

Group Policy

Corporate Social Responsibility

Short description

The Apleona Group Policy Corporate Social Responsibility provide a general view of the Group's attitude and activities as they relate to the various aspects of corporate social responsibility.

They are intended to increase transparency within the Group and to provide our shareholders, customers, suppliers, service providers, subcontractors and other affected social groups with a concise, comprehensible guide to the activities we have implemented to discharge our social responsibility.

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Table of contents

0. Introduction	3
0.1 Member of the Institut für Corporate Governance in der deutschen Immobilienwirtschaft e.V.	4
0.2 Affiliation with the UN Global Compact	4
0.3 Sustainability of our business operations	4
1. Organisational leadership / Governance	4
1.1 Group Policy Corporate Social Responsibility	4
1.2 Corporate name, values and culture	5
1.3 Risk management	5
2. Human rights	6
3. Work practices	6
3.1 Occupational safety	6
3.2 HSEQ (Health, Safety, Environment, Quality)	6
3.3 Social interaction within the company and equal opportunities	7
3.4 Diversity management	7
3.5 Proportion of women in leadership positions	7
3.6 Fair employment conditions and fight against child labour	7
3.7 Sustainable human resource policy	8
4. Environment	8
5. Fair operating and business practices / Compliance Management System	9
5.1 Compliance Management System (CMS)	9
5.2 Compliance culture	9
5.3 Compliance objectives	9
5.4 Compliance organisation	9
5.5 Compliance risks	10
5.6 Compliance programme	10
5.6.1 Ethical conduct	10
5.6.2 Combating corruption	11
5.6.3 Fair competition	11
5.6.4 Data protection / Handling confidential data	11
5.7 Compliance communication	11
5.8 Compliance monitoring and improvement	11
5.9 Compliance in the supply and value creation chains	12
6. Consumer concerns	12
6.1 Customer satisfaction	12
6.2 Sustainability of our services	12
6.3 Outsourcing	13
6.4 Transparency	13
7. Integration and community development	13
7.1 Attractive employer	13
7.2 Commitment to real estate associations, organisations and universities	13
7.3 Social commitment	13
8. Amendment History	15
9. Glossary	16

Introduction

As a company, we enjoy good social framework conditions, a strong educational system, reliable political processes, a liveable environment and social stability. As a responsible company, we want to play a constructive part in shaping the society of the future. Accordingly, we are mindful of the effects of our business activity on our shareholders, customers, employees, suppliers, subcontractors and other affected social groups and on the economic, ecological and socio-cultural environment in which we operate. In order to be able to continue operating successfully in the long term, we must respond promptly to political, legal, financial, environmental, social and technological changes and developments.

By publishing this Group Policy, we want to present our attitude and activities relating to various aspects of corporate social responsibility with complete transparency. The term Corporate Social Responsibility (CSR) is the concept-defining superordinate for a value system which is implemented in various dimensions and put into practice by executive management in pursuit of sustainability and a given set of values. This is also called Corporate Sustainability Leadership. The individual aspects of corporate social responsibility can be assigned to the traditional three dimensions of sustainability (economy, ecology and social/societal). Likewise, DIN ISO 26000 defines seven core themes of corporate social responsibility. The United Nations also describes ten universal principles of responsible corporate leadership. The following chart gives a general view of the relational structure of the value system.

Fig. 1: Relational structure of the corporate social responsibility value system

Corporate Social Responsibility (CSR)					
Corporate Sustainability Leadership					
ZIA German Property Federation ICG Institut für Corporate Governance in der deutschen Immobilienwirtschaft e. V.	Economic sustainability		Ecological sustainability	Social sustainability	
	Corporate Governance	Economy	Ecology	Sociocultural	Corporate Citizenship
	Compliance / Anti-corruption measures	Market opportunities (including through sustainability)	Resource / Materials efficiency	Diversity management	Corporate donations
	Leadership culture / Corporate ethics	Earnings optimisation / Cost efficiency	Climate protection (Energy management ISO 50001, CO ₂ -reduction)	Health & safety in the workplace	Corporate sponsoring
	Transparency / Reporting	Risk management	Circular economy (reuse, disposal)	Employee orientation / Advanced training	Company foundations
Management systems (ISO 9001)	Value-added chain management	Voluntary certifications (DGNB, BREEAM, GEFMA 160, ISO 14001)	Occupational safety / Work-Life-Balance	Charitable commitment	
DIN ISO 26000	1. Organisation 5. Fair operating and business practices (Compliance) 6. Consumer concerns		4. Environment	2. Human rights 3. Work practices 7. Integration and community development	
UN Global Com- pact	10. Corruption prevention		7.-9. Environment and climate	1.-2. Human rights 3.-6. Labour standards	

Own graphic based on:

