

## PROFILE

alstria office REIT-AG is the leading listed Real Estate Investment Trust (REIT) and the largest listed office property company by market capitalisation in Germany.

The Company is focused on acquiring, owning and managing office real estate in Germany. alstria was founded in January 2006 and was converted into the first German REIT in October 2007. Its headquarters are in Hamburg. The Company owns a diversified portfolio of properties across attractive German office real estate markets. Its current portfolio comprises 84 properties with an aggregate lettable space of approximately 927,000 sqm and is valued at approx. EUR 1.6 bn.

This is the third report published by the Company in order to communicate its CSR key performance indicators to the market. It emphasises alstria's continuous engagement in sustainability issues and the commitment to its values over time.

This sustainability report concentrates on FY 2011 data. In order to allow year-on-year comparability, we have provided FY 2010 and FY 2009 data whenever it was available.

It is alstria's aim and policy to incorporate sustainability criteria into all its decisions. As a long-term investor in real estate, alstria has a vested interest in improving its environmental and social behaviour towards its main stakeholders.






oekom has classified alstria as "prime" in its rating. The Company's shares are thereby qualified as an environmental and social investment.

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## LEGEND

-  **INFORMATION**  
Historical and comparative information
-  **PANORAMA**  
Interesting details to know
-  **SUCCESSES**  
There was reason to celebrate

## COVER



The cover page was illustrated by the student Toni Endres. For more information please refer to » page 57.

## KEY METRICS

<b>Economic performance</b>	<b>Dec. 31, 2011</b>	<b>Dec. 31, 2010</b>
Number of properties	80	70
Number of joint ventures	2	2
Market value		
<i>EUR bn</i>	1.5	1.4
Contractual rent		
<i>EUR m/annum</i>	99.8	86.6
Lettable area		
<i>k sqm</i>	862	778
Vacancy		
<i>% of lettable area</i>	8.6	7.6
Average rent/sqm		
<i>EUR/month</i>	10.6	10.0
<b>Environmental performance<sup>1)</sup></b>		
Building energy intensity		
<i>kWh/sqm/year</i>	205	143
<i>kWh/workstation/year</i>	5,126	3,580
Greenhouse gas intensity from building energy		
<i>t CO<sub>2</sub>e/sqm/year</i>	0.07	0.06
<i>t CO<sub>2</sub>e/workstation/year</i>	2.23	1.44
Building water intensity		
<i>m<sup>3</sup>/sqm/year</i>	0.30	0.19
<i>m<sup>3</sup>/workstation/year</i>	7.4	4.8
<b>Social performance</b>		
Employees		
<i>total</i>	50	39
Employee turnover		
<i>%</i>	10	9
Absence		
<i>%</i>	4.5	3.2
Annual training costs per employee		
<i>EUR k</i>	1.2	1.4

<sup>1)</sup> EPRA Best Practices Recommendations on Sustainability Reporting.

# HIGHLIGHTS OF OUR JOURNEY

Dear reader!

In 2011, we were able to complete further key steps in the development of the Company. The year started with the successful capital increase. alstria received gross proceeds of EUR 95 m, which were aimed at investments into growth opportunities. We were able to report on acquisitions with a combined investment volume of EUR 105 m. Our deleveraging strategy and the accretive acquisitions had a positive impact on our profitability. Find more information about our economic performance in 2011 on [» page 27](#).

Best regards from Düsseldorf!

T-AG / Bäckerbreitengang 75 / 20355 Hamburg



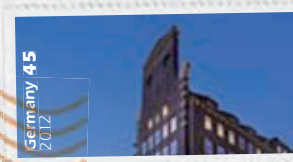
To our stakeholders  
Economic Highlight 2011  
Team Finance & Legal

Dear reader!

In 2011, alstria started the refurbishment of the Bartholomayhaus property in Hamburg, which is being considered, together with Kontorhausviertel for inclusion on the list of the UNESCO world heritage sites. The car park, located in the inner courtyard of the property, was in need of renovation and completely rebuilt by alstria. As part of the overall remediation measures, alstria has taken into consideration the historic façade of the building, included natural ventilation and a green roof technology. Find more information on [» page 39](#).

Many regards from Bartholomayhaus!

ce REIT-AG / Bäckerbreitengang 75 / 20355 Hamburg



To our stakeholders  
Environmental Highlight 2011  
Team Development

Dear reader!

alstria is more than just assets. In this report, we would like to highlight the sustainable management of our portfolio performance and how alstria's employees play a crucial role in implementing sustainable measures in the long-run. Creating value to us also means acting sustainably in each department.

Find more information about sustainable life cycle management of real estate on [» page 49](#).

Best regards from Bäckerbreitengang!

alstria office REIT-AG / Bäckerbreitengang 75 / 20355 Hamburg



To our stakeholders  
Social Highlight 2011  
Team Real Estate Operations







## LADIES AND GENTLEMEN, DEAR STAKEHOLDERS,

This is the third sustainability report published by alstria in its six years of existence. We have continued improving our reporting capability with respect to the sustainability KPI, and further improved our reporting boundaries. We would like to use the opportunity in this third sustainability report to emphasise a number of positions that alstria has been taking with respect to certain debates in the real estate world.

### 1. We do believe that a sustainable approach is a key factor of success for real estate.

Our business is strongly driven by the long-term development of the markets in which our assets are located. It is in our best interest, as well as in the best interest of our stakeholders, that we endeavour to improve this environment as much as we reasonably can. Maintaining a balanced supply and demand, keeping the right balance of power between tenants and landlord, improving public access to our assets - are all a part of our decision-making process as a long-term owner of real estate.

### 2. We do believe that sustainability issues should be embedded in the overall strategy of the Company.

We have struggled to put together a "sustainability policy" for the Company. Mainly because we struggled to isolate sustainability issues from other issues. We do not look at sustainability as an isolated item that deserves a policy of its own, but as an integral part of day-to-day operations and decision-making processes. Our ultimate goal is not to have a sustainability policy, but to embed sustainable thinking so deeply in our operations and our DNA that we will act in the most

sustainable way without having to speak or think about it. Our aim is to BE sustainable.

### 3. Sustainability is about striking the right balance.

We do believe in the three pillar approach to sustainability. Being sustainable is being able to strike the right balance between economic benefits, on one hand and social and environmental cost, on the other hand.

### 4. We do not believe in green building certification as a measure of sustainability.

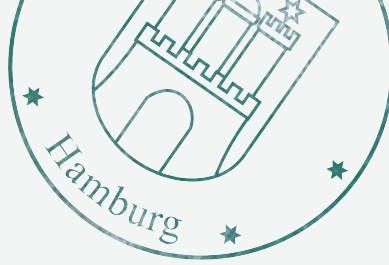
Let's be clear on this point. We are strong believers in the fact that the existing environment needs to be improved in order to generate more sustainable buildings. However, we do not believe that the certifications (LEED, BREAM or any other for that matter) are a relevant indicator of sustainability. We do use building certifications as pure marketing tools. As this is what they are. Not more, not less. The sustainability of a portfolio cannot be measured by the number of certified buildings in this portfolio.

### 5. The path is the goal.

Sustainability is a journey, not a goal. The most important thing in this journey is not where you get to, but how you get there. As a Company, we have just started the journey, and still have a very long way to go. But so far, we are enjoying the trip, and learning a lot.

**Olivier Elamine**  
Chief Executive Officer (CEO)

**Alexander Dexne**  
Chief Financial Officer (CFO)



## MILESTONES

4

Company

alstria's foundation was based on a simple idea: Although Germany is the largest real estate market in Europe, there are very few publicly traded real estate companies, offering investors flexible and liquid investment opportunities in the German real estate market. To fill this gap in the office segment, the Company was founded in January 2006. In 2006, also the acquisition of various real estate portfolios acquired in several sale and leaseback transactions took place. These transactions included portfolios of Barmer Pensionskasse, the City of Hamburg and Daimler AG and amounted to EUR 1.4 billion. This high-quality property stock formed the basis for alstria's IPO on April 3, 2007 in the Prime Standard of Frankfurt Stock Exchange. The proceeds from the IPO provided the financial resources for a further expansion of the property portfolio, mainly based on sale and leaseback transactions with Bilfinger Berger and HUK-Coburg. With the conversion into a REIT (Real Estate Investment Trust) another crucial step in the development of the Company was realised in October 2007. This internationally proven legal form for real estate companies was approved by the German legislature in summer 2007. REITs globally are characterised

by a strong balance sheet, a solid business model and a shareholder-friendly dividend policy. Since its conversion, alstria office REIT-AG has become the largest and leading publicly traded REIT in Germany. In 2008 to 2010, due to the global financial crisis the Company entered a growth pause and consolidated its balance sheet, until returning to a sustainable growth path by acquiring additional real estate assets towards the end of 2010. On September 30, 2012, alstria's portfolio consisted of 84 properties with a lettable area of 927,000 sqm with a total value of more than EUR 1.6 billion. With its 58 employees alstria today is a focused and competitive company with a high reputation in the real estate and capital markets. On the basis of a high-quality property portfolio, a strong balance sheet, excellent tenants and motivated employees, the Company will continue to grow in the years to come. An idea has become a reality.



  
**FOUNDING**  
January 2006

Conversion into a REIT  
**October 2007**

  
**2010**  
First sustainability report

Basis for a listing  
**IPO**  
April 3, 2007

  
**Today**  
**58**  
employees  


(Sep. 2012)  
**84 PROPERTIES**  
927,000 sqm

# ABOUT THIS REPORT

## HOW TO READ THIS REPORT

This is the third sustainability report provided by alstria. The sustainability report shall provide its readers with the most valuable information in the most efficient way about our engagement in the field of sustainability. This report aims to explain and illustrate our sustainability approach which is based on the three pillar concept. We do provide the reader with a case study for each and every pillar which illustrates alstria's sustainable involvement in daily business. Furthermore, we describe concrete measures within our sustainability framework and how we engaged in 2011. Thereof targets are derived from these measures and monitored (For more information please refer to » pages 12 to 16).

Sustainability topics also are increasingly integrated in our Annual Report » part I and II.

## REPORTING PERIOD

alstria reports annually on sustainability within the Company. Although publication dates differ, the sustainability reporting cycle is aligned with the financial reporting cycle. This report covers activities over the financial year 2011 (January 1, 2011 to December 31, 2011) and should be read together with the Annual Report 2011 » parts I and II. The Annual Report is available on alstria's website: » [www.alstria.com/en/investors/reports-events/financial-reports/date/2011/](http://www.alstria.com/en/investors/reports-events/financial-reports/date/2011/)

Whenever possible, we have provided 2010 and 2009 data. The report has been written in accordance with the GRI 3.1 guidelines and the sector supplement for construction and real estate (CRESS) as well as the EPRA Best Practices Recommendations on Sustainability Reporting.

## SCOPE OF REPORTING

alstria's activities did not change over the reporting period and no significant changes are planned for the next years. The consolidated financial statements of alstria office REIT-AG and its subsidiaries (together "alstria Group") have been prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB).

Unless otherwise stated, economic and social data refer to the alstria Group.

Environmental data refer to assets directly held by alstria Group (excluding joint ventures). In order to be aligned with the international framework of the Greenhouse Gas Protocol Initiative, we follow the operational approach when it comes to data evaluation. This approach clearly identifies emissions where we have direct control over our own emissions and where emissions accrue due to the Company's activity. Scope 1 and Scope 2 represent emissions which are related to our operations, and Scope 3 represents all emissions that occur in the value chain. It also includes downstream activities such as leased assets. The information from tenants' consumption which is published under Scope 3 depends on data that is provided to us by our tenants. Furthermore, no adjustments for special circumstances were made such as weather patterns or age of building.

The calculation methods and the number and share of assets included in the calculation are stated in the notes for each relevant indicator.



## LIKE-FOR-LIKE APPROACH

We do not only report the absolute consumption for each year, we also want to compare the data on an annual basis. Therefore we use the like-for-like approach in our portfolio for better comparability between the reported years. The like-for-like approach disregards assets which have been added or excluded from the portfolio during the reporting frame period and solely focuses on the ones that have contributed during the entire period. We report on the like-for-like changes with respect to the total consumption of our tenants for electricity, heating, CO<sub>2</sub> emissions and water.

It should, however, be noted that the like-for-like comparison only applies to the absolute indicators, whereas intensity indicators look at the total portfolio at the date of reporting.



### › AUGMENTED REALITY ‹

This report provides the user with augmented reality experience. In order to access this experience you need to download alstria's app from the App Store (iPhone, iPad), or aurasma Lite from Google Play (Android). For more information about the augmented reality feature, please go to >> page 64.

# ALSTRIA'S CSR POLICY

alstria's business model can be summarised as follows: We invest the Company's equity into real estate assets which we manage for the long run. Our business cycle is long by definition. Real estate time passes by slowly. It can take up to four or five years to plan and properly refurbish a property and lease it up completely. The building itself should be designed to fit tenants' needs for the next 20 to 30 years.

Given the limited trading approach to our business, sustainability comes as a natural feature within alstria. Any decision we make will influence the Company for a long time. And most of them are definitive. Once a decision is executed, there is no turning back, no changes are possible or they are only marginal or very expensive.

As a commercial organisation, our main goal is to yield the best return on the equity of the Company over time.

Our sustainability approach is based on the three-pillar model. Any business decision will have an impact on each of the pillars. We will achieve the greatest profit over time by following the middle path, which maximises the returns on the three pillars.

**Environment** › Taking this into account allows us to reduce the speed of obsolescence of our assets and increase the attractiveness of our offices to our tenants.

**Social** › Unlike other businesses, our fate is tied to the location in which we invest and therefore we have a vested interest in the strong development of the local community.

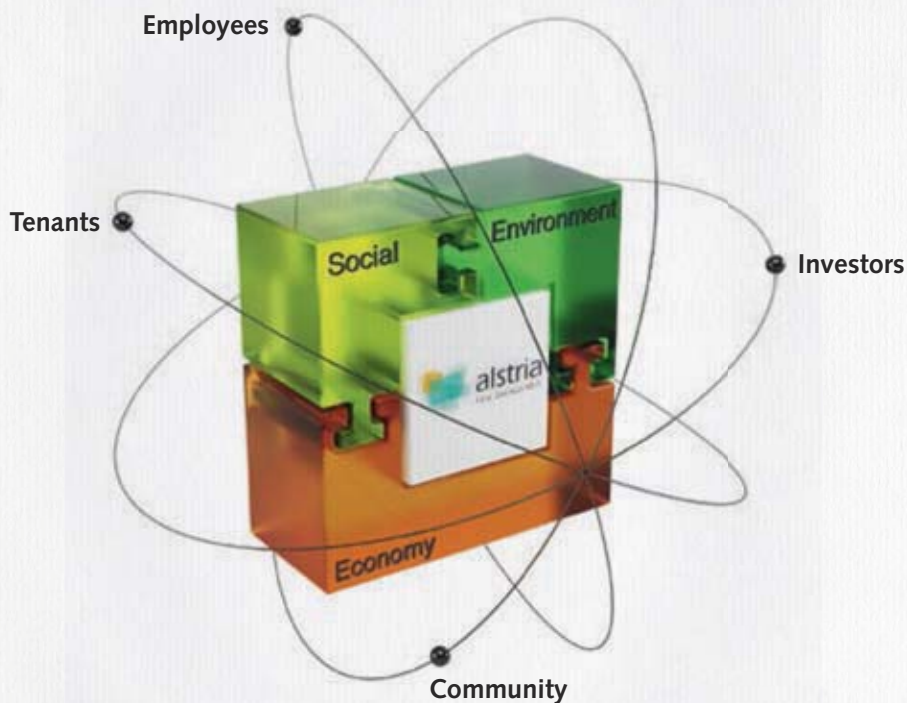
Any decision that considers the environmental and social aspects will enhance the **economics** of alstria's operations over the long run, as it will, at worst, minimise the risk on the value of our assets and, at best, improve it by increasing the underlying land value.

Our aim is the further improvement of our data collection, data measurement and, of course, the sustainability reporting itself on an ongoing basis. We have, however, tried as much as possible to underline the shortcuts which we have taken from time to time. The decision to get approximated data was, in a limited number of cases, also driven by the three pillar approach. This is where we felt that the cost/benefit analysis was in favour of the approximation rather than providing more precise figures.

As a listed and customer-oriented company, alstria has manifold relationships with stakeholders involved in our business. Our most important stakeholders are our investors, our tenants, our employees and the community in which we operate. We believe that each of these stakeholder groups has a vested interest in each of the three sustainability fields.

We always strive to work closely with stakeholders across a broad front, creating shareholder value, working for the benefit of our tenants, providing a healthy and secure working environment and enhancing the quality of life in the communities surrounding the assets we invest in.

## › SUSTAINABILITY MODEL ‹



## › ALSTRIA'S SUSTAINABILITY MODEL ‹

alstria's sustainability model is based on the three pillar approach, taking the impact of business on the following pillars:

- > Economy
- > Environment
- > Social

Our day-to-day business decisions can impact each and everyone of alstria's stakeholders directly or indirectly through one or the other pillar. Being sustainable means trying to strike the right balance for every stakeholder, and every pillar.



# STAKEHOLDER ENGAGEMENT

Considering the different needs and focuses of each of our stakeholders, our approach to sustainability aims at finding the right balance between the needs of each stakeholder group.

## › INVESTORS ‹

As a listed company we have fiduciary duties towards our shareholders. Our goal is to create sustainable value by working hard and responsibly. Our investment decisions are always based on proper analysis. alstria only invests in assets and/or markets which we believe will sustain our growth requirements and deliver adequate returns over time. We believe that a strong commitment to transparency and to reliability is fundamental for building trust within our shareholders.

Through our investor relations outreach we have direct contact to our shareholders. We inform them about alstria's development, its financials and the sustainability approach through our annual, quarterly and sustainability reports, as well as the corresponding release conferences. In order to ensure the highest possible transparency, we improve our reporting constantly and participate in the development of relevant industry indicators. These efforts are rewarded regularly by positive ratings and awards.

Discussions on road shows and property tours secure the quality of the engagement. alstria also uses numerous other communication tools. Besides the conventional approach, we operate a blog and we are present on Facebook, Twitter and other social media platforms in order to improve our investor outreach.

## › TENANTS ‹

alstria's good relationship with its tenants is the key for long-term success. We work constantly on these relationships by managing our assets directly and supporting our tenants when they require changes to their rental space, or when they need to increase office space efficiency. We aim to provide efficient and sustainable office space to create added value which will benefit both our tenants and alstria. It is important for us that our tenants can operate their business as efficiently as possible in our buildings.

