we want to reduce our carbon footprint in the German portfolio in terms of Scope 1 and Scope 2 emissions by c. 10% to 12% to 28 kg CO₂e per sqm p.a. and by 2030 by c. 30% to 22 kg CO₂e per sqm p.a. compared to the base year 2019. Our long-term target by 2045 is to reduce Scope 1 and 2 emissions from the German portfolio to less than 7 kg CO₂e per sqm p.a. We want to achieve this with a total investment volume of around EUR 690m and increased average modernisation expenditure of c. EUR 19 per sqm per year. The target is a combined Scope 1 and Scope 2 target. The Scope 2 emissions included were based on the location- and market-based methodology depending on the availability of data from the respective heating providers.¹⁰

The target values for the building sector in terms of specific carbon emissions in the German portfolio were derived from the national requirements of the Federal Climate Protection Act. According to current calculations and in agreement with housing industry associations, in order to achieve the 1.5-degree target in 2045, a reduction in current carbon emissions to a value of less than 7.5 kg CO₂e per sqm living space p.a. is required.¹¹

Our business activities in Poland do not yet have a transition plan for climate change mitigation that is in line with the 1.5-degree target. Nevertheless, there are specific carbon reduction targets for both the new construction business and the rental business in Poland. For example, a 10% reduction in Scope 1 and Scope 2 emissions from the Polish rental portfolio is planned for the 2028 financial year compared to the base year 2023 (baseline 2023: 35.55 kg CO₂e per sqm p.a.; target value 2028: 31.20 kg CO₂e per sqm p.a.). The targeted decarbonisation is materially related to the construction activities for the Polish portfolio, which we are carrying out as a general contractor.

The adoption of a transition plan for climate change mitigation for our business activities in Poland depends, among other things, on the adoption of the updated integrated national energy and climate plan in accordance with Directive (EU) 2018/1999 on the Governance of the Energy Union and Climate Change Mitigation within the EU. TAG is continuously monitoring national developments in Poland and is expected to adopt a transition plan for climate change mitigation for Polish business activities within the next three years following the adoption of the integrated national energy and climate plan.

¹⁰ In accordance with Commission Delegated Regulation (EU) 2020/1818 and Commission Implementing Regulation (EU) 2022/2453, TAG is excluded from the Paris-aligned EU reference values under the above criteria.

¹¹ https://www.iw2050.de/epaper/praxisbericht-2024-2025/files/IW_Praxisbericht_2410RZ.pdf | 18.03.2025

3.5.E1-2 – POLICIES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

The principles and guidelines for protecting the environment have been set out in writing in the “Environmental Policy” and “Environmental Protection Policy” for our business activities in Germany and Poland and along the value chain. In accordance with the guidelines and long-term decarbonisation strategy adopted by the Management Board, our aim is to actively contribute to environmental and climate protection and climate change adaptation, e.g. by reducing carbon emissions, increasing the energy efficiency of our portfolios, the sensible and conscious use of resources (e.g. through renewable energy), waste and wastewater avoidance, and the protection of animals and plants, including their habitats (biodiversity).

The guidelines apply to all employees and are available on the intranet and website. Employees can also make suggestions for improvement based on their daily practice.

TAG's Management Board bears fundamental responsibility for environmental issues within the Group. The individual actions are assigned to the respective specialist and regional departments, which are responsible for operational implementation. Implementation for the German portfolio is managed centrally, in coordination between the department heads and Strategic Property Management, supported by the Sustainability Committee and the Climate Board. The Management Board reviews the achievement of environmental protection targets at least once a year. This also includes the monitoring of carbon emissions.

Continuously reducing the energy consumption of our residential units is a material part of our environmental protection measures. Refurbishment measures such as the renewal of heating systems make an active contribution to reducing energy consumption and thus carbon emissions. Heating systems are modernised on the basis of a documented profitability calculation, taking into account the technology available at the time of the investment, which is considered optimal in accordance with current technical standards and legal requirements. Planned refurbishment projects are discussed with and approved by the Management Board as part of the annual budget discussions. In specific individual cases, the projects are discussed in detail in the Building Committee. For each action, the use of energy-saving measures (thermal insulation, new heating systems, etc.) must be reviewed in accordance with internal regulations. The use of subsidies or low-interest financing options is also considered for this purpose. Where economically justifiable and financially affordable for our tenants, these energy-saving actions are to be implemented. Energy profiles, environmental impact and potential investment costs for refurbishment measures are also taken into account for acquisitions as part of the life cycle assessment.

In the area of purchasing and procurement, the internal regulations stipulate that products and services are valued over their entire life cycle and that the most energy-efficient, environmentally friendly and therefore longevity solutions are prioritised. The involvement of local partners is to be favoured.

With regard to new construction activities in Poland, it is intended that solutions will be used in construction planning in accordance with the ROBYG Green Standard that represent the greatest possible energy efficiency in accordance with current technical standards and legal requirements at the time the project is planned. Further information can be found in the “Environmental Policies” listed in chapter 9.2.G1-1 – Business conduct policies and corporate culture and the corresponding actions in chapter 3.6.E1-3 – Actions and resources in relation to climate change policies.

In addition to the internal regulations that apply to employees, the Business Partner Code of Conduct applies to cooperation with business partners in both Germany and Poland. The Management Board is also responsible for drafting the Business Partner Code, which covers the areas of climate change mitigation, climate change adaptation, energy efficiency, and the use of renewable energy through corresponding regulations on sustainable and resource-conserving business practices. The Business Partner Code is part of the contractual documents and is also available on the websites of TAG and its Polish subsidiaries ROBYG and Vantage. For further information on the Business Partner Code, please refer to chapter 9.3.G1-2 – Management of relationships with suppliers.

3.6.E1-3 – ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE POLICIES

In optimising our existing portfolio in Germany with the long-term goal of achieving a virtually climate-neutral building stock, we are focusing on a mix of measures that build on existing activities. The focus is on refurbishing building envelopes and heating systems, renewing building technology, using bridging technologies and digital measurement and control solutions as well as increasing the use of renewable energies. The use of subsidies or low-interest financing options is also being considered in order to take advantage of better conditions for the extensive investments. The Group's own energy management offers numerous advantages, including enabling us to manage the supply of our portfolios more efficiently and optimally utilise synergy effects through holistic approaches to modernisation measures.

We contribute to reducing energy consumption and thus carbon emissions by implementing an annual refurbishment programme. This includes actions such as thermal insulation and the renewal of our heating systems.

In the year under review, TAG invested a total of around EUR 123.6m in its portfolio in Germany, including maintenance expenses. In particular, projects to reduce carbon emissions amounting around EUR 17.1m were realised.

For every major modernisation project, we validate whether the use of renewable energy is technically and economically possible and sensible. The valuation is based on property-specific energy balances. We also take into account in our planning that new heating systems must use 65% renewable energy by law from 2024 onwards. The refurbishment of 64 heating systems at EWS was completed in the reporting year. The focus here was on the increased use of renewable energy, primarily by switching to district heating. In locations without a district heating network, mainly heat pumps are used, which are usually supplemented by a natural gas peak load boiler. When selecting heat pumps, we make sure that they are operated with a natural refrigerant such as R290. This has a low global warming potential (GWP) and is considered future-proof as it is not affected by the EU F-Gas Regulation, which bans the use of refrigerants with a higher GWP value in the medium term.

In the year under review, TAG reinvested around one third of its rental income in its portfolio in Germany. In the course of these portfolio modernisations, we are also improving the energy efficiency of our buildings. Based on the available energy certificates, the average energy efficiency as of 31 December 2024 is 108.9 kWh/sqm of usable space p.a. (31 Dec. 2023: 109.8 kWh/sqm p.a.). Around 63% of our residential units currently have an energy rating in energy efficiency class C (below 100 kWh/sqm p.a.) or better.

Investment requirements for buildings in the worst efficiency classes also result from the EU Buildings Directive (EPBD). According to this, the energy consumption of residential buildings is to be reduced by an average of 16% by 2030 and by 20% to 22% by 2035. The focus here is on existing buildings with poor energy efficiency.

In the financial year 2024, TAG carried out a serial refurbishment in the German portfolio in Merseburg-Süd for the first time as part of a pilot project. With an investment volume of around EUR 2.9m in the financial year, this project is a Taxonomy-aligned CapEx project and falls under activity 7.2 - "Renovation of existing buildings" (see information pursuant to Article 8 of Regulation (EU) 2020/852). The modernisation also includes the insulation of the top floor and basement ceiling as well as the renovation of balconies and entrances. Following the refurbishment, the building's energy efficiency will improve from the third-worst class F to class B. The thermal energy requirement and carbon emissions will be reduced by over 60%. Further serial refurbishment implementation projects are being carried out at the sites in Salzgitter and Delmenhorst.

Traditionally, c. 95% of the work involved in energy-efficient building refurbishment is carried out directly on site. In contrast, with serial refurbishment, only c. 20% of the construction work is carried out directly on site. This is achieved, for example, by cladding the building with large-format façade elements. These are industrially prefabricated in factories and are delivered to the construction site ready for installation with integrated windows, balcony doors, and building services. There, the façade elements are simply attached to the exterior wall like a second skin. This shortens the construction time on site by up to 75% compared to conventional refurbishment.

TAG realised another taxonomy-aligned CapEx project with an investment volume of around EUR 8.0m in the reporting year as part of the complex refurbishment of an existing building from 1979 with 128 residential units in Greifswald. Following the refurbishment, the building's energy efficiency will improve from class D to class B. The thermal energy requirement and carbon emissions will be reduced by around 50% (see information in accordance with Article 8 of Regulation (EU) 2020/852).

We only have very limited influence on our tenants' individual electricity and water consumption. We want to promote responsible usage behaviour through targeted actions and information. This includes the installation of energy-saving devices (e.g. motion detectors to control lighting, energy-saving light sources, and water-saving sanitary products) as well as energy-saving tips on our website, information brochures and advice from our employees in the local tenant offices.

We are also establishing actions to save energy at our office locations. The last legally required energy audit in accordance with DIN EN 16247-1 (completed in 2021) showed us approaches and recommendations for action for further energy savings at our office locations in Germany, which we are taking into account in our planning.

2022, we have developed a holistic mobility concept for the German portfolio in order to better coordinate individual measures and drive forward decarbonisation in business operations. Important components of the policy include the implementation of carbon limits for conventional company vehicles and concrete implementation targets for the coming years, minimum standards for vehicle operation, a charging infrastructure concept, and the ongoing review of the market for electric commercial vehicles.

The expansion of the vehicle fleet in Germany and Poland to include electric and hybrid vehicles continued in 2024. There are currently 28 electric vehicles and 26 hybrid vehicles in use.

Reducing GHG emissions by minimising the use of non-renewable energy sources and maximising the use of renewable energy is also part of the climate concepts for our new construction activities in Poland. For example, the new-build neighbourhoods are being implemented according to the concept of the 15-minute city, in which all everyday facilities should be accessible on foot or by bicycle within a quarter of an hour. The ROBYG Green Standard also contains material initiatives and actions to reduce emissions in new buildings. It provides architects with a set of guidelines for the design of buildings and includes ecological design guidelines for the construction of buildings, water and wastewater solutions, requirements for low emissions and energy efficiency, the use of materials and the design of green spaces and outdoor areas. By complying with the standards, modern environmentally friendly solutions, such as smart home systems, are created for customers, which are also intended to reduce housing costs. In addition, the ROBYG Green Standard makes a positive contribution to the urban climate and for residents through climate change adaptation actions (e.g. climate-resistant trees, unsealing of surfaces, greening, infiltration solutions for rainwater, shading solutions). These actions to regulate the climate are also being taken in the German portfolio.

The ability to implement our climate-related actions, in particular for energy refurbishments, the use of renewable energy and improving the energy efficiency of our portfolios, depends to a large extent on the availability and allocation of financial resources, whereby we must carefully balance these investments with other operational requirements and social aspects such as affordable housing.

3.7.E1-4 – TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

Significantly reducing carbon emissions in our portfolios is a key focus of our sustainability strategy and portfolio development. By 2025, we want to reduce carbon emissions (Scope 1 and 2 in total)¹² in the German portfolio by c. 10% to 12% to 28 kg per sqm p.a. compared to the base year 2019 (initial assessment). A further reduction in carbon emissions (Scope 1 and 2 in total) by approx. 30% to c. 22 kg per sqm p.a. compared to the base year 2019 (initial assessment) is targeted by 2030. Our long-term target by 2045 is a reduction to less than 7 kg per sqm p.a. in order to make our contribution to meeting the 1.5-degree target. In the financial year 2024, the carbon emissions of the German portfolio included in the target correspond to around 90% of the market- and location-based Scope 1 and 2 emissions reported in chapter 3.9.E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions.

The specific target value for carbon emissions of less than 7.5 kg CO₂e per sqm of living space p.a. was set for the building sector based on the national targets of the Federal Climate Protection Act to achieve the 1.5-degree target by 2045. This corresponds to a reduction in carbon emissions for TAG's German portfolio of c. 78% within 26 years compared to the base year. TAG's carbon reduction pathway was checked for plausibility and validated by an external engineering company.

¹² This is a combined Scope 1 and 2 target. Both the location-based and market-based methodologies were used to calculate Scope 2 emissions, depending on the availability of data.

The following assumptions were made when determining the carbon emission reduction targets:

- Continuous reduction of emission factors for district heating and electricity by 2045 based on the use of renewable energy sources by external suppliers (district heating by 85%; electricity by 90%)
- Reduction in carbon emissions is determined annually on the basis of a mix of measures iteratively based on the value achieved in the previous year
- Development of technical progress from 2030 for generation plants is taken into account
- Assumption of an annual price increase of 3%
- No consideration of a positive effect from changes in tenant behaviour

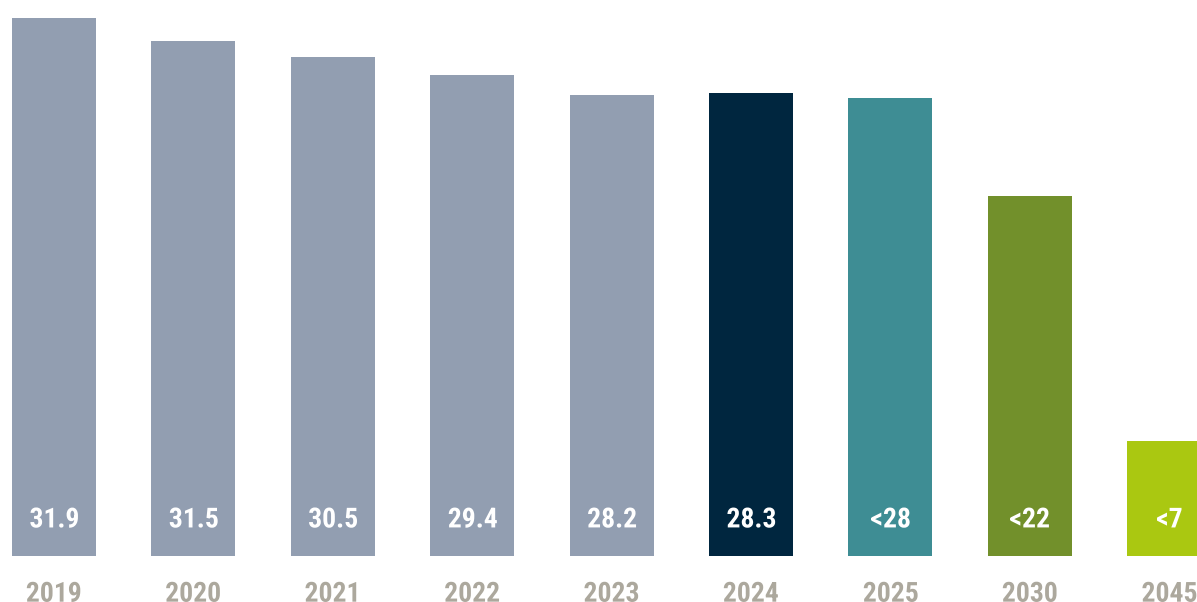
The overall contributions of the central decarbonisation levers to reducing emissions in Germany (Scope 1 and 2) are summarised in the following table. The energy-efficient refurbishment of buildings includes, for example, the refurbishment of façades, roofs and windows. Actions to reduce emissions from heat supply include, for example, refurbishing heating systems, changing energy sources or equipping buildings with remote monitoring technologies (see chapter 3.6.E1-3 – Actions and resources in relation to climate change policies).

