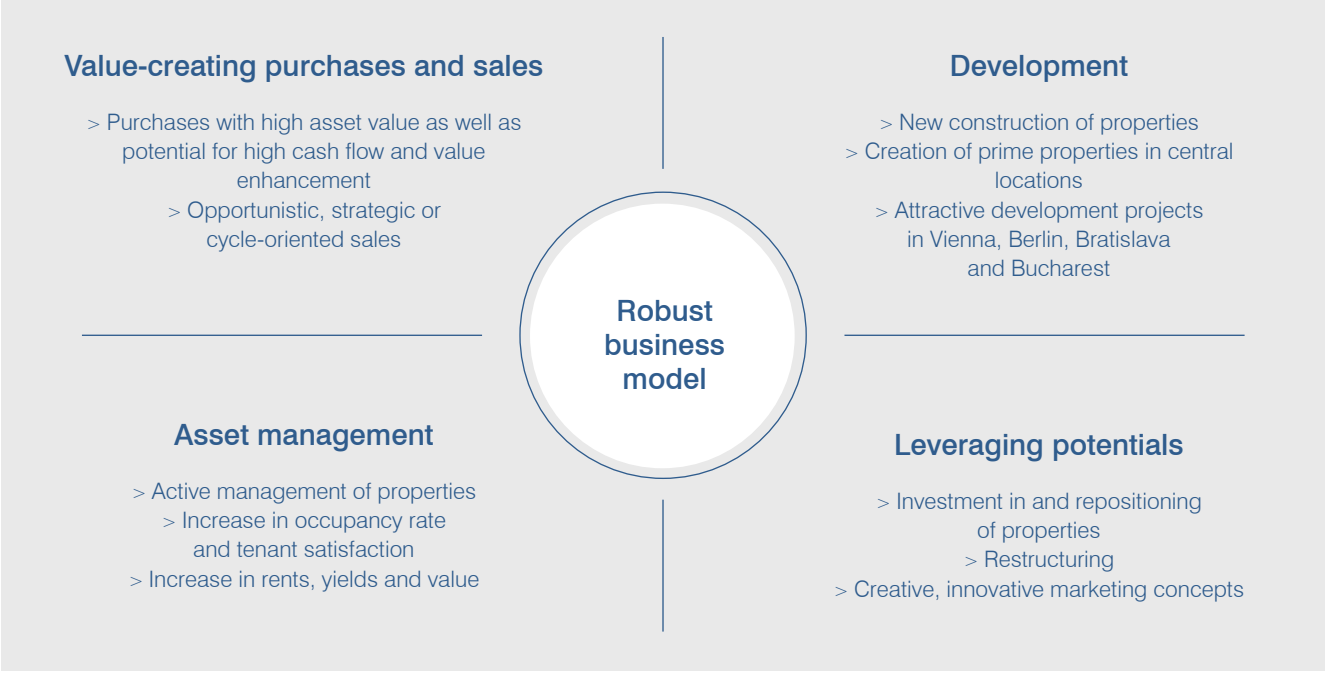
Non-financial report

In recent years, sustainability has become a point of emphasis in S IMMO's operating activities. The topic has grown massively in significance, both in the capital market and in the rental and property business, which is why it was a logical step for S IMMO to anchor it more strongly in its corporate strategy. For the first time, S IMMO is publishing a non-financial report for the financial year 2017. It contains information about environmental, employee and social considerations (including a diversity concept), as well as about observing human rights and combating corruption and bribery, in connection with the key issues defined by S IMMO.

Business model

S IMMO AG has been pursuing a sustainable and prudent business policy for almost three decades with the aim of constantly improving its results and creating value for its shareholders. The company applies a robust business model and endeavours to make use of property cycles to generate profit.



In this context, S IMMO's strategic direction is strongly guided by the interests of its stakeholders. The impact of the company's business activities on environmental, employee and social considerations, the observance of human rights and the efforts to combat corruption and bribery have been and will continue to be taken into account on a consistent basis.