Our approach is based on regular communication and site visits by our real estate operation team to engage directly with the occupants. We are able to respond rapidly to requests and support our tenants directly through the successful integration of our property management. We underline this engagement with the opening of our first office in Düsseldorf, which strengthens our presence in the Rhine/Ruhr area. We have regular meetings with our key tenants to discuss room for improvement in our properties. We also discuss sustainability issues in different working groups, as there is an increasing awareness of green building management.

## › EMPLOYEES ‹

Our employees and their development within the Company are fundamental to realising sustainable achievements. We need to ensure that they can perform at their best and are satisfied with alstria as an employer. Our approach includes different strategies such as equal opportunities, talent and health management, as well as a strong team spirit.

We improve our human resource management process constantly, to ensure the satisfaction of our employees and to bind them in the long-run.

It is important for us that our employees can grow personally and bring up innovations within alstria. We support them by providing specific training and foster talents. Our employee's success is based on flat hierarchies, open communication and team spirit.

We value diversity and make sure to recruit and retain a diverse workforce. Further, we offer a flexible working time model which supports for example young parents returning to alstria after their parental leave.

## › COMMUNITY ‹

By hosting thousands of people day by day, our assets are an important component of the communities where they are located. Through our operations, corporate and employee contributions, we strive to enhance the quality of life in these communities.

We act as responsible citizens and good corporate neighbours, respecting the interests of those who live and work in or near our assets. As our business is local, we try to support local entrepreneurs in our supply chain. We obey the laws under which we operate and train all our employees to understand and follow alstria's Code of Conduct, which defines our ethical and legal guidelines and supports our commitment to honesty and integrity.

We support local initiatives and institutions that make a positive contribution to the sustainable economic development of the Hamburg region by providing them with space for community events or beneficial rental agreements.

## OUR SUSTAINABILITY FRAMEWORK IS BASED ON OUR STAKEHOLDER ENGAGEMENT

With our first sustainability report we set up a framework which explains our approach towards CSR, our stakeholder engagement and the impact of alstria's CSR policy on our daily business. Most of our decisions have been, and are also, driven by the values and the operational impacts within this framework.

The framework provides an orientation for continual improvement for the future, to achieve our goals and set new ones as we move on.

### Key achievements

In line with our target to cover 100% of our assets by 2015, we have managed to expand the scope of reporting. With each subsequent report we aim to increase our understanding of the consumption data. Among others things, the successful integration of the property management was one driving factor for the increased data coverage of our portfolio.

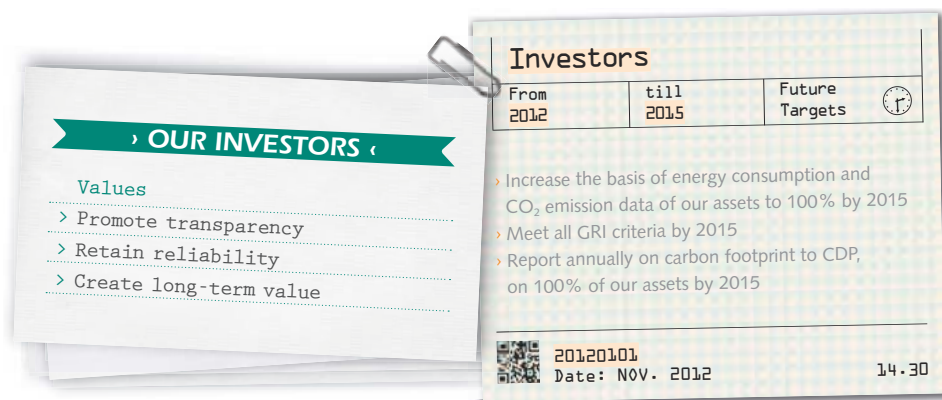
### Challenges

Even if we make progress, data gathering was, is and will be one of our greatest challenges in the future, as energy consumption and CO<sub>2</sub> emissions within our portfolio are mainly produced by our tenants. Therefore, we rely on their cooperation and share the responsibility to reduce energy consumption and CO<sub>2</sub> emissions.

### Future targets

Our goal is to identify room for improvement within our sustainability framework, take the right actions, monitor the progress and continually improve. It is a matter of course that we report about our progress, which is stated on each stakeholder group under "how we engage". Instead of resting on our laurels, we further develop our targets in line with the existing ones and try to improve our sustainable engagement and transparency in reporting.





## OPERATIONAL IMPACT

### Optimise cash flow generation

Our cash flow strategy enables us to conduct capital increases and allows an attractive dividend policy.

### Maintain the quality of the portfolio

Creating sustainable value means to invest in the existing assets to maintain the quality of our portfolio.

### Act pro-actively on the market

We show our industry leadership by taking an active role in the market.

### Optimise risk-return matrix

alstria's acquisition strategy is focused on assets that we feel present the most attractive risk-return profile in the current market.

### Take tomorrow's needs into consideration

We consider sustainable refurbishment with every development project, as it is an investment for a lifetime.

### Favour long-term view to short-term trade

alstria only invests in assets which will sustain our growth requirements and deliver returns over a long time.

### Implement best-in-class reporting

We constantly improve our reporting to better meet investors' and stakeholders' needs.

### Improve corporate governance and transparency

A growing interest of our investors in the sustainable approach of alstria increases our own engagement in sustainability reporting.

## HOW WE ENGAGE

alstria executed a capital increase for the third year in a row. This put us in the position to make further asset acquisitions and achieve sustainable growth.

In 2011, we invested around EUR 22 m in the refurbishment and maintenance of our portfolio.

In 2011, we presented alstria on 29 regular road shows and conferences to investors and analysts.

In 2011, alstria focused on its buy-and-manage strategy. We acquired ten assets with a risk profile above the portfolio average (but in turn generate a higher return).

During the last two years we refurbished Bartholomayhaus in Hamburg. While safeguarding its historical look, this refurbishment enabled us to install a rainwater tank, natural ventilation and a green roof.

At the end of 2011, the disposal of the prime property Alte Post in Hamburg successfully concluded this development project. For alstria's shareholders this development generated a substantial profit.

alstria has been awarded for its transparent and best-in-class reporting by various organisations.


For the first time, alstria reported its carbon emissions and climate change strategy to the "Carbon Disclosure Project" which aims to set up a global database for carbon emissions.

## OUR TENANTS

### Values

- > Maintain long-term tenant relationships
- > Improve transparency and property management
- > Provide efficient and sustainable office space

## Tenants

From	till	Future
2012	Infinite	Targets 

- > Enable our tenants to get direct access to relevant data by 2015
- > Implement green lease clause in our standard contracts
- > Manage 100% of our assets internally by 2013 (full integration of the property management)



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Date: NOV. 2012

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## OPERATIONAL IMPACT

### Enhance transparency in terms of invoicing and reporting

A structured property management ensures the quality of our work and improves the communication with our tenants.

### Maintain constant dialogue

We organise regular meetings with our key tenants to maintain a constant dialogue.

### Understand tenants' needs and deliver solutions

It is a matter of course to have a close relationship with our tenants for a better mutual understanding.

### Encourage tenants to adopt sustainable behaviour

We are engaged in different working groups to pursue opportunities to reduce a building's environmental footprint.

### Sustainable certification of assets

alstria's development projects are focused on the sustainable modernisation of existing buildings.

### Optimisation of workspace use

A flexible floor plan allows us to realise various office concepts for our tenants. In cooperation with our tenants, we respond to their individual needs.

### Improve knowledge of the assets

A comprehensive and improved data management allows efficient processes within the Company.

## HOW WE ENGAGE

Over the last years, alstria has continuously integrated the property management into its value chain.

In May 2011, alstria hosted a conference with the topic "Green Building – Integration of sustainable building services and architecture" in the Mundsburg Office Tower.

In our daily work we ensure that our real estate operations teams are always available to respond to tenant concerns and to develop ideas and solutions.

The "Green Leases" working group published 50 regulatory recommendations for landlords and tenants which includes, among other things, measures for energy saving or regulations of utility costs to support sustainable behaviour.

The Mundsburg Office Tower, one of our main development projects, has received the DGNB pre-certificate in Silver for the sustainable modernisation of an existing office building.

In 2011, alstria optimised the office space for a new tenant. In cooperation with the tenant, all required needs were considered and we implemented an open-space office in this building.

alstria introduced an internal document management system. It significantly increases the efficiency of business workflows within the Company.





## OPERATIONAL IMPACT

### Fair and balanced HR policy

We believe in positive and respectful communication, which includes diversity and equal opportunities.

### Remuneration package includes share-based component

alstria offers a convertible profit participation rights programme as part of the overall remuneration package to its employees.

### Encourage team relationship

As a growing company we feel responsible for encouraging and maintaining a team relationship.

### Non-discrimination policy

We value diversity in our workforce, and seek to create an environment that allows us to recruit and retain a diverse workforce.

### Support education

We believe that training our employees regularly forms the basis for sustaining a high level of know-how and motivation.

### Take into account employees' specific needs

We use several strategies and tactics to engage with employees. Our management style is based on intensive communication to meet employees' needs.

## HOW WE ENGAGE

To ensure diversity, we improve our human resource management process constantly. In 2011, a total of 50% of the management positions were filled by female employees.

For the 61,500 certificates issued in 2010, the market condition was fulfilled until the end of the financial year 2011. A total of 177,700 convertible profit participation certificates existed as of December 31, 2011.

alstria holds a team workshop every year. Each department introduces new projects. Additional teambuilding measures, open-space and open-door policies strengthen the corporate climate.

Our non-discrimination policy is described in the Code of Conduct which is presented to every employee on a yearly basis.

In 2011, on average each employee received 25 hours of training. We offer workshops, internal training as well as individual support each year.

Our employee turnover rate was 10% in 2011. To keep this rate below 10%, we improve our structured management and communication models on a regular basis to ensure the satisfaction of our employees.

## COMMUNITY

### Values

- > Be responsible citizens
- > Support local economy
- > Remain fair and open partner

## Community

From	till	Future
2012	Infinite	Targets

- > Support at least two social and cultural projects per year by providing vacant space at preferential terms
- > Improve market transparency by supporting at least two transparency initiatives
- > Be continuously involved in academic studies and support at least one academic research work every year



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## OPERATIONAL IMPACT

### Support and maintain historical buildings

Our refurbishment projects strive to strike the right balance between the spirit of the asset and its history, and its future needs to meet tenant demand for the foreseeable future.

### Participate in city redevelopment

We work hand-in-hand with local authorities during a development process. Only the close collaboration of all involved parties will lead to success.

### Engage with local suppliers

We strategically engage third-party local suppliers for our development projects as well as for the regular maintenance of our buildings.

### Improve health, safety and environment

alstria runs a perennial review and investment plan for the fire and safety measures in its assets.

### Engage in best-in-class corporate governance measures

We regard responsible and transparent corporate governance as a central challenge and indispensable prerequisite for the creation of sustainable value for shareholders and stakeholders.

### Engage with national and international organisations

alstria is engaged in several discussion groups regarding issues such as accounting, sustainability and transparency.

### Support fundamental R&D

We support research concerning real estate by funding certain studies and by providing relevant data.

## HOW WE ENGAGE

With the refurbishment of Bartholomayhaus, we also retrofitted the garage. It was completely rebuilt by alstria and adapted to the needs of our tenants through the equipment of a charging station for electrical vehicles.

In 2011, with the move of the Ohnsorg-Theater, alstria demonstrated that sustainable real estate business can combine local community improvement and additional shareholder value.

We have a responsible contracting policy and engage, whenever possible, local SMEs (small and medium-sized enterprises). In 2011, we continued to favour working with local SMEs and hired 385 local suppliers.

In 2011, we invested around EUR 500 k in measures which were solely focused on improving the safety of our assets for its occupiers.

In 2011, alstria has materially changed its Supervisory Board. With the introduction of two new independent members (of which one a female member) we have realigned the Supervisory Board structure to the shareholders' ownership structure.

The working groups of EPRA and CRESS published their sustainability reporting standards. We were engaged in both groups. The Company participates in a number of public comments consultations from the European Union, the IASB and ESMA.

Together with the EBS University, Real Estate Management Institute (REMI), alstria founded the "Competence Center Real Estate Investment Trust".

# GOVERNANCE, COMMITMENTS AND ENGAGEMENT

## CORPORATE GOVERNANCE

Good corporate governance is an essential precondition for the Company's success. It provides a legal and factual framework and promotes transparency, accountability, dealing appropriately with risks and sound business practices.

alstria complies with the German Corporate Governance Code. The Company's declaration of compliance with the recommendations of the German Corporate Governance Code is published on alstria's website: » [www.alstria.com/en/investors/corporate-governance/code/](http://www.alstria.com/en/investors/corporate-governance/code/)

A full description of the structure and the functioning of the Supervisory Board and Management Board, including their purpose, powers, limitations, activities and remuneration policies, is printed in the Annual Report for the financial year ended December 31, 2011 » Part II/II, pages 82 to 97. The Annual Report can also be found at » [www.alstria.com/en/investors/reports- events/financial-reports/date/2011/](http://www.alstria.com/en/investors/reports-events/financial-reports/date/2011/).

## ETHICS AND COMPLIANCE

As the good reputation of alstria and the trust of our business partners, shareholders, employees and of the public crucially depend on the behaviour of each of our employees, alstria's management and its employees are committed to a Code of Conduct. Thereby the correct behaviour for all employees of the Group is defined. In 2011, the regulations within the Code of Conduct have been updated. The new regulations were elucidated and illustrated to all employees on the basis of compliance training. The employee handbook consists, among others, of the following guidelines:

### 1. Code of Conduct

- › General requirements of behaviour:
  - Legal compliance
  - No acceptance/granting of advantages, which also includes business relations with tenants, service providers and other business partners
  - "Green list" of approved suppliers
  - Leadership and example: executives have, in their exemplary function, a responsibility to be compliant with the Code of Conduct

- Conflicts of interests
- Insider information
- No discrimination
- Whistle-blower hotline

### 2. Procurement

- › Ensure the centrally controlled, structured procurement and the purchase of technical material and the continuous documentation of the observance of competence guidelines

### 3. Equal treatment of employees within the Company and prohibition of discrimination

- › Implementation of equal opportunities within the Company
- › Means for avoiding discrimination
- › Obligations under this guideline
- › New hiring
- › Remuneration

### 4. Prohibition of harassment at the workplace

- › Responsibility for adhering to these guidelines
- › The role of the Management Board and supervisors
- › The role of employees
- › The role of the Company
- › Special complaint and investigation procedures

### 5. Money laundering

- › Guidelines to sensitise all employees to money laundering and to ensure that money laundering is prevented
- › Reporting and record-keeping obligations
- › Rules of conduct

The employee handbook is distributed to all employees, who are asked to confirm their acceptance of its terms in writing. The Code of Conduct is presented during compliance training periodically. The training programme was set up to reinforce employees' awareness on the requirements of the Compliance Book, containing the Code of Conduct as well as the Company's internal policies. This training programme takes place on a regular basis. In 2011, especially the range concerning procurement and signatures, as well as the four-eye principle, has been part of the training programme.

alstria has set up a compliance organisation to further strengthen the implementation of alstria's ethical standards within the Company. The Compliance Officer reports directly to the Chairman of the Management Board. Employees having concerns about compliance or ethics are invited to contact the Compliance Officer directly or via a whistle-blower hotline, through which employees can anonymously report any violations of the Code of Conduct or the Company's internal guidelines. Our Code of Conduct is explicit in the protection of the whistle-blower. No incidents were reported to this line in 2011.

As a result, our compliance organisation collects all complaints, breaches and actions taken related to the Code of Conduct, all company policies or any unlawful behaviour. No incidents or complaints relating to any unlawful behaviour have been recorded. Hence, no actions had to be taken and no fines had to be paid.

With respect to certain activities which are considered as having a high compliance risk, alstria evaluates its service providers before entering into a business relationship with them. We have therefore established a "green list" which includes all the providers which the Company is allowed to enter into a business relationship with. Contractors on the green list have been screened for reputation and market behaviour prior to the Company engaging in any business.

alstria adheres to national and European regulations on the reporting of compliance breaches to financial authorities.

## RISKS AND OPPORTUNITIES

alstria has implemented a structured risk management system and an early warning system in accordance with Section 91 (2) of the German Stock Corporation Act (AktG).

The aim of the risk management is to support the securing of the Group's long-term future success and to increase enterprise value through the systematic management of risk. Due to the integration of risk data into the Group's existing reporting process, alstria will be able to recognise potential risks early and to increase the planning security of future developments.

For a detailed description of the Company's risk management, please refer to the section "Report on risks and opportunities" in the Annual Report 2011 › Part II/II, pages 16 to 21.

In order to ensure a useful identification of risks and opportunities it is necessary to cope with all relevant risks which result from changes and events, out of internal and external processes.

From a sustainable point of view, we consider potential consequences of climate change in our risk and business strategy. As a real estate owner, and a long-term holder of assets, alstria takes a long-term view on its standing investments. Within its investment decisions, the Company takes into consideration the expected change in behaviour of its customers (corporate tenants) over a period of ten to 20 years.

To counter the climate change and to protect the environment we try to focus on upgrading existing buildings into more modern and more environmentally friendly ones and not to cover green land with buildings.

We believe that climate change, increased energy costs and changes in human behaviour will fundamentally change the way the urban landscape is constructed over time. Our scale of time is long enough to consider the concrete effects of climate change on the day-to-day life. Specific consideration is taken to the accessibility of alstria's assets by public transportation, or integration of these assets within a living environment which provides access to essential day-to-day needs, limiting the recourse to cars.

Considering the long-term nature of our business, and the immovable nature of our assets, it is an important issue to take into consideration the development of climate change to our future prospects.

The following potential sustainable risks and the methods to prevent these risks demonstrate the importance of dealing with climate change and its potential future effects for alstria.

## › RISKS AND METHODS ... ‹

### ... driven by changes in physical climate system

#### Risks\*

- › Changes in temperature extremes
- › High significant precipitation
- › Heavy wind speeds
- › Sea level rise
- › More extreme events, such as heat periods

#### Methods

- › Monitoring climate change on an ongoing process
- › Taking advantage of the weather extremes, e.g. use of solar cells, rainwater tank, recycling rain-water

## › RISKS AND METHODS ... ‹

### ... driven by regulation

#### Risks

- › Strict legislation amendments
  - Energy Saving Regulation (EnEV) in Germany
  - Energy transition in Germany with the conclusion of the withdrawal from nuclear power by 2022 › energy efficiency will be affected
  - By 2020, 30% of the electricity should come from renewable energies
- › High investments in building and construction of the assets at the required level

#### Methods

- › Monitoring legislative risks in order to take these necessary changes into consideration when we acquire or refurbish an asset
- › Investing in monitoring systems to improve the sustainability data gathering and monitoring
- › Engagement in regulatory and economic lobby groups
- › Investing in the assets to keep them on a modern level

\* Source: Federal Environment Agency.