Measures	2019	2030	2045
GHG emissions in tonnes of CO ₂ e	161,198	111,856	32,429
- Energy-efficient refurbishment of the building envelope		-10,624	-8,109
- Emission-reduced heat supply		-38,718	-71,318

The decarbonisation strategy and the associated climate protection targets for the German portfolio were developed with the active involvement of internal and external stakeholders. We have formed a dedicated project team (Climate Board) for the decarbonisation strategy. This team includes employees from the LIM regions, Strategic Property Management, EWS and Central Technology and they were involved in the process from the outset. This interdisciplinary collaboration enables a holistic view and utilisation of the available expertise. External advice from an engineering company was brought in to support the data collection, analysis and strategy development. This ensured an objective valuation and brought additional expertise to the process. When defining the milestones, attention was paid to the feasibility of scalable and economical solutions for our tenants and the Company. The decarbonisation strategy was adopted by the Management Board and Supervisory Board in 2021. The Climate Board will monitor the implementation of the actions and develop the investment strategy accordingly in consultation with the Management Board.

As at the reporting date of 31 December 2024, 62.9% of the units of our German portfolio were heated with district heating, 36.4% with natural gas and 0.7% with heating oil. In terms of usable space, energy consumption (energy intensity) averaged 131.6 kWh per sqm of usable space in 2024 (2023: 130.8 kWh per sqm of usable space). The specific carbon emissions (carbon equivalents) for Scope 1 and Scope 2 (market-based) increased marginally by 0.5% to an average of 28.3 kg CO₂e per sqm of usable space within one year (2023: 28.2 kg CO₂e per sqm of usable space). This is due to sales in our German portfolio in the reporting year. Compared to the average carbon emissions (carbon equivalents) calculated for the German portfolio for Scope 1 and 2 for the base year 2019 of 31.9 kg per sqm of usable space, this corresponds to a reduction of around 11%.

CO₂e in kg/sqm



We regularly review our targets in the area of energy efficiency and the progress of the gradual reduction in emissions based on the development of consumption and specific carbon emissions for our existing portfolio. The sub-targets defined in the decarbonisation strategy are reviewed at least once a year and reported to the Management Board.

Specifically, in addition to energy-efficient refurbishments and complex measures, we have primarily carried out individual modernisations such as insulating the building shell, replacing windows and renewing heating systems.

In the long term, 90% of our portfolio in Germany is to be supplied by our Group-internal energy company. In this context, successive efficiency increases are to be achieved through the renewal of heating systems, which in turn will lead to energy, emission and cost savings. As at 31 December 2024, the proportion of heating oil systems in the German portfolio was less than 1%. A complete reduction is unlikely to be possible in the next few years due to individual portfolio acquisitions with heating systems that are often still old.

We are continuing to equip our heating systems with remote monitoring technology. Based on conservative assumptions, the expected energy savings from this system could amount to c. 3% to 5% per year. In future, this technology should contribute even more to the efficient operation of the installations and enable faster optimisation measures if necessary. Over the next few years, we want to connect the majority of our heating systems to remote monitoring. We are working with external providers to achieve this. To date, around 40% of EWS heating systems have been equipped accordingly. Please refer to the information in chapter 3.4.E1-1 – Transition plan for climate change mitigation for information on the objectives for new construction activities.

3.8.E1-5 – ENERGY CONSUMPTION AND MIX

The TAG Group's total energy consumption is broken down into the various energy sources as follows:

Total energy consumption in MWh	01/01/ –12/31/2023	01/01/ –12/31/2024
(1) Fuel consumption from coal and coal products	0.0	0.0
(2) Fuel consumption from crude oil and petroleum products	11,000.7	10,872.1
(3) Fuel consumption from natural gas	275,999.6	272,544.8
(4) Fuel consumption from other fossil sources	00	0.0
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	361,360.1	359,950.7
(6) Total fossil energy consumption (calculated as the sum of lines 1 to 5)	648,360.4	643,367.6
Share of fossil sources in total energy consumption (in %)	93.9%	94.0%
(7) Consumption from nuclear sources	0.0	0.0
Share of consumption from nuclear sources in total energy consumption (in %)	0.0%	0.0%
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	0.0	0.0
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	41,821.6	40,752.9
(10) Consumption of self-generated non-fuel renewable energy	132.1	155.8
(11) Total renewable energy consumption (calculated as the sum of lines 8 to 10)	41,953.7	40,908.7
Share of renewable sources in total energy consumption (in %)	6.1%	6.0%
Total energy consumption (calculated as the sum of lines 6,7 and 11)	690,314.1	684,276.3

TAG's energy consumption was analysed on the basis of the actual consumption data for 2023¹³ and extrapolated for 2024 on this basis, taking into account changes in the portfolio. To ensure comparability of the data over time, the data was climate-adjusted to the base year 2019 using the data tables of the Institut Wohnen und Umwelt (IWU)¹⁴ for 2023. The climate adjustment was based on the heating degree days in 2023 and included the heat and electricity consumption of the portfolios and the Company's own business locations in Germany and Poland as well as the energy consumption of the vehicle fleets. The latter was determined using the actual billing data for the respective years.

As administrative activities in Germany only account for around 0.5% of the total property area, no distinction is made in the total energy consumption between owner-occupied and rental areas.

For the total consumption of fossil fuels, the stationary combustion of heating oil and natural gas, the mobile combustion (vehicle fleet) of petrol and diesel (direct energy consumption) and the indirect energy consumption of

¹³ A small proportion of the consumption data was estimated on the basis of energy performance certificates/building age classes.

¹⁴ [Institut Wohnen und Umwelt \(IWU\): Energy balances for buildings \(https://www.iwu.de/publikationen/fachinformationen/energiebilanzen/#c205](https://www.iwu.de/publikationen/fachinformationen/energiebilanzen/#c205) |

14.03.2025)

district heating and electricity (proportionate electricity for heat supply and general electricity) in Germany and Poland were taken into account. The heat and electricity consumption in the rental portfolios relates to the entire portfolio.

Due to Germany's nuclear phase-out in April 2023 and the low share of nuclear energy in the German electricity mix (1.4% of gross electricity generation in 2023 according to the Federal Environment Agency) as well as the lack of nuclear energy in the Polish electricity mix, the share of energy from nuclear sources is estimated to be insignificant. Furthermore, the exact share of nuclear power cannot be broken down to TAG's consumption. Therefore, an estimate of this share for TAG's electricity consumption has been suspended.

Certified green electricity for the administrative locations in Poland and self-generated solar power from the Polish subsidiaries Vantage were included in the total consumption of renewable energy.¹⁵ In addition, the energy suppliers' reported share of the district heating mix for the rental portfolios was taken into account.

The TAG Group is active in the high climate impact sectors listed in Annex I of Regulation (EC) No. 1893/2006 of 20 December 2006, namely the purchase and sale of own land, buildings and residential units (Section L, Class 68.10) and the rental and leasing of own or leased land, buildings and residential units (Section L, Class 68.20).

In the following overview, rental revenues including rental-related services as well as sales proceeds as revenues from these energy-intensive sectors are compared with the respective energy consumption.

Total net revenues according to the consolidated income statement include revenues generated through services in addition to the aforementioned revenues and sales proceeds.

The energy intensity per net revenue is shown in the following table.

Sector	Net revenue in the financial year in EUR m	Energy consumption in high climate impact sectors in MWh	Energy intensity in the financial year in MWh/EUR m
Purchase and sale of own land, buildings and residential units	497.4	16,154.1	32.5
Rental and leasing of owned or leased land, buildings and residential units	585.6	668,122.2	1,140.9
Net revenue taken into account to determine energy intensity	1,082.9	684,276.3	631.9

¹⁵ The share of market-based Scope 2 emissions was of minor importance in the financial year 2024.

3.9.E1-6 – GROSS SCOPES 1, 2, 3 AND TOTAL GHG EMISSIONS

GHG emissions in the financial year 2024 are as follows:

	01/01/ – 12/31/2023	01/01/ – 12/31/2024	Change
Scope 1 GHG emissions			
Scope 1 GHG gross emissions (t CO ₂ e)	58,649.1	57,833.2	-1.4%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (in %)	0.0	0.0	-
Scope 2 GHG emissions			
Gross location-based Scope 2 GHG emissions (t CO ₂ e)	117,755.8	119,747.3	1.7%
Gross market-based Scope 2 GHG emissions (t CO ₂ e)	98,804.2	96,796.7	-2.1%
Total GHG emissions			
Total GHG emissions Scope 1 and 2 (location-based) (t CO ₂ e)	176,404.9	177,580.5	0.7%
Total GHG emissions Scope 1 and 2 (market-based) (t CO ₂ e)	157,453.3	154,629.9	-1.8%

The carbon equivalents for Scope 1 and 2 emissions are reported in accordance with the GHG Protocol Standard. TAG applies the operational control approach. This is based on the energy consumption data shown in table in chapter 1.8.E1-5 – Energy consumption and mix. The Scope 1 and 2 emissions in the entire portfolio were included, adjusted for the vacant space for 2023.

Scope 1 emissions relate to direct energy consumption (oil, gas, petrol and diesel). Carbon emission factors from utilities, BAFA and environmental agencies were used for the calculation. As only around 0.5% of the total property area in Germany is used for our administrative activities, we do not differentiate between owner-occupied and rental areas. Data from the billing service providers and the BAFA was used to calculate the emissions from the vehicle fleet.

Scope 2 emissions relate to indirect energy consumption (district heating, general electricity, proportionate electricity for heat supply and charging electricity for electric vehicles). Both the location-based and the market-based method were used for the Scope 2 calculation. Carbon emission factors from suppliers, BAFA and environmental agencies were used to calculate the emissions.

For the current reporting year, Scope 3 emissions are not reported in accordance with the ESRS requirements. TAG expects to report in accordance with ESRS from the 2025 reporting year onwards. In addition, TAG reports for the Group on a voluntary basis in accordance with the GHG Protocol Standard in the following table on Scope 3 categories that are relevant to TAG's business model and significant in terms of the amount of emissions:

Scope 3 GHG emissions	01/01/ – 12/31/2023	01/01/ – 12/31/2024	Change
Total gross indirect (Scope 3) GHG emissions (t CO₂e)	91,909.80	149,617.50	62.8%
1 Purchased goods and services	not calculated	28,080.90	
2 Capital goods	not calculated	28,572.30	
13 Downstream leased assets	91,909.80	92,964.30	1.1%

The carbon equivalents reported in category 3.1 “Purchased goods and services” include emissions from new construction for sale in Poland. Emissions from new construction for the rental business in Poland are reported in category 3.2 “Capital goods”. The calculation of carbon equivalents is based on the floor space completed in the financial year in sqm and takes into account the emissions from LCA phases A1 – A3. An emission factor of 365 kg/sqm over the lifetime of a building of 50 years was used to determine the emissions. The emission factor is based on a DGNB study.¹⁶ Category 3.2 includes emissions from investments (CapEx measures) in the existing portfolio in Germany and from investments in the vehicle fleet. The calculation was based on internal calculations of reference projects, whose emissions were extrapolated to the total CapEx actions of the financial year.

The carbon equivalents reported in category 3.13 “Downstream leased assets” include emissions from tenants' electricity consumption. For the Polish rental portfolio, emissions from tenants' water and waste consumption are also taken into account. The electricity consumption for the German portfolio was estimated on the basis of data from the Federal Statistical Office. Emissions were calculated using the emission factor for the German electricity mix published by the Federal Environment Agency. The electricity consumption of the Polish rental portfolio was determined on the basis of consumption data for the residential units that have been let. The conversion was carried out using supplier-specific emission factors. Emissions from waste and water consumption are also based on consumption data from the Polish rental portfolio. The emission factors published by the UK Department for Environment, Food and Rural Affairs (Defra) and the UK Department for Energy Security & Net Zero were used to determine the carbon equivalents.

GHG intensity based on net revenue

The total GHG emissions per net revenue (location-based and market-based) as at 31 December 2024 are shown in the table below. Net revenue represents total revenue according to the consolidated income statement:

Total GHG emissions per net revenue	01/01/ – 12/31/2023	01/01/ – 12/31/2024	Change
Total GHG emissions (location-based) Scope 1 and 2 per net revenue (t CO ₂ e/EUR m)	132.7	164.0	19.1%
Total GHG emissions (market-based) Scope 1 and 2 (t CO ₂ e/EUR m)	118.4	142.8	17.1%

TAG does not focus on this metric, which expresses emissions efficiency in relation to the economic performance of an undertaking, as it is only of limited relevance to TAG's business model. For example, the specific characteristics of the property portfolio, such as the size, age or energy efficiency of the buildings, are not taken into account. In addition,

¹⁶ [dgnb-kurzstudie-klimawirkungen-von-sanierungen.pdf](https://www.dgnb.de/?elD=dumpFile&t=f&download=1&f=11776&token=449dfee69e41bc4028ffa8b155cc3a7f5901bf8b).

<https://www.dgnb.de/?elD=dumpFile&t=f&download=1&f=11776&token=449dfee69e41bc4028ffa8b155cc3a7f5901bf8b> | 14.03.2025

different rent levels in different regions can distort the metrics without this being due to actual differences in emissions efficiency. From TAG's point of view, a metric that compares emissions per sqm is therefore more meaningful for real estate companies, as it more directly reflects the emission efficiency of the buildings. TAG therefore uses the specific carbon emissions (in kg/sqm p.a.) as the relevant metric for calculating emissions efficiency. In the reporting year, this was 28.3 kg CO₂e per sqm of usable space for Scope 1 and 2 emissions (market-based) and also forms the basis for measuring the success of the implementation of our decarbonisation strategy in Germany (see chapter 3.7.E1-4 – Targets related to climate change mitigation and adaptation).

3.10. E1-8 – INTERNAL CARBON PRICING

Internal carbon pricing systems were not applied in the financial year 2024.

4. RESOURCE USE AND CIRCULAR ECONOMY (ESRS E5)

4.1.E5.IRO-1 – IN RELATION TO RESOURCE USE AND CIRCULAR ECONOMY

As part of the determination of material impacts, opportunities and risks in connection with resource use and circular economy, the material flows of materials along TAG's value chain were identified with regard to assets and business activities and then valued. The valuation was based on the fundamental assumption that the utilisation of resources within the Group is materially focused on the management and refurbishment of the existing portfolio and on new construction activities in Poland. The resource use from the business operations of central functions such as marketing & sales, controlling and Group accounting is estimated to be comparatively low.

TAG can only exert limited influence on tenants' resource consumption within the downstream value chain. For example, the resource use of water and electricity is influenced in particular by the individual behaviour of tenants. Through targeted actions, such as information letters and the installation of water-saving appliances, TAG can promote responsible usage behaviour to a limited extent.