- ZIA /ICG (pub.): Nachhaltige Unternehmensführung in der Immobilienwirtschaft [Sustainable Corporate Leadership in the Real Estate Industry], 2015, p. 62
- DIN ISO 26000, section 6.1, figure 3
- UN Global Compact: Ten principles of responsible corporate leadership

In this document, we present a summarised overview of our position regarding corporate social responsibility and our activities in pursuit thereof, structured according to the seven core themes outlined in DIN ISO 26000:

1. Organisational leadership / Governance
2. Human rights
3. Work practices
4. Environment
5. Fair operating and business practices / Compliance Management System
6. Consumer concerns
7. Integration and community development

0.1 Member of the Institut für Corporate Governance in der deutschen Immobilienwirtschaft e.V.

Apleona is a member of the Institut für Corporate Governance in der deutschen Immobilienwirtschaft e.V. (ICG) [Institute for Corporate Governance in the German Real Estate Industry]. The ICG concerns itself with many issues relating to all aspects of values-driven, sustainable corporate leadership, including the proper development of the German Corporate Governance Code and its implementation. Through its membership, Apleona contributes significantly to the establishment and continuing development of the topics listed above. Proof of our membership can be viewed on the ICG website by following the link below:

<http://www.immo-initiative.de/initiative/die-mitglieder/>

Apleona has its existing Compliance Management System certified externally by the ICG. Further details are presented in point 5, Fair operating and business practices / Compliance Management System.

0.2 Affiliation with the UN Global Compact

Apleona joined the United Nations Global Compact (UNGC) Initiative on 11 September 2017. This is the largest, most important initiative for responsible corporate leadership in the world. Based on its ten universal principles, the initiative pursues a vision of an inclusive, sustainable global economy working to the benefit of all peoples, communities and markets. The ten principles of the UNGC are grouped according to four major themes

- Human rights (objectives 1-2)
- Labour standards (objectives 3-6)
- Environment and climate (objectives 7-9) and
- Corruption prevention (objective 10)

and can be viewed by following the link below:

German: <https://www.globalcompact.de/de/ueber-uns/Dokumente-Ueber-uns/DIE-ZEHN-PRINZIPIEN-1.pdf>

English: <https://www.unglobalcompact.org/what-is-gc/mission/principles>

Through its participation in the UN Global Compact Initiative, Apleona provides its customers, suppliers, service providers, subcontractors, the professional community and its employees documentary evidence of its commitment to responsible corporate leadership. We have undertaken to publish an annual report entitled Communication on Progress (COP) regarding our activities and the progress we have made in support of the ten principles. The first report will appear in mid-September 2018. Proof of our affiliation with the UNGC and our COP report can be viewed on the United Nations website by following the link below:

<https://www.unglobalcompact.org/what-is-gc/participants/120401-Apleona-GmbH>

0.3 Sustainability of our business operations

We are convinced that the success of a business can only be assured in the long-term when economic, ecological and sociocultural considerations are harmonised with due respect for legal regulations and ethical aspects. Apleona is working actively to prepare an annual sustainability report which describes all pertinent economic, ecological and societal aspects of our business activities. The first report of this kind is to be prepared during the 2017 financial year and is expected to be completed by May 2018.

1. Organisational leadership / Governance

1.1 Group Policy Corporate Social Responsibility

Social responsibility and sustainable, values-driven corporate leadership are an integral part of our corporate values. They are protected and continuously developed by clear management responsibility as well as specific group policies and instructions relating to key issues.

This document presents a summarised version of the essential aspects of corporate social responsibility and corporate sustainable leadership. The Group Policy is reviewed every 2 years by the Management Board and expanded or amended as necessary. The policy serves as a guide for the business activities of all corporate units

of Apleona. And other stakeholders can learn about our activities in the field of corporate social responsibility as well.

1.2 Corporate name, values and culture

The rebranded company name “Apleona” was officially announced to our more than 20,000 employees and to the professional community on 4 October 2016. The name includes the Greek word “pleon”, which means “more” or “added value”. The two first and last letters “A” of the name symbolise the circle of life “from beginning to beginning” [German: **A**nfang bis **A**nfang]. The word “LEO” (lion) which is also contained in the name emphasises our performance strength. The name Apleona stands for our promise to enhance the potential of properties, facilities and processes throughout the entire lifecycle, and thus generate added value for our customers. As a condensed corporate philosophy, for internal and external purposes we use the tagline

“Realising Your Full Potential”.

Under the aegis of the new corporate name and tagline, we pursue a joint corporate culture, which applies in equal measure for all locations and is characterised by the following three succinctly expressed guiding principles:

ATTITUDE: We champion individuality

Authentic – responsive – collaborative

- We don't just offer off-the-shelf solutions but tailored solutions to the individual requirements of our customers.
- Our “people's business” builds on characters and personalities – shaped by trust, attentiveness and reliability.
- At the same time, we respect the applicable laws and pertinent standards, we strive for equitable, cooperative interactions, and are guided in our business dealings by ethical claims.