## › RISKS AND METHODS ... ‹

... driven by changes in other climate-related developments

### Risks

- › Changing in tenants' behaviour requiring "green rental space"
- › Failure to understand and respond to the communication needs of investors and analysts
- › Failure to find and retain tenants, because of changing climate awareness

### Methods

- › Consideration of the location of the assets within their environment at the time of an acquisition
- › One of our acquisition criteria is the access to existing or planned public transportation
- › Early recognition of the financial needs to upgrade a building
- › Consideration of tenants' climate-related demands
- › Encourage tenants to adopt sustainable behaviour
- › Support and maintain historical buildings - sustainable certification of assets

### The following opportunities result from the risks described above:

- › Increasing of attractiveness of our assets in the leasing markets
- › Better control on the speed of obsolescence of the assets
- › Safeguard historical assets and architectural patrimonial

As we are aware of alstria's responsibility towards its stakeholders, we do not only consider economic risks and opportunities within our risk management approach, but also environmental and social issues for the Company's long-term success. alstria aims to identify proposals for improvements and to take corrective measures when necessary.

### ENGAGEMENT IN SUSTAINABILITY

alstria is engaged in the highest level of industry discussions with regard to sustainability. The Management Board of alstria has been involved in the GRI Construction and Real Estate Sector Supplement group (CRESS), which is working on GRI-specific reporting guidelines for the industry.

In 2011, GRI's CRESS published its standards. It provides guidance for anyone who invests in, develops, constructs or manages buildings on the principles and indicators to report about business strategy and performance. Specific issues covered in the new supplement include building and materials certification, CO<sub>2</sub> emissions, management and remediation of contaminated land and labour health and safety issues. alstria's Sustainability Report is based on these indicators.

Furthermore, alstria has been involved in several working groups at the European Public Real Estate Association (EPRA). EPRA is the well-known international index which tracks the performance of the largest European and North American listed property companies. It represents the interests of the major European property management companies and supports the development and market presence of these companies. alstria supports the reporting standardisation and the reporting committee for the economic and sustainability key indicators. The Company also has participated in a number of public consultations during 2011. Those consultations were initiated by the IASB, the European Commission and ESMA.

For our 2011 results, we have been rated as “prime” in the real estate sector by the oekom research AG. oekom research AG is one of the world’s leading rating agencies and provides the crucial advantage in the segment of sustainable investments. The classification as “prime” qualifies our market-traded securities as a sustainable investment from an environmental and social point of view.

alstria is also a member of the German Sustainable Building Council (“Deutsche Gesellschaft für Nachhaltiges Bauen”, DGNB).

Finally, we engage with our stakeholders on sustainability issues on our corporate blog » [www.alstria.blogspot.com](http://www.alstria.blogspot.com) and Twitter » [www.twitter.com/alstria\\_REIT](http://www.twitter.com/alstria_REIT).

## AWARDS AND ACHIEVEMENTS

alstria was ranked highly in numerous national and international surveys for its engagement, projects and reporting.

### IR Magazine Europe Awards

- › Top 3 in the category overall best investor relations (small cap)

### Bird (Best Investor Relations Deutschland)

- › First place in the SDAX
- › Third place in the overall ranking (DAX, MDAX, TecDAX, SDAX)

### Institutional Investor Award

- › First place within the range of the European real estate companies for Olivier Elamine in the CEO ranking
- › Second place for the investor relations work Europe-wide

### Thomson Reuters Extel

- › Third place within the ranking of CFO Real Estate
- › Fourth place within the ranking of CEO Real Estate

Our Annual Report and Sustainability Report 2011 have received the following awards by the organisations EPRA and LACP:

### EPRA

- › EPRA Gold Award as one of the best real estate annual reports in Europe

### LACP

#### Annual Report

- › Gold Award as one of the best real estate annual reports in Europe
- › Vision Award 2011 for the Annual Report 2011
- › Top 50 German Annual Reports of 2011

#### Sustainability Report

- › Platinum Award for the Sustainability Report in the category: Real Estate/REIT
- › Top 100 Worldwide-ranking at #48
- › Top 50 in the Europe/Middle East/Africa Region-ranking at #25



# ECONOMY







Our capital strength, the access to financial resources and our operating platform has put us in an excellent position, which we are determined to use for the benefit of our Company and its shareholders. The strength of our balance sheet allows us to further benefit from investment opportunities that can be expected to come into the market sooner or later.

# ECONOMIC PERFORMANCE

We act reliably and generate profit in a responsible manner. Our economic approach regarding sustainability always takes into account the consideration of the consequences of our actions in order to fulfil the responsibility towards our stakeholders. This is an important approach to create long-term confidence and success.

The financial year 2011 was marked by exciting, successful and sustainable company activities. Thus, immediately after the beginning of the year, the capital increase was carried out. The successful placement of shares led to an expansion of our shareholder base, increased the free-float and liquidity and helped to improve the investment profile of the alstria share. The proceeds of the capital increase have been completely invested in an accretive growth with the acquisition of new properties during the financial year. For more information on alstria's sustainable growth in 2011 please refer to » page 27.

Not only was the investment in portfolio growth important for us, but also the active asset management of alstria. The leasing activity in 2011 was very successful. alstria achieved the best letting result in the Company's history. During the reporting year, new leases for around 30,000 sqm and extensions of existing leases of 20,000 sqm were signed.

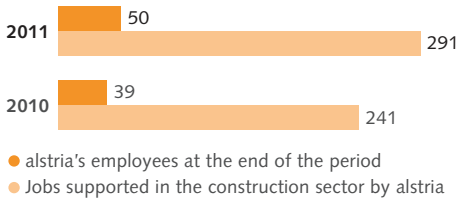
A special highlight in this context was the re-letting of a large part of our property in Frankfurt Merxviertel. The new tenant signed a 10-year lease contract for around 6,100 sqm of office and ancillary space. Moreover, this re-letting has been complemented by a new 5-year lease of 550 sqm of office and ancillary space in this asset.

## 50 EMPLOYEES AND 6 TIMES MORE SUPPORTED

The investment of over EUR 30 m in the refurbishment, development and maintenance of alstria's buildings in 2011 corresponds to the support of around 291 jobs (2010: 241 jobs supported), on top of the 50 employees of alstria. Due to the Company's growth strategy and the asset acquisition in the Rhine/Ruhr area, the number of jobs supported

and direct employees increased in 2011. With 49.6% of our suppliers and contractors being locally based (2010: 52.4%; 2009: 52.0%), we invested a great part in the local economy (Hamburg and surroundings). We tend to hire suppliers and contractors based in the surroundings of our own business area to support the local economy.

### JOBS SUPPORTED BY ALSTRIA



### HIRED SUPPLIERS

Number of local<sup>1)</sup> and non-local<sup>2)</sup> suppliers hired in the reporting period.



<sup>1)</sup>Local: Hamburg and surroundings.

<sup>2)</sup>Non-local: nationwide.

## TAKE ANOTHER LOOK AT OUR NUMBERS

The growth in 2011 is based on the strong foundation of 2010. During the reporting period of 2011, we generated EUR 90.8 m in revenues and EUR 34.7 m in funds from operations (FFO). The increase was due to the new acquisitions and the deleveraging strategy of the Company. You can read about that and much more in our Annual Report for the year 2011 at [www.alstria.com/en/investors/reports-events/financial-reports/](http://www.alstria.com/en/investors/reports-events/financial-reports/).

Once more, we would like to provide the reader with a different view on our financials. Our Company redistributes most of its financial resources to its shareholders, to its lenders, to the government, to its service providers and the wider community, and to its employees. As a REIT, alstria barely keeps any of the proceeds generated for itself. By doing

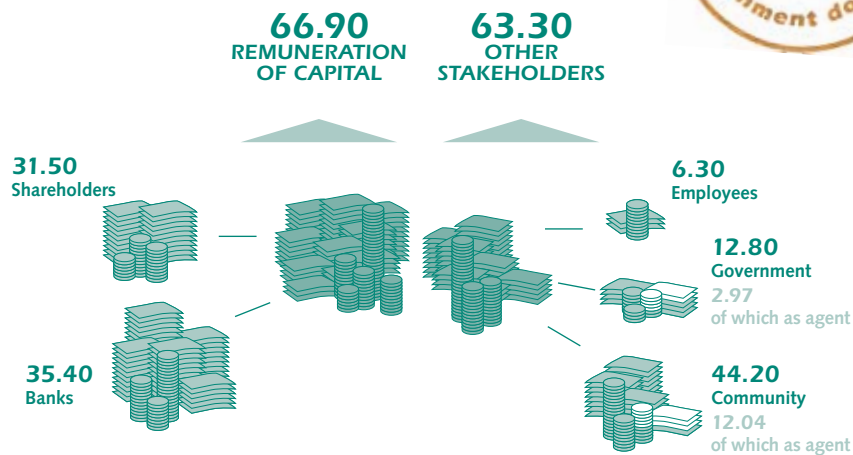
so, alstria remunerates the capital it employs (both debt and equity), participates in government finance through taxes and stimulates the underlying economy by spending on its assets and paying wages and salaries.

In 2011, more than half of the proceeds generated were distributed as remuneration of capital (both debt and equity). We paid EUR 31.5 m (2010: EUR 28.0 m) to our shareholders as cash dividends and around EUR 35.4 m (2010: EUR 43.2 m) to the banks through interest and other fees. The remaining cash was distributed to the other stakeholders (such as employees, the government and the community). Our employees received around EUR 6.3 m (2010: EUR 5.6 m) in salaries and bonus payments. EUR 12.8 m (2010: EUR 6.7 m) was paid to the government through taxes (of which EUR 3.0 m represented taxes paid as agent through real estate



### WHERE DOES IT GO TO?

2011/in EUR m




operating expenses; 2010: EUR 2.6 m). Furthermore, the tax payments also include real estate transfer tax (EUR 6.0 m) and VAT. The amount of tax paid by alstria is equivalent to around 14% of our turnover. Another EUR 44.2 m (2010: EUR 39.7 m) (EUR 12.0 m as agent through real estate operating expenses; 2010: EUR 13.2 m) was distributed to the wider community by e.g. investing in our assets (maintenance, refurbishment, etc.).



The EPRA Performance Measures are the key indicators for investors in the real estate sector and bring overall transparency to the industry sector.

#### KEY FIGURES

	2011	2010
1. EPRA earnings per share (in EUR)	0.50	0.44
2. EPRA NAV per share (in EUR)	11.32	11.68
3. EPRA NNAV per share (in EUR)	10.71	11.24
4. (a) EPRA NIY (in %)	5.8	5.5
4. (b) EPRA "topped-up" NIY (in %)	5.8	5.7
5. EPRA vacancy rate (in %)	6.5	5.1

## DEVELOPMENT 2012

To continue our growth strategy, alstria executed its third capital increase to finance further transactions. At the beginning of 2012, alstria successfully executed a 10% capital increase and took in gross proceeds of EUR 61 m.

The funds raised through the capital increase have been used to finance the equity portion of the acquisition of six assets. In February 2012, alstria signed a binding notarised agreement for the acquisition of a portfolio of these six assets, located in Düsseldorf, Frankfurt, Norderstedt and Neu-Isenburg. The buildings were acquired for a total consideration of EUR 95 m (all in cost).

The intention to achieve further growth and the long-term commitment to the Düsseldorf market was underpinned by the foundation of the first regional office in this German metropolis in middle of 2012. This put us in the position to be more reactive and improve our leasing performance in the Rhine/Ruhr area.



The building Englische Planke is located in Hamburg and was acquired in 2011.

## SUSTAINABLE GROWTH



This office building with a total lettable area of 3,300 sqm is located in Frankfurt.



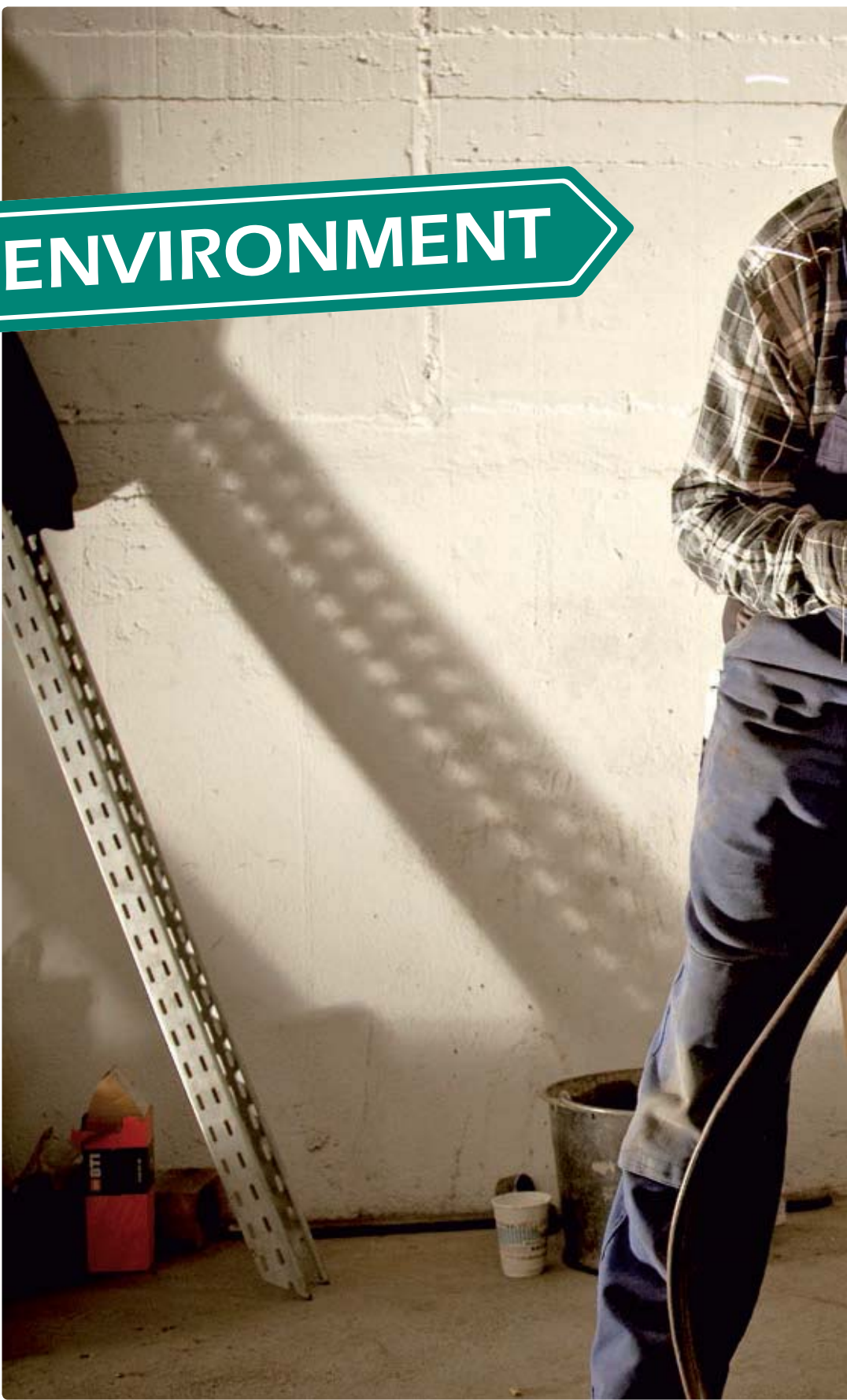
The reporting year 2011 started with a successful capital increase by ten million new shares and the simultaneous placement of 18.2 million shares from our former majority shareholder. A total of 28.2 million shares worth EUR 268 m, representing more than half the market capitalisation of the Company at that point in time, was placed in the capital markets in less than two days. The Company received gross proceeds in the amount of around EUR 95 m which was used to fund further growth. This is testimony to the capital markets' positive perception of alstria.

Investment decisions at alstria are based on the analysis of the local markets and on the adequacy of a building within its local environment in terms of location, size and quality. alstria's strategy is to enter new markets and build critical mass through long-term secured assets.

In light of this approach alstria managed to invest the proceeds of the capital increase into new accretive assets. In July 2011, the Company acquired a portfolio of five properties located in Düsseldorf and Frankfurt and one single asset in Stuttgart with a combined investment volume of EUR 105 m. The attractive purchase price of the portfolio combined with alstria's development and asset management expertise offers excellent opportunities to create additional value.

Furthermore, three more assets were acquired in Hamburg and one asset in Karlsruhe during the first quarter of 2011. In summary, a total of ten properties representing a value of approximately EUR 169 m were acquired over the year 2011.

# ENVIRONMENT





As users of the real estate sector are among the main consumers of energy and among the major producers of total GHG emissions, we are fully aware of the role we and our assets play in creating and maintaining a sustainable environment. With our focus on sustainable asset and portfolio management, and on sustainable refurbishment measures, we are trying to live up to this role.

# MANAGING OUR PORTFOLIO SUSTAINABLY

Managing the portfolio in a sustainable manner implies measuring properly our impact and acting in order to limit it. During the year, we have concentrated on further integrating responsibility for sustainability in our real estate operations teams. This increases the awareness and importance of sustainability at alstria. Sustainability aspects are especially integrated in our development projects. The focus is on combining modern technique and energy efficiency with the requirements of our tenants.

In order to better understand the Company's impact on its environment, we started to build-up a meaningful environmental reporting system in 2010. The data collection is a large-scale complex process, as we depend on the reliance of our tenants' consumption data. In close collaboration with our tenants we have been able to increase the level of coverage of our reporting base.

A stringent reporting base allows us to use the data for our environmental balance sheet as well as to derive measures from data evaluation. Data evaluation also helps us to steer the investment that the Company is doing in fields linked to sustainability by identifying the priority targets.

## REPORTING METHODOLOGY

For this reporting period we have significantly enhanced our internal reporting process to collect more data. alstria now has a database covering three years of consumption for a large part of its portfolio.

The boundaries for alstria's environmental reporting are described in detail at the beginning of the report » page 6.