Materiality issues were identified and valued by the relevant departments such as Central Purchasing, Central Technology, Strategic Property Management and the ESG teams. With regard to the topics of resource use and circular economy, the material stakeholder groups were also involved indirectly via the representatives of TAG's specialist departments, who have a good insight into their interests due to their proximity to and close dialogue with the relevant stakeholders in the course of day-to-day business. In addition, there is an exchange on specific topics as part of our activities. For example, we work with external service providers to analyse the relevant material flows. We involve our tenants in the planning of construction and refurbishment measures in the respective neighbourhoods via tenants' meetings in accordance with legal requirements. In the case of new construction, for example, experts are consulted for environmental assessments as part of the investment planning and due diligence of the site, and contact with interested parties and customers is maintained during the construction phase.

Accordingly, the material impacts, risks and opportunities identified exist primarily in the upstream value chain, i.e. in connection with the construction of new residential units in Poland and refurbishment and maintenance measures in the existing portfolio, as well as in TAG's own activities and core business, i.e. portfolio management.

Construction and refurbishment projects in particular, but also maintenance measures, lead to considerable consumption of raw materials and construction materials as well as the generation of large quantities of waste. They therefore count as resource-intensive business activities. In this respect, building materials (especially concrete and steel for new construction in Poland and paints, floor coverings and insulation materials for the maintenance and modernisation of the German portfolio) are among the most important resources used in the TAG Group, followed by fuels (e.g. petrol, diesel; for fuels and combustibles, please refer to section E1-5 Energy consumption and mix and technical equipment and business equipment (e.g. office equipment, tools and machinery)).

Remaining or returning to a "business as usual scenario" (e.g. using non-regional or non-certified materials) could have negative impacts on the environment (e.g. increased carbon footprint and difficult supply chain traceability for long supply routes). This could be accompanied, for example, by potential financial risks due to quality losses, longer delivery times and delays in execution.

By prioritising the use of environmentally friendly, recyclable and renewable materials and products, the use of resources can be reduced. By focussing on regionally available materials, products and suppliers, supply chains can be shortened and dependencies reduced, thereby lowering risks of price increases and supply bottlenecks. Investments in resource-efficient technologies and digital solutions can also help to conserve resources, as less paper is used, for example. The use of environmentally friendly, durable and health-friendly products and materials also helps to protect the health of our tenants and maintain the value of our portfolios.

4.2.E5.SBM-3 – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

The impacts, risks and opportunities (IROs) identified as material for the Group in relation to ESRS E5 are presented below. The presentation is labelled according to the extent to which the respective IRO affects the Group's own operations (OO), the upstream value chain UVC or the downstream value chain DVC.

E5 - Circular economy	Settlement t (OO/VC)	Positive Impacts	Settlement t (OO/VC)	Negative impacts	Opportunities	Risks
resource use						
Material utilisation	OO	In (own) construction projects, the use of renewable raw materials and reusable materials can partially replace non-renewable resources or reduce their consumption.	OO	Despite environmentally friendly materials, construction projects can generate considerable waste and resource consumption.	Focusing on raw materials and building materials from the geographical vicinity of the construction projects can shorten supply chains, increase independence from geopolitical crises and lead to cost advantages.	Rising raw material prices due to geopolitical problems and raw material shortages can lead to higher costs.
			OO	The use of non-regional materials and non-certified materials/processes can have a negative impact on the environment (CO ₂ footprint due to long delivery routes, use of any environmentally unfriendly materials and more difficult supply chain traceability with long delivery routes).	The use of renewable raw materials that are not affected by resource scarcity can limit construction costs.	Dependencies on specialised suppliers (e.g. suppliers that meet certain environmental criteria) harbour the risk of price increases and supply bottlenecks.
	OO/UVC	By using materials produced in Germany/regionally, jobs in Germany/regionally can be strengthened and regional undertakings that are main contractors can be promoted and supported.			The use of certified materials can increase the sustainable development of properties.	Financial risks associated with the use of non-regional and non-certified materials and processes harbour the potential risk of quality losses, warranty defects, longer delivery times and delays in execution.
Technologies					Investments in resource-efficient technologies could reduce operating costs in the long term and increase the value of properties at the same time.	

E5 - Circular economy	Settlement t (OO/VC)	Positive Impacts	Settlement t (OO/VC)	Negative impacts	Opportunities	Risks
Tenant consumption			DVC	TAG has little influence on the resource consumption of tenants that arises from the use of the buildings (e.g. water consumption, but also household waste).		
Legal requirements/regulations	UVC	Compliance with regulations (e.g. 305/2011) ensures the use of CE-marked products and reduces legal risks.				Increasingly stringent environmental regulations require investments that may not be able to be passed on to tenants.
Circular economy						
	OO	The focus on circular economy can help to optimise waste management and promote innovative waste solutions and recycling in major projects, operations, construction and undertakings.	UVC	Waste/rejects are generated during the production process of components and cannot be returned to the cycle.		

4.3.E5-1 – POLICIES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

TAG has laid down the conscious use of resources in the internal "Principles and Guidelines for Ecologically and Socially Responsible Procurement" (Green & Social Procurement Policy) and the "Principles and Guidelines for Environmental Protection" (Environmental Policy) as part of separate ESG guidelines. They are also part of our central procurement strategy and are available to employees via the intranet. A summary is available on the TAG website. Corresponding requirements can also be found in our Business Partner Code for our suppliers and service providers, which is published on the website of TAG and its Polish subsidiaries. The guidelines are binding for all Group employees. Like the Business Partner Code, they are based on the Business Principles applicable to all employees of the TAG Group. The Business Partner Code applies to all business partners and their employees and is a binding component of every business relationship between Group companies of the TAG Group based in Germany and their business partners. Corresponding guidelines also apply to the Polish subsidiaries, taking into account country-specific regulations.

The Management Board is generally responsible for monitoring and adapting these policies. In the area of inventory management in Germany, the "Central Purchasing" department is responsible for the strategic direction and management of purchasing processes.

The selection of materials and products, the selection of and cooperation with service providers, the implementation of construction actions in the portfolio through to waste disposal are analysed by TAG from the point of view of resource conservation, possible reuse or recycling and adjusted if necessary. These policies provide for the efficient and responsible use of materials, recycling and waste reduction. Through the Business Partner Code, for example, our business partners undertake to actively contribute to protecting the environment and the climate, in particular by reducing carbon emissions, using resources such as water and energy sensibly and consciously and avoiding waste and wastewater, and to orientate their purchasing activities towards solutions that are as energy-efficient, environmentally friendly and therefore longevity-friendly as possible. (Please refer to Chapter 9.3 G1-2 - Management of relationships with suppliers for information on dealing with violations and further details.) Awareness of the careful use of resources and the efficient use of materials is also raised in work meetings, workshops and training sessions.

Our central purchasing strategy stipulates that regional and recycled building materials are to be prioritised at all sites, provided that this is justifiable from an economic point of view. The focus here is on gradually switching to higher-quality materials in order to improve living comfort and ensure long-term functionality.

We ensure that our green spaces are managed in an environmentally friendly way. For example, wherever possible, we collect rainwater for reuse in the irrigation of green spaces. In construction projects, we focus on environmentally friendly construction site organisation and waste management in accordance with our internal regulations on resource conservation. Construction work is limited to the immediate vicinity of the building as far as possible and care is taken to minimise the amount of dust and soil particles released into the air. Contractors are obliged, for example, to minimise the amount of waste generated in connection with the commissioned activities and to ensure proper waste disposal.

In the business area of new residential units in Poland, there are also dedicated policies in the form of environmental and procurement guidelines. The self-developed ROBYG Green Standard for new construction project developments should be emphasised here, with specifications for low-emission solutions, ecological design, the use of materials and

the design of outdoor/green areas, among other things. The guidelines correspond to the guidelines in Germany, taking into account country- and business area-specific regulations. The regulations aim to minimise the use of non-renewable resources throughout the entire construction process (design, implementation, operation) and, in line with our business activities in Germany, to give priority to sustainable products and economic efficiency. As far as possible, we use regional materials that are durable and have good performance characteristics. Responsible waste management also plays an important role in building planning and during the construction phase, for example through waste separation.

4.4.E5-2 – ACTIONS AND RESOURCES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

Maintaining the functionality, substance and value of our buildings is the basis of our business activities as a housing company. We maintain our portfolio and ensure its rentability through maintenance and modernisation measures. Efficient use of materials according to circular economy principles such as functional durability, reliability, reusability, retrofitting, repairability and recyclability generally contributes to extending the life cycle of buildings, reducing the consumption of natural resources and waste in particular, and saving costs in the long term. In new builds, these principles are already focussed on in the planning and construction phase.

When implementing measures, we are guided by the EU Circular Economy Directives and national regulations, such as the German Circular Economy Act (Kreislaufwirtschaftsgesetz, KrWG) to promote the circular economy and ensure the environmentally sound management of waste. These contain requirements for the avoidance of waste, the reduction of waste generation and for reuse or recycling. TAG's resource flows are largely controlled on this basis.

We have defined the quality and detailed properties for specific products and materials in our overall service catalogue. We regularly obtain this information by means of inspection documents. Among other things, it is important that the products are durable, recyclable, environmentally friendly, biologically harmless, safe for health and easy to maintain.

We are in dialogue with our suppliers about the origin and processing of the resources used. In order to conserve resources, we reuse materials that meet the currently permitted standard wherever possible. As part of the complete refurbishment of bathrooms, for example, we check whether bathtubs can still be used or, as part of the rental business in Poland, whether damaged parts of the flat fittings such as furniture can be repaired using components from other defective fittings. By specifying certain product and material properties, these can also be used relatively flexibly at a later date. In the electrical sector, for example, there is an obligation to install appliances with uniform standards that can be combined with each other.

Together with our employees, we also endeavour to conserve resources, reduce waste and implement waste separation at our office locations and in our administrative activities. For example, we make sure we use paper sparingly, prefer to use environmentally friendly recycled paper and collect waste paper for recycling. We also rely on digital document management and the increasing digitalisation of business processes at our business locations in order to save paper.

To ensure efficient and environmentally friendly resource management, we review our procurement practices and make adjustments where necessary. We also continuously monitor the contracts with our business and framework agreement partners and successively add further sustainability criteria to them.

We can hardly influence the consumption of resources by tenants and buyers. Nevertheless, we are trying to reduce the amount of household waste in our portfolio and increase the proportion of recyclable materials, for through professional waste management, i.e. consistent waste separation, systematic re-sorting and appropriate advice, notices and information campaigns.

TAG plans to further expand the actions described above in the future. For example, further internal guidelines relating to the circular economy in administrative activities are to be developed for our business in Poland. For example, the possibility of selling damaged but still functional furniture instead of disposing of it is to be examined, and employee training on the topic of the circular economy is planned.

The Management Board will provide the financial resources required to implement the actions described.

4.5.E5-3 – TARGETS RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

As part of its business activities in Germany, TAG has set itself the goal of further optimising its internal policies for the transition to a circular economy, particularly with regard to expanding professional waste management, and further developing the associated data collection processes with a view to EU Taxonomy-aligned investments. The target is part of our sustainability programme and is regularly validated with the involvement of the ESG/Sustainability, Central Technology and Central Procurement departments. The Management Board is responsible for achieving the target. Measurable, outcome-oriented targets may be adopted in the financial year 2025, depending on the further development of internal policies and the availability of appropriate providers for data collection processes on the market.

As part of our business activities in Poland, we aim to build new construction projects in accordance with the "Green Standard" we have developed ourselves. This includes ecological design guidelines for the construction of buildings, the use of materials and for water and wastewater solutions. In addition, we are endeavouring to increase the proportion of non-hazardous construction waste by weight as defined by the EU Taxonomy Regulation that is sent for recycling or reuse. We are also endeavouring to implement a waste management plan for our business partners in Poland.

These targets were defined with the involvement of internal departments in Poland as part of the review and update of our ESG strategy with regard to business activities in Poland. TAG plans to report on the concretisation of the targets and the degree of target achievement in the Sustainability Report for the 2025 financial year. In addition to the aforementioned targets, TAG has set itself the goal of further digitising its business processes in Poland, e.g. by converting administrative correspondence to electronic formats, analysing further potential for avoiding or reducing the consumption of resources in the rental business, and training employees to use resources sparingly. The Management Board is responsible for following up on the implementation of the targets.

Material requirements for circular properties of products and materials such as durability, reparability or recyclability, efficient use of materials and conservation of natural resources, including through reuse, are already taken into account in our policies and actions and the various levels of the waste hierarchy are observed (see Chapter 4.3 E5-1 – Policies related to resource use and circular economy and 4.4 E5-2 – Actions and resources related to resource use and circular economy).

4.6.E5-4 – RESOURCE INFLOWS

Resource inflows are a material sustainability matter for TAG, particularly in connection with refurbishment projects and new construction activities in Poland. Material impacts, opportunities and risks arise primarily from the procurement and use of corresponding construction products and materials in connection with these activities. Construction projects are generally associated with considerable resource requirements. However, this can be minimised by using renewable raw materials, reusable materials and products or resource-efficient technologies. Using regional materials and sourcing from regional suppliers can shorten supply chains and lead to cost advantages. (Further explanations can be found in the comments on the material IROs at the beginning of Chapter E5.) Critical raw materials and rare earths are not of central importance for TAG's business activities, but are contained in certain building technologies such as smart home systems and photovoltaic systems.

Based on TAG's own activities, including activities in the upstream value chain (in particular construction and trade companies and construction material suppliers), the purchased quantities and masses of the material products and material groups for 2024 were determined.

The total weight of inflows in the reporting period amounts to approx. 476,341.1 tonnes and includes building materials (e.g. concrete, steel, insulation materials) as material or product groups. Technical equipment and office equipment are not classified as material and are therefore not included.

Certified organic materials and biofuels for non-energy purposes were not used in the reporting period; their percentage share is therefore 0%. No information can be provided on the weight and proportion of reused or recycled components due to a lack of sufficient data from the value chain for the reporting year.

Resource inflows	01/01 – 12/31/2024
Total weight of products and materials (tonnes)	476,341.1
Proportion of biological materials and biofuels used for non-energy purposes (%)	-
Weight of reused or recycled components (tonnes)	n.a.
Proportion of reused or recycled components (%)	-

The data provided for building materials are estimates and projections based on TAG's internal documentation, such as contracts with construction companies. For example, reference quantities were determined for the inflow of building materials from the construction project activities of empty apartment construction/small-scale maintenance, string refurbishment, complex refurbishment and energy refurbishment and extrapolated to the area affected by these actions in the reporting period. The data used to determine the resource inflows from construction activities in Poland are based on the construction contracts concluded with TAG's business partners in the 2024 financial year.

4.7.E5-5 – RESOURCE OUTFLOWS

The operation of our buildings, modernisation measures in our portfolio and, in particular, the construction of new properties involve a considerable consumption of energy and raw materials. Buildings are designed so that their individual elements can be repaired. Actions and regular maintenance ensure the preservation or restoration of their functionality and safety by eliminating defects and repairing damage.

The average life cycle of buildings is around 50 years; with regular maintenance, their service life or useful life can be extended to 100 years or more. The useful lives of individual components and technical building installations vary depending on the type of construction and material. For example, the average service life of concrete walls is given as 50 years, of composite thermal insulation systems as 20 to 40 years and of insulating glazing as 30 to 40 years. Relevant data collections such as the ÖKOBAUDAT¹⁷ data sets or the BBSR tables on service life¹⁸ of building components serve as a basis for the calculation or estimation of life cycle costs and life cycle assessments and support the valuation of the ecological criteria of buildings.

