

Sustainability principles and guidelines at TAG Immobilien AG

(excerpt)

I. Business principles

As a large housing company, we have a responsibility to society and we intend to live up to it. Sustainable action is the basis of our business strategy, and a prerequisite for the secure future of our company.

Sustainable corporate success requires responsible corporate governance management as well as integrity in the actions of all employees, based on shared values: compliance with rules, appreciation, commitment, and tolerance are TAG's core values, and they are shared by all employees across our group of companies. These values form the basis for the quality of our products and services – and hence for the happiness of our customers.

TAG Immobilien AG's economic goal/business objective – a sustainable increase in enterprise value – is not a purely economic task for us, but also and equally extends to social and ecological responsibility.

Our requirements for honest and ethically correct conduct, fair business relations, non-competition and conflicts of interest as well as compliance with data protection are summarised in our business principles. They apply equally for the members of the Executive Board and for employees. These rules are substantiated by our principles and guidelines on anti-discrimination, anti-corruption, environmental protection, responsible procurement, and social commitment, as well as our Code of Conduct for Business Partners.

II. Promoting diversity and preventing discrimination (Anti-discrimination policy)

We respect human dignity and are committed to the protection and observance of human rights. Every single employee is obliged to ensure compliance with this.

All employees must resolutely oppose any discrimination on grounds of race or ethnic origin, gender, religion or world view, disability, age or sexual identity, both towards customers and business partners and within the TAG group of companies.

Our guidelines and directives are based on the Equal Treatment Directives of the European Union, which were transposed into German law by the General Equal Treatment Act (AGG) in 2006. In detail, these are

- the Racial Equality Directive (2000/43/EC),
- the Employment Framework Directive (2000/78/EEC),
- the Directive on the implementation of the Principle of Equal Opportunities and Equal Treatment of Men and Women in Matters of Employment and Occupation (2006/54/EC), and
- the European Council's directive on gender equality outside the world of work as well (2004/113/EC – equal access to goods and services).

The standards of the International Labour Organization (ILO) directive are also observed.

The different perspectives, experiences, cultures, ways of thinking and approaches resulting from our employees' environments and backgrounds are of essential importance for us. We believe that lasting entrepreneurial success can only be achieved through diversity. Without diversity, important competences and experiences are regularly missing, be it in dealing with colleagues or with customers and business partners.

III. Avoidance and prevention of corruption (Anti-corruption)

TAG conducts its business in accordance with applicable law and acts fairly and reliably in competition. It does not tolerate corruption, neither by employees nor by business partners. Failure to comply with the aforementioned principles raises suspicions of corruption, the consequences of which can be significant for the person in question and any other persons involved, as well as for the Group as a whole.

Our guidelines are based in particular on

- the laws of the German Criminal Code (StGB), in particular those on bribery and venality, fraud and breach of trust,
- various legal acts of the European Union that are intended to strengthen cooperation between the member states in the field of law enforcement to prevent criminal offences, and which set standards for the member states in the fight against corruption in both the private and public sectors (e.g. in awarding contracts).

IV. Principles of environmental protection

It is our concern and the interest of our stakeholders to actively contribute to the protection of our environment and climate, e.g. by reducing CO2 consumption, increasing energy efficiency, the sensible and consciously selected use of resources, waste and wastewater avoidance, and the protection of animals and plants including their habitats (biodiversity).

Conserving resources and acting in a socially responsible manner are the basis of long-term economic growth. TAG Immobilien AG evaluates products and services over their entire expected life cycle and gives preference to solutions that are as energy-efficient, environmentally friendly and long-lasting as possible.

Compliance with the currently applicable German and European environmental protection laws is a matter of course for us.

V. Principles of environmentally and socially responsible procurement

Fair, resource-conserving and socially responsible procurement practices are an integral part of TAG Immobilien AG's central purchasing strategy. We see economically forward-looking action as closely linked to transparent and long-standing business relationships; compliance with legal regulations, ethical principles, and ecological and social standards; healthy and fair working conditions along the supply chain; and the responsible use of materials, products, and services.

When selecting our suppliers and partners, besides economic efficiency and functional characteristics we also place a premium on criteria relating to safety, health, the environment, social standards, and fair business practices.

Our procurement management focuses on products, materials and services for our core business, the letting, management, and development of our properties. Through a resolute focus on the market, forward-looking, innovative development, and quality across the entire product and service chain, we meet the needs of our customers and ensure attractive, affordable housing and liveable neighbourhoods.

VI. Principles of social engagement

It is our concern and the interest of our stakeholders to actively contribute to the further development of liveable communities in our neighbourhoods, and to provide special support services to specific tenant groups.

TAG Immobilien AG stands for affordable housing in which tenants feel happy and at home and also offers the associated services. Together with our regional and local partners, we create attractive portfolios and residential neighbourhoods in which our tenants enjoy living.

The regional principle, with a combination of proximity to tenants, anchoring employees at the location as well as social and cultural commitment to the location, is an integral part of TAG Immobilien AG's strategy. We support community structures and competences on site and expand them. We place a special focus on promoting and supporting children and young people, as well as older people from economically weaker sections of the population.

TAG Immobilien AG sees itself as a corporate citizen at its locations and therefore actively participates in public life. We actively support urban development and redevelopment projects and maintain a close dialogue with local authorities, other owners, and other stakeholders.

These principles and guidelines are an excerpt from TAG Immobilien AG's corporate guidelines, which are published on our company intranet. We regularly provide information on current measures and regulations in our annual sustainability report. TAG Immobilien AG will regularly contribute to raising awareness among employees and tenants on the resource-conserving use of raw materials and energy through targeted measures.

Further information is available online at www.tag-ag.com/nachhaltigkeit.

Hamburg, 16 December 2020

The Management Board