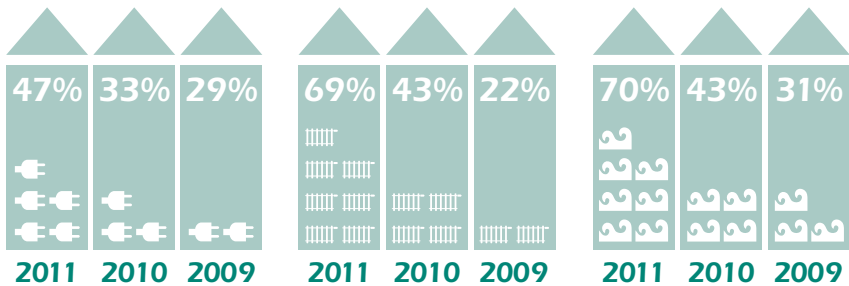
We have measured the consumption and emission data of our portfolio, including heat, electricity and water. In 2011, the carbon footprint of our portfolio totalled 0.07 tCO<sub>2</sub>e/sqm\* (2010: 0.06 tCO<sub>2</sub>e/sqm\*\*). Nevertheless, we are aware that the data collection is not yet fully complete as data on tenants' consumption is not always available to alstria.

Changes in the fluids consumptions might result from a change of use of the buildings by the tenants, and improvement in the granularity of the data collection, a change in the vacancy rate, or external weather factors as a cold and long winter, or a very hot summer. No adjustments have been made to express vacancy, the age of a building or weather conditions.



### ANALYSED ASSETS

% of the total lettable area



\* 2011: 55 assets of our portfolio.  
 \*\* 2010: 35 assets of our portfolio.





## ENVIRONMENTAL FOOTPRINT OF A BUILDING

Average absorption of energy, water and waste per sqm



<sup>1)</sup>(e) = estimated on the basis of water consumption.

## EMISSIONS AND RESOURCE CONSUMPTION

The following description of consumption data reflects the performance of our portfolio in 2011.

### Heating

We were able to measure the energy data from long-distance heating, oil and gas of around 69% of the total lettable area in 2011 (2010: 43%). In comparison to the previous year, we remarkably increased the number of assets covered. In total around 52,090,493 kWh accrued from indirect energy heating and generated 22,981 tCO<sub>2</sub>e in 2011. The total energy consumption from heating was 87 kWh/sqm in 2011 (2010: 92 kWh/sqm). The ISA benchmark for office buildings has an energy intensity of 288 kWh/sqm, which is more than 25% higher than alstria's portfolio energy intensity with 205 kWh/sqm\*\*\*.

For a better comparison of the consumption data for 2011 with 2010, we used the like-for-like approach. The energy consumption from heating amounted to 25,230,762 kWh in 2011 (2011: 79 kWh/sqm) and 29,120,303 kWh in 2010 (2010: 93 kWh/sqm) on the same property basis in the reporting years. The decrease of consumption is influenced by a milder winter season which played a remarkable role in comparing the data.

alstria's energy consumption from long-distance heating was 68 kWh/sqm in 2011 (2010: 64 kWh/sqm\*\*\*). Due to the relocation of alstria's headquarters in 2010 and the ongoing refurbishment measures we adjusted the consumption data for 2010.

\*\*\* ISA, Benchmarking Report, October 2011.

### Electricity

Around 47% of the total lettable area was considered for electricity consumption in 2011 (2010: 33%). In total 47,263,909 kWh of electricity was used in the assets and generated 20,852 tCO<sub>2</sub>e from indirect energy electricity in 2011. The average energy consumption from electricity was 118 kWh/sqm in 2011 (2010: 51 kWh/sqm). The ISA benchmark for office buildings has an energy intensity of 288 kWh/sqm, which is more than 25% higher than alstria's portfolio energy intensity with 205 kWh/sqm\*\*\*.

For a better comparison of the consumption data for 2011 with 2010, we used the like-for-like approach. The energy consumption from electricity amounted to 12,429,022 kWh in 2011 (47 kWh/sqm) and 13,275,266 kWh in 2010 (51 kWh/sqm) on the same property basis in the reporting years.

In 2011, we identified an increase in electricity consumption per sqm comparing the consumption data with 2010 (2011: 118 kWh/sqm; 2010: 51 kWh/sqm). Among the new analysed assets there is one tenant with worldwide international operations who has its data centre in one of our buildings. Our increase in electricity consumption indicates how much energy has to be used for cooling this data centre.

The Company's electricity consumption was 32 kWh/sqm in 2011 (2010: 40 kWh/sqm). In connection with the refurbishment of alstria's headquarters from 2010 to 2011, we have taken the chance to install solar panels on the roof of the building. In 2011, around 1,820 kWh were fed into the power grid which is around 3% of alstria's energy consumption.

## Water

In 2011, we were able to collect the data of around 70% of the total lettable area (2010: 43%). In total, 2011 water withdrawal of the analysed assets amounted to 181,205 m<sup>3</sup> or 0.30 m<sup>3</sup>/sqm. The ISA benchmark for office buildings has a water consumption of 0.34 m<sup>3</sup>/sqm, which is more than 10% higher than alstria's portfolio consumption for water\*.


For a better comparison of the consumption data for 2011 with 2010, we used the like-for-like approach. The water consumption amounted to 52,582 m<sup>3</sup> in 2011 (2011: 0.18 m<sup>3</sup>/sqm) and 54,082 m<sup>3</sup> in 2010 (2010: 0.19 m<sup>3</sup>/sqm) on the same property basis in the reporting years.

There is an increase in water consumption comparing the total water consumption per sqm (2011: 0.30 m<sup>3</sup>/sqm and 2010: 0.19 m<sup>3</sup>/sqm). The increase can be explained by the different usage of buildings which were additionally analysed for this report. For example, an industry-used building has a


higher water consumption than an only office-used building. It might be more comprehensible with the following description. The building with the lowest water consumption (0.07 m<sup>3</sup>/sqm) is only used as an office building by a public authority. On the contrary, the building with the highest water consumption per sqm (0.75 m<sup>3</sup>/sqm) is a mixed-used building including a medical practice. Most of the new additional analysed assets have a higher consumption, because they include service providers such as restaurants or hairdressers who have automatically a higher consumption than an office building.

alstria's water consumption was 0.26 m<sup>3</sup>/sqm in 2011 (0.30 m<sup>3</sup>/sqm in 2010). For the total consumption it should be noted that it includes recycled water which accounts 0.02 m<sup>3</sup>/sqm and the remaining 0.24 m<sup>3</sup>/sqm comes from ground water. The rain water harvesting recycles rainwater into the non-drinkable water distribution system, thus reducing the water withdrawal needs to operate the building. With the rainwater harvesting we saved 0.02 m<sup>3</sup>/sqm ground water in 2011.

### ABSOLUTE PERFORMANCE MEASURES

 Best Practices Recommendations on Sustainability Reporting	2011	2010	2009
Total energy from district heating and cooling (kWh)	52,090,493	29,997,250	14,305,000
Coverage (by number of properties)	53 of 80	29 of 70	12 of 77
Total energy consumption from electricity (kWh)	47,263,909	13,275,300	11,563,488
Coverage (by number of properties)	30 of 80	26 of 70	21 of 77
Total indirect GHG emissions (metric tonnes CO <sub>2</sub> e)	43,833	17,465	9,400
Coverage (by number of properties)	55 of 80	35 of 70	22 of 77
Total mains water use (m <sup>3</sup> )	181,205	64,700	39,000
Coverage (by number of properties)	57 of 80	31 of 70	27 of 77

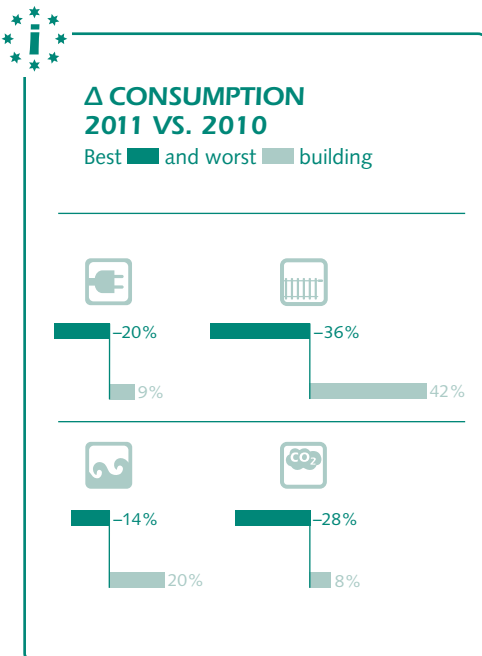
### LIKE-FOR-LIKE PERFORMANCE MEASURES

 Best Practices Recommendations on Sustainability Reporting	2011	2010	% change
Total energy from district heating and cooling (kWh)	25,230,762	29,120,303	-13.3
Coverage (by number of properties)	28 of 70	28 of 70	
Total energy consumption from electricity (kWh)	12,429,022	13,275,266	-6.4
Coverage (by number of properties)	26 of 70	26 of 70	
Total indirect GHG emissions (metric tonnes CO <sub>2</sub> e)	16,614	18,704	-11.2
Coverage (by number of properties)	35 of 70	35 of 70	
Total mains water use (m <sup>3</sup> )	52,582	54,082	-2.8
Coverage (by number of properties)	30 of 70	30 of 70	

\* ISA, Benchmarking Report, October 2011.

## INTENSITY INDICATORS

EPRA Best Practices Recommendations on Sustainability Reporting	2011	2010	2009	% change 2010-2011
Total energy from district heating and cooling (kWh/sqm/year)	87	92	77	-5.4
kWh/workstation/year	2,182	2,300	1,910	
Coverage (by number of properties)	53 of 80	29 of 70	12 of 77	
Total energy consumption from electricity (kWh/sqm/year)	118	51	46	131.4
kWh/workstation/year	2,944	1,280	1,150	
Coverage (by number of properties)	30 of 80	26 of 70	21 of 77	
Total annual energy consumption (kWh/sqm/year)	205	143	123	43.4
kWh/workstation/year	5,126	3,580	3,060	
Coverage (by number of properties)	55 of 80	35 of 70	22 of 77	
Total indirect GHG emissions (tCO <sub>2</sub> e/sqm/year)	0.07	0.06	0.05	17
tCO <sub>2</sub> e/workstation/year	2.23	1.44	1.13	
Coverage (by number of properties)	55 of 80	35 of 70	22 of 77	
Total mains water use (m <sup>3</sup> /sqm/year)	0.30	0.19	0.14	57.9
m <sup>3</sup> /workstation/year	7.4	4.8	3.6	
Coverage (by number of properties)	57 of 80	31 of 70	27 of 77	



### Waste management

As of the last report, we have started to collect waste data from the waste generated by the tenants that occupy our assets. In 2011, around 56% of the total lettable area was evaluated for our tenants' waste volume (2010: 59%). This number has to be considered on a relative basis, as it also includes the acquisitions for 2011 in the total lettable area. If these assets are taken out and we only consider the data on the same property basis as in 2010, we evaluated 63% of the total lettable area. In total, 870 tonnes of waste was generated by our tenants (2010: 817 tonnes). While we will strive to report by type of waste in the future, we have to focus on the validity of data in the first place. We are confident of being able to report more details for the segment waste in the next reporting period, as we have changed the requirements in our contracts and thus we will receive more reliable data from third parties. On average, the assets generated 1.80 kg of waste/sqm and 45 kg/workstation in 2011 (2010: 1.77 kg/sqm; 44 kg/workstation).

### Refurbishment produces waste but saves material

In the course of the refurbishment of buildings, construction waste is generated which affects the environment, depending on the type of waste and its treatment. We report about the waste of our development projects on a regular basis. However, a comparison of the data is not possible, because there are always different designs of the buildings and thus different types of waste. In addition, our development projects are at different stages, so that even a comparison between two reporting periods of one project is not possible. The disposal of construction waste is performed only by local waste management companies as well as licensed companies for hazardous waste. To our knowledge, the waste is properly disposed of in Germany and not across the border. The construction waste was generated during the refurbishment of three Hamburg assets in 2011 (2010: one Hamburg assets).

Despite the production of waste described in the table, we would like to highlight that our approach to retrofit assets generates much lower waste, and utilises much fewer resources and less energy than the full demolition and rebuilding of an asset. Although the main factor for us in deciding between reconstructions and retrofitting is economic, if the two options yield similar economic results, we would always choose the retrofit on environmental grounds.

### CONSTRUCTION WASTE

	Unit	2011	2010
Concrete	t	6,817	168
Bricks	m <sup>3</sup>	2,485	24
Concrete, bricks, ceramic	t	274	0
Wood	t	168	129
Glass	t	53	16
Bituminous mixtures	m <sup>3</sup>	13	0
Coal tar and tarred products	t	13	11
Copper, bronze, brass	kg	31	0
Aluminium	kg	46	0
Iron and steel	t	22	45
Mixed metals	kg	4,740	0
Soil and stones	m <sup>3</sup>	7	0
Other: mineral wool	t	6	433
Insulation materials	t	416	0
Asbestos-containing construction materials	m <sup>3</sup>	5	0
Gypsum-based building materials	m <sup>3</sup>	95	1,152
Mixed construction and demolition wastes	m <sup>3</sup>	926	301
Paper and board	t	9	0
Fluorescent tubes and other mercury	unit	0	4



The refurbishment of the Mundsburg Office Tower received a DGNB certificate for the modernisation of an office building.



## CONSUMPTION ALSTRIA VS. PORTFOLIO



-21



-73



-13

alstria occupies office space for its own operation. As a company working in one of our assets, we want to lead by example and implemented a number of measures that we recommend to our tenants. Today, we have rainwater harvesting, which recycles the rainwater into the undrinkable water distribution system, thus reducing the water withdrawal needs to operate the building.

alstria's carbon footprint totalled 1,142 tCO<sub>2</sub>e in 2011 (2010: 413 tCO<sub>2</sub>e). Our own consumption is described in detail in the section emissions and resource consumption. Electricity and heating consumption were not the only sources of emissions from our operations. We also cause CO<sub>2</sub> emissions with our business travel and employee commuting. In 2011, we took 606 business trips by plane (2010: 342; 2009: 537), which represents a cumulative distance of approx. 718,300 km (2010: 213,000 km; 2009: 444,000 km). The increase in number can be explained by our high presence at investor meetings in 2011 as well as an increase in the total number of employees. Furthermore, we improved the data collection, which also explains a slight increase in flight numbers.

We try as much as we can to reduce our own carbon footprint. This can be illustrated by the commuting allowance we have offered our employees since 2009, by which we subsidise a local public transport ticket to encourage the use of this environment-friendly means of commuter transportation rather than cars. More than half of alstria's employees made use of the Company's subsidy in 2011. This is one contribution among others of alstria to reduce the CO<sub>2</sub> emissions.

In 2011, we continued to underline the importance for sustainability in our Company. Our employees

have initiated a "get-together" and collected ideas on how to reduce the carbon footprint of alstria. The results are a good start, as all employees are encouraged to follow these green rules and bring up new ideas for improvement every time:

- › Default double-sided printing, and power-saving settings on monitors and computers
- › Old bulbs will be replaced by energy-saving LED bulbs step by step
- › All employees are encouraged to turn off the light during lunch time and at the end of the day
- › Improvement of alstria's waste separation

We will continue to improve the quality of data collection on alstria's and on our tenants' consumption as well as raise awareness for energy saving.

### GLOBAL OVERVIEW OF GHG EMISSIONS (BY SOURCE tCO<sub>2</sub>e)

	2011	2010
<b>Scope 1</b>		
Company vehicles	39	37
<b>Total Scope 1</b>	<b>39</b>	<b>37</b>
<b>Scope 2</b>		
alstria's consumption	60	46
Offices – controlled common parts	842	234
<b>Total Scope 2</b>	<b>902</b>	<b>280</b>
<b>Scope 3</b>		
Business travel	134	44
Employee commuting	67	52
Direct tenant consumption	43,833	17,465
<b>Total Scope 3</b>	<b>44,034</b>	<b>17,561</b>
<b>Scope 1 and 2 in relation to Scope 3 (in %)</b>	<b>2.5</b>	<b>2.3</b>

### Sustainable progress through maintenance

In the course of the refurbishment and regular maintenance of buildings, environmental aspects play a crucial role at alstria. The main objective of refurbishment measures is to create efficient office space, but also to reduce energy consumption and occupancy costs for the tenant. Our business model involves an annual review of each of the assets in order to determine the needs for preventive capital expenditure and renovations. Life-cycle costing is the ABC of our refurbishment policy. As a long-term holder of real estate, we take into consideration not only the initial costs of the refurbishment but also the overall costs of running the assets in our building design.

As an example of this policy, alstria, for instance, avoids as much as practically possible to use glass facade for its assets (considering its very high thermal conductivity, and the cost of running it over time), or limit to the maximum extent possible the use of cooling systems in our assets to favour natural ventilation.

alstria invests in its existing portfolio to sustain a high quality level. In 2011, we invested around EUR 22 m in ongoing refurbishment projects\*. The main part was linked to the refurbishment of the two Hamburg buildings Bieberhaus (Ernst-Merck-Strasse 9) and the Mundsburg Office Tower (Hamburger Strasse 1–15). Further remarkable refurbishments were made for a rainwater tank and a green roof at Bartholomayhaus in Hamburg. For more information about Bartholomayhaus please refer to » page 39.

In 2011, expenditures that can be directly related to the improvement of environmental performance of existing assets amounted to EUR 2.02 m. These are mainly invested in projects such as the improvement or renewal of windows, facades and heating systems (2010: 1.90 m). The EUR 2.02 m of investment represent around 2% of alstria's total revenues during the reporting year (2010: 2%).

For 2011, a good example is the reconstruction of rental space for the specific needs of a new tenant, a German leading tour operator, in Frankfurt Mertonviertel. We have converted the previous office space into efficient workspace. For the new space we provided system partition walls, which were constructed using existing materials. Furthermore, we optimised the luminosity to the new workspace adding new sunscreens and a new carpet. The ventilation system was also modernised, resulting in a substantial improvement of the inner air quality.

### Green lease working group

In 2011, alstria has joined the German green leases working group. This group was formed from a number of corporate tenants, institutional landlords, law firms, brokers and other advisors, and developed the first multi-stakeholder standardised green lease contract. The working group has proposed 50 recommendations for a best practice to be included totally or partially into a standard German commercial lease in order to convert it into a green lease contract. The standard aims at sustainable and effective management of buildings.

\* Excluding joint ventures.

### Engagement in green reporting

In May 2011, we reported to the Carbon Disclosure Project for the first time. The Carbon Disclosure Project is an organisation holding the largest database of corporate climate change information in the world. We provided our GHG emission database as well as our corporate climate change strategy.