With this in mind, our resource management takes a holistic view of material flows, i.e. across the property life cycle and according to the principle of the circular economy. From planning, procurement and recovery through to waste disposal, attention is paid to the economical and efficient use of resources, longevity and functional stability of products and materials, reuse and recovery and recyclability. This can contribute both to lower resource consumption and to the promotion of innovative waste management solutions and recycling, especially in larger construction projects. Resource outflows for the reporting period are as follows:

¹⁷ <https://www.oekobaudat.de> from 03/14/2025

¹⁸ <https://www.nachhaltigesbauen.de/austausch/nutzungsdauern-von-bauteilen> from 03/14/2025

Resource outflows (waste generation) in tonnes	01/01 – 12/31/2024
total amount	42,508.5
thereof diverted for recovery	34,941.3
a. Non-hazardous waste	34,941.3
i. Preparation for reuse	-
ii. Recycling	34,941.3
iii. Other recovery operations	-
b. Hazardous waste	-
i. Preparation for Reuse	-
ii. Recycling	-
iii. Other recovery operations	-
of which destined for disposal	7,567.2
a. Non-hazardous waste	5,483.7
i. Incineration	-
ii. Landfilling	5,483.7
iii. Other disposal operations	-
b. Hazardous waste	2,083.5
i. Incineration	-
ii. Landfilling	2,083.5
iii. Other disposal operations	-
Amount of non-recycled waste	7,567.2
Percentage of non-recycled waste	17.8

Resource outflows in the TAG Group, like resource inflows, relate in particular to products and materials used in portfolio management, modernisation and maintenance measures, new construction and administrative activities, e.g. consumed as fuels or used as construction products, as well as waste generated in this context. The waste generated by TAG in Germany consists materially of waste from construction activities, such as building rubble. TAG's waste volume does not contain any radioactive waste. In the context of construction activities (in particular construction and demolition work), the following waste codes of the waste class construction and demolition waste (according to the European Waste Catalogue - Abfallverzeichnis-Verordnung, AVV) can be considered material for TAG's construction activities:

Waste code (AVV-No.1)	Designation
17 01	Concrete, bricks, tiles and ceramics
17 02	Wood, glass and plastic
17 03	Bituminous mixtures, coal tar and tarred products
17 04	Metals (incl. alloys)
17 05	Soil, stones and dredging spoil
17 06	Insulation material and asbestos-containing construction materials
17 08	Gypsum-based construction material
17 09	Other construction and demolition wastes

The data provided on waste volumes are estimates based on TAG's internal records, taking into account current legal regulations and standards as well as relevant waste balances.¹⁹ The assumptions were made against the background that the disposal of construction and demolition waste is carried out by waste disposal companies commissioned by the tied construction companies. Waste disposal companies are required by law to ensure that waste is separated by type. TAG sets out its requirements in this respect to the construction companies via construction or framework agreements. For the estimates, waste volumes were determined on the basis of a reference project in Germany and then extrapolated to all projects started and completed in the 2024 financial year. The breakdown of the total amount into hazardous and non-hazardous waste and recycling routes is based on the respective waste codes and the relevant waste balances mentioned. For the business activities in Poland, data is available for resource outflows from the Company's own administration (central divisions as well as sales locations and construction offices), i.e. only waste from the Company's own activities is taken into account and no construction waste is included. TAG plans to expand the data collection processes for waste volumes in the construction process in the future.

¹⁹ <https://www.umweltbundesamt.de/daten/ressourcen-abfall/verwertungsquoten-der-wichtigsten-abfallarten> from 03/14/2025

SOCIAL INFORMATION

5. OWN WORKFORCE (ESRS S1)

ESRS 2 GENERAL DISCLOSURES

The contents of the following chapter contain the material disclosures identified in the materiality assessment in accordance with ESRS S1 Own workforce. The disclosures should be read in conjunction with the disclosures on TAG's Strategy in chapters ESRS 2 SBM-1 and [SRS 2 SBM-2. The term "employees" or "workforce" is used synonymously with the term "Own workforce" in the following.

5.1.S1.SBM-3: MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

The impacts, risks and opportunities (IROs) identified as material for the Group in relation to the respective ESRS are presented below. The presentation is labelled according to the extent to which the respective IRO affects the Group's own operations (OO) or the upstream value chain (UVCUVC) or downstream value chain (DVCDVC).

S1 – Own workforce of the undertaking	Settlement (OO/VC)	Positive Impacts / Actions of TAG	Settlement (OO/VC)	Negative impacts	Opportunities	Risks
Working conditions						
Flexible working time models, hybrid working	OO	With parental leave models and flexible working time models (e.g. hybrid working), TAG promotes a work-life balance for all employees, enables the best possible Work-life balance metrics and thus supports families in particular.	OO	Activity-related restrictions in hybrid working models: Limited opportunities compared to other activities can lead to dissatisfaction among employees, for example in the craftsmen's sector, who are unable to utilise these opportunities.	The offer of hybrid working time models and the resulting geographical flexibility when recruiting new employees or retaining existing employees (e.g. when relocating) increases the attractiveness of TAG as an employer, combined with opportunities for lower recruitment costs and increased employee productivity.	
Additional and social benefits, workplace equipment	OO	In terms of workplace equipment and occupational health and safety, TAG ensures good working conditions that make daily work easier and lead to low absenteeism and a low number of accidents at work.			Employer attractiveness can be increased by ensuring good working conditions. This leads to lower recruiting costs and increased productivity through qualified applicants.	Poor working conditions in terms of workplace equipment and occupational health and safety can reduce employer attractiveness and lead to a poor working atmosphere, sickness absence, staff turnover and increased recruitment costs.
	OO	TAG promotes the health and satisfaction of its employees with modern workstations (e.g. ergonomic seats, height-adjustable desks, two monitors), modern technology and machines.				Maintaining good working conditions in terms of workplace equipment, occupational health and safety and the range of additional and social benefits (corporate benefits) is accompanied by increased expenses for the undertaking.

S1 – Own workforce of the undertaking	Settlement (OO/VC)	Positive Impacts / Actions of TAG	Settlement (OO/VC)	Negative impacts	Opportunities	Risks
	OO	The additional and social benefits offered by TAG, such as a company pension scheme, strengthen the social protection of employees and their loyalty to the undertaking.				
Working atmosphere, organisation, co-determination	OO	The maintenance of a good working atmosphere, stringent work processes and the safeguarding of employee rights by TAG have a positive effect on employee satisfaction.			The involvement of the Company's own employees (including the General Works Council, Workers' representatives on the Supervisory Board, employee share ownership programme) helps them to identify with the undertaking and strengthen their sense of personal responsibility in order to sustainably increase the value of the Company.	
Equal treatment and Equal opportunities						
Training/ skills development					By investing in staff training, TAG increases employee competence, promotes innovation and overcomes complex challenges more efficiently.	A shortage of skilled labour, overwork and increased absence rates (e.g. due to illness) can mean that certain activities (e.g. utility bills, customer service, craftsman services, activities on construction sites) can no longer be carried out or can be carried out with delays, risking unfulfilled orders and financial losses.
						A shortage of skilled labour or long backfilling times lead to an increased burden on the existing workforce due to additional work or training costs and can increase the

S1 – Own workforce of the undertaking	Settlement (OO/VC)	Positive Impacts / Actions of TAG	Settlement (OO/VC)	Negative impacts	Opportunities	Risks
						risk of longer processing times and project delays, combined with financial losses.
Diversity and Equal opportunities	OO	By promoting diversity and Equal treatment, TAG can facilitate equal participation in working life (e.g. access to certain jobs) and contribute to greater loyalty to the undertaking.	OO	A lack of diversity and equal opportunities can make equal participation in working life more difficult (e.g. access to certain jobs), worsen the working atmosphere and affect employee satisfaction.	Promoting diversity and equal opportunities can lead to greater productivity, higher quality of work performance/service, lower staff turnover and lower sickness rates with associated lower costs for recruiting and building up expertise (e.g. when long-term employees with expertise leave the undertaking).	A poor working atmosphere and a lack of employee satisfaction combined with unequal treatment, a lack of diversity and an incompatibility of work and private life lead to lower work performance and loyalty to the undertaking, higher staff turnover and, as a result, increased rehiring and training costs.
	OO	TAG's fair organisation of working conditions in terms of equal opportunities and diversity can have a positive impact on the working atmosphere and employee satisfaction.	OO	Unequal treatment and a lack of diversity can lead to tensions and have a negative impact on the working atmosphere and employee satisfaction.	By promoting equal opportunities and diversity, TAG positions itself as an attractive employer for vacant positions and junior staff (e.g. talent attraction in light of the shortage of skilled labour).	Due to a lack of diversity and equal opportunities and the resulting poor valuations (e.g. Kununu) or poor reputation, vacant positions cannot be filled in sufficient time, which is associated with costs (e.g. consulting, personnel marketing, head hunters, freelancers).
					As a diverse, multicultural, multinational and multireligious undertaking, TAG has a large pool of potential employees.	
Discrimination	OO	Ensuring that employees have the opportunity to raise any concerns (e.g. in the event of discrimination) through the TAG can strengthen the well-being of employees and their trust in the undertaking.				

S1 – Own workforce of the undertaking	Settlement (OO/VC)	Positive Impacts / Actions of TAG	Settlement (OO/VC)	Negative impacts	Opportunities	Risks
Other labour-related rights						
Child/ Forced labour	OO	The implementation of human rights due diligence by TAG can ensure that human rights are respected and complied with (e.g. avoidance of child or forced labour).				
Data protection	OO	TAG's guarantee of data protection ensures the privacy of employees and promotes their trust in the undertaking.				Potential failure to ensure data protection and employee privacy can lead to legal action, fines and reputational damage.
Entity-specific						
					A high level of employee satisfaction can lead to improved (ESG) rating results and more attractive financing conditions.	Lower employee satisfaction can have a negative impact on the Company's external image and lead to poorer (ESG) rating results and financing conditions.

5.2.S1.SBM-3 – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

The identified actual and potential Impacts on the own workforce result from TAG's strategy and business model and affect all employees. The issues resulting from the materiality assessment were also previously understood and considered as integral components of our strategy. In the Management Board's assessment, no significant adjustments to our strategy or business model based on the updated double materiality assessment in accordance with ESRS were therefore necessary.

The TAG Group's employees work both part-time and full-time. The vast majority of contracts are open-ended contracts. In Poland, TAG also employs non-employees who provide services for TAG Group undertakings as natural persons. TAG does not employ any employees, self-employed persons or persons provided by third-party companies that are primarily active in the field of labour recruitment and leasing.

Depending on the activity, some of the identified material impacts are widespread or systemic. For example, hybrid working methods can only be implemented to a limited extent in the commercial activities of craftsmen and caretakers.

The material identified positive impacts result in particular from ensuring positive working conditions and employee-related rights as well as equal treatment and equal opportunities and apply equally to the entire TAG workforce.

The material risks and opportunities arising from impacts and dependencies in connection with TAG's labour force are presented in chapter ESRS S1 – Material Impacts, Opportunities and Risks.

Material impacts on TAG's workforce that may result from transition plans to reduce negative impacts on the environment and to realise more environmentally friendly and climate-neutral activities are currently not discernible.

The materiality assessment did not identify any areas where there is a significant risk of incidents of forced labour or child labour.

The negative impacts identified as part of the materiality assessment generally relate to the entire workforce. If certain individuals (groups) are at greater risk compared to the rest of the workforce, these were also identified as part of the materiality assessment. In our society, women, people with physical and mental disabilities and people with a migration background are still at a higher risk of being discriminated against in a professional context than men or people without disabilities.

The Opportunities and Risks identified as part of the materiality assessment also generally relate to all groups of people within the workforce.

5.3.S1-1 – POLICIES RELATED TO OWN WORKFORCE

With regard to our social responsibility towards employees, TAG pursues an appreciative and diverse corporate culture that is characterised by transparency and co-determination and is equally applicable to the entire workforce. This is laid down in the Business Principles adopted by the Management Board, the anti-discrimination policy, the rules of

procedure for dealing with information in accordance with the Whistleblower Protection Act and the declaration of principles on respect for and observance of human rights.

TAG emphasises a high degree of personal responsibility and a pleasant working environment. Trust, respect and appreciation are anchored in the guidelines of our corporate culture and make a decisive contribution to the Company's success. Employees are supported as much as possible in their respective activities, for example through modern workplace equipment and internal and external training programmes tailored to their needs. In addition to a standard range of training courses on personal and professional topics, individual training courses can be arranged.

As a responsible employer, TAG also offers its employees the option of flexible and mobile working as well as trust-based working hours and flexible working time models, including guaranteed parental leave. Company agreements governing the details of home office and mobile working are in place. This is intended to make a positive contribution to the work-life balance and (mental) health of the workforce.

In the area of its own workforce, TAG also focuses its actions on making a positive contribution to achieving the SDGs on good health and well-being (SDG 3), gender equality (SDG 5) and decent work and economic growth (SDG 8).

The dialogue offered to employees also includes the opportunity to address criticism and complaints. Employees can contact their line manager, the HR department, the Works Council or the Compliance department directly via various reporting channels.

TAG is committed to respecting and complying with human rights on the basis of the United Nations Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the eight core labour standards of the International Labour Organization (ILO), which set universal minimum standards for decent work in the areas of freedom of association, prohibition of discrimination in respect of employment and occupation, abolition of child labour and forced labour, and occupational health and safety. The internal strategies established by TAG are in line with these standards. For more information on the procedures established at TAG to uphold human rights, as well as the whistleblower system and the remedial measures taken in the event of potential impacts on human rights, please refer to Chapter 9.2 G1-1 Policies and corporate culture. These are also relevant for our own employees.

In Germany and Poland, management concepts and dedicated procedures have been implemented to prevent accidents at work. Compliance with internal requirements is monitored and ensured by local occupational safety officers. The procedures include, in particular, safety regulations, inspections, employee training and the involvement of external consultants and occupational physicians in the area of occupational safety. Occupational safety, health and safety, fire protection and first aid in emergencies are of great importance to TAG, as the health of our employees is a prerequisite for their well-being and performance.

TAG has enshrined the preservation of a diverse and equal corporate culture in its Business Principles, the Anti-Discrimination Policy and the Declaration of Principles on Respect for and Compliance with Human Rights. These guidelines aim to promote equal opportunities, diversity and inclusion. In particular, the internal guidelines prohibit discrimination and ensure equal treatment regardless of race and ethnic origin, skin colour, gender, sexual orientation, gender identity, disability, age, religion, political opinion, national origin or social background and other possible

attributes of discrimination. These policies are implemented when they are handed out to new employees as part of the onboarding process and are publicised through targeted training, e.g. on the topic of anti-discrimination and equal treatment. Violations are monitored and followed up by TAG's compliance function. Please refer to section 9.2 G1-1 – Policy and corporate culture for a description of the procedures in place to monitor and take corrective action.

There are no particularly vulnerable or susceptible groups to discrimination within our own workforce. Furthermore, there are no specific policy commitments regarding inclusion or affirmative action in favour of people from groups that may be particularly vulnerable within TAG's own workforce.

5.4.S1-2 – PROCESSES FOR ENGAGING WITH OWN WORKERS AND WORKERS' REPRESENTATIVES ABOUT IMPACTS

TAG involves its employees directly on an ongoing basis and also works together with representatives such as the works council, the General Works Council, the youth and trainee representation and the Workers' representatives on the Supervisory Board. The procedures for including and involving employee representatives in decision-making processes comply with legal requirements. In addition, information meetings are held at regular intervals with the local works councils in Germany. Employee involvement takes place in various phases and includes workshops, participation in interdisciplinary projects, team meetings and regular feedback rounds such as staff appraisals and employee surveys. Important topics and needs are identified in dialogue with employees. Employees are also promoted and encouraged to play an active role in shaping the undertaking. For example, the workforce is regularly involved in projects to optimise and further develop internal work processes, in particular to take advantage of opportunities for internal knowledge transfer.