PERFORMANCE: We create real impact

efficient – precise – sustainable

- We develop and realise solutions that provide added value for our customers – whether in commercial, technical, process-related or financial terms.
- Geared towards efficiency and longevity and driven by the high quality standards of “German Engineering”.

STYLE: We strive to inspire

dedicated – smart – imaginative

- We strive to be an inspiring, enriching and motivating partner.
- Characterised by solution-orientation, inventiveness and creativity, as well as proactive and passionate commitment and forward-looking thinking.

1.3 Risk management

In order to achieve lasting success in the marketplace, corporate sustainability leadership must consider the economic influences and effects of its own actions as well as ecological and societal factors. Apleona has instituted an “Internal Control System” (ICS) which is designed to detect financial and operational risks early and if necessary initiate specific countermeasures. Various corporate departments and support functions conduct risk analyses and control and monitor the necessary measures. These involve the corporate support functions Risk Management & Assurance, Controlling, Corporate Development, Procurement, Legal & Compliance and Human Resources among others. In particular, the following processes are examined:

- Procurement process (Purchase to Pay)
- Selling process (Order to Cash)
- Intercompany process (Company Process)
- Personnel process (Hire to Retire)
- Finance / Accounting process (Financial Reporting)

Their primary objectives are to increase the effectiveness and efficiency of our business processes, preserve the integrity of our financial reporting and ensure strict compliance with the applicable laws and regulations. In addition, strategic and operational risks also have been regarded and measures have been adopted to counteract these as follows, for example:

- Dependence on large customers: Expansion of our customer base to encompass many different industries and extending our performance spectrum to offer individual, combined and integrated services
- Estimating and executing risks in service business: Intensive review of the services provided and those that have already been provided, contract conditions, our competencies and capacities, and conducting regular internal reviews throughout the term of a contract
- Deviations from the strategic yearly plan: Monthly controlling of relevant key figures (e.g., volume, EBITA, cashflow, orders received, HSEQ indicators, etc.)

The ICS of Apleona is constantly being refined. Besides the definition of audit standards and the ongoing development of tools and methods, the group-wide publication of the updated risk strategy and audit plans is scheduled for 2018. In general, the ICS supports our company in maintaining the provisions of the law, controlling risk and avoiding fraud and mistakes as well as encouraging modern corporate leadership.

2. Human rights

By affiliating ourselves with the UN Global Compact, we have undertaken to support the protection of international human rights and to observe and ensure that we are not complicit in human rights violations. We also pass this obligation on to our suppliers, service providers and subcontractors in the supply and value-added chains by requiring that they sign a “Code of Conduct for subcontractors and suppliers”. Apleona requires its subcontractors and suppliers to comply with the principles of the Global Compact Initiative and the minimum performance standards of our Code of Conduct. If a suspected violation of the Code of Conduct by a subcontractor or supplier is found to be substantiated, or if a subcontractor or supplier is believed to be insufficiently diligent in its duty to inform and cooperate, Apleona is entitled to summarily terminate the business relationship with the subcontractor or supplier concerned on the strength of its existing contractual or statutory rights. In the event of a violation of the Code of Conduct, Apleona reserves the right to institute further legal measures, including, in particular, claims for compensatory damages.

3. Work practices

3.1 Occupational safety

The wellbeing and health of our employees, business partners and customers has the highest priority for Apleona. Our objective is: No accidents. Strict adherence to safety provisions and the Apleona Life-Saving Rules by all employees and the responsibility of each individual for his or her safety and that of the community are integral elements of our safety culture. Apleona regularly conducts training drives, safety programmes and campaigns to ensure the continuous improvement of our occupational safety performance. Accidents can only be prevented if employee awareness of measures to maintain workplace health and safety is raised constantly and is an unquestioned element of their work, and our managers demand workplace safety and the implementation of the safety provisions actively and consistently.

3.2 HSEQ (Health, Safety, Environment, Quality)

Our conduct is centred around our customers’ satisfaction. For this reason, we attach great importance to the first-class quality of our services and the services of our suppliers, service providers and subcontractors in terms of quality, the environment and occupational health and safety. These themes are coordinated centrally by our central HSEQ (Health, Safety, Environment, Quality) department.

In order to be able to satisfy our customers’ high standards and requirements as they relate to quality, the environment as well as health and safety, we have been developing certified, integrated management systems within our business units for years. The provisions of our Group Policy on HSEQ are applicable by all companies of the group to ensure uniform standards and processes for the areas of Quality, Environmental and Occupational Safety management. This comprehensive, mandatory system enables the systematic, structured and safe

implementation of our service processes both within our own company and at the customer's location. We act proactive and use modern software-assisted IT tools.