Further, we are engaged at s-i-r-e, which stands for Sustainable Investment in Real Estate. This international research programme develops a sustainability scorecard for real estate companies. The scorecard is focused on the minimum requirements of GRI and CRESS. For further information please refer to

» [www.s-i-r-e.org](http://www.s-i-r-e.org).

### DEVELOPMENT 2012

In 2012, the project group "green lease" published its regulatory recommendations. The catalogue consists of 50 recommendations for green leases to manage a building sustainably. This includes conditions with rights, obligations and requested actions for tenants and landlords of commercial properties. The specific lease terms include various topics such as measures for energy saving, standards for the annual electricity and water consumption per tenants' employee and separate waste collection and disposal.



## BARTHOLOMAYHAUS



The architecture of the house was inspired by the merchants' houses of the 18th century.



The building was erected between 1937 and 1938 by the architect Rudolf Klophaus.



The garage has been equipped with a charging station for electric vehicles.





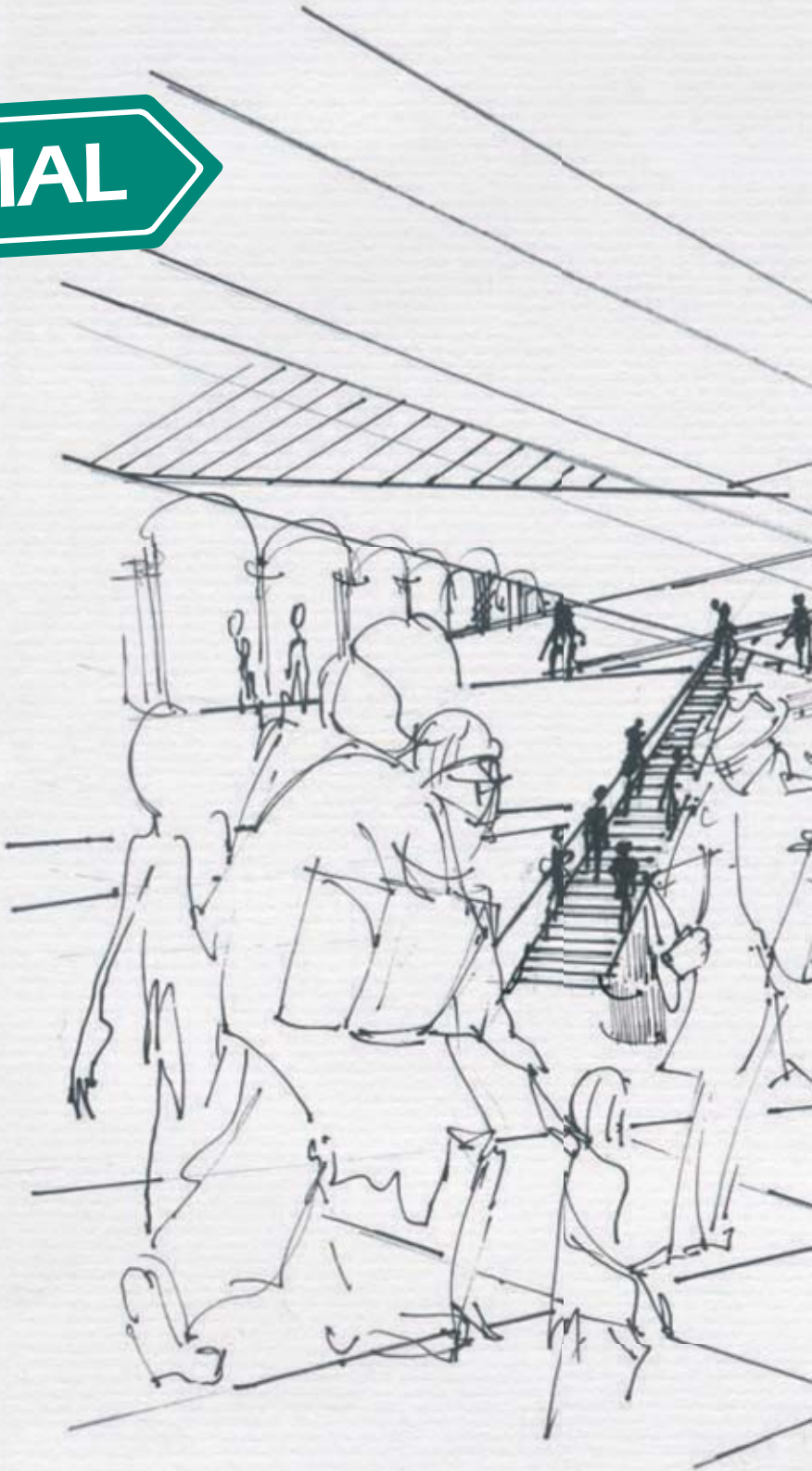
The Bartholomayhaus asset is part of “Kontorhausviertel” in Hamburg and was built between 1937 and 1938 on the basis of plans by the architect Rudolf Klopheus for Rudolf Bartholomay. The traditional Kontorhaus has a high gable and its architecture was inspired by the merchants’ houses of the 18th century. Along with the historic warehouse district, Kontorhausviertel is being considered for inclusion in the list of the UNESCO-World Heritage Sites.

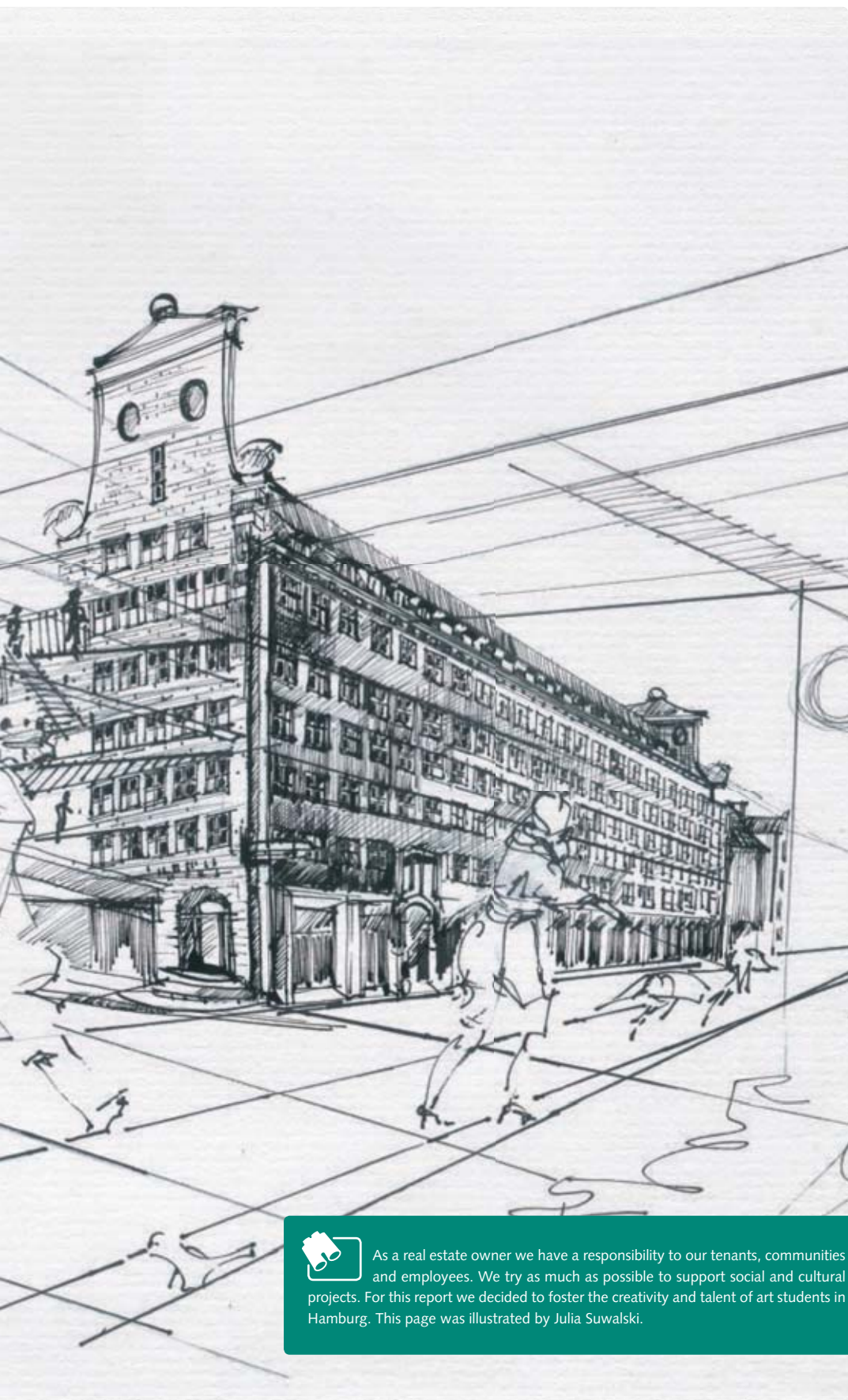
The multi-storey car park, located in the inner courtyard of Bartholomayhaus, was in a need of renovation at the end of 2010. In 2011, it was completely rebuilt by alstria. The car park contains the original number of parking spaces, but is reduced in size through an efficient construction and land use. It therefore allows for more efficient natural lighting and ventilation of the ground and mezzanine floors of the enclosed main building. In addition, the new car park will be equipped with a green roof, which is a natural protection against heat and cold and provides a more pleasant visual sight. The green roof also eases the load on the sewerage system, as rain water will be saved and evaporates in the green roof. It also contributes efficiently to the natural cooling of the building, humidification and particulate filtration. In addition, we promote electric car mobility, as we have created a charging station for electric vehicles in the parking garage for our tenants.

alstria has also taken the opportunity to install a retention basin, which collects the rain water of the entire building complex. The rainwater is routed to the newly installed rain water harvesting system, which recycles the rain water into the non-drinkable water distribution system. This technique also eases the load on the sewerage system and excess water will be returned slowly.

As part of the overall remediation measures, alstria has also taken into account the historic facade of the building. The facade was completed by the reconstruction of the historic porch. In addition, new windows have been used to reduce not only the energy consumption of the building, but are moreover consistent with the historic facade and meet current requirements.

# SOCIAL





As a real estate owner we have a responsibility to our tenants, communities and employees. We try as much as possible to support social and cultural projects. For this report we decided to foster the creativity and talent of art students in Hamburg. This page was illustrated by Julia Suwalski.

## SOCIAL RESPONSIBILITY

### WE HAVE A RESPONSIBILITY TO OUR TENANTS, LOCAL COMMUNITIES AND OUR EMPLOYEES

Through its business activities, alstria has a great influence on its social environment. Dealing responsibly with our tenants, our employees and with the local community is of great importance to us. It is a matter of course to have a good relationship with our tenants and to understand their individual needs and deliver appropriate solutions.

With every asset and business decision, we take into consideration indoor air quality, the visual comfort of the occupier, the quality of the workspace environment, etc. Furthermore, we are also fully aware of our responsibility toward our tenants and local community with reference to our development projects. Therefore, we communicate all relevant information about our development projects to affected tenants and immediate neighbours in the run-up. On important construction sites we measure the incremental noise that is generated by our activities. We also make sure that our contractual partners use modern equipment to keep the noise level to a minimum. We always find individual solutions, such as shifting site activities with an approval to Saturdays to reduce the impact for our tenants. It is also a matter of course to assure the legal requirements of our business practices through our general terms and conditions as well as our building contracts for undeclared work, work permits, work on Sundays, public holidays and minimum pay. For further information please refer to our general terms and conditions on our website » [www.alstria.com/en/agb/](http://www.alstria.com/en/agb/).

The key to long-term success is based on alstria's employees. The know-how, engagement and motivation of our employees play a crucial role in operating the Company successfully. Therefore, alstria seeks ways to create an attractive and professional working environment for them. Among others, alstria has implemented individual support programmes to ensure their satisfaction and alstria's long-term corporate success. For further information please refer to » pages 44 to 46.

As a long-term-oriented real estate Company we have a great interest in supporting projects which

influence the social and cultural environment. In 2011, the reconstruction of Bieberhaus and the associated relocation of the Ohnsorg-Theater played an important role for alstria and equally for Hamburg and its citizens. For further information please refer to » page 43.

We also offer beneficial rental agreements to start-up enterprises besides our social and development projects. In 2011, we supported an art gallery with such a rental agreement. Furthermore, we provide vacant areas to beneficial events. For further information please refer to » page 48.

### ACTIVE AND FORSIGHTED ENGAGEMENT

We have participated in accounting, regulation and sustainability discussions since the Company's foundation. We have stretched our engagement with national and international initiatives to take part in different working groups concerning the real estate sector. One important reason for taking part in these organisations is our vision of increasing transparency in the real estate sector. This engagement provides us with the opportunity to meet all regulatory requirements, to react at an early stage to new trends and even to set new trends.

Among others, we are a member of the German sustainable building council (DGNB), EPRA (European Public Real Estate Association), ZIA (Zentraler Immobilienausschuss), DIRK (Deutscher Investor Relations Verband e. V.) and the Real Estate Share Initiative. For an explanation of these initiatives please see the glossary on » pages 62 to 63.

Together with the EBS University, Real Estate Management Institute (REMI), alstria founded the "Competence Centre Real Estate Investment Trust". It offers the opportunity for experts and students to exchange know-how and experience. With the "Competence Centre" questions concerning the optimal capital structure or cash flow management can be answered and analysed interdisciplinary by the EBS-REMI. Out of the competence centre there was released a research paper, "Corporate Governance and the leverage of REITs: The impact of the advisor structure".

We have also designed and initiated with IPD the German Office Rent Reversion Index (DMX), which has been published every year since 2007 and shows the reversion potential of the main German office markets. Market participants are able to compare their rents, operating costs or expenses, etc. with the current development on the German market. This indication can help companies and investors to make better-educated investment decisions and provide the market with a new key indicator. The complete DMX results are available from IPD free of charge at » [www.ipd.com/germany](http://www.ipd.com/germany) or by sending an e-mail to » [germany@ipd.com](mailto:germany@ipd.com).

In 2011, we spent over EUR 138 k (2010: EUR 107 k) and around 87 working hours to support and participate in these associations.

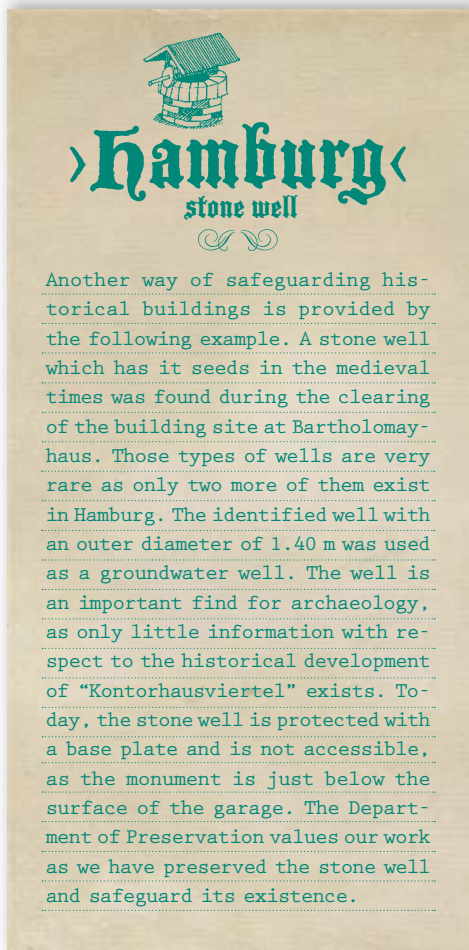
### SAFEGUARDING HISTORICAL BUILDINGS AND CULTURE

In our day-to-day asset management, we embed the support and maintaining of historical buildings. It is our responsibility to preserve places of cultural interest. With some of our refurbishment projects, we give new life to several of these places while keeping the initial spirit intact.

In 2011, one of our completed development projects was the successful relocation of Hamburg's famous Ohnsorg-Theater from Kaisergalerie to Bieberhaus. The Ohnsorg-Theater is one of the oldest cultural institutions in Hamburg. The new theatre in Bieberhaus complies with the most modern technique standards and is excellently linked to the public transport system in Hamburg. With its unique plays in "plattdeutsch", the theatre reaches around 400 viewers every night. This project gave not only new life to Bieberhaus which has a great tradition as a cultural centre, but also to the urban development. The move of the theatre also enhances the whole area around the central station by creating additional cultural life in the neighbourhood.

### SOCIAL PROJECTS

alstria does not only take the environmental values into account, but social values too. Therefore alstria supports the initiative "Viva con Agua". The pursued objective is to enable people who are living



in developing countries to get access to drinking water. Sixty per cent of "Viva con Agua" profit goes to long-term drinking water projects by purchasing water bottles of the initiative. In 2011, we supported the project with approx. EUR 2,230.

Additionally, there was a call for donations initiated by alstria's employees for helping and supporting people suffering from hunger in Africa in 2011. All employees were encouraged to donate an amount specified by them to an organisation they desired. The total amount was doubled by alstria. This enabled us once more to donate EUR 1,930 to various organisations.



46

**TOTAL NUMBER OF EMPLOYEES  
WHO WORK FULL-TIME**  
(2010: 36/2009: 31)



4

**TOTAL NUMBER OF EMPLOYEES  
WHO WORK PART-TIME**  
(2010: 3/2009: 2)

## OUR EMPLOYEES

alstria is a Company that adheres to strong corporate values which include transparent communication within the entire Company. This regards permanent exchange of information and ideas, flexibility, team orientated work, the opportunity to enhance their own skills and develop their ideas, etc. This fostered culture contributes to alstria's growth.

The Management Board fosters the employees' sense of teamwork and promotes loyalty to the Company by inviting them every year to a team-building event. This event is used to provide an overview of the Company's development, to present current projects for all employees and to work together in different groups. alstria's employees receive an overview of all business-related tasks and assignments within different presentations and workshops. The employees are encouraged and asked to make suggestions and can bring up ideas for improvement at any time.

A new communication tool for alstria's employees offers the intranet for internal news, which was introduced in 2011. The intranet site enables everyone to communicate on a regular basis, and provides employees with direction and resources regarding company strategy, performance and programmes.

Within the Company there is an ongoing process for employee satisfaction to bind them in the long run. The motivation of alstria's employees is promoted through strong leadership, corporate culture and

profit-oriented variable remuneration schemes. A positive corporate culture is also supported by our additional activities such as the voluntary participation of our employees at the HSH-Nordbank run as well as our voluntary English-language course, which is offered to our employees each week. The lessons are designed to motivate our employees to use the second corporate language "English".