Without people, even the best property is just lifeless bricks and concrete. That is why people are at the core of S IMMO's activities. With its properties, S IMMO satisfies people's basic need for living and working space. In this way, the company plays a very important role in the lives of many people and thus actively fulfils its economic, environmental and social responsibility. The satisfaction of tenants and employees, not forgetting respectful interaction with one another, are particularly important to the company. Respect for human rights is also a key factor. Since S IMMO operates exclusively within the European Union and human rights are enshrined in Article 2 of the Treaty on European Union (TEU), the observance of human rights is a matter of course for society as a whole and does not require any separate measures. The observance of

human rights is also of great importance in day-to-day dealings within the company, for example through the strict rejection of discrimination and the development of a respectful corporate culture which creates a working environment free of prejudice and accepts people regardless of gender, religion, belief, sexuality etc.

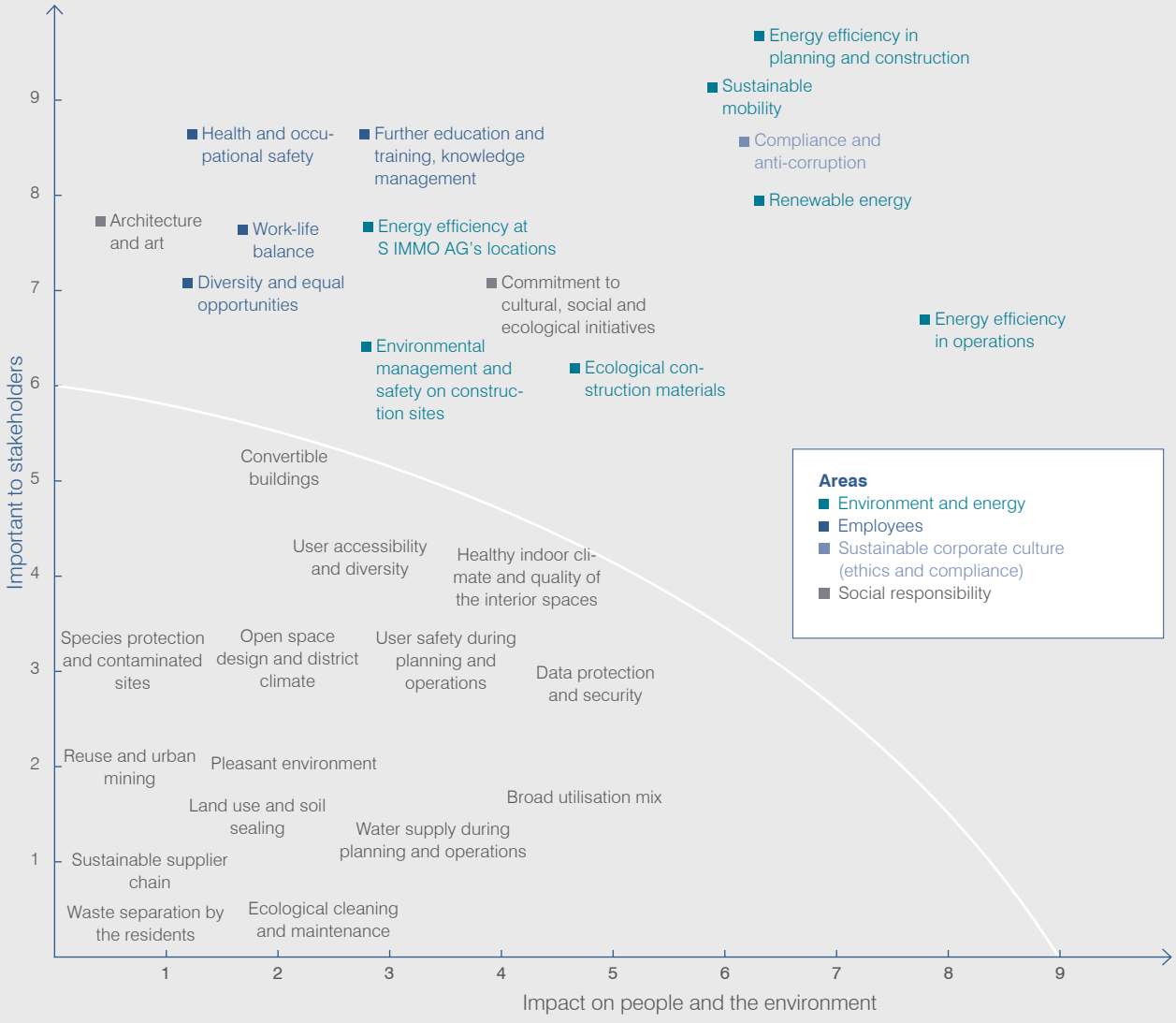
Materiality analysis

A detailed materiality analysis forms the basis of S IMMO AG's sustainability report. The first step was to define potential topics for consideration within the field of sustainable management in connection with the Austrian Sustainability and Diversity Act (NaDiVeG). Next, the possible impacts of the topics selected were examined in the course of a workshop involving in-house and external experts. The effects on people and on the environment were analysed as well as their significance for key stakeholders. The topics can be assigned to the following areas:

- Environment and energy
- Employees
- Sustainable corporate culture (ethics and compliance)
- Social responsibility

The main topics for S IMMO AG are thus those 14 aspects, which have the greatest impact and/or are the most important to stakeholders. Those topics are presented in the following matrix:

S IMMO AG's materiality matrix



In this non-financial report, S IMMO AG details its activities and the measures adopted in relation to the topics defined as key issues, as described in the overview below:

Issue	Topic	Description	Considerations under the NaDiVeG
Environment and energy	Energy efficiency in planning and construction	Energy efficiency of buildings (heating, cooling and electricity consumption), for example, through the thermal quality of the building envelopes, energy-efficient building services, energy-efficient devices etc.	Environmental considerations
Environment and energy	Energy efficiency in operations	Energy-efficient operation of buildings and energy-efficient conduct of users	Environmental considerations