Operational responsibility for employee involvement lies with management. Final responsibility lies with the Management Board member responsible for Human Resources (COO / Co-CEO). In this way, TAG ensures that the perspective of the workforce is taken into account at the highest level of the Group organisation. In addition, TAG has issued a policy statement on respecting and complying with human rights within the Group, which also includes mechanisms for recording employee perspectives. These include employee surveys, feedback mechanisms and communication channels for reporting possible complaints or violations, e.g. of human rights such as the ban on discrimination. Employee perspectives gained through these procedures are taken into account in the decision-making process and the results are communicated transparently in a mutual dialogue.

Perspectives of any existing vulnerable groups in the TAG workforce, e.g. persons with disabilities, are collected as part of the general employee involvement procedures.

In addition, the equal inclusion of any marginalised groups is reviewed at least once a year using suitable metrics, e.g. by monitoring the proportion of women in the workforce, in management positions, on the Management Board and Supervisory Board and the gender pay gap.

Workers' representatives receive financial and organisational support in accordance with legal requirements, e.g. time off for employees and provision of the necessary infrastructure.

5.5.S1-3 – PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKERS TO RAISE CONCERNS

TAG offers its employees various opportunities to criticise and complain to the undertaking. In this way, it promotes dialogue with its employees. We have implemented various channels through which employees can express criticism and complaints, including possible legal or compliance violations and violations of human rights. In addition to the option of contacting their line manager, the HR department or the works council directly, a form is available on both the intranet and the internet that can be used to report violations of legal regulations, guidelines or internal company rules. This form enables anonymous reporting of information. In addition, complaints and information can also be sent directly by telephone or post to the Compliance department or alternatively to an external lawyer who acts as an independent reporting centre. A digital reporting system is also available. The large number of possible channels for submitting reports and complaints ensures that they are always available to the employees at their workplace.

The process for handling incoming reports, including complaints in connection with employee matters, is governed by rules of procedure for dealing with reports under the Whistleblower Protection Act, which are also published on the TAG website in the Compliance section. All incoming reports and enquiries are documented and promptly investigated and reviewed. Depending on the nature of the Incident, specific actions are taken, which may include disciplinary or labour law consequences for the perpetrators, claims for damages or compensation for the employees concerned. If necessary, existing channels and preventive procedures are adjusted to ensure their effectiveness.

The established procedures and channels are actively communicated to employees, e.g. by line managers and as part of compliance training. They are also accessible and available both on the intranet and on the internet in the Compliance section. Concerns regarding trust in the mechanisms for expressing complaints can also be communicated via the channels described. Thanks to the active feedback culture in the undertaking, TAG is also able to identify a lack of trust in or ignorance of the complaint's channels outside of the use of these channels and to take appropriate countermeasures if necessary. With regard to the procedures and structures for the protection of individuals and Workers' representatives, please refer to the information in Chapter 9.2 G1-1 – corporate culture and business conduct policies and corporate culture.

5.6.S1-4 – TAKING ACTION ON MATERIAL IMPACTS AND APPROACHES TO MITIGATING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO OWN WORKFORCE, AND EFFECTIVENESS OF THOSE ACTIONS AND APPROACHES

TAG assesses the identified material negative and positive impacts, risks and opportunities as well as its business practices in relation to its own workforce on an ongoing basis as part of quarterly personnel controlling and also on an ad hoc basis as part of feedback that can be provided by the workforce in order to ensure that its own practices do not have a material negative impact on its own workforce. If material negative impacts are identified, an assessment is made as to whether actions are necessary to limit the extent of these impacts. The necessary resources are made available for this purpose. TAG offers flexible working hours and physical and mental health programmes to promote the health and well-being of its employees and thus increase their satisfaction with TAG as an employer. As part of these programmes, we have established a company health management system with actions to promote sporting

activities and health care, e.g. through training courses, health days, the “Work Life Portal” health app and the organisation of joint sporting events.

As a responsible employer, TAG also offers its employees the option of flexible and mobile working as well as trust-based working hours and flexible working time models, including guaranteed parental leave. Company agreements governing the details of home office and mobile working are in place. In addition, initiatives to lease a job bike at a favourable rate in Germany and the promotion of supplementary health and life insurance in Poland are supported as part of employee benefits.

We are also endeavouring to increase the proportion of training courses for our employees in order to promote their professional development. In view of the shortage of skilled labour, TAG is also increasingly focusing on in-house training and further education on both specialist topics and personal development. In Poland in particular, the focus here is on occupational safety on construction sites due to construction activity.

In order to promote the professional development of employees in this context, employees are asked about their training and development needs and are regularly provided with appropriate training programmes as required. This also includes training on occupational safety to minimise injuries and absences as well as on company pension schemes. The necessary resources are made available for this purpose.

The effectiveness of the actions taken is assessed by actively obtaining feedback from employees, e.g. via employee surveys, as well as in the annual staff appraisals. If the actions are ineffective, the reasons are discussed in detail and appropriate adjustments are made. In particular, this is also intended to ensure that TAG's own practices do not have a material impact on the undertaking's employees.

Material risks and opportunities arise in particular from costs resulting from higher employee turnover and from high employee retention and satisfaction. The Management Board regularly assesses personnel cost trends and staff turnover on the basis of monthly personnel controlling in order to recognise negative trends at an early stage and take countermeasures if necessary.

In the Management Board's assessment, no further actions to prevent material negative impacts were necessary in the reporting year. The existing procedures and guidelines to promote equality and inclusion will be continued.

The actions described were already implemented in the reporting year and will be continued in the future.

5.7.S1-5 – TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

For employees to feel connected to TAG as an employer, it is crucial that they are satisfied with their workplace and the work culture. Accordingly, based on the results of previous employee surveys, the Management Board has set the

target that at least 70% of employees continue to be satisfied or very satisfied with their current work situation. Other stakeholders were not included here.

An employee survey is planned to be conducted at regular three-year intervals to review the target. Regular reviews and the collection of feedback are intended to ensure that not only the target value of 70% is continuously achieved, but that a working environment exists in the long term that is perceived positively by employees. In the last employee survey conducted in Germany in 2022, a satisfaction rate of 69% was achieved with TAG as an employer. The next survey to review this targets is planned for 2025.

5.8.S1-6 – CHARACTERISTICS OF THE UNDERTAKING'S EMPLOYEES

The number of employees in the Group as at 31 December 2024 is broken down by gender²⁰ and country as follows:

Gender	Number of employees (head count)
Male	781
Female	944
Other	0
Not specified	0
Total number of employees	1,725

Country	Number of employees (head count)
Germany	1,312
Poland	413
Total number of employees	1,725

²⁰ The Polish legal system currently only recognises the binary gender categories of male and female.

The number of employees in the Group as at 31 December 2024 is broken down by gender and type of contract as follows:

Female	Male	Other	Not specified	In total
Number of Employees				
944	781	0	0	1,725
Number of employees with permanent employment contracts (head count)				
796	703	0	0	1,499
Number of employees with fixed-term contracts (head count)				
148	78	0	0	226
Number of call-off staff (head count)				
0	0	0	0	0
Number of full-time employees (head count)				
724	716	0	0	1,440
Number of part-time employees (head count)				
220	65	0	0	285

The number of employees in the Group as at 31 December 2024, broken down by type of contract and region, is as follows:

Germany	Poland	In total
Number of Employees		
1,312	413	1,725
Number of employees with permanent employment contracts (head count)		
1,194	305	1,499
Number of employees with fixed-term contracts (head count)		
118	108	226
Number of call-off staff (head count)		
0	0	0
Number of full-time employees (head count)		
1,039	401	1,440
Number of part-time employees (head count)		
273	12	285

The option of working part-time allows our employees to organise their working hours flexibly and reconcile work, private and family life.

In the reporting year, 303 employees left the Group. This resulted in an employee turnover of 17.6%.

The data shown is taken from the personnel system in Germany and Poland respectively. This is the number of people employed as at 31 December 2024. All employees who had an existing employment or training relationship with TAG or one of its subsidiaries on 31 December 2024 are taken into account.

The employee figures stated in the notes to the consolidated financial statements in the section on headcount are average figures for the corresponding reporting period. In addition, non-employees who provide services for the TAG Group as natural persons are included in the financial reporting.

5.9.S1-8 – COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE

As an undertaking not bound by or applying collective bargaining agreements, TAG employs 0% of its employees on the basis of collective labour agreements.

Coverage rate	Collective agreement coverage	Social dialogue
0–19%	Germany, Poland	Poland
20–39%		
40–59%		
60–79%		
80–100%		Germany

All property and office management trainees receive the same training allowance. This is staggered according to the year of training. Remuneration is based on the collective agreement for the property industry or is slightly higher. For all other apprenticeships, TAG is guided by the upper end of the pay scale recommended by the Chamber of Industry and Commerce and the Chamber of Crafts.

Workers' representatives on the Supervisory Board cover 74.5% of TAG's employees. There was no agreement on representation by a European Works Council (Societas Europaea (SE) or Societas Cooperativa Europaea (SCE)) in the reporting period.

5.10. S1-9 – DIVERSITY METRICS

As at the reporting date, 69 (46.3%) of the Group's top management level employees were female and 80 (51.7%) were male. The top management level comprises the first two management levels below the Management Board and includes Heads of Real Estate Management, department heads and team leaders. In addition to the 1,725 employees as at the reporting date, this metric also includes the managers employed as associates at the subsidiaries ROBYG and Vantage in order to ensure complete coverage of the Group's top management level. TAG expects to report detailed information on associates from the 2025 reporting year as part of the disclosures on S1-7.

The number of employees in the Group as at 31 December 2024, broken down by age, is as follows:

Age	Number of Employees
Under 30 years	276
30– 50 years	934
Vver 50 years	515
Total number of employees	1,725

5.11. S1-10 – ADEQUATE WAGES

Adequate wages are paid to TAG Group employees in line with the applicable reference values.

5.12. S1-14 – HEALTH AND SAFETY METRICS

The health of our employees is a prerequisite for their well-being and performance. For this reason, occupational safety, health and safety, fire protection and first aid in emergencies are of great importance at TAG and apply to the entire workforce in Germany and Poland. Employees are trained as safety officers, fire safety assistants, first aiders and evacuation assistants.

All employees are personally instructed at least once a year by their superiors on topics relevant to occupational health and safety. In addition, regular safety briefings on the proper use of equipment and tools are organised for industrial employees. We provide our employees in the field with protective work clothing appropriate to their tasks. All employees can read up on safety and health-related topics on the intranet.

Evacuation drills are carried out every year. Regular reviews on safety-related topics are carried out at the various sites.

For several years, external specialists have been responsible for occupational health and safety at TAG. This ensures that all legal provisions are implemented. They regularly attend the meetings of the Occupational Safety Committee (ASA meeting) with the Occupational Safety Officer and the local works councils and safety officers. In addition, the actions taken, accidents at work and findings from workplace inspections are analysed every year with the external consultants.

In the new construction sector in Poland, occupational health and safety tasks and training are also carried out with the help of external occupational health and safety service providers. Particular attention is paid to occupational health and safety on the construction sites. A system of safety regulations, regular training and weekly inspections is also designed to ensure the health and safety of our own employees and subcontractors.

100 % of employees are covered by occupational health and safety and health management actions.

In the reporting year, there were 63 accidents at work in the Group, mainly commuting accidents and minor injuries without material downtime, e.g. during work by caretakers and craftsmen, as well as two injuries on construction sites. This corresponds to an accident rate of 21. There were no work-related fatalities in the reporting year, neither among the Company's own employees nor among other employees working at the Company's sites.

5.13. S1-16 – COMPENSATION METRICS (PAY GAP AND TOTAL COMPENSATION)

The gender pay gap in the Group was 7.4% in the reporting period, i.e. the average gross hourly earnings of male employees were higher than those of female employees by this percentage. The ratio of the remuneration of the highest-paid individual to the median total remuneration of all other employees (known as the "total remuneration ratio") is 25.2.

The above figures relate to the total remuneration of employees in the reporting period. The underlying quantity structure corresponds to the number of employees as at 31 December 2024. The gender pay gap is calculated taking into account all employees, excluding the Management Board.

5.14. S1-17 – INCIDENTS, COMPLAINTS AND SEVERE HUMAN RIGHTS IMPACTS

In the 2024 financial year, four cases of discrimination, including harassment, were reported to the Compliance Office.

Twelve cases were reported through channels through which own workforce can raise concerns.

No fines, sanctions or compensation payments were made in this connection.

No suspicious activity reports relating to severe incidents of human rights violations or risks were reported.

In financial year 2024, no severe human rights incidents were identified in connection with TAG's labour force.

6. ESR S2 (WORKERS IN THE VALUE CHAIN)

6.1.S2.SBM-3 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

The impacts, risks and opportunities (IROs) identified as material for the Group in relation to the respective ESRS are presented below. The presentation is labelled according to the extent to which the respective IRO affects the Group's own business activities (OO) or the upstream value chain UVCUVC or downstream value chain DVCDVC.

S2 – Workers in the value chain	Settlement (OO/VC)	Positive Impacts	Opportunities	Negative impacts	Risks
Value chain: Working conditions					
Working conditions in the upstream value chain	UVC	By promoting open dialogue and setting social standards (e.g. working hours, adequate wages, anti-discrimination, no illegal/unethical working conditions such as undeclared work, forced and child labour), TAG can improve working conditions in the supply chain and help to prevent human rights violations and violations of workers' rights in the value chain.		If business partners in the upstream value chain do not comply with certain labour law principles (such as occupational health and safety, fair treatment of employees, no undeclared work, forced labour and child labour), this can potentially lead to a violation of human rights.	
	UVC			Working in the construction industry carries a high risk of workplace injuries or personal injury, especially on construction sites, due to potential lack of safety precautions and inappropriate working conditions at business partners/suppliers.	

6.2.S2.SBM-3 IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

The identified material impacts are basically impacts on all workers employed in TAG's value chain, but in particular on employees who are employed upstream in the value chain via subcontractors on our construction sites in Poland, as well as upstream manufacturers of building materials. Even if the risk of an actual violation of applicable labour protection standards or obligations relating to compliance with human rights is classified by TAG as relatively low against the background of the comprehensive legal provisions in place to prevent violations, the impacts are widespread or systemic in the construction industry.

By promoting open dialogue and setting social standards, for example through corresponding agreements in our Business Partner Code, TAG strives to support positive impacts on workers in the value chain.

6.3.S2-1 POLICIES RELATED TO VALUE CHAIN WORKERS

TAG is committed to respecting and complying with human rights on the basis of the United Nations Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the eight core labour standards of the International Labour Organization (ILO). According to the Management Board, these standards guarantee universal minimum standards for decent work in the areas of freedom of association, prohibition of discrimination in employment and occupation, abolition of child labour and forced labour as well as occupational health and safety along the upstream and downstream value chain.

TAG has adopted a Business Partner Code to manage the material impacts associated with labour in the value chain, which is an integral part of the contractual agreements with business partners. All of TAG's business partners undertake to comply with the Business Partner Code via the contractual regulations provided for. Due to the different business models, there are Business Partner Codes for Germany and Poland that apply to our business activities in Poland and a Business Partner Code for our business activities in Germany. The Management Board of TAG, and here the COO/Co-CEO, is responsible for the design and application of the Business Partner Code

In addition to the topics of compliance with laws and ethical standards, avoidance of corruption, bribery and money laundering, compliance with antitrust law and fair competition, sustainability, environmental protection and material origin, data protection, confidentiality and avoidance of conflicts of interest and insider trading, occupational health and safety, fair treatment of employees and subcontractors, e.g. with regard to forced and child labour, and anti-discrimination of workers in the value chain are expressly regulated in the respective Business Partner Code.