## EQUAL OPPORTUNITIES IN A GROWING COMPANY

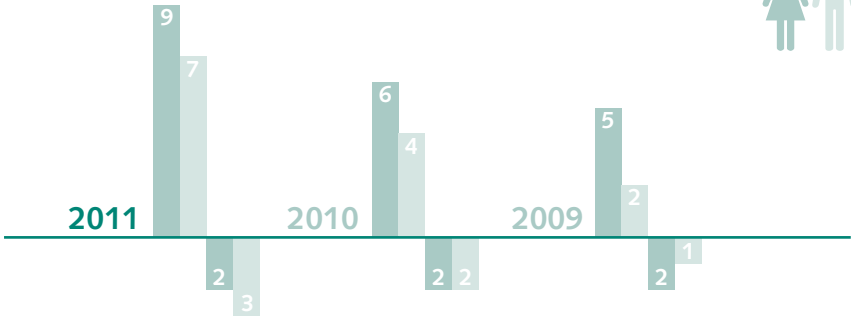
alstria is a constantly growing company with a total number of 50 employees as of December 31, 2011 (2010: 39 employees). There was an increase in workforce of eleven employees, mainly driven by the internalisation of our property management and the management of our new acquired assets. In 2011, alstria employed 17 men and 33 women, showing a female to male ratio of 194%.

As one would expect, two thirds of our employees are dedicated to the management, the acquisition and the development of the real estate (December 31, 2011: 33 employees; December 31, 2010: 25 employees). The remainder of alstria's workforce is spread between supportive departments such as finance reporting and controlling, legal and compliance and administration (December 31, 2011: 17 employees; December 31, 2010: 14 employees).

Our corporate climate is positively affected by diversity and equal opportunities; 50% of the management positions are filled by female employees. We



## NEW AND LEAVING EMPLOYEES BY GENDER



ensure that we do not discriminate in daily working conditions, recruitment and training. For further information about our workforce and the employee turnover, see charts on » pages 44 to 46.

At alstria, a female employee earns on average 14% less base salary than a male employee. In fact this figure has to be relativised, because it does not compare equal responsibilities and qualifications. At the same level of job qualification within our real estate operations team, female employees earn on average 8% more than male employees.

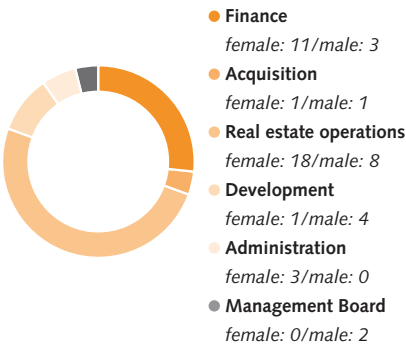
alstria supports its employees in many regards, as such there are flexible work-time models. We have

a working-time model called "Vertrauensarbeitszeit" which means that each employee is free to arrange their personnel timemodel. This is the maximum a company can offer regarding time flexibility. We also have a policy to support young parents who want to re-enter the workforce after their parental leave by providing them with flexible working times and individual support for child care. In addition to that, we have adapted part-time and job-sharing jobs for parents to give them the possibility to combine parenthood and a professional career.

Furthermore, alstria offers the possibility of a sabbatical.

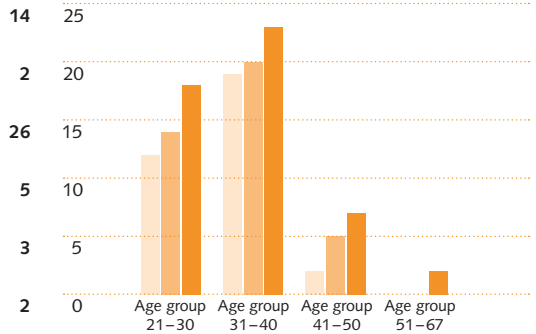
### WORK DEPARTMENTS

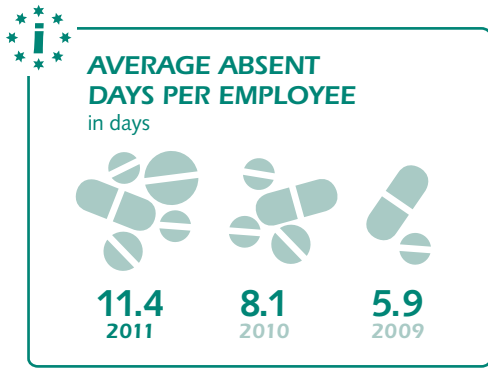
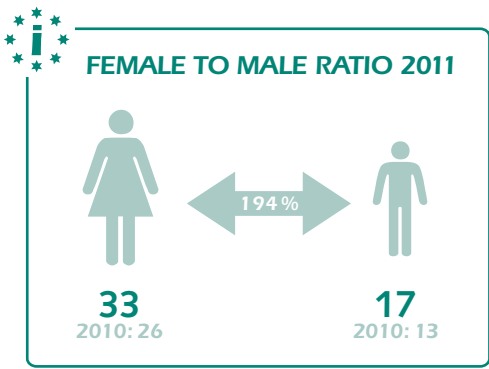
Number of employees/2011



### EMPLOYEES BY AGE GROUP

Number of employees ● 2009 ● 2010 ● 2011





Additionally, alstria also supports their employees pursuing academic studies by offering flexible work-time models as well as grants training costs. For further information please refer to » page 48.

In 2011, the number of leave days was increased from 24 to 30 days. In other words, alstria's employees obtain six more paid leave days, which is higher than the legal requirement.

**NEW EMPLOYEES BY AGE GROUP**

	2011	2010	2009
Age group: 21–30	7	6	3
Age group: 31–40	5	2	3
Age group: 41–50	2	2	1
Age group: 51–67	2	0	0
<b>Total number of new employees in the period</b>	<b>16</b>	<b>10</b>	<b>7</b>

**LEAVING EMPLOYEES BY AGE GROUP**

	2011	2010	2009
Age group: 21–30	0	0	0
Age group: 31–40	4	4	1
Age group: 41–50	1	0	2
<b>Total number of leaving employees in the period</b>	<b>5</b>	<b>4</b>	<b>3</b>

**HEALTH MANAGEMENT**

We also strive to reduce the risk of absent days of our employees. The number of absent days per employee was 8.1 in 2010 and 11.4 in 2011, which equates to an absentee rate of 4.5% in 2011 (female: 3.9%, male: 5.4%), (in 2010: 3.2%; female: 3.6%, male: 2.5%), i. e. 4.5% \* of alstria's total workforce during the year 2011 could not operate due to illness. The increase of absent days is mainly caused by long-term sick cases. Lost days are scheduled work days and counted from the first day of the absentee.

On average, German employees were absent 13\*\* days due to illness, which is the highest level in 15 years. In comparison, alstria was able to undercut this rate by two days. Among the actions taken by alstria in order to limit the risk of sick days, the Company offers its employees a free vaccine against influenza as in the last years. In 2011, nearly 34% of alstria's employees made use of the opportunity.

As an employer it is in our responsibility to offer adequate job positions for chronically ill employees and to integrate them in our daily work. In such cases we have long conversations with the affected employee in the run-up and offer individual solutions.

\* Calculation: absent days/(total working days during the year x average number of employees during the year).  
 \*\* According to "Analyse zum Krankenstand 2011", » www.aok-bv.de.





Although we do not have a specific health and safety policy, we have implemented, in addition to the legal requirements, the following best-in-class practices at alstria:

- › Natural daylight: All workstations and meeting rooms at alstria have natural daylight exposure. Blind rooms are only used for storage and/or technical rooms.
- › Privacy of speech/noise control: In the open space part of our office, closed rooms equipped with telephones and docking stations are available for employees who want to have either privacy or need to concentrate on work.
- › Thermal comfort: Each office is equipped with individual heaters that can be regulated on an individual basis. Windows directly exposed to the sun have internal sunshades that can be controlled by each workstation individually.
- › Telephone: Headsets are available on request to employees who ask for them, or have an intense usage of the phone.
- › Shelves and storage: alstria has implemented a document management system and is aiming at a zero-paper policy. All original documentation is scanned and stored on location at a specifically designed facility. The completion of the project and the integration of all departments is planned by mid-2013.
- › Docking station/computers: All employees equipped with a laptop computer have a specific docking station in order to operate the laptop with a regular keyboard and on a wider screen. Computer screens are of a minimum of 22".
- › Recreation room, other facilities: Our offices are equipped with a kitchen/recreation room which is accessible to the staff all day long. Beside kitchen utilities it incorporates seated areas to rest or talk, table football and a TV with access to general TV channels. During the summer a roof terrace is accessible which is equipped with seating facilities. Moreover, our office is equipped with a shower facility, lockers, as well as secure cycle storage, which facilitates bicycle commuting, that is available for use at any time by our staff.

## REMUNERATION

### Management Board remuneration

The remuneration system for the members of the Management Board is determined by the Supervisory Board and is reviewed regularly. In the financial year 2010, the Supervisory Board adapted the remuneration system to the new legal requirements of the German Act on Appropriateness of the Management Board Compensation (VorstAG) in accordance with the recommendations of an independent external remuneration expert. The Supervisory Board is of the opinion that this remuneration system provides adequate remuneration for the members of the Management Board, which is based on customary market terms and conditions and, in particular, also takes account of the lasting success of the Company.

The remuneration consists of a fixed basic salary, a short-term and a long-term variable component and ancillary benefits for each Management Board member. The majority of the remuneration is made up of the variable components which are primarily based on several years of assessment. Limits were introduced for extraordinary developments.

For a detailed description of the Management Board remuneration, please refer to the section "Remuneration Report" in the Annual Report 2011 » part II/II, pages 94 to 97.

### Employee profit participation programme

In 2007, the Supervisory Board of the Company resolved the issuance of convertible profit participation certificates to employees of the Company. Convertible profit participation rights granted to employees entitle not only a conversion when the conditions apply, but also an annual payment equivalent to the dividend per share.

A total of 301,100 certificates were issued in the course of the employee profit participation programme within the last years. Some 106,000 certificates, issued on June 11, 2009, were converted into alstria shares in the second quarter of 2011. For the 61,500 certificates issued in 2010, the market condition was fulfilled until the end of the financial year 2011. A further 80,000 certificates were issued on June 9, 2011.

For a detailed description of the employee profit participation programme, please refer to the section “Convertible profit participation rights programme” in the Annual Report 2011 » part II/II, pages 66 to 67.

### Additional pension plan

In addition to the mandatory social pension provision, in 2010 alstria introduced a pension plan for all employees (excluding the Management Board). alstria contributes to the plan at the same rate and alongside each of the employees up to a maximum of EUR 1,320 per year.

### FURTHER TRAINING MEASURES

Our employees are one of the most important parts of our business. To enlarge their level of know-how they take part in courses and training on a regular basis. For this purpose we spent around EUR 59 k in 2011 (2010: EUR 55 k). Each employee received on average 25 hours of training during the year (2010: 29 hours).

In comparison to the previous year the total amount of training hours increased from 1,077 in 2010 to 1,184 in 2011, as the number of employees increased. The rising costs can be explained by the increasing number of training hours. In 2011, we were able to offer more internal training hours than in 2010, whereby the average expenses per training hour decreased. Female employees received 23 training hours and male employees received 27 training hours in 2011 (2010: female 28 h and male 31 h).

The training offered should not only maintain the level of know-how, but also support individual education where it is needed. alstria’s employees are encouraged to identify external training opportunities and prepare for internal job opportunities aligned with individual career paths.

In 2011, we had one major training programme related to the introduction of alstria’s sustainability approach. The structure of it is defined as follows: At the beginning there was given a short introduction of the topic sustainability in general; afterwards the employees had the chance to come together in different groups to discuss different topics concerning sustainability. The aim of this programme is to amplify the employees’ awareness of alstria’s involvement in CSR and the commitment to a sustainable business.

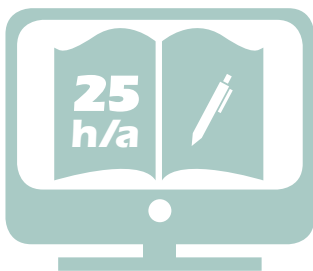
### DEVELOPMENT 2012

At the beginning of 2012, alstria established a human resource department. This department has the goal to implement and optimise HR processes, to ensure employee support, to provide in-house consulting to the Management and to support the growth of alstria with an efficient and successful recruiting process. In addition, the long-term goal is to implement structured HR development, talent management and performance management systems. For two hierarchical levels a systematic management development started with training management skills.

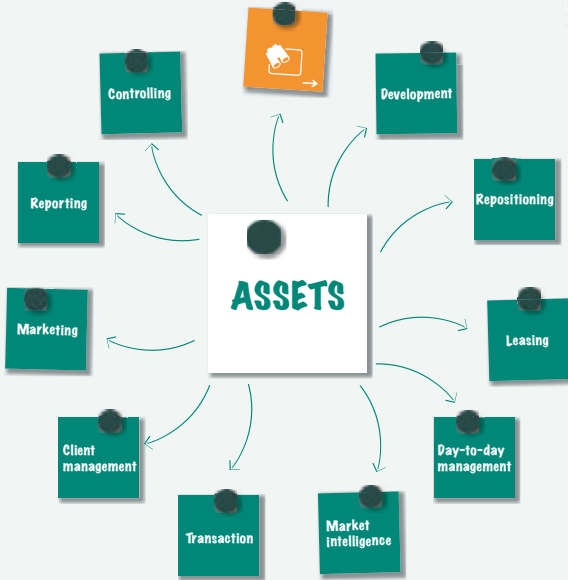
Furthermore, alstria supported two more social projects. The first one is “Zukunftscamp Hamburg 2030”, where citizens and experts had the chance to discuss one week on the issue: What should Hamburg look like by the year 2030. The other one is the “Start-up Weekend Hamburg” which is a global network of leaders and entrepreneurs. Entrepreneurs receive the chance to learn the basics of founding start-ups and launching successful ventures.



### AVERAGE TRAINING PER EMPLOYEE



# SUSTAINABLE MANAGEMENT OF REAL ESTATE



Buildings that are efficient, sustainable and meet business needs have a competitive advantage. From a short-term point of view, we gain continuous improvement at sustainable building management and environmental data evaluation of alstria's assets. The implementation of a long-term climate change strategy has short-term influence on the following part of our organisation: Real estate operations team, development and controlling and reporting.

The real estate operations team ensures the environmental data collection and quality. Regular sustainability reporting supports us to understand our tenant's energy consumption and enables us to identify potential improvement and energy savings over time. Our contracts with major external service providers have been reviewed in a way that better incorporates sustainability issues, and improves reporting lines.

The development team is involved in the sustainability approach as follows. When refurbishing our buildings, alstria considers climate change issues, such as reducing the energy consumption, using appropriate technology and opting for construction techniques that improve energy efficiency. These considerations are evidenced from time to time by the "green" certification of alstria's assets, as it was the case for the new "Mundsburg Office Tower" in Hamburg. Through the refurbishment of this asset, it is planned to reduce primary energy needs by 2.5 MWh p.a. down almost 80% from the current situation, and cut CO<sub>2</sub> emissions by 875 t p.a.

The controlling and reporting department ensures transparency in environmental performance and supports the systematic gathering and controlling of environmental data. This ensures data accuracy and data availability and reduces complexity through automated processes.

# GRI AND EPRA CONTENT INDEX

## REPORT PARAMETERS

This is alstria's third Sustainability Report. It informs the reader about our key achievements, challenges and future targets. We still have to notice that environmental data collection and measurement is a challenge. Nevertheless, we are making progress constantly and were able to widen our database compared to the previous report. Our aim is to increase the number of analysed assets, figures and calculations to 100% in 2015 in order to strengthen the validity of our disclosures. The evaluated database becomes more comparable with every new reporting year, as the collected database itself increases in addition to our knowledge about the assets. We are pleased to share these results with our stakeholders and we are very engaged in making further progress.

The report covers the operations and employer practices of alstria. Sustainability figures for the governance, economic, environmental and social section refer to the financial year 2011 (January 1, 2011 to December 31, 2011) unless otherwise stated. alstria's Sustainability Report follows the Global Reporting Initiative (GRI) G3.1 framework covering economic, environmental and social performance. The GRI contains globally applicable guidelines for sustainability reporting. Additionally, the EPRA Best Practice Recommendations and the Construction and Real Estate Sector Supplements are applied, as they were developed specifically for the real estate sector. The content index states where in the present report the standard disclosures and indicators of the GRI and EPRA are dealt with as well as the degree to which each indicator is fulfilled.

For more information on GRI, visit » [www.globalreporting.org](http://www.globalreporting.org), for EPRA visit » [www.epra.com](http://www.epra.com) and for CRESS visit » [www.globalreporting.org/ReportingFramework/SectorSupplements/ConstructionandRealEstate/](http://www.globalreporting.org/ReportingFramework/SectorSupplements/ConstructionandRealEstate/). If you have any questions relating to this report or our sustainability activities, please contact us via e-mail at » [sustainability@alstria.de](mailto:sustainability@alstria.de) or visit » [www.alstria.com/en/sustainability/](http://www.alstria.com/en/sustainability/).

Data for the economic part relate to the alstria Group excluding joint ventures as presented in the Annual Report 2011 » part II/II.

This report reflects the GRI Level B (self-declared). It has therefore not been reviewed externally.