The performance of our services is subject to extremely stringent quality standards in order to support the customer's core processes as reliably and effectively as possible. In order to meet these requirements every day, it is essential to carry out rigorous planning, analysis and evaluation of all business processes as part of our quality management in advance of any such action. We are familiar with the pertinent legal regulations we must observe when carrying out our tasks.

Quality assurance encompasses but is not limited to internal audits, training courses and continuing education and qualification concepts for our employees, customer satisfaction analyses, framework agreements with subcontracting companies, purchasing guidelines and controlling of subcontracting companies.

The effectiveness of our management systems is monitored regularly with a programme of both internal and external audits. This also creates legal certainty for our clients. Our business units are certified to the following standards among others:

- DIN EN ISO 9001 (Quality Management System)
- DIN EN ISO 14001 (Environmental Management System)
- DIN EN ISO 50001 (Energy Management System)
- OHSAS 18001 (Occupational Health and Safety System)

3.3 Social interaction within the company and equal opportunities

We support the principles of respectful, fair and cooperative interaction with one another. All Apleona employees have the same opportunities upon being hired and in the development of their professional career within the company. Any type of discrimination is forbidden. No one may be discriminated against or disadvantaged on the basis of - in particular but not limited to - where they come from, citizenship, gender, sexual orientation, religious or ethical beliefs, age, or handicap. Sexist comments, in particular misogynistic comments, in speech, writing, images, or behaviour are not tolerated in our company, and will entail disciplinary and personal consequences. We expect all employees to contribute to a productive work environment by treating others with respect, tolerance, and consideration. Attention to basic rights of employees is demanded from our suppliers, service providers and subcontractors in the supply and value-creation chain by signing a "Code of Conduct for subcontractors and suppliers".

3.4 Diversity management

With our company guiding principle of "We champion individuality", we make it clear that we consider diversity as a factor in the success of our company. Based on our broad spectrum of services and tasks in building services, the competences, ideas, points of view, and characters of our employees are a good basis for implementing individual strengths and for fulfilling particular tasks as best as possible for the success of the company. In addition to professional requirements, in the hiring process social and methodological aspects are considered, such as individual strengths, pleasure in work and enthusiasm for the particular task area.

3.5 Proportion of women in leadership positions

The proportion of women in leadership positions at Apleona (management levels 1-3) at the end of 2017 was 18.5%. The supervisory board has set itself the goal of not falling below these percentages in the future.

3.6 Fair employment conditions and fight against child labour

We will not accept illegal employment and exploitation of people in any form, and will actively oppose this. Illegal employment undermines the labour market and the social insurance system of our society. It endangers legal employment and the creation of new workplaces. Child labour and the exploitation of people are incompatible with our ethical values. By joining the UN Global Compact, we have undertaken to work for the removal of all forms of forced labour and for the abolition of child labour. We pass on our commitment to suppliers, service providers and subcontractors, in the supply and value-added chain by the signing of a "Code of Conduct for subcontractors and suppliers".

3.7 Sustainable human resource policy

We continually search for new possibilities of identifying and addressing new, talented employees and retaining them in our company on a long-term basis in order to deal with the mounting labour shortage as early as possible. The successful recruitment of employees is an essential success factor for the future of our company, given the context of our ambitious growth strategy. Likewise, however, retaining and further developing our existing employee team is fundamental to being able to further utilise their many years of experience. For that reason we offer our employees an environment and a culture where they can implement their competence, abilities, and innovative ideas, and can develop further individually and feel comfortable.

In annual surveys and rankings of students and real estate professionals, Apleona is continuously evaluated as an attractive employer. This is, in part, due to the individual development opportunities for employees and managers, who can autonomously cooperate in attractive tasks and projects within Apleona. This area includes the offering of many internal and external opportunities for continuing education for the development of professional and personal skills. With over 330 trainees (2017) in over 30 training occupations, Apleona is an attractive training company for technical and commercial occupations; it supports dual study programmes and has a comprehensive training programme for university graduates. The central Human Resources department manages all the related programmes.

4. Environment

We are aware of the fact that the real estate industry has significant effects on the environment and on society during the entire lifecycle. Increasing risks result from CO₂ emissions (climate change), scarcity of resources (construction materials, fossil energy carriers, etc.), environmental effects (soil, groundwater, air, etc.), and evolving social expectations for a durable building.

It is part of our corporate responsibility to burden the environment as little as possible and to protect it as well as we can. We have therefore integrated environmental protection into our service provision processes. Maintaining legal requirements and continual improvement of our environmental service in the company and whilst serving our customers are things that focus our activities.

Our business units function according to individual customer requirements for certified environmental management systems under DIN ISO 14001 as well as through the required professional qualifications and abilities to carry out environmentally relevant activities. The implementation of these management systems leads to continual improvement in environmental service and environmental management systems through the agreed-upon environmental programmes. As a result the negative effects on the environment are minimised.