For a further description of the policies established in connection with the Business Partner Code, please refer to Chapter 9.3 G1-2 – Management of relationships with suppliers.

For the new construction business in Poland, there is also a special occupational health and safety policy that applies to all persons present on the construction sites operated by TAG. The policy forms the basis of the occupational health and safety system for the new construction business in Poland. It contains strategic basic conditions, compliance with which is required of subcontractors. These include monitoring occupational health and safety on construction sites, including the prevention of accidents, the promotion of a healthy lifestyle and transparency with regard to accidents at work, as well as participation in the continuous improvement of workplace management.

6.4. S2-2 PROCESSES FOR ENGAGING WITH VALUE CHAIN WORKERS ABOUT IMPACTS

In the reporting period, there was no general procedure for cooperation with workers in the value chain beyond the procedures described in the management of supplier relationships and in Chapter 9.3 G1-2, Management of supplier relationships.

6.5. S2-3 PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR VALUE CHAIN WORKERS TO RAISE CONCERNS

TAG has established complaint and reporting systems (whistleblower system) to proactively address potential negative impacts on employees in the value chain. These enable those affected to raise concerns confidentially and receive prompt solutions. TAG supports the availability of such channels among its business partners via the Business Partner Code. A procedure to determine whether workers in the value chain are aware of and trust these structures or procedures was not established in the 2024 financial year. For a description of the procedures in place, please refer to the information in section 9.2 G1-1 – Policies and corporate culture.

In addition, there is an established procedure for the new construction in Poland that defines responsibilities and reporting channels for incidents in the construction business (emergency response instruction). The procedure obliges every subcontractor to immediately report accidents or potentially dangerous incidents on construction sites to the site management of the respective construction site.

In Poland, TAG appoints regional health and safety coordinators who are responsible for monitoring safety on construction sites. The health and safety coordinators are also responsible for coordinating the implementation and execution of the health and safety policy for projects in their assigned region. In addition, the coordinators perform health and safety tasks. Each construction site is subject to a health and safety inspection at least once a week, on which a report is drawn up detailing the actions required to reduce hazards. The health and safety coordinators also carry out safety tours of the construction sites.

The subcontractors are obliged to discuss and rectify all defects with the site manager. Confirmation of the rectification of violations is recorded in the health and safety log, which is kept by the site manager of the respective construction site. The scope of the inspection also includes checking the valid documentation of the subcontractor's employees, e.g. for proof of appropriate health and safety training, qualifications or medical examinations.

6.6. S2-4 TAKING ACTION ON MATERIAL IMPACTS ON VALUE CHAIN WORKERS, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO VALUE CHAIN WORKERS, AND EFFECTIVENESS OF THOSE ACTION

Actions are generally implemented with the aim of preventing, mitigating and remedying material negative impacts on workers in the value chain.

The actions taken in the financial year with regard to material impacts and approaches to managing material risks and exploiting material opportunities in connection with workers in the value chain in Germany mainly relate to maintaining the system already established in previous years to oblige suppliers to comply with certain protective measures with

regard to workers in the value chain. TAG plans to maintain the established procedures in the future and expand them further if necessary.

The following actions were also implemented in the area of new construction business in Poland, which is particularly affected by the (potential) Impacts:

In Poland, ROBYG organised an information campaign ("Health and Safety Week") to build a culture and awareness of occupational health and safety on the construction site for main contractors and subcontractors in the value chain. The information campaign included content such as first aid training and fire drills as well as a webinar with the Polish labour inspectorate. In addition to an information campaign to promote a healthy lifestyle with regard to ergonomics in the workplace, another "Health and Safety Week" is planned for the 2025 financial year, as well as the establishment of a separate email address that can be used to report safety concerns/suggestions for improving safety on construction sites. In addition, monthly alcohol tests are to be carried out on all ROBYG construction sites from the 2025 financial year.

The Management Board provides the operational departments involved, in particular compliance, with the necessary resources.

No incidents relating to human rights within TAG's value chain were reported in the reporting year.

6.7. S2-5 TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

In Germany, there are currently no targets relating to workers in the value chain. Our business activities in Poland have the following targets:

- No serious or fatal accidents on construction sites in the respective financial year

The target was set internally, taking into account the long-term strategy of reducing the number of accidents on construction sites to zero, and is measured based on the number of serious or fatal accidents reported on construction sites in the financial year. The target relates to the financial years 2024 to 2028; there are no interim targets. The target was achieved in the 2024 financial year.

7. CONSUMERS AND END-USERS (ESRS S4)

7.1.S4.SBM-3. MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

The impacts, risks and opportunities (IROs) identified as material for the Group in relation to the respective ESRS are presented below. The presentation is labelled according to the extent to which the respective IRO affects the Group's own operations (OO) or the upstream value chain (UVCUVC) or downstream value chain (DVC).

S4 – Consumers and end-users	Settlement (OO/VC)	Positive Impacts	Settlement (OO/VC)	Negative impacts	Opportunities	Risks
Social inclusion of consumers and end-users						
Affordable housing and neighbourhood offers for different target groups	ET	Development of affordable housing for different target groups and attractive neighbourhood offers for tenants (e.g. young housing and barrier-free housing)			Satisfied tenants and a good mix in the neighbourhood lead to lower fluctuation and a higher occupancy rate and thus to financial success.	
Neighbourhood development	ET	The development/management of the buildings/neighbourhoods improves the local infrastructure, increases diversity and provides affordable housing within the neighbourhoods for (potential) tenants.			By taking into account the requirements of (potential) local tenants, better lettable can be achieved, the value of the buildings/neighbourhoods secured, approval procedures accelerated and a positive reputation promoted.	Authorisation procedures and political decisions can stipulate unplanned conditions that result from the requirements of (potential) tenants and local stakeholders and lead to additional costs/less income.
	ET	TAG's neighbourhood management can create liveable neighbourhoods. This can strengthen social cohesion and a sense of community.				
Compliant and ethical business practices	ET	Residential and commercial premises are rented out regardless of gender/origin/nationality etc. Property and tenancy law are decisive for management.			Compliance with regulations and standards creates trust and a good reputation and long-term tenancies based on trust.	
Personal safety of consumers and end-users						

S4 – Consumers and end-users	Settlement (OO/VC)	Positive Impacts	Settlement (OO/VC)	Negative impacts	Opportunities	Risks
Health and safety in our neighbourhoods (traffic safety)	ET/UVC	Compliance with safety standards by us or our business partners/suppliers during construction work protects the health and safety of tenants and residents in the neighbourhood.	ET/UVC	The safety and health of tenants may be jeopardised by a lack of safety precautions or fire protection measures by us or our business partners/suppliers as part of construction work.	Modernisation can ensure greater tenant satisfaction and living comfort and thus contribute to a high occupancy rate, financial success and increased property value.	Inadequate safety precautions can lead to personal injury and property damage and possible recourse claims and a poor reputation.
Information-related impacts for Consumers and end-users						
Stakeholder involvement			ET	A lack of involvement of (potential) tenants and local stakeholders in decision-making processes (e.g. on neighbourhood design) can adversely affect their interests (e.g. football pitch versus senior housing from competing companies).		Negative social effects, such as gentrification or a lack of involvement of (potential) tenants and local stakeholders in decision-making processes, could trigger residents' initiatives or legal proceedings against the undertaking, thereby adversely affecting the business and the financial situation.
Transparent information and communication	ET	Timely and comprehensive information (e.g. consumption, modernisation, leisure activities, etc.) and transparent communication lead to information transparency for tenants/prospective tenants and a fair business relationship.	ET	No or incorrect information (e.g. on consumption, modernisation, leisure activities, etc.) leads to mistrust, a lack of transparency and dissatisfaction among tenants/prospective tenants.	Transparent information, especially for utility bills or rent increase requests, can contribute to smooth and punctual payment receipts.	Non-transparent and inadequate information, particularly in the case of utility bills or rent increase requests, can lead to contradictions and legal disputes and the associated costs.
Data protection						Violations of data protection standards can lead to fines from authorities, recourse claims from tenants and reputational damage.

7.2.S4.SBM-3 – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

TAG's housing programme is aimed at people from different social, ethnic and economic backgrounds. Consumers and end-users in this context are (potential) tenants and buyers of TAG's residential units. This business activity gives rise to a special responsibility. We fulfil this responsibility by aligning our business activities not only with economic, but also with ecological and social considerations. According to the Management Board's assessment, TAG's tenants and buyers do not have an increased risk of chronic ill health that could be attributed to the use of the residential units and services offered by TAG. The residential units offered for rent and sale by TAG generally fulfil the minimum legal standards for healthy living and therefore do not pose an inherent risk to the health of residents.

TAG also respects the rights of its customers: the right to privacy, the protection of their personal data, their right to freedom of expression and non-discrimination. TAG's business activities do not interfere with these rights and do not create dependencies on manuals or product labelling.

According to the Management Board, TAG's customers are not particularly susceptible to health impacts, privacy impairments and the consequences of marketing and sales strategies.

The material negative impacts identified in relation to our customers are impacts that may occur in isolated cases and are not systemic in the Management Board's assessment. In principle, the negative impacts can affect all customers and are not focussed on specific groups within our tenants and buyers.

7.3.S4-1 POLICIES RELATED TO CONSUMERS AND END-USERS

Customer satisfaction and tenant proximity are fundamental principles of our actions and an integral part of our sustainability strategy. Our sustainability strategy respects human rights due diligence. With regard to the material IROs in connection with TAG's customers, the Business Principles, the Declaration of Principles on Respect for Human Rights, the Social Policy, the Environmental Policy, the Procurement Policy and the Anti-Discrimination Policy should be mentioned in particular. They apply within the TAG Group and to our business partners, customers and other stakeholders. The implementation of these policies within TAG is the responsibility of the Management Board, and here explicitly of the COO function. The policies mentioned contain regulations on the following areas, which we consider to be the most important topics in relation to our customers:

- Anti-discrimination/social coexistence/equal treatment
- Protection of privacy/data protection/confidentiality
- Health and safety
- Environmentally friendly and durable solutions

The anti-discrimination guideline includes the prohibition of any form of discrimination, respectful coexistence, equal treatment and equal opportunities regardless of race or ethnic origin, skin colour, gender, sexual orientation and gender identity, disability, age, religion, ideology and political opinion, national origin or social background. TAG recognises the diversity of its tenants through its social activities to promote and support children, young people, families and older people in particular. The Social Policy contains principles and guidelines on social commitment.

TAG respects the privacy of its (potential) tenants and buyers and protects their personal data and all confidential information in its possession. The Business Principles and internal data protection guidelines contain corresponding provisions in this regard.

The health and safety of our tenants are important concerns for us. That is why we ensure the safety of our buildings, technical installations and existing areas and, of course, comply with the legally prescribed traffic safety obligations. We have laid down internal guidelines for the regular performance of inspections, safety checks and maintenance, training and requirements for service providers. In our actions, we place particular emphasis on the use of environmentally friendly, longevity and health-friendly products and materials in accordance with our Environmental Policy.

The whistleblower system with various reporting channels is available to all stakeholders, i.e. including tenants and buyers, for the transmission of information and complaints about actual or suspected legal or compliance violations. This also applies to human rights risks or violations that have arisen as a result of actions in our own business area or that of a direct supplier. The published rules of procedure for the whistleblower system under the Whistleblower Protection Act and for the complaints procedure under the Supply Chain Due Diligence Act explain the reporting channels, the procedure, responsibilities and whistleblower protection. For further explanations, please refer to chapter G1-1 – Business conduct policies and corporate culture.

The policies and guidelines described are in line with internationally recognised instruments, including the UN Guiding Principles on Business and Human Rights. No violations of these or of the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises involving consumers and end-users were reported in the downstream value chain in the 2024 financial year.

7.4.S4-2 – PROCESSES FOR ENGAGING WITH CONSUMERS AND ENDUSERS ABOUT IMPACTS

When supporting tenants, TAG relies on local expertise combined with centralised know-how. In Germany, for example, the LIM divisions personally support customers at the respective locations and take care of all matters relating to the properties and the rental business. They are supported by our centralised customer management team. This gives the local property management teams more time for personal support. The introduction of supporting technologies is intended to further reduce the processing time in customer service in future. Quality management and tenant sample surveys also help to continuously improve processes. The LIMs and customer management report directly to the operational Management Board (COO/Co-CEO).

To ensure that TAG is easily accessible for (potential) tenants, and that information is readily and quickly available, numerous information and communication channels are offered.

Contact persons are available in the tenant offices for personal contact. Tenants can also contact us by letter, telephone, email, tenant app or using the online form on the website of the TAG Wohnen and Vantage Rent residential brands, as well as via social media such as Facebook and Instagram. In Germany, tenants can use the TAG tenant app. The tenant app provides existing customers with a mobile application for processing their concerns about their tenancy agreement, conversions or repairs and other questions relating to housing. It can also be used to provide feedback to customer service. TAG wants to offer its tenants a fast and high-quality service. That is why we provide as many housing-related services as possible within our own undertaking.

Our customer management is centralised in Germany and Poland to ensure better accessibility for our tenants and faster processing of their requests.

We provide our tenants with useful information about housing on our housing brand website, in our tenant magazine and in various brochures. In addition, we continue to inform our tenants in analogue form, e.g. via house notices. We also involve our tenants in construction and renovation measures in the respective neighbourhoods through tenants' meetings.

We offer housing counselling at our main locations. The focus is on senior living and serviced living. Our tenants can also take advantage of our social counselling service. New and existing tenants also have the opportunity to view show flats or showrooms. There, they can familiarise themselves with furnishing options and possible adaptation measures, such as grab rails in bathrooms or smart appliances.

In order to find out how satisfied tenants are and what their wishes are, a portfolio-wide tenant survey is conducted in Germany every three years. In addition, the satisfaction of existing and new tenants with TAG's service is surveyed in monthly random samples. In addition, tenants regularly have the opportunity to evaluate the service quality of the external service providers used by TAG as part of the service monitoring programme.

With TAG's entry into the project development business in Poland, a new stakeholder group – the buyers of the residential units – has taken centre stage. Their satisfaction is a high priority for TAG. Customer service is available to buyers on all issues from sales and support to after-sales service and the takeover of the property. To determine how satisfied customers are with the service, a customer satisfaction survey is conducted during and after each disposals in Poland.

7.5.S4-3 – PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR CONSUMERS AND END-USERS TO RAISE CONCERNS

TAG has implemented transparent and accessible procedures to address negative impacts and channels for our stakeholders, especially tenants and buyers, to raise concerns.

The approach to systematically identifying and remedying potential negative impacts associated with TAG's business activities includes regular valuations and surveys to identify potential risks at an early stage and take appropriate actions to prevent or mitigate them. With regard to tenants and customers, the focus is on satisfaction with the furnishings of the residential units, safety and order in the residential environment, service quality and TAG's services. Feedback received is analysed promptly. This helps to identify changed needs and possible concerns at an early stage, to examine them and to take countermeasures if necessary. If negative impacts are identified, corrective measures are initiated to minimise these impacts. Depending on the nature of these impacts, this is the responsibility of the relevant departments, in particular local property management, central customer and quality management or the Compliance Office.