GRI/EPRA INDEX	N	P	S
<b>1. Strategy and analysis</b>			
1.1 Statement from the most senior decision maker of the organization	2–3		■
1.2 Description of key impacts, risks, and opportunities	17–20		■
<b>2. Organizational profile</b>			
2.1 Name of the organization	1		■
2.2 Primary brands, products, and/or services	1		■
2.3 Operational structure of the organization	1		■
2.4 Location of organization's headquarters	1		■
2.5 Number of countries	1		■
2.6 Nature of ownership and legal form	1		■
2.7 Markets served	1		■
2.8 Scale of the reporting organization	1		■
2.9 Significant changes during the period regarding size, structure, or ownership	6		■
2.10 Awards received	21		■
<b>3. Report parameters</b>			
3.1 Reporting period	50		■
3.2 Date of most recent previous report	Nov. 07, 2011		
3.3 Reporting cycle	50		■
3.4 Contact point	65		■
3.5 Process for defining report content	50		■
3.6 Boundary of the report	50, 54		■
3.7 Limitations on the scope or boundary of the report	50, 54		■
3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations	50, 54		■
3.9 Data measurement techniques	50, 54		■
3.10 Explanation of the effect of any re-statements		n. r.	
3.11 Significant changes from previous reporting periods		n. r.	
3.12 GRI Index	50–53		■
3.13 External assurance for the report	50		■

GRI/EPRA INDEX		N	P	S
<b>4. Governance, commitments, and engagement</b>				
4.1	Governance structure	[1]	17	■
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	[2]		■
4.3	Number of members of the highest governance body that are independent and/or non-executive members			■
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	[3]		■
4.5	Linkage between compensation for members of governance bodies and the organization's performance	[4]		■
4.6	Process for the highest governance body to avoid conflicts of interest	[5]		■
4.7	Qualifications and expertise of the members of the highest governance body and its committees	[5]		■
4.8	Internally developed statements of mission or values, codes of conduct, and principles		17, 42	■
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance		2–3	■
4.10	Process for evaluating the highest governance body's own sustainability performance	[4]		■
4.11	Precautionary approach	[6]		■
4.12	External charters, principles, or other initiatives	[7]		■
4.13	Memberships in associations		20–21	■
4.14	List of stakeholder groups engaged by the organization		10–16	■
4.15	Basis for identification and selection of stakeholders with whom to engage		10–16	■
4.16	Approaches to stakeholder engagement		10–16	■
4.17	Key topics and concerns of stakeholders	[8]		■
<b>Economic performance indicators (EC)</b>				
Management approach			2–3, 24–27	■
<b>Economic performance</b>				
EC1	Direct economic value generated and distributed	[9]	24–26	■
EC2	Risks and opportunities due to climate change		19–20	■
EC3	Defined benefit plan obligations		47–48	■
EC4	Financial assistance from government	[10]		■

GRI/EPRA INDEX		N	P	S
<b>Market presence</b>				
EC6	Locally-based suppliers		24	■
EC7	Senior management hired from the local community	[11]		■
<b>Indirect economic impacts</b>				
EC8	Infrastructure investments for public benefit		25, 42	■
<b>Environmental performance indicators (EN)</b>				
Management approach			30–39	■
<b>Materials</b>				
EN1	Materials used			□
EN2	Percentage of materials used that are recycled			□
<b>Energy</b>				
EN3	Direct energy consumption**	[12]	30–35	□
EN4	Indirect energy consumption**	[13]	30–35	□
CRE1	Building energy intensity**		30–35	□
EN5	Energy saved due to conservation and efficiency improvements		35	□
EN6	Energy-efficient initiatives**		30–39	■
EN7*	Reduction of indirect energy consumption	[14]	35	■
<b>Water</b>				
EN8	Water withdrawal**	[15]	32–33	□
EN9*	Water sources	[15]	32–33	□
EN10*	Percentage of water recycled and reused	[17]	35, 39	■
CRE2	Building water intensity**		32–33	□
<b>Biodiversity</b>				
EN11	Land owned in protected areas and areas of high diversity	[16]	n. r.	
EN12	Impacts of activities on biodiversity in protected areas	[16]	n. r.	
<b>Emissions, effluents, and waste</b>				
EN16	Direct and indirect ghg emissions**	[13]	30–35	□
EN17	Other indirect ghg emissions**	[13]	30–35	□
CRE3	Greenhouse gas intensity from building energy**		30–35	□
CRE4	Greenhouse gas intensity from construction activity			□
EN18	Initiatives to reduce greenhouse gas emissions		30–35	■
EN19	Emissions of ozone-depleting substances by weight			□
EN20	NO, SO, and other significant air emissions by type and weight			□
EN21	Water discharge by quality and destination	[17]	32–33	□

GRI/EPRA INDEX	N	P	S
EN22 Waste by type and disposal method**	[18]	32–33	■
EN23 Number and volume of significant spills			□
EN24* Weight of transported hazardous waste		34	■
CRE5 Land remediated			n. r.
<b>Products and services</b>			
EN26 Initiatives to mitigate environmental impacts of products and services		30–39	■
EN27 Percentage of products sold and their packaging materials that are reclaimed			n. r.
<b>Compliance</b>			
EN28 Fines and sanctions for non-compliance of environmental laws	[19]	17	■
<b>Transport</b>			
EN29* Significant environmental impacts of transporting		35	□
<b>Overall</b>			
EN30* Environmental protection expenditures		36	■
<b>Labor practices and decent work performance indicators (LA)</b>			
Management approach		2–3, 42–49	■
<b>Employment</b>			
LA1 Workforce by type	[20]	44–46	■
LA2 Employee turnover		1, 44	■
LA3* Benefits provided to employees		47–48	■
LA15 Return to work and retention rates after parental leave, by gender	[21]	44	■
<b>Labor/management relations</b>			
LA4 Employees covered by collective bargaining agreements			n. r.
LA5 Minimum notice period regarding operational changes			n. r.
<b>Occupational health and safety</b>			
LA7 Injuries, occupational diseases, lost days, absenteeism, and number of work-related fatalities	[22]	46	■
CRE6 Health and Safety Management System	[23]		□
LA8 Education, training, counseling, prevention, and risk-control programs	[24]		■
<b>Training and education</b>			
LA10 Training hours	[25]	48	■
LA11* Programs for skills management		48	■
LA12* Percentage of employees receiving regular performance and career development reviews		48	■
<b>Diversity and equal opportunity</b>			
LA13 Composition of governance bodies and breakdown of employees	[26]	44–47	■

GRI/EPRA INDEX	N	P	S
<b>Equal remuneration for women and men</b>			
LA14 Ratio salary men/women		45	■
<b>Human rights performance indicators (HR)</b>			
Management approach		2–13, 17–18	■
<b>Investment and procurement practices</b>			
HR1 Investment agreements and contracts that include human rights clauses	[27]		□
HR2 Screening on human rights of suppliers and contractors	[28]	17–18	■
HR3 Total hours of employee training on human rights aspects	[29]		n. r.
<b>Non-discrimination</b>			
HR4 Incidents of discrimination	[19]	17–18	■
<b>Freedom of association and collective bargaining</b>			
HR5 Right to exercise of association and collective bargaining	[19]	17–18	■
<b>Child labor</b>			
HR6 Child labor	[30]	17–18	■
<b>Forced and compulsory labor</b>			
HR7 Forced and compulsory labor	[19]	17–18	■
<b>Assessment</b>			
HR10 Operations that have been subject to human rights reviews	[31]	17–18	■
<b>Remediation</b>			
HR11 Number of grievances related to human rights filed	[32]	17–18	■
<b>Social performance indicators (SO)</b>			
Management approach		2–13, 17–18, 42–49	■
<b>Community</b>			
SO1 Programs that assess and manage impacts of operations on communities		39, 43	□
SO9 Operations with significant potential or actual negative and positive impacts on local communities		42	■
SO10 Prevention and mitigation measures implemented in operations		42	■
CRE7 Number of persons voluntarily/ involuntarily displaced and/or resettled		43	■
<b>Corruption</b>			
SO2 Business units analyzed for corruption	[33]		■
SO3 Anti-corruption training		17–18	■
SO4 Response to incidents of corruption	[19]	17–18	■

GRI/EPRA INDEX		N	P	S
<b>Public policy</b>				
SO5	Public policy position and lobbying		17–21	■
SO6*	Financial value of contributions to political parties	[34]	43	■
<b>Anti-competitive behavior</b>				
SO7*	Anti-competitive behavior, anti-trust	[19]	17–18	■
<b>Compliance</b>				
SO8	Fines for non-compliance with laws	[19]	17–18	■
<b>Product responsibility performance indicators (PR)</b>				
	Management approach		2–3, 17,18	■
<b>Customer health and safety</b>				
PR1	Health and safety impacts of products and services			□
PR2*	Non-compliance with regulations concerning health and safety impacts	[19]	17–18	■
<b>Product and service labelling</b>				
PR3	Type of product and service information required by procedures	[35]	14	■
CRE8	Type and number of sustainability certification		14	■
PR5*	Tenant satisfaction		10, 14	□
<b>Marketing communications</b>				
PR6	Programs for adherence to laws and voluntary codes			□
<b>Compliance</b>				
PR9	Fines for non-compliance with laws concerning the provision and use of products and services	[19]	17–18	■

\*\* EPRA Best Practice Recommendations on Sustainability Reporting

N Notes

P Page

S Status

□ Not covered

□ Partially covered

■ Completely covered

n.r. Not relevant

\* Additional indicators

[X] See notes on » pages 54 to 55

## NOTES

**[1]** See also chapter "Corporate Governance" in the Annual Report for the financial year 2011 » part II/II, pages 82 to 97) and on alstria's website.

**[2]** Chair of highest governance body is not executive.

**[3]** At our Annual General Meeting all shareholders can engage with our Management Board and Supervisory Board and are updated on our performance and strategy. There are no limitations on voting rights, i.e. one share entitles the holder to one vote.

**[4]** See Remuneration Report in the Annual Report for the financial year 2011 » part II/II, pages 94 to 97.

**[5]** See working methods of the Management Board and the Supervisory Board in the Annual Report for the financial year 2011 » part II/II, pages 88 to 89.

**[6]** See Report on Risks and Opportunities in the Annual Report for the financial year 2011 » part II/II, pages 16 to 21.

**[7]** We promote transparency and comparability of sustainability reports by implementing the GRI/CRESS guidelines and EPRA Best Practice Recommendations.

**[8]** alstria comments and engages with its stakeholders on its blog with respect (among other things) to sustainability and climate change issues » alstria.blogspot.com.

**[9]** See also the Annual Report for the financial year 2011.

**[10]** As a REIT alstria is tax-exempt effective as of January 1, 2007.

**[11]** There is no personnel policy at alstria which prefers local applicants and their employment.

**[12]** Boundaries for electricity: 30 assets; 47% of the total lettable area; 51% of the total value. Boundaries for heating: 53 assets; 69% of the total lettable area; 71% of the total value.

**[13]** Calculated with the help of a software tool from the GHG Initiative, available on » [www.ghgprotocol.org](http://www.ghgprotocol.org); only indirect secondary energy from tenants consumption. Boundaries for electricity (absolute performance measures 2011): 30 assets; 47% of the total lettable area; 51% of the total value. Boundaries for electricity (like-for-like performance measures 2011): 26 assets; 30% of the total lettable area; 36% of the total value. Boundaries for heating (absolute performance measures 2011): 53 assets; 69% of the total lettable area; 71% of the total value. Boundaries for heating (like-for-like performance measures 2011): 28 assets; 37% of the total lettable area; 45% of the total value. For the 2010 boundaries please see the Sustainability Report 2011.

**[14]** Calculated with the help of a software tool from the GHG Initiative, available on » [www.ghgprotocol.org](http://www.ghgprotocol.org).

**[15]** Boundaries for water (absolute performance measures 2011): 57 assets; 70% of the total lettable area; 73% of the total value. For the 2010 boundaries please see the Sustainability Report 2011. Boundaries for water (like-for-like performance measures 2011): 30 assets; 34% of the total lettable area; 43% of the total value.

**[16]** alstria does not own any assets in protected areas.

**[17]** Boundaries: 57 assets; 70% of the total lettable area; 73% of the total value. See also EN8 and EN9.

**[18]** Construction waste. Exemplary for three refurbishment projects in Hamburg. Boundaries: three assets in Hamburg; 6% of the total lettable area; 7% of the total value.

**[19]** No incidents known.

**[20]** In 2011, there were no fixed-term contracts.

**[21]** In 2011, no employee returned to work from parental leave, and one employee went on parental leave. In total, two employees were on parental leave in 2011.



**[22]** Absentee rate in 2011: (548 lost days/254 total working days per year x 48 average number of employees during the period) x 200,000 = 8,990. (female: 5,135; male: 3,855).

Lost days of female employees in 2011: 313; lost days of male employees in 2011: 235.

Absentee rate in 2010: (300 lost days/256 total working days per year x 37 average number of employees during the period) x 200,000 = 6,334. (female: 4,434; male: 1,900).

Lost days of female employees in 2010: 210; lost days of male employees in 2010: 90.

There have been no work-related and job-related fatal accidents among our employees. There are no work-related accidents among our contractors employees on construction sites known during the last three years.

**[23]** Our construction sites are subject to regular audits by the (German) public authorities with respect to labour law violations. As of today, none of these audits have identified any substantial issue. Further, for all construction sites we have specific health and safety planning. We assign a safety coordinator whose duty is to ensure the health and safety of employees and subcontractor's employees. The coordinator can stop work on a site if she/he suspects any risk related to health and safety.

**[24]** There are no operational activities with a high risk at alstria, which would cause serious diseases or many cases of illness.

**[25]** We do not report for each employment category, such as senior management or middle management.

**[26]** See also the "Corporate Governance Statement" » pages 87 to 93 in the Annual Report for the financial year 2011 » part II/II and LA1 and LA2 of this report.

**[27]** alstria has no specific investment agreements with human rights clauses. As alstria's focus is on the German market, human rights are protected by law. In Germany most international human rights treaties are ratified. alstria operates in the framework of the German law and obeys these rules and regulations.

**[28]** Our construction sites have been audited on regular a basis. None of these audits have identified any substantial issue. With respect to health and safety, alstria assigns a coordinator for each site.

**[29]** There was no specific training on human rights aspects. alstria has a specific policy on equal treatment as well as on harassment which is included in training on a regular basis.

**[30]** No incidents known. We are aware of the risk for child labour in the real estate sector, but we only operate in Germany and screen our contractors regarding such issues.

**[31]** alstria operates in the framework of the German law and obeys these rules and regulations. Germany has ratified most international human rights treaties. There are no human rights conflicts with other countries.

**[32]** There are no grievances related to human rights in 2011.

**[33]** Risks of corruption and validity of financial information are reviewed in the framework of the annual review by our auditors. Additionally the internal control system as well as the internal audit also prevents possible risks. The Code of Conduct is another preventive instrument.

**[34]** We do not make political donations.

**[35]** Each of our key business meets product and service information, disclosure requirements and contractual requirements as required by legislation.

# GRI APPLICATION LEVEL

Report Application Level	C	C+	B	B+	A	A+
<b>Standard Disclosures</b> G3 Profile Disclosure OUTPUT	Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15		Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17		Same as requirement for Level B	
G3 Management Approach Disclosure OUTPUT	Not Required	Report Externally Assured	Management Approach Disclosures for each Indicator Category	Report Externally Assured	Management Approach Disclosures for each Indicator Category	Report Externally Assured
G3 Performance Indicators & Sector Supplement Performance Indicators OUTPUT	Report on a minimum of 10 Performance Indicators, including at least one from each of: Economic, Social and Environmental.		Report on a minimum of 20 Performance Indicators, at least one from each of Economic, Environmental, Human rights, Labor, Society, Product Responsibility.		Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either: a) reporting on the Indicator or b) explaining the reason for its omission.	



\*Sector supplement in final version



# PROPERTY CONSUMPTION DATA



Properties	Electricity in kWh			Heating in kWh			Water in m <sup>3</sup>		
	2011	2010	2009	2011	2010	2009	2011	2010	2009
Building 1	0	0	0	0	0	0	1,307	0	0
Building 2	0	0	0	0	0	0	1,434	0	0
Building 3	0	0	0	0	0	0	1,183	0	0
Building 4	0	0	0	232,783	0	0	2,038	0	0
Building 5	0	0	0	310,427	0	0	956	0	0
Building 6	0	0	0	891,684	0	0	4,960	0	0
Building 7	887,268	912,932	912,932	2,958,500	4,399,920	3,202,000	2,333	2,128	2,114
Building 8	765,982	782,474	782,462	1,689,650	2,263,730	1,822,000	2,081	3,627	1,782
Building 9	0	0	828,260	0	0	1,680,000	0	0	5,041
Building 10	1,171,832	1,169,747	1,169,734	1,444,830	2,246,820	1,167,000	2,232	2,120	2,194
Building 11	169,847	189,316	189,303	520,336	507,000	0	715	835	803
Building 12	487,932	447,573	447,561	774,007	830,050	672,000	1,902	1,742	1,604
Building 13	564,892	587,220	587,209	508,391	623,408	508,000	1,464	1,482	1,393
Building 14	113,399	133,208	88,117	555,558	0	0	1,196	1,205	1,320
Building 15	184,396	188,486	188,476	365,605	496,055	403,000	878	848	1,021
Building 16	116,032	117,507	117,505	446,018	446,596	0	853	794	794
Building 17	119,675	124,613	124,601	0	430,353	0	1,125	1,062	1,067
Building 18	717,544	736,005	0	1,970,400	2,394,400	0	4,066	3,558	0
Building 19	169,929	182,474	182,463	833,815	940,573	0	943	908	978
Building 20	106,416	106,654	102,036	571,156	0	0	700	649	701
Building 21	0	0	0	898,891	1,174,171	0	2,743	3,141	0
Building 22	380,406	381,188	381,176	556,735	698,133	539,000	1,046	984	944
Building 23	0	0	764,360	0	0	1,354,000	0	0	4,347
Building 24	0	0	48,535	0	0	101,000	0	0	181
Building 25	0	0	117,305	408,743	409,273	0	938	918	913
Building 26	332,346	315,702	315,690	902,202	1,259,392	0	688	1,786	771
Building 27	298,973	318,175	318,162	630,247	640,356	0	2,261	2,211	2,402
Building 28	132,247	144,757	144,743	299,018	0	0	607	517	632
Building 29	0	0	648,712	0	0	1,529,000	0	0	3,633
Building 30	0	0	416,405	0	0	0	0	0	2,864
Building 31	0	0	0	1,586,830	1,114,240	0	3,968	2,798	0
Building 32	0	0	0	168,882	0	0	410	0	0
Building 33	0	0	0	215,734	295,077	0	1,069	0	0
Building 34	0	0	0	1,151,310	0	0	2,060	0	0
Building 35	0	0	0	303,432	0	0	0	0	0
Building 36	2,561,160	0	2,687,741	1,328,000	0	1,328,000	7,637	0	1,427
Building 37	31,900,000	0	0	14,963,000	0	0	80,100	0	0
Building 38	0	0	0	409,556	0	0	2,581	0	0
Building 39	0	0	0	1,006,800	0	0	2,293	0	0
Building 40	338,580	0	0	1,464,500	0	0	4,649	0	0
Building 41	0	0	0	0	0	0	5,161	0	0
Building 42	0	0	0	53,293	0	0	918	0	0