Through targeted training of our employees, consciousness of conserving resources and sensitivity to themes of environmental protection are also strengthened. Regular internal and external audits monitor our environmental impact while carrying out our services.

We engage subcontractors who meet our environmental standards and those of our customers. The observance of standards is regularly monitored by the business partners we have commissioned. As part of taking over new orders in facility management, in the implementation phase with customers, all relevant environmental aspects are included and evaluated; if necessary, measures are arranged and optimisations are suggested. Attention to pertinent legal environmental standards is demanded from our suppliers, service providers and subcontractors in the supply and value-added chain by signing a "Code of conduct for subcontractors and suppliers".

5. Fair operating and business practices / Compliance Management System

5.1 Compliance Management System (CMS)

Using its CMS, Apleona captures all those company principles, conditions, and measures that target the safeguarding of conduct that conforms to the rules. In addition it ensures the “correct” conduct of the Group, its individual companies, bodies, body members, and employees; and vice versa, ensures that violations of rules and breaches of our ethical commitment are avoided. Apleona’s CMS is continuously being developed and adapted to changing actual and regulatory circumstances and risks. The compliance set of rules consists in the Code of Conduct and related guidelines.

5.2 Compliance culture

By compliance culture, we understand more than simple observance of laws and other obligatory requirements. More than that, we orientate our conduct to the benchmarks of integrity and reputable actions. The key to understanding the word culture in this sense is the daily performance of management and executives towards this goal and its related values. They expressly commit to these values, and expect this as well from all other employees of the firm. In addition to clear and goal-orientated communication, the management of Apleona, starting at the very top, attempts to lay out effective general conditions that allow and strengthen effective conduct that conforms to regulations. In this way over the years the compliance culture has grown up to become a solid part of our company culture. Primary responsibility for compliance and a functioning Compliance Management System lies with company management and is “a matter for the boss” in the individual companies. At the same time, the readiness for active cooperation of each individual employee is required in order to develop an ongoing consciousness for the meaning of compliance and to recognise as binding on oneself the acceptance of regulations and guidelines.

5.3 Compliance objectives

Compliance, understood as the observance and following of standards, regulations, and processes, and beyond that of an orientation towards “correct” conduct, serves at Apleona not only to protect our employees and the individual companies, but also to protect the Group as a whole against sanctions that may result from violations of regulations, such as civil law claims for compensation for damages, or exclusion from public tenders. In addition, we see in an effective Compliance Management System a tool of observing and promoting the good reputation of the company, and thereby contributing to obtaining and retaining orders and customers but principally good employees. Apleona thereby understands compliance as a true factor of success as part of our business activities.

5.4 Compliance organisation

The basis of the CMS of Apleona is the Code of Conduct that applies to the entire firm, including related guidelines and the responsibilities, sets of rules, and processes contained in these. The Code of Conduct defines the actual responsibilities of the Compliance Organisation and the basic compliance themes. One of the main priorities here lies on the prevention of corruption and the avoidance of violations of competition and antitrust law. The Apleona internal compliance set of guidelines applies to all employees without exception and across the entire hierarchy. Within each company of the Group, a member of management is assigned to the topic of compliance according to the business assignment of responsibility. Management at all levels has the decisive function of setting an example. All employees, however, bear responsibility for observing the applicable legal and other regulatory guidelines as well as the Group’s own rules.

Given the task of conforming to legal, regulatory, and internal guidelines, superiors and employees are supported by the Compliance Organisation. This is part of the Legal & Compliance department that has been set up at the level of the Group’s Holding company, and for its part, is supported by compliance officers in the operating companies. Within the Legal & Compliance department, the Head of Compliance reports to the General Counsel as supervisor of the department, who in turn reports regularly to the Group CEO and to the Apleona Group’s supervisory board.

5.5 Compliance risks

Every business activity brings specific risks with it. In order to determine these Group-specific risks and — as far as possible — company-specific risks on an ongoing basis, Apleona regularly and on an ad-hoc basis, carries out applicable risk analyses across the entire Group. In 2014 and 2015, risk analyses were performed in the areas of money laundering and general compliance risks. The general compliance risk analysis of 2015 was carried forward and updated in 2017. The results are a basis for any necessary adjustment of the existing compliance regulations, for the training plan, and for another review in years to come. In addition to the risk analyses by the Compliance Organisation, the Risk Management & Assurance department carries out its own risk analyses.

5.6 Compliance programme

From all our employees we expect strict observance of all applicable laws and other required regulations, regardless of which company in the Group, in which country, or in which area of the business they are active. In addition, internally we have given ourselves additional guidelines and guiding principles which the conduct of all employees of the firm are to be measured. These internal binding guidelines that apply across the entire Group to all employees are set out in the following documents:

- Code of Conduct
- Group Guideline on Integrity
- Group Guideline on Third Parties
- Group Guideline on Competition

It is a requirement that all employees receive these documents together with their individual employment contract. These compliance documents are also available on the Apleona intranet in fifteen languages. Specific aspects of compliance, such as prevention of money laundering, are also given in greater detail in other handouts and flyers. Particularly relevant topics are further dealt with in training sessions, as far as possible, target-group-specific (see under the next point Compliance Communication).