Tenants and buyers have several opportunities to express their concerns:

- Complaints hotline: A dedicated hotline is available for consumers and end-users to address their concerns directly to the undertaking.
- Website: Online contact options such as online forms and chat bots have been set up on the TAG website and on the ROBYG and Vantage websites in Poland to enable (potential) customers to submit complaints and suggestions quickly and easily.
- E-mail: Customers can also send their concerns by e-mail to an address specially set up for this purpose.
- Personal contact: In TAG's regional service offices, customers can present their concerns in person and receive support.

The communication channels are communicated on TAG's website and those of the Polish subsidiaries ROBYG and Vantage. Customer satisfaction with the communication channels is analysed as part of regular tenant surveys in Germany.

The whistleblower system with various reporting channels is available to customers and all stakeholders for submitting information and complaints about actual or suspected legal or compliance violations. This also applies to human rights and environmental risks or violations that have arisen as a result of actions in our own business area or that of a direct supplier. Whistleblowers can contact TAG's Compliance Office by post, telephone, email or online form. Alternatively, contact can be made with our compliance lawyer. The reports can be made anonymously if desired.

TAG guarantees that all complaints received will be treated confidentially. It ensures that the privacy and data protection rights of consumers and end-users are respected.

7.6.S4-4 – TAKING ACTION ON MATERIAL IMPACTS ON CONSUMERS AND END-USERS, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO CONSUMERS AND END-USERS, AND EFFECTIVENESS OF THOSE ACTIONS

TAG has taken numerous actions to address and manage material impacts on (potential) tenants and buyers. These actions are aimed at minimising risks and exploiting opportunities to increase the satisfaction of our tenants and buyers. These include

- Good availability, transparent information and communication, efficient processing of enquiries for a high level of customer focus and service quality
- Actions to ensure health and safety and to increase living comfort and energy efficiency in portfolios and new builds
- Investment in residential neighbourhoods, quality of life and social infrastructure and community projects for liveable neighbourhoods

A wide range of modern, needs-based communication formats are used for dialogue with (potential) tenants and buyers. Among other things, a portfolio-wide survey on tenant satisfaction in Germany and surveys of tenants and buyers in Poland were conducted in the financial year.

Actions to protect the health and safety of tenants and buyers are implemented along our value chain. For example, ecological and health-related aspects are always taken into account when purchasing and using materials and products in the portfolio and in new construction. TAG guarantees the safety of its buildings, technical installations and existing areas and naturally ensures compliance with the legally prescribed traffic safety obligations, including ecological requirements and technical guidelines.

Actions are taken with particular emphasis on the use of environmentally friendly, longevity and health-friendly products and materials. Where possible and economically viable, regional, certified and recyclable building materials are favoured. Corresponding product and material properties are specified in the specifications. TAG attempts to exclude or minimise corresponding risks through specific specifications and agreements.

TAG endeavours to exclude the use of materials that are harmful to health as far as possible by issuing specific instructions to suppliers and service providers. If they are used infrequently, the necessary (legal) safety precautions are taken and proper disposal is ensured.

TAG regularly carries out refurbishment measures to improve the energy efficiency of its buildings. This includes, for example, the use of modern heating systems and the insulation of buildings, with the aim of reducing carbon emissions and lowering energy costs for tenants. The monitoring and documentation system that has been set up can be used to retrospectively check whether the actions taken are helping to achieve the expected effects

TAG is committed to providing a service-oriented infrastructure in our neighbourhoods with low-threshold offers for all generations. TAG is also involved in various projects to promote equal opportunities and prevent discrimination. This social commitment is supported by its foundation TAG Miteinander Stiftung.

By investing in social infrastructure and community projects, TAG endeavours to improve the quality of life in its residential complexes. This includes the creation of green spaces, playgrounds and communal areas that promote social interaction.

In promoting equal opportunities, a particular focus is placed on supporting children and young people as well as older people, especially those from economically weaker sections of the population. TAG promotes a wide range of leisure activities and offers social support for different target groups. For example, the needs of senior citizens are also taken into account in new buildings or conversions, for example by making buildings barrier-free and providing housing advice. In almost all new buildings in Poland, lifts provide barrier-free access. Barrier-free access to residential units is an important part of inclusive neighbourhood design and enables older people and people with limited mobility in particular to continue living in their own homes.

To expand its knowledge of housing market developments and regional characteristics, TAG regularly participates in studies and research projects in cooperation with universities, e.g. on the topics of climate change mitigation and mobility concepts in residential neighbourhoods.

The established risk and opportunity management system takes into account the interests of tenants and buyers. The risk management system identifies and values potential and actual risks in relation to TAG's portfolio. This includes regular safety inspections and compliance with all legal regulations and standards. By continuously monitoring market trends and users' needs, TAG can proactively respond to changes and capitalise on new opportunities. This includes, for example, the further development of residential concepts and the adaptation of existing offers to the needs of tenants and buyers.

The effectiveness of the actions taken is valued through regular surveys and feedback from our tenants and buyers.

The necessary actions are valued and subsequently implemented as part of the coordination between the operating departments concerned and the COO function. The resources required for this relate in particular to costs for training and development of personnel and the provision of technical resources.

7.7.S4-5 – TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

With regard to tenants and buyers, the overriding focus is on demand-orientated, socially acceptable and ecologically sustainable portfolio and project development. To this end, TAG has defined the following measurable and outcome-oriented targets:

- Investments in the portfolio in Germany amounting to at least 1.5% of the value of the property volume at the beginning of the respective financial year. The investments are applied for and approved as part of a formalised process and tracked through monthly availability reports.

TAG has set itself the following targets with regard to the continuation of its social commitment:

- Promotion of social commitment in Germany and Poland through donations and sponsorship of at least TEUR 200 p.a.

TAG has set itself the following targets to increase customer satisfaction:

- Achieve a customer satisfaction rate of at least 70% in Germany and Poland.
In Germany, the evaluation is based on the portfolio-wide tenant survey conducted every three years and, in the periods in between, on the monthly sample surveys of our tenants. In Poland, tenant satisfaction is analysed as part of the annual lease renewal process.
- Achieve a buyer satisfaction rate of at least 70% based on the annual survey on the recommendation rate (net promoter score)

The promotion of social projects totalling at least TEUR 150 p.a. as a sub-target of the aforementioned donation target and tenant satisfaction of at least 70% in the German portfolio are also part of the non-financial targets of the variable Management Board remuneration.

Targets were set in line with TAG's adopted sustainability policies, particularly with regard to TAG's commitment to (further) developing liveable neighbourhoods with a view to the needs of our tenants and buyers. TAG wants to offer tenants a secure home and good service in the long term. In addition, the focus is on continuing social and community involvement and improving the quality of life in residential neighbourhoods. The metrics used to assess target achievement were analysed and validated by a university. External stakeholders were not involved in setting the targets.

The targets presented relate to TAG's own activities. In addition, external information such as industry reports and general sustainability approaches in the property industry, such as the 15-minute city policy, were taken into account when setting targets. In the area of promoting social commitment, there is a reference to the downstream value chain.

The customer satisfaction rate is regularly determined and analysed through customer surveys. TAG offers numerous contact options for this purpose. Feedback on the existing contact options is regularly obtained as part of the satisfaction surveys. Satisfaction with specific features of the residential units, buildings and the residential environment are also part of the regular satisfaction surveys and service monitoring.

TAG wants to offer its customers fast service and high quality. Among other things, this includes good accessibility as well as easy-to-find and quickly available information. To this end, digital processes in customer management are to be created using modern technologies to support these requirements.

To promote social and cultural offerings in TAG's neighbourhoods, the focus will continue to be on a wide range of leisure and support services such as playgrounds and Activity Lounges ("Aktiv-Treffs"). Children's and family centres are expanding cooperation with local social organisations.

Target achievement is reviewed at least once a year in consultation with the responsible Management Board member (COO/Co-CEO) with the involvement of the interdisciplinary ESG teams and the relevant specialist departments, such as customer management. Actions to follow up on the targets are agreed where necessary. The Targets presented were last reviewed and defined as part of the implementation and initial application of the CSRD.

The targets set were achieved in the 2024 financial year. In Vantage's customer satisfaction survey in autumn 2024, a large majority of respondents were very satisfied with the housing and service offering. Around 97% of participants would recommend Vantage to others. Our last portfolio-wide tenant survey in 2024 confirmed that more than 70% of our tenants in Germany are satisfied or very satisfied with TAG as a rental business. The results of the customer satisfaction survey in the Polish sales business from the 2024 financial year show that 91% of the buyers surveyed would recommend TAG to their friends and relatives. With total investments totalling EUR 123.5 m, the investment target was clearly exceeded by 151.5%. The donation target was also clearly exceeded at 256.4%.

8. DISCLOSURES IN ACCORDANCE WITH SECTION 289C (2) NO. 3 HGB

TAG Immobilien AG assumes social responsibility and is actively involved in promoting social issues in the residential neighbourhoods it manages. The aim is to create stable neighbourhoods, enable social participation and sustainably improve tenants' quality of life.

Relationships with local communities

In cooperation with cities, municipalities and social organisations, TAG supports social infrastructure projects that promote coexistence among residents. There are meeting places in various neighbourhoods that serve as contact points for community activities and social support.

Actions to promote the common good

As part of the cooperation with the non-profit association Jumpers, children's and family centres that provide educational and leisure activities are supported. In 2024, TAG won the special prize of the Real Estate Social Impact Investing Award 2024 for its neighbourhood management "Sustainable neighbourhood. For All." TAG is committed to bringing together ecological sustainability, social responsibility, quality of life and a focus on the future, thereby enabling people on low incomes to experience community and appreciation. In particular, the cooperation with partners such as Jumpers and Sempers contributes to the development of liveable and affordable neighbourhoods.

Social projects and social commitment

TAG supports charitable initiatives, particularly in the areas of education, sport and cultural integration.

Impacts of business activities on the Company

By providing affordable housing, TAG actively contributes to social mixing and ensures that tenants from different social backgrounds can live together in their neighbourhoods.

GOVERNANCE INFORMATION

9. BUSINESS CONDUCT (ESRS G1)

9.1.G1. SBM-3: MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

The impacts, risks and opportunities (IROs) identified as material for the Group in relation to the respective ESRS are presented below. The presentation is labelled according to the extent to which the respective IRO affects the Group's own operations (OO) or the upstream value chain (UVCUVC) or downstream value chain (DVCDVC).

G1 – Business conduct	Settlement (OO/VVCV)	Positive Impacts	Settlement (OO/VVCV)	Negative impacts	Opportunities	Risks
Corruption and Bribery						
Compliance system	ET	Internal guidelines governing competences, the dual-control principle (underwriting and competence guidelines, business principles, anti-corruption guidelines, etc.), training and the whistleblower system serve to prevent and combat corruption, support TAG's social responsibility and increase stakeholder confidence in the integrity of TAG's business activities.	ET	As a large residential property company, TAG has a social responsibility. Unlawful and unethical behaviour, e.g. corrupt actions in the context of ommissioning/contracting, can lead to competitive disadvantages and a loss of public/societal trust.	Internal guidelines governing competences such as underwriting and competence guidelines, business principles, anti-corruption guidelines, employee training and the whistleblower system serve to prevent and combat corruption and strengthen the integrity and trust of business partners in TAG. Trusting relationships with business partners can ensure a financially stable basis in the long term.	If cases of corruption occur in an undertaking or in the value chain, this can lead to reputational damage and criminal and civil sanctions.
Corporate culture						
Compliance	ET	Compliance supports adherence to all regulations that govern behaviour in the workplace or that must be observed during official activities. The term compliance therefore stands for adherence to rules. This adherence to rules has a positive effect on: fair treatment of employees in accordance with defined guidelines, compliance with labour standards and thus reducing the risk of abuse and exploitation of employees, fair pay and a safe working environment. The aim is			Compliance with the Company's rules and a functioning compliance management system strengthen confidence in the value of the Company and thus provide information on the security of the corporate values created.	Unlawful and non-compliant behaviour by employees harbours the risk of fines and thus financial risks.

G1 – Business conduct	Settlement (00/VCVC)	Positive Impacts	Settlement (00/VCVC)	Negative impacts	Opportunities	Risks
		to avoid violations of laws and the organisation's Targets.				
						Unlawful behaviour and the violation of guidelines or, for example, ignorance of compliant behaviour by workers in the value chain can have a negative impact on TAG's reputation.
						Supply Chain Act and decision to be EU taxonomy compliant require strict compliance; non-compliance risks penalties or increased capital costs.
Data protection	ET	Compliance with data protection regulations and a professional data protection management system strengthen stakeholder confidence in TAG's integrity and compliance with the law.				Data protection violations harbour the risk of significant fines and claims for damages from customers, employees and suppliers.
Whistleblower system		A functioning whistleblower system and the protection of whistleblowers can strengthen the well-being of employees and contribute to the identification of violations.	ET	Non-functioning whistleblowing systems can lead to violations not being publicised and not being contained.	Information from whistleblowers can be very valuable in helping to uncover or prevent legal violations. In order to protect whistleblowers and encourage them to pass on information about possible misconduct without fear of retaliation, the the German Whistleblower Protection Act (HinSchG) obliges undertakings and authorities to set up secure reporting channels and prohibits reprisals against whistleblowers. A whistleblower system strengthens stakeholders'	The Whistleblower Protection Act provides for fines for undertakings that violate the regulations. This includes, for example, a fine of 20,000 euros if no internal reporting channel is made available despite the obligation to do so or a fine of 50,000 euros for reprisals against whistleblowers. A reference to Section 30 of the German Administrative Offences Act (OWiG) can even increase these fines for certain administrative offences.

G1 – Business conduct	Settlement (00/VCVC)	Positive Impacts	Settlement (00/VCVC)	Negative impacts	Opportunities	Risks
					trust in the integrity of TAG's business activities and its ability to respond.	
Transparency	ET/UVC	Transparent and constructive dealings with external parties, e.g. business partners/suppliers, tenants, e.g. when awarding (residential) units, drafting contracts, changing services, etc.	ET	A lack of transparent and trusting interaction with employees (internal Corporate culture including co-determination) has negative impacts on the working atmosphere, loyalty to the Company, employee satisfaction, employee motivation, etc.	Internal whistleblowers are therefore an excellent early warning system and make it possible to uncover illegal behaviour and structures at an early stage and solve these problems within the Company. Companies can therefore take proactive action against irregularities and avoid significant fines and damage to their image. Employees' confidence in the integrity of TAG's business activities and its ability to respond is strengthened.	Employee dissatisfaction with the corporate culture can lead to lower productivity/quality of work results, higher sickness rates, staff turnover, costs for rehiring/training.
	ET/UVC	Transparent and trusting dealings with employees (internal corporate culture including co-determination) have positive impacts on working atmosphere, loyalty to the Company, employee satisfaction, employee motivation, etc.			Satisfied employees due to the internal corporate culture can lead to higher productivity/quality of work results, lower sickness rates, lower fluctuation and costs for rehiring/training as well as new ideas for optimising processes, etc.	
Management of relationships with suppliers – Compliance with standards/guidelines						

G1 – Business conduct	Settlement (00/VCVC)	Positive Impacts	Settlement (00/VCVC)	Negative impacts	Opportunities	Risks
	UVC	By maintaining long-term and stable relationships with regional suppliers, we have positive Impacts on the regional economy.	UVC	Working in the construction industry harbours a high risk of workplace injuries, especially on construction sites due to a lack of safety precautions and inappropriate working conditions at business partners.	With long-term supplier relationships, better offer prices and pragmatic solutions to problems can be achieved, thereby creating financial stability.	Dependencies on upstream and downstream business partners/suppliers give rise to financial risks (e.g. breach of contract, supplier default, price increases, shortage of skilled labour/capacity).
	UVC	By promoting open dialogue with business partners and setting social standards, TAG can improve governance in its supply chain and thus help prevent human rights violations and violations of workers' rights in the value chain.	UVC	Non-compliance with ethical principles such as occupational health and safety or respect for human rights by TAG's business partners can lead to violations of human rights along the value chain.	Respect for and compliance with the principles of the Business Partner Code supports long-term, constructive and trusting business relationships.	Inadequate safety precautions, inappropriate working conditions and human rights violations by business partners/suppliers can lead to possible recourse claims and a poor reputation.
Targets	ET	Achieving the targets in the sustainability programme will make a positive contribution to greater sustainability in our portfolio and for our stakeholders (e.g. tenants, own workforce)	ET	Conflicting stakeholder interests result in conflicting objectives and not all stakeholder expectations/interests can be met equally (e.g. affordable vs. climate-friendly housing).	Achieving measurable targets in the sustainability programme (e.g. employee satisfaction, tenant satisfaction, proportion of women in the workforce, Management Board, Supervisory Board) as part of (future) Management Board remuneration (STIP, LTIP) can have a positive impact on reputation, valuation of ESG ratings and attractiveness as an investment on the capital market.	Failure to achieve measurable targets in the sustainability programme (e.g. employee satisfaction, tenant satisfaction, proportion of women in the workforce, Management Board, AR) as part of (future) Management Board remuneration (STIP, LTIP) can have a negative impact on reputation, valuation of ESG ratings and attractiveness as an investment on the capital market.