Environment and energy	Renewable energy	Consideration in connection with energy concepts and the purchase of land, retrofitting capacity to accommodate renewable energy sources	Environmental considerations
Environment and energy	Ecological construction materials	For example, those made of renewable materials, manufactured in an environmentally friendly manner, regionally sourced, free from pollutants, having a multifunctional purpose and recyclable	Environmental considerations
Environment and energy	Sustainable mobility	Connection to public transport networks, footpath and cycle path networks, provision of infrastructure for bicycles, e-mobility, car and bike sharing options, incentive to use environmentally friendly means of transport	Environmental considerations
Environment and energy	Environmental management and safety on construction sites	Noise and dust prevention, exclusion of contaminated sites, effective waste management, secure handling of chemicals, short transportation distances, protection from accidents for all persons involved in the construction	Environmental considerations, Employee considerations
Environment and energy	Energy efficiency at S IMMO AG's locations	Conservation of resources within the company's facilities (heating, electricity, water, waste avoidance), sustainable mobility during the employees' commute	Environmental considerations
Employees	Health and occupational safety	Health and motivation of the team are strengthened	Employee considerations
Employees	Diversity and equal opportunities	Heterogeneous team structure in relation to employment, age, gender, background etc.	Employee considerations
Employees	Work-life balance	Different working patterns, flexible time management	Employee considerations
Employees	Further education and training, knowledge management	Sharing information within the company, promoting further education, professional execution of training measures	Employee considerations
Sustainable corporate culture (ethics and compliance)	Compliance and anti-corruption	Properly managed contract award processes, sound working relationships with contractors, observance of legal requirements (employment law, competition law, data protection etc.)	Combating corruption and bribery (ethics and compliance)
Social responsibility	Architecture and art	Attractive design, incorporation into the cityscape	Social responsibility
Social responsibility	Commitment to cultural, social and ecological initiatives	Long-standing cooperation with a variety of institutions, associations and organisations	Social responsibility, environmental considerations

Potential risks which could have a negative impact on the aforementioned interests as a result of S IMMO's business activities are incorporated into the Group's risk management processes, which are the responsibility of the Management Board.