Properties	Electricity in kWh			Heating in kWh			Water in m <sup>3</sup>		
	2011	2010	2009	2011	2010	2009	2011	2010	2009
Building 43	35,147	0	0	104,965	0	0	723	0	0
Building 44	0	0	0	774,451	1,957,736	0	0	9,713	0
Building 45	0	0	0	283,612	359,956	0	377	0	0
Building 46	0	0	0	234,035	0	0	390	0	0
Building 47	113,771	120,242	0	205,054	257,782	0	601	2,096	0
Building 48	2,147,735	2,564,625	0	3,547,940	3,188,650	0	4,521	4,658	0
Building 49	401,445	489,864	0	462,168	310,062	0	1,566	1,310	0
Building 50	302,247	408,859	0	586,247	199,333	0	2,135	2,135	0
Building 51	183,831	188,975	0	502,495	0	0	692	0	0
Building 52	473,464	486,537	0	966,534	287,815	0	2,790	0	0
Building 53	0	0	0	285,580	0	0	271	0	0
Building 54	1,616,959	1,708,139	0	836,980	0	0	4,489	4,999	0
Building 55	0	0	0	15,047	47,550	0	770	871	0
Building 56	29,560	29,163	0	0	0	0	149	278	0
Building 57	0	0	0	415,643	568,579	0	1,495	1,635	0
Building 58	0	0	0	306,388	0	0	1,039	619	0
Building 59	440,894	440,831	0	885,199	1,154,155	0	3,078	3,076	0
Building 60	0	0	0	377,933	496,087	0	1,047	0	0
Building 61	0	0	0	299,104	0	0	821	0	0
Building 62	0	0	0	164,773	0	0	0	0	0
Building 63	0	0	0	163,030	0	0	770	0	0
Building 64	0	0	0	0	0	0	972	0	0
Building 65	0	0	0	252,982	0	0	1,014	0	0

# ANALYSED ASSETS



Properties	Electricity			Heating			Water		
	2011	2010	2009	2011	2010	2009	2011	2010	2009
<b>Berlin</b>									
Darwinstrasse 14–18/Quedlinburger Strasse 2									
Holzhauser Strasse 175–177	✓	✓		✓	✓		✓	✓	
<b>Hamburg</b>									
Alte Königstrasse 29–39	✓	✓	✓	✓	✓		✓	✓	✓
Alter Steinweg 4	✓	✓	✓	✓	✓	✓	✓	✓	✓
Amsinckstrasse 28	✓	✓	✓	✓	✓	✓	✓	✓	✓
Amsinckstrasse 34	✓	✓	✓	✓	✓	✓	✓	✓	✓
Bäckerbreitergang 73–75	✓			✓			✓		
Basselweg 73	✓	✓	✓	✓			✓	✓	✓
Besenbinderhof 41	✓	✓	✓	✓	✓	✓	✓	✓	✓
Buxtehuder Strasse 9–11a	✓	✓	✓	✓	✓		✓	✓	✓
Drehbahn 36	✓	✓	✓	✓	✓	✓	✓	✓	✓
Garstedter Weg 13	✓	✓	✓		✓		✓	✓	✓
Grindelberg 62–66	✓	✓		✓	✓		✓	✓	
Hamburger Strasse 43–49	✓		✓	✓		✓	✓		✓
Hammer Steindamm 129	✓	✓	✓	✓	✓		✓	✓	✓
Harburger Ring 17									
Herthastrasse 20	✓	✓	✓	✓			✓	✓	✓
Johanniswall 4				✓	✓		✓	✓	
Kanalstrasse 44	✓	✓		✓	✓		✓		
Kattunbleiche 19	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ludwig-Rosenberg-Ring 41			✓	✓	✓		✓	✓	✓
Max-Brauer-Allee 41–43				✓			✓		
Max-Brauer-Allee 89–91	✓	✓	✓	✓	✓		✓	✓	✓
Nagelsweg 41–45				✓	✓		✓	✓	
Öjendorfer Weg 9–11	✓	✓	✓	✓	✓		✓	✓	✓
Rahlstedter Strasse 151–157	✓	✓	✓	✓			✓	✓	✓
Schopenstehl 24/Kleine Reichenstrasse 2				✓					
Steinstrasse 10	✓	✓	✓	✓	✓	✓	✓	✓	✓
Steinstrasse 5–7				✓	✓		✓	✓	
Wandsbeker Chaussee 220				✓	✓		✓		
<b>Hanover</b>									
Werner-von-Siemens-Platz 1									
<b>Munich</b>									
Arnulfstrasse 150							✓		
Hofmannstrasse 51									
Landshuter Allee 174				✓			✓		
<b>Rhineland</b>									
Benrather Schlossallee 29–33, Düsseldorf/ Ludolfstraße 3, Düsseldorf				✓	✓		✓		
Friedrichstrasse 19, Düsseldorf				✓			✓		
Gereonsdriesch 13, Cologne				✓			✓	✓	
Horbeller Strasse 11, Cologne	✓	✓		✓			✓		
Jagenbergstrasse 1, Neuss							✓		

Properties	Electricity			Heating			Water		
	2011	2010	2009	2011	2010	2009	2011	2010	2009
<b>Ruhr</b>									
Bamlerstrasse 1–5, Essen				✓	✓				✓
Gathe 78, Wuppertal				✓			✓		
<b>Saxony</b>									
Lothar-Streit-Strasse 10b, Zwickau									
Ludwig-Erhard-Strasse 49, Leipzig							✓		
Washingtonstrasse 16/16a, Dresden				✓			✓		
Zellescher Weg 21–25a, Dresden									
Zwinglistrasse 11/13, Dresden				✓			✓		
<b>Stuttgart</b>									
Epplestrasse 225, Stuttgart	✓			✓			✓		
Ernstthalenstrasse 17, Stuttgart				✓			✓		
Siemensstrasse 33, Ditzingen				✓			✓		
<b>Others</b>									
Am Gräslain 12, Nuremberg				✓			✓		
Am Roten Berg 5, Erfurt				✓	✓		✓		
Carl-Reiß-Platz 1–5, Mannheim	✓	✓		✓	✓		✓	✓	
Doktorweg 2–4/Bismarkstr. 3, Detmold	✓	✓		✓	✓		✓	✓	
Emil-von-Behring-Strasse 2, Frankfurt/Main	✓			✓			✓		
Goldsteinstrasse 114, Frankfurt/Main	✓	✓		✓	✓		✓	✓	
Gustav-Nachtigal-Strasse 3, Wiesbaden	✓	✓		✓			✓	✓	
Gustav-Nachtigal-Strasse 4, Wiesbaden	✓	✓					✓	✓	
Halberstädter Strasse 17, Magdeburg							✓		
Helene-Lange-Strasse 6/7, Potsdam				✓			✓		
Johannesstrasse 164–165, Erfurt									
Joliot-Curie-Platz 29–30, Halle				✓	✓		✓	✓	
Schweinfurter Strasse 4, Würzburg				✓					
Spitzweidenweg 107, Jena	✓	✓		✓	✓		✓	✓	
<b>Development assets</b>									
Arndtstrasse 1, Hanover				✓			✓		
Ernst-Merck-Strasse 9 (Bieberhaus), Hamburg									
Hamburger Strasse 1–15 Tower, Hamburg									
Hamburger Strasse 1–15 Center, Hamburg									
Kaiser-Wilhelm-Strasse 79–87, Hamburg									
Max-Eyth-Strasse 2, Dortmund									
<b>Acquisitions</b>									
Emanuel-Leutze-Strasse 11, Düsseldorf									
Englische Planke 2, Hamburg				✓			✓		
Friedrich-Scholl-Platz 1, Karlsruhe									
Hans-Böckler-Strasse 36, Düsseldorf									
Insterburger Strasse 16, Frankfurt/Main									
Kaistraße 16, 16a, 18, Düsseldorf									
Mainzer Landstrasse 33a, Frankfurt/Main									
Rotebühlstrasse 98–100, Stuttgart									
Schaarort 1, Hamburg							✓		
Süderstrasse 24, Hamburg				✓			✓		

# GLOSSARY

## **Asset Management**

Value-driven management and/or optimisation of real estate investments through letting management, refurbishment, repositioning and tenant management.

## **CDP (Carbon Disclosure Project)**

CDP is an independent not-for-profit organisation working to drive greenhouse gas emissions reduction and sustainable water use by business and cities. It aims to set up a global database for carbon emissions.

## **Climate change**

Changes in the world's climate caused by increased concentration of greenhouse gases (particularly carbon dioxide) in the atmosphere. The term is used interchangeably with global warming.

## **CO<sub>2</sub>**

Carbon dioxide, a gas produced primarily through the combustion of fossil fuels. It is believed to be the main cause of climate change.

## **Code of Conduct**

Formal statement of the values and business practices of a company together with a pledge by the company to observe them.

## **Compensation package**

The total array of money (wages, salary, commissions), incentives, benefits, perquisites and awards provided to an employee by an organisation.

## **Corporate citizenship**

The management of the totality of relationships between a company and its host communities, locally, nationally and globally.

## **Corporate governance**

The system by which business corporations are directed and controlled. A set of relationships between a company's management, its board, its shareholders and other stakeholders.

## **CRESS (Construction and Real Estate Sector Supplement)**

Supplement to the GRI guidelines for the special disclosure requirements of companies from the real estate and construction sector.

## **CSR (Corporate Social Responsibility)**

A form of corporate self-regulation integrated into a business model. The term is used interchangeably with the terms "sustainability", and "Environmental, Social and Governance (ESG)".

## **DGNB (Deutsche Gesellschaft für nachhaltiges Bauen)**

The German Sustainable Building Council establishes a system for the assessment and the certification of sustainable buildings.

## **DIRK (Deutscher Investor Relations Verband e. V.)**

The German Investor Relations Association sets standards for the communication between companies and the capital market.

## **DVFA (Deutsche Vereinigung für Finanzanalysen und Asset Management)**

DVFA is a society for investment professionals in Germany and a host for analyst and investor conferences as well as forums and symposiums.

## **EnEV**

Energy-saving regulations.

## **EPRA (European Public Real Estate Association)**

An organisation which represents the interests of the major European Property Management companies and supports the development and market presence of European public property companies.

## **Equal opportunities**

Employer's adoption of employment practices which do not discriminate on the basis of race, colour, religion, sex or national origin. The opposite of discrimination.

## **FFO (funds from operations)**

Operating result from real estate management. alstria's FFO represents the operating result, excluding valuation effects and other adjustments such as non-cash expenses/income and non-recurring effects.

## **FSC (Forest Stewardship Council)**

An independent, non-governmental, not-for-profit organisation which established a certification programme for the labelling of products from sustainable sources.

## **ghg Protocol**

The Greenhouse Gas Protocol is the most widely used international accounting tool for government and business leaders to understand, quantify and manage greenhouse gas emissions.

## **gif (Gesellschaft für immobilienwirtschaftliche Forschung)**

An association specialised in research in the real estate sector in order to combine theory with practice.



**GRI (Global Reporting Initiative)**

A network-based organisation which releases widely used sustainability reporting guidelines. These guidelines are for voluntary use by organisations for reporting on the economic, environmental and social dimensions of their activities, products and services.

**IPD (Investment Property Database)**

An organisation which analyses the performance of real estate.

**ISA (International Sustainability Alliance)**

The International Sustainability Alliance (ISA) is a global network of leading corporate occupiers, property investors, developers and owners. Its aim is to bring together a worldwide membership of leading commercial organisations with substantial property interests, dedicated to achieving higher sustainability in the built environment.

**Joint venture**

Legally independent entity formed between two or more parties to undertake economic activity together. It is jointly controlled by the parties under a contractual arrangement whereby decisions on financial and operating policies essential to the operation, performance and financial position of the venture require each party's consent.

**kWh (kilowatt hour)**

A unit of energy.

**NAREIT (National Association of Real Estate Investment Trusts)**

Organisation acting as representative for REITs and publicly traded real estate companies with an interest in U.S. real estate and capital markets.

**oekom**

oekom research AG is one of the world's leading rating agencies and provides the crucial head start in the segment of sustainable investments.

**Operational approach**

The boundaries that determine the direct and indirect emissions associated with operations owned or controlled by the reporting company.

**P&L**

Profit and loss statement.

**Property management**

Property Management is the management of real estate assets including the processes, systems and manpower required to manage the life cycle of a building.

**REIT (Real Estate Investment Trust)**

Real Estate Investment Trusts are public listed companies, fully tax transparent, which solely invest in properties.

**Risk**

A measure of the probability that damage to life, health, property and/or the environment will occur as a result of a given hazard. Risk is measured in terms of impact and likelihood.

**Risk management**

The introduction of change or control measures with the intention of eliminating or bringing the level of risk associated with a hazard within acceptable limits.

**R&D**

Research and development.

**Stakeholder**

An individual, community or organisation that affects or is affected by some aspect of an organisation's products, operations, markets, industries and outcomes.

**Sustainability**

Alignment of an organisation's products and services with stakeholder expectations, thereby adding economic, environmental and social value.

**Transparency**

A principle that allows those affected by administrative decisions, business transactions or charitable work to know not only the basic facts and figures, but also the mechanisms and processes. It is the duty of civil servants, managers and trustees to act visibly, predictably and understandably.

**UNESCO (United Nations Educational, Scientific and Cultural Organisation)**

Its purpose is to contribute to peace and security by promoting international collaboration through education, science and culture in order to further universal respect for justice, the rule of law and human rights along with fundamental freedoms proclaimed in the UN Charter.

**Values**

The core beliefs we hold regarding what is right and fair in terms of our actions and our interactions with others.

**ZIA (Zentraler Immobilienausschuss)**

The German Property Federation is a regulatory and economic lobby group for policy in the property sector.

## AUGMENTED REALITY

This report will offer you Augmented Reality experience. In this report look for the following logo sitting next to a picture:

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In order to access it you need to: With an iPhone/iPad: Download and install the alstria app from apple's App Store.

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As we would like to improve continuously, we are happy to receive your comments on this report. Please feel free to fill in the feedback form on our website: [www.alstria.com/en/sustainability/feedback/](http://www.alstria.com/en/sustainability/feedback/) or to contact us directly:

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## › IMPRINT ‹

Concept, design and  
realisation  
Kirchhoff Consult AG,  
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## › EDITORIAL COMMENT ‹

All the information in this report has been compiled in good faith and with great care from various sources. To the best of our knowledge, the information and data contained in this report reflect the truth. Nevertheless, we cannot assume liability for the correctness or completeness of the information provided herein.

This applies in particular also to any forward-looking statements made in respect of the development of business matters and financial results of alstria office REIT-AG; such statements are based upon our current plans, assessments, prognoses and expectations, as well as upon economic, political and other developments and factors which to the most extent are beyond our

scope of influence. The actual results and developments may, therefore, differ significantly from our today's assumptions. We also do not assume any obligation to update any forward-looking statements if new information is obtained or unexpected events occur.

Insofar as the masculine form is used in the contents of this report, it is assumed that this refers to both genders on equal terms.

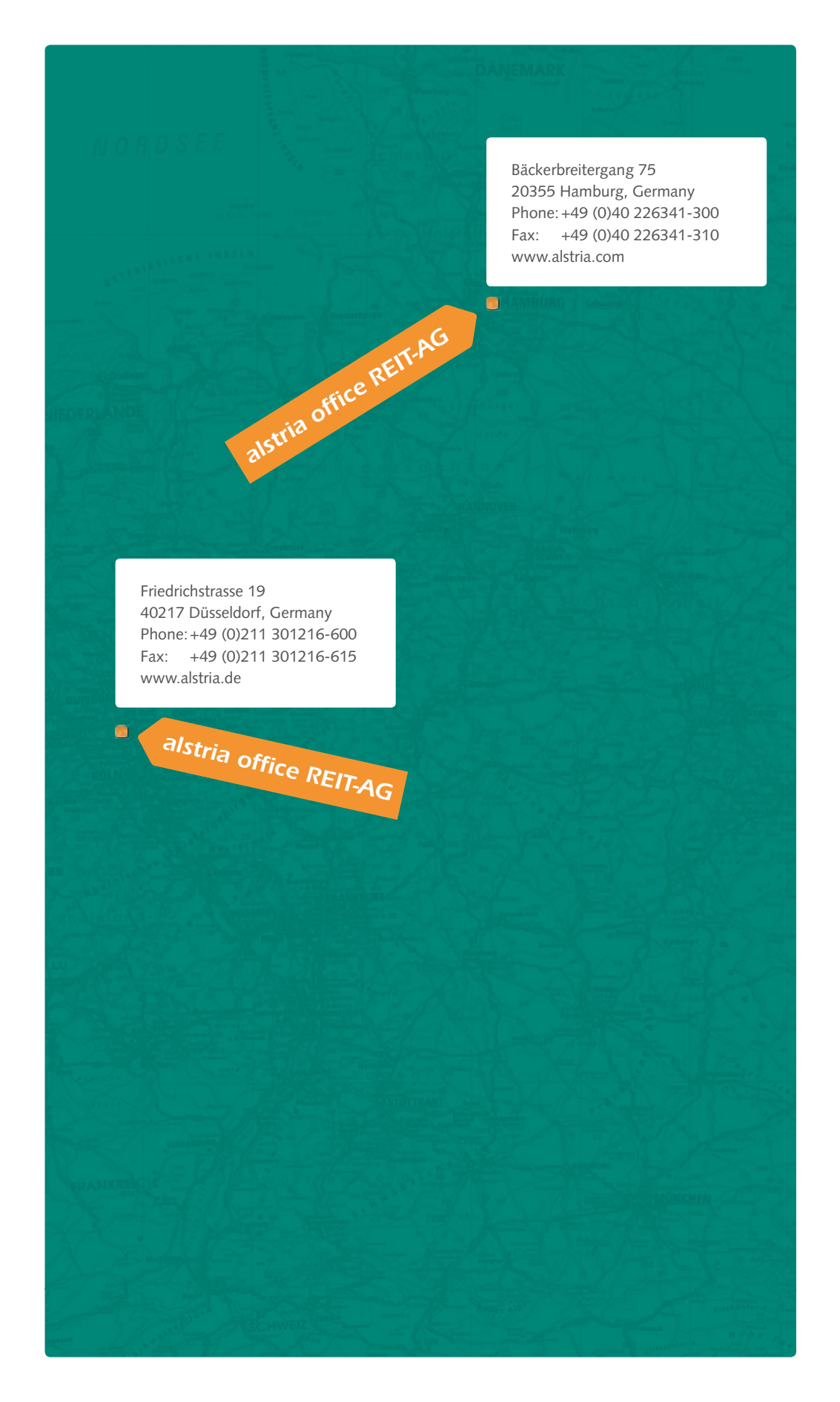
We would like to thank all colleagues and external partners for their friendly support in making this report possible.

This CSR report is also available in German.



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