Part of our compliance programme is also the integration of obligatory integrity reviews in the hiring and promotion process for employees. So, for example, newly-hired or promoted management in management levels 1-3 must fill out and sign a compliance questionnaire. An additional, obligatory embargo check-back over the Internet is meant to exclude risks related to an individual.

The ongoing importance of compliance is supplemented by the annual employee appraisal with individual superiors that is obligatory for all Group employees. The corresponding documentation includes the point compliance as an obligatory topic in the discussion to be held. If skilled personnel and management receive a variable component to their salaries, these are often related to target fulfilment components in the areas of compliance and HSEQ. Finally, it is part of our compliance programme to punish specific violations of the rules. Taken together, our compliance documents and training sessions support each individual in understanding and actively supporting the following items (selected items, not an exhaustive list).

5.6.1 Ethical conduct

We expect our employees to behave ethically in all their business activities and in all situations connected to these activities. Entrepreneurial activity is ethical if it matches the general principles of integrity and propriety, and the people with whom we are dealing consider this to be correct. Ethical conduct also means understanding the spirit of our guidelines and to refrain from all attempts to get around them. All persons who deal with external partners on behalf of our company, bear responsibility for exemplary ethical conduct in their role as representatives of the company. This applies in particular to top management.

5.6.2 Combating corruption

Corruption has destructive effects on society, markets, and companies around the world, and can do considerable damage to our business. We are committed to combating corruption and preventing corrupt behaviour, even in its most rudimentary forms. Striving for greater influence through giving or receiving benefits is ethically not defensible and is legally forbidden, regardless of what, where, and with whom it takes place. We also understand that money laundering is a risk that for example may occur with property transactions. We have a risk management programme and processes in order to limit the risk of promoting money laundering activities.

5.6.3 Fair competition

We are committed to ensure fair competition. Our customers choose us based on the high quality of our work at competitive prices. We refuse to be party to agreements that lead to restrictions on competition.

5.6.4 Data protection / Handling confidential data

Handling confidential data requires care and good judgment by the persons who possess these items of information during the performance of their work activities. These informations are not to be misused for personal purposes or transferred to a third party without the agreement and knowledge of the sender. Personal data of all sorts must be carefully protected against unauthorised access and misuse by unauthorised persons, both outside and inside the company. Our customers also expect careful and legal use of data when exchanging sensitive information. Our Group-wide guideline on data protection regulates the handling of personal data on the basis of the legal provisions of the Federal Data Protection Act (German: BDSG Bundesdatenschutzgesetz), the EU Data Protection Regulation (German: EU Datenschutzgrundverordnung) as well as other regulations regarding data protection. Training sessions sensitise our employees to this topic and help ensure orderly conduct in daily practice.

5.7 Compliance communication

The necessary knowledge about the content of the Code of Conduct and the associated group policies, supplemental compliance documents and content as well as proper conduct in critical situations is provided through training and in informational lectures. Starting in 2018, a new compliance training plan will be implemented. Employees will be informed and trained using online training at their PC station, in on-site training and other channels about the compliance rules framework, proper conduct in the fighting against corruption, competition and antitrust law, HR compliance and the prevention of money laundering. The Human Resources department at Apleona will take over administration of the online training along with recording and documenting on-site training. Part of the CMS is continuous interchange between the Compliance Organisation and Group management, and the management of the affiliate companies. Our Code of Conduct, for example, requires that management inform the appropriate compliance employee immediately if there are indications of a violation of Apleona rules. Conversely, if a compliance employee becomes aware of a suspicion, the appropriate managing director must be informed. As a general rule, the management of Apleona, the parent company, is regularly informed by the Head of Compliance (through the General Counsel) about compliance cases or other circumstances of relevance to compliance. Compliance is regularly discussed in meetings of Apleona management and its management board. In addition, Apleona maintains a whistle-blower system with its Apleona Compliance Communications (which can also be used anonymously) that can accept reports telephonically or by e-mail and functions as an additional (anonymous) communication channel with the compliance organisation.

5.8 Compliance monitoring and improvement

These elements of Apleona's CMS do not in themselves provide any guarantee that regulatory requirements, whether internal or external, will be met or that they will absolutely meet the behavioural expectations that we have of all of our employees as concerns proper and reputable conduct. Therefore random audits are a part of our CMS, in addition to compliance checks occasioned by specific occurrences. Starting in 2018, these audits will be conducted by Risk Management & Assurance department based on an established audit plan. In addition, Apleona has ICS (internal control system) officers available throughout the group. Based on a risk-control matrix which is subject to updates, they conduct various audit activities throughout the year to randomly check areas with relevance to compliance within the group companies assigned to them.