Accordingly, in the run-up to producing this non-financial report, risks arising from social and ecological aspects were also systematically identified and assessed. The identified risks are described in the separate risk report within the management report.

1. Environment and energy

As a property developer and portfolio manager, S IMMO is constantly faced with environmental and energy considerations and, at the same time, strives to act with the greatest possible care and sustainability in all areas. As of 31 December 2017, the S IMMO Group had 241 properties with a total area of around 1,200,000 m². Based on main use types, 73.0% of the portfolio consisted of commercial properties (office, retail and hotel) and an additional 27.0% of residential properties. Two hotels – the Vienna Marriott and Budapest Marriott hotels – are operated under management agreements.

Energy efficiency of properties during planning, construction and operation

Energy consumption (heating demand and electricity consumption) and water usage in the buildings managed by S IMMO is highly dependent on tenant conduct and is therefore largely outside the company's control. However, S IMMO can influence the energy consumption of its buildings to a certain degree by means of construction measures. Accordingly, as a matter of principle, S IMMO applies the highest standards in development projects, when renovating portfolio properties in terms of their energy consumption and construction, and when managing its portfolio. In this way, the company takes due account of the energy efficiency of the buildings, including during their operation, and endeavours to use resources in an environmentally friendly manner. As a result, operating costs and emissions are reduced and a significant contribution is made to protecting the environment.

To get a better overview of energy consumption at S IMMO's properties, the company collects and analyses data on heating demand, electricity consumption and water usage for the entire portfolio, broken down by region and use type.

The consumption and usage data of buildings which have been owned by S IMMO for at least one full calendar year form the basis of the portfolio monitoring. Properties purchased intra-year, properties sold in the reporting year and properties under construction therefore do not appear in the following statements on key indicators.

Overview of the entire portfolio's energy and water consumption by use type in 2017

	Portfolio by main use type			
	Office	Retail	Hotel	Residential
Heating demand	21,073 MWh (67.6% gas, 0.6% oil, 31.8% district heating)	17,066 MWh (85.6% gas, 14.4% district heating)	12,493 MWh (82.3% gas, 17.7% district heating)	63,117 MWh (88.6% gas, 0.8% oil, 10.6% district heating)
Electricity	9,965 MWh [1]	13,859 MWh [1]	14,661 MWh [2]	1,410 MWh [1]
Water	145,131 m³	148,396 m³	173,126 m³	568,541 m³

[1] Electricity consumption, excluding electricity consumed by tenants
[2] The hotels' own energy consumption is only included for the Vienna Marriott and Budapest Marriott hotels.

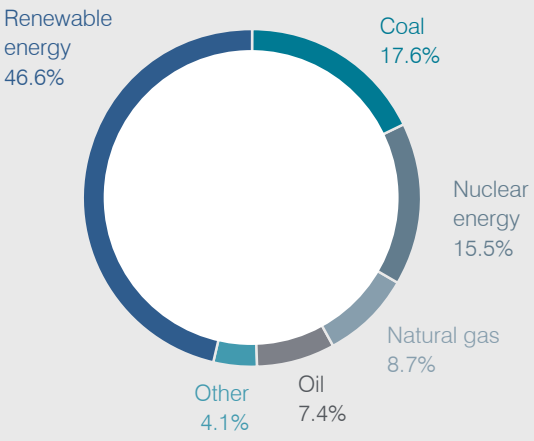
Overview of the entire portfolio's energy and water consumption by region in 2017 [1, 2]

	Region		
	Austria	Germany	CEE
Heating demand	12,862 MWh (11.6% gas, 1% heating oil, 87.4% district heating)	71,883 MWh (91.3% gas, 0.7% heating oil, 8.0% district heating)	29,005 MWh (96.3% gas, 3.7% district heating)
Electricity	9,508 MWh	2,471 MWh	27,915 MWh
Water	111,212 m³	608,106 m³	315,877 m³

[1] Electricity consumption, excluding electricity consumed by tenants
[2] The hotels' own energy consumption is only included for the Vienna Marriott and Budapest Marriott hotels.