9.2.G1-1 – CORPORATE CULTURE AND BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE

TAG has implemented a compliance programme that controls all business activities and promotes the corporate culture accordingly.

The Universal Declaration of Human Rights of the United Nations, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the eight core labour standards of the International Labour Organization (ILO) form the basis for our actions in accordance with human rights. Our Business Principles form the basis of our internal guidelines and work instructions, which must be observed in addition to and as a supplement to the Business Principles. The Business Principles apply to all TAG employees, including the Management Board, and include rules on business relationships, non-competition clauses, conflicts of interest and data protection. Violations of TAG's Business Principles are punished consistently and, if necessary, under (labour) law. The Compliance department supports the implementation of and compliance with the Business Principles.

We also expect our business partners to behave in a legally compliant and ethically impeccable manner. To implement this expectation, we have a Business Partner Code of Conduct, which also includes human rights due diligence and is published on our website. Proven violations of this code will not be tolerated and will result in appropriate sanctions. Depending on the severity of the violation, this may also lead to a temporary or permanent termination of the business relationship.

The compliance management system (CMS), as a component of the monitoring mechanisms established by TAG (risk management, internal control system and internal audit system), has various identification and evaluation mechanisms. The CMS provides material support in ensuring compliance with legal, regulatory and internal standards, thereby helping to minimise risk and promote the trust of all stakeholders. The CMS is divided into the basic components of prevention, detection and response. In particular, prevention is served by policy management and regular compliance and data protection training for our employees. Consultations by the compliance department and internal data protection management in coordination with the external data protection officer also provide support. Risk analyses, ad hoc investigations and the whistleblower system enable and support the identification of compliance violations. In the event that a compliance breach is identified, actions are taken immediately to remedy the breach. The process of identifying and reviewing violations helps to minimise legal and reputational risks and promote a responsible and ethical corporate culture. The continuous development of the CMS is ensured by implementing the results of risk analyses and monitoring activities as well as corrective actions in the event of a compliance breach.

The whistleblower system is available to employees and all external stakeholders and employees in the value chain for submitting information and complaints about actual or suspected legal or compliance violations. In addition to reports under the Whistleblower Protection Act, this whistleblower system can also be used to report human rights and environmental risks or violations under the Supply Chain Due Diligence Act (Lieferkettenorgfaltspflichtengesetz – LkSG) that have arisen as a result of actions in the Company's own business area or that of a direct supplier.

Whistleblowers can contact TAG's Compliance department via the digital whistleblowing system, by post, telephone, email or in person. Alternatively, contact can be made with our compliance confidential counsellor. Reports and complaints can also be made anonymously.

The rules of procedure published on our website for the whistleblower system under the Whistleblower Protection Act (HinSchG) and for the complaints procedure under the Supply Chain Due Diligence Act (LkSG) explain the reporting channels, the procedure, responsibilities and whistleblower protection.

Incoming reports are processed promptly and are the responsibility of the Compliance Officer. She was appointed by the Management Board and is authorised to act independently, not bound by instructions and impartially in accordance with the principles of confidentiality and diligence. The management chain involved in the matter is separate from the investigating officers or the investigating committee. Depending on the content of the respective report, it may be necessary to involve experts from other departments (e.g. HR, data protection, procurement or sustainability) in the investigation. Particularly with regard to violations of human rights and environmental obligations under the German Supply Chain Due Diligence Act, the relevant specialist department will play a key role in examining and developing a solution. We protect the identity of the whistleblower and the person concerned in compliance with data protection regulations and do not tolerate any discrimination or reprisals against whistleblowers.

Remedial and follow-up measures are taken depending on the type of offence identified. These include, in particular, disciplinary or labour law consequences, claims for damages or criminal prosecution. The findings from internal investigations are also used to review existing work and compliance processes and, if necessary, to optimise, adapt and supplement them.

Another material component for the efficiency of our compliance management system is employee training. In this way, we ensure that our employees have a sound knowledge of the relevant legal requirements and compliance-relevant contexts. We organise regular Group-wide training sessions for all employees on the topics of compliance and data protection. Specialist departments that are exposed to a greater risk due to their activities, e.g. central technology, rental business or the acquisition and sales department, are provided with in-depth information or counselling. In the reporting year, Group-wide training courses were held on business principles, combating and preventing corruption and basic data protection knowledge.

9.3.G1-2 – MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS

TAG is committed to ensuring fair business practices and compliance with social and environmental standards along the entire supply chain. Transparency and regular dialogue are important to us when working with our suppliers. In addition to technical cooperation, there is regular dialogue on relevant topics, such as updated reporting requirements from the EU Taxonomy and the Supply Chain Due Diligence Act. Our supplier relationships and procurement management are managed across the Group by the Central Purchasing department in accordance with the purchasing guidelines. Specific individual orders are placed in the LIM regions. Materiality requirements are set out in the Purchasing Policy and the Business Partner Code as well as our principles and guidelines for ecologically and socially responsible procurement; they comprise legal regulations and standards including anti-corruption, anti-discrimination, compliance with human rights as well as social and environmental standards.

The supplier relationships required for the procurement processes are managed by Central Purchasing. Individual orders can also be placed on a decentralised basis. Central Purchasing determines the Group's requirements and places them on the market according to ecological and economic criteria. Procurement takes place via framework agreements that integrate compliance requirements and sustainability standards. In addition, our construction service providers can also be connected to an online portal (craftsman portal) as part of the construction of empty flats and partial maintenance in Germany. The craftsman portal ensures that orders are processed quickly and paperlessly, thus helping to prevent payment delays caused by time-consuming invoicing processes, especially for small and medium-sized companies. After internal acceptance of the service provided, the respective order is invoiced and paid for using the credit note procedure. Eleven interior fit-out trades are currently connected to the craftsman portal. We regularly evaluate the performance of our suppliers. The primary valuation according to economic criteria and sustainability matters is carried out by Central Purchasing.

Service monitoring forms the second level of assessment. On the one hand, tenants can evaluate the performance of subcontractors, and on the other hand, employees can provide a valuation. In addition, the framework agreements are continuously monitored, with test certificates, quality and controlling reports being analysed, among other things.

The service providers are selected using standardised and transparent tendering processes. In addition to the tender price and technical suitability, important decision criteria include reliability, quality, regionality and social and ecological criteria. TAG favours working with partners from the region who also produce in Germany. In the reporting year, around 98% of the framework agreement partners in the area of construction services in Germany were regional companies. Due to the predominantly regional supply chains and the strictly controlled legislation applicable in Germany and Europe (e.g. compliance with human rights, prohibition of child and forced labour, prohibition of corruption, prohibition of discrimination, labour laws, environmental protection laws), the Management Board believes that there is generally no increased risk of child, forced or illegal labour among our suppliers.

Nevertheless, to ensure that TAG's suppliers consistently adhere to specifications, these are explicitly anchored in the supplier contracts via the TAG Business Partner Code. The Business Partner Code is also integrated into the Tradesmen's Code in Germany and published on the TAG website. TAG expressly points out that business partners must ensure that all goods to be supplied to TAG, e.g. materials and installed products, have been procured or manufactured in compliance with the applicable legal situation and human rights. TAG does not accept any deviations

from the relevant labour and social standards to which we are expressly committed. These include, in particular, the ILO core labour standards, the prohibition of forced and child labour, freedom of association, the right to form trade unions, the right to equal wage for work of equal value for women and men and the elimination of Discrimination in working life.

Existing supplier or framework agreements are regularly reviewed for necessary additions to sustainability criteria and adjusted accordingly. For example, all external service providers undertake to comply with environmental protection regulations when disposing of waste. By obliging our suppliers to provide regular training for their employees, TAG's quality and quantity standards are ensured. This includes, for example, dealing with the craftsman portal and documentation. These competences are the basis for ensuring that services are provided on time and to the agreed extent. If contractual requirements are not met, it is envisaged that the collaboration will be terminated.

Safety and health, sustainable and partly recyclable materials and natural raw materials, social aspects and standards as well as fair business practices also play an important role in procurement. Corresponding product and material characteristics are specified in specifications. TAG attempts to exclude or minimise further risks through concrete specifications in the terms and conditions of tenders and contracts. This is also explicitly anchored in the principles and guidelines for environmentally and socially responsible procurement (Green & Social Procurement Policy).

Bidders who have violated the German Posted Workers Act (AEntG) and have been fined will not be considered. In order to minimise the corresponding risk. TAG therefore requires each supplier to provide a self-disclosure. In addition, craftsmen and caretakers are given safety and occupational health and safety instructions and training on the handling of work equipment and materials at least once a year. This includes explaining how to conserve resources and use materials sustainably. Our employees are instructed to report potential violations immediately to their line manager and the Compliance Officer. Information can also be provided anonymously via our whistleblower system on the TAG website.

Further steps will be taken in the event of non-compliance with our requirements or violations of our Business Partner Code. Proven violations can lead to temporary or permanent exclusion from the awarding of contracts or to the termination of the existing business relationship and the contractual relationship as well as to the assertion of claims for damages.

We have also formulated criteria for sustainability in our supply chain for the new construction business in Poland. These will be further harmonised for various areas of the supply chain, taking into account country-specific regulations.

9.4.G1-3 – PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

Preventing and combating corruption is just as important for our sustainable corporate success as it is for our stakeholders. We do not tolerate corruption by employees or business partners. Misconduct or suspected misconduct can be reported by employees and external stakeholders via the whistleblower system – even anonymously. In this way, we can react in good time and avert damage.

Together with the anti-corruption guidelines, the authorisation and signing guidelines (dual control principle), the purchasing guidelines and the donation guidelines, the business principles are among the central elements of corruption prevention and regulate responsibilities, structures and processes. The business principles are part of the onboarding process, the guidelines are published on the intranet and employees are informed and trained on the content and any changes. In this way, we ensure that employees are aware of and understand compliance issues and, in particular, the prevention of corruption.

For our business partners, we have published the anti-corruption policy and a leaflet on preventing and combating corruption on our website, which explains our zero-tolerance policy and actions to prevent corruption and regulates behaviour in the event of suspicion.

Checks for corruption and bribery risks are carried out routinely at TAG. Various processes have been implemented for this purpose, including in particular the dual control principle enshrined in the authorisation and underwriting guidelines, business partner checks, reporting obligations for invitations, gifts and potential conflicts of interest, and automated checks (e.g. multiple payments, multiple creditors, payments abroad). In addition, the internal audit department regularly audits departments and specialist areas for possible corruption and bribery risks.

In the financial year, mandatory training was provided in the form of e-learning in the area of compliance on the business principles and on combating and preventing corruption. In addition, training was provided in Germany on the basics of data protection as basic knowledge. The training on the business principles based on TAG's values conveys TAG's most important compliance rules and explains compliant behaviour in various everyday professional situations. In particular, it covers the topics of corporate culture, occupational health and safety, conflicts of interest, company property, human rights, insider trading, money laundering prevention, anti-corruption, competition law, information security and advice on how to behave in an emergency. The training on combating and preventing Corruption provides the legal basis for the concept of corruption and the consequences of corruption and offers in-depth and practical assistance, particularly on the topics of gifts, invitations, dealing with public officials, conflicts of interest, insider trading and information on reporting misconduct. In the context of data protection, the basics of the European General Data Protection Regulation (EU GDPR) and the German Federal Data Protection Act (BDSG) were conveyed and their fundamental regulations explained in a practical manner using examples.

Learning content was stored in our digital training system – some of it interactive – and the employees then demonstrated their knowledge by answering questions and received a certificate for passing the exam.

The aim is to enable TAG employees to recognise critical situations and act correctly. The training was not limited to high-risk functions; employees from all divisions and members of the Management Board and Supervisory Board participated equally in the training. Around 80% of employees in Germany, 100% of employees in Poland and 100% of Management Board and Supervisory Board members have completed the training courses.

The Compliance Officer reports to the Management Board at least once a year and also on an ad hoc basis. The annual report covers the type and scope of reports received, current compliance issues, training and counselling content and the further development of the CMS as well as an outlook for the work in the following reporting year. The Supervisory Board is also regularly informed about current compliance issues on an ad hoc basis.

9.5. G1-4 – CONFIRMED INCIDENTS OF CORRUPTION OR BRIBERY

There were no confirmed incidents of corruption or bribery involving employees or business partners in the financial year. Accordingly, no sanctions, legal proceedings or contract terminations were initiated with business partners in connection with incidents of corruption.

9.6.G1-6 – PAYMENT PRACTICES

Invoices are paid by TAG in Germany immediately after internal approval or within the statutory payment period of 30 days after receipt of the invoice. If payment terms deviating from this have been agreed with suppliers, e.g. payment within ten days of receipt of invoice, the invoices are due for payment within the agreed periods. The paperless credit note system operated in Germany helps to ensure that invoices are paid promptly.

Within the ROBYG Group, an internal procedure governs the processing of cost invoice payments and defines the requirements for the entire invoice workflow. This procedure includes, among other things, the entry of invoices into the Group's finance and accounting system, verification, approval, content review, accounting and final payment. Each stage of this process has a specific timeframe within which it must be completed.

Payment terms for construction work and the purchase of construction materials are governed by agreements with subcontractors. For contracts for construction work and materials, the standard payment term is 30 days from the date of delivery of a duly issued invoice by the contractor, together with a progress report approved by both parties and the required declarations by the contractor.

The payment terms for other services and materials are specified individually in the contract or in the order. Depending on the agreement, payment terms of 7, 14, 21 or 30 days are specified. The payment terms may not exceed the statutory period of 30 days. The payment terms for other services and materials are negotiated individually, taking into account the significance of the order.

Individually agreed payment terms existed for c. 15% of invoices in Germany in the 2024 financial year; the remaining share was processed in accordance with the statutory payment period. The average time to settle an invoice from the start of the contractual or statutory payment period was five days in the 2024 financial year. In Poland, this period was 22 days. The significantly longer period in Poland is due, among other things, to the fact that invoice verification in the project development business takes significantly longer than other invoices due to the complex construction invoices.

At Group level, the average time taken to settle an invoice in the 2024 financial year was six days.

In Germany, the processing time was determined using a system-based query. In Poland, the processing time was determined on the basis of a random sample of invoices.

As at 31 December 2024, no legal proceedings for late payment were pending.