The results of these audits as well as knowledge that comes e.g. from training presentations, are used for the evaluation and possible further development of the CMS overall as well as of the compliance rules specifically. Risk surveys conducted by Risk Management & Assurance and by Compliance department, among other departments, is also used for continued development.

5.9 Compliance in the supply and added-value chains

Obligations to observe compliance rules do not apply just to our company. We also demand ethical conduct from our suppliers, service providers and subcontractors. Right at the beginning of contractual relationships, we do a risk-orientated check for reliability of specific business partners starting at pre-defined limits for order volume or based on assignments to specific third-party categories using what is known as a third-party check (TP Check). In addition, they must generally sign our “Code of Conduct for subcontractors and suppliers”. Our intent in doing so is that our rules and obligatory standards, such as the ten principles of the UN Global Compact, be followed and complied with throughout the supply and added-value chain.

6. Consumer concerns

6.1 Customer satisfaction

Our conduct is centred around our customers’ satisfaction. We are in close contact with them all the time. Particularly through our presence on site in real estate, technical facilities or close to production processes, we can directly and quickly identify customer needs and work with our customers to develop effective solutions that can be implemented.

We service our large customers using specialised key account managers, who know our customers’ specific technical, commercial and other requirements in detail. Here as well, the frequently complex requirements are individually coordinated with customers and implemented efficiently.

At regular intervals, our business units conduct customer satisfaction assessments. They allow us to improve our processes and become familiar with our customers’ new requirements early.

6.2 Sustainability of our services

Through our detailed and interdisciplinary knowledge and professional service offers, we can optimally support our customers in all real estate life cycle phases to operate their real estate and facilities. We use our own accredited staff to provide a broad range of consulting and execution services to optimise sustainability, such as:

- Strategy advising on sustainability for companies and real estate
- Sustainability assessment for real estate
- Conduct of sustainability certifications for real estate (LEED, BREEAM, DGNB and GEFMA 160 etc.)
- Energy monitoring
- Support for implementation of energy management systems under DIN ISO 50001

For the energy and sustainability field, we have bundled our expertise into a specialised Centre of Competence (CoC) to professionally support customers and our own employees. Our CoC informs our customers and employees about current changes in the law on these subjects in a newsletter. By doing so, we support our customers in moving their real estate to a sustainable model, thereby achieving added value. Overall, our services support sustainability of real estate with a positive effect for the environment and society.

6.3 Outsourcing

In a globalised competitive environment, our customers must concentrate on their core business to be successful in business on a long-term basis. Outsourcing secondary processes to a specialised service provider in real estate, facilities and production processes can be an important strategic step. Apleona is a reliable outsourcing partner with years of experience for customers from various industries. In addition to taking over secondary processes, we integrate existing employees sustainably into our competent teams, if needed. That way, professional expertise is retained and further developed by the rational mixing of our teams. On the one hand, that creates attractive prospects for new colleagues and, on the other, noticeably relieves our customers' budgets. This creates a win-win situation for our customers and for us.

Of course, one of the things that is very successful for us in any outsourcing process is that we integrate operational co-management very early into the project as partners. In addition, we also pay attention to the coordination of differing corporate cultures, because only if they are convinced do employees become a valuable component of business success.

6.4 Transparency

Presenting our Group Policy Corporate Social Responsibility in a concise, understandable form is also intended to put the people with whom we do business and other outside stakeholders in a position to find out about our activities in accepting corporate social responsibility.

7. Integration and community development

7.1 Attractive employer

Apleona makes a major contribution to society as an attractive employer through its presence at many locations in Germany and Europe with over 20,000 employees.

7.2 Commitment to real estate associations, organisations and universities

We get involved in various professional organisations, boards and universities to ensure professionalisation, standardisation and further development of knowledge and the necessary sharing of experience. That makes it possible for us to join real estate industry discussions with subject matter expertise and provide our professional opinion with backing for it. Working in specialised professional groups or holding professional lectures is an important contribution to the further development of the industry and for providing knowledge to the next generation. The following are among the institutions in which we are active respectively we collaborate with:

- German Facility Management Association (GEFMA)
- Institut für Corporate Governance in der deutschen Immobilienwirtschaft e.V. (ICG)
- German Property Federation (ZIA)
- Royal Institution of Chartered Surveyors (RICS)
- GVA Worldwide (International platform)
- Hauptverband der Deutschen Bauindustrie e.V., Bundesfachabteilung Ausbau und Trockenbau
- Gesamtverband Gebäudetechnik e. V. (VGT)
- Bundesindustrieverband Technische Gebäudeausrüstung e.V. (BTGA)
- Güte- und Überwachungsgemeinschaft Technische Gebäudeausrüstung e. V. (GTGA)

7.3 Social commitment

Our employees are very enthusiastic about making a social contribution to their local groups, for good purposes or for society at large. These include, for example, charitable, volunteer work or sponsorship through donations and/or participation in sporting events. Social commitment through donations, sponsorship, contributions in kind or of staff is based on the various local needs and individual capabilities and goals of our companies' locations, which initiate and implement them at their own initiative.