In order to establish a transparent energy footprint for its portfolio properties, S IMMO records the energy sources used for its entire portfolio. In the tenants' interest, S IMMO selects energy suppliers for communal areas in accordance with the cost/benefit principle.

Overview of the energy sources used by S IMMO AG in 2017

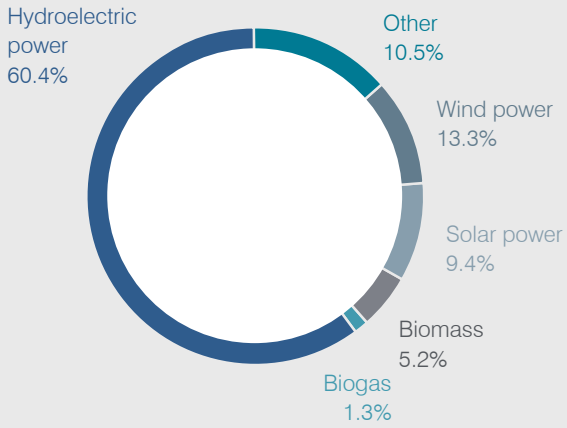


In 2017, the energy sources in S IMMO's portfolio comprised 46.6% of renewable forms of energy, followed by 17.6% of coal and 15.5% of nuclear energy.

The top three energy sources per region in 2017

	Region		
	Austria	Germany	CEE
1	Renewable energy (77.3%)	Renewable energy (73.8%)	Renewable energy (33.8%)
2	Natural gas (22.7%)	Coal (15.0%)	Coal (23.9%)
3	–	Natural gas (5.6%)	Nuclear power (21.7%)

Composition of renewable energy sources in 2017



Based on S IMMO's entire portfolio, hydroelectric power accounted for the largest proportion of renewable forms of energy at 60.4% in 2017, followed by wind power at 13.3% and other renewable energy sources at 10.5%. Since energy suppliers in Germany are not required to indicate the composition of renewable energy, it has been assigned to the category 'Other'.

It is S IMMO AG's aim to improve its energy footprint over the next years by increasing the share of renewable forms of energy and reducing CO_2 emissions.

CO_2 emissions in S IMMO's entire portfolio in 2017 (in tonnes)

	Region		
	Austria	Germany	CEE
Heating demand	2,480	14,361	7,364
Electricity	1,628	640	13,456

S IMMO has made a clear commitment to climate protection and, as part of its sustainability commitment, is focussed on energy efficiency and the use of state-of-the-art technologies. Both in terms of its existing properties and for new project developments, the company always strives to find the best solution to keeping energy consumption, and thus also the operating costs for its tenants, as low as possible. For example, in the case of new projects, efforts are made to obtain green building certificates attesting to sustainability, and thermal optimisations are both considered and, depending on the prevailing market situation, implemented as far as possible (see section 'Ecological construction materials').

The data collected, which form the basis of this report are intended to serve as the basis for monitoring the success of S IMMO's efforts in future.

Use of ecological construction materials

Portfolio properties make up the majority of S IMMO's real estate holdings. In order to meet the growing demand for sustainable construction, the Group launched the gradual certification of its existing properties in 2014. As of 31 December 2017, the total area certified under BREEAM stood at 171,134 m² (2016: 296,247 m²) or 14.5% (2016: 24.6%) of the total area in the portfolio. As a result of sales of certified properties in