We have actively participated in "Practical guidelines for effective social/corporate conduct in German real estate," which, among other things, systematically provides practical examples for involvement by companies working in

the real estate industry. As part of our work, we had conducted a systematic consumer survey on social commitment. The practical guidelines can be downloaded from the following link (German):

<http://www.wir-zeigen-verantwortung.de/wp-content/uploads/2016/09/zia-icg-verantwortung-uebernehmen-web.pdf>

8. Amendment History

Date	Version	Revised content
26.01.2018	1.0	Creation

9. Annex: Glossary

German term	English term	Meaning
BREEAM	BREEAM	Abbreviation for Building Research Establishment Environmental Assessment Method (a sustainability certificate for real estate)
Business Unit (BU)	Business Unit (BU)	Reporting unit belonging to the Apleona Group GmbH that has no legal personality. The Business Unit is, organisationally, directly below the Executive Board and is responsible for the operational management of the Group companies that belong to it. Each BU is managed by a Chief Executive Officer (BU CEO) and a Finance Director (BU FD), who report directly to the Executive Board. Additional functions can be defined if needed.
CMS	CMS	Abbreviation for Compliance Management System
CoC	CoC	Abbreviation for Centre of Competence
COP	COP	Abbreviation for Communication on Progress; an annual report from the company on its activities and progress in support of the 10 principles of the UN Global Compact (UNGC)
Corporate Governance	Corporate Governance	The concept of Corporate Governance (i) includes the entire system of managing and supervising a company, including its organisation, business principles and guidelines. It also includes policies, procedures and other provisions (including circulars, forms, process descriptions and memos) as well as internal and external control and monitoring mechanisms; (ii) refers to the corresponding support function.
DGNB	DGNB	Abbreviation for Deutsche Gesellschaft für nachhaltiges Bauen e.V. (a sustainability certificate for real property)
DIN	DIN	Abbreviation for DIN Deutsches Institut für Normung [German Standards Institute].
Führungskreis 1-3	Management level 1-3	Management hierarchy in management
GEFMA	GEFMA	Abbreviation for German Facility Management Association
General Counsel	General Counsel	Head of Department Legal & Compliance
Gesellschaftliche Verantwortung	Corporate Social Responsibility (CSR)	Companies have corporate social responsibility which can be seen in the various topic groups. Often the topics are divided based on the three aspects of sustainability - economics, ecology and social culture.
Governance	Governance	Governance describes the uniform Group-wide framework and structured rules for the internal organisation of a company.
HSEQ	HSEQ	Abbreviation for Health, Safety, Environment, Quality
ICG	ICG	Abbreviation for Institut für Corporate Governance in der deutschen Immobilienwirtschaft e.V.
IKS	ICS	Abbreviation for Internes Kontrollsystem (Internal Control System in English)

German term	English term	Meaning
ISO	ISO	Abbreviation for International Organisation for Standardisation
Konzern	Group	The entirety of all Group companies, including Apleona Group GmbH, as the highest legal entity.
Konzernanweisung	Group Procedure	Document specifying group-wide valid and specific rules, roles and responsibilities.
Konzerngrundsätze	Group Policy	A document that prescribes the conduct and activities of the company in a short, abstract form.
Konzernrichtlinie	Group Directive	Document prescribing valid, abstract rules, roles and responsibilities for all employees throughout the Group.
LEED	LEED	Abbreviation for Leadership in Energy and Environmental Design (a sustainability certificate for real estate)
Leitsatz	Culture	A short, concise description of values and the corporate culture for presentation inside the company and outside it
Management Board	Management Board	Advisory body consisting of the members of the Executive Board and other Business Unit directors appointed by the Group CEO in coordination with the CFO and the COO of the board.
Mitarbeiter	Employee	A person with an employment relationship or appointment to a body at (at least) one group company.
RICS	RICS	Abbreviation for Royal Institution of Chartered Surveyors
Slogan	Tagline	In one sentence compressed corporate philosophy for internal and external promotion
TP-Check	TP Check	Abbreviation for third-party check
UNGC	UNGC	Abbreviation for United Nations Global Compact. This initiative is the largest and most important one in the world for responsible business management.
Werteorientierte Unternehmensführung	Corporate Sustainability Leadership	Recognition of the social responsibility of a company by its management along with implementation and installation of appropriate measures
ZIA	ZIA	Abbreviation for Zentraler Immobilien Ausschuss e.V. (English: German Property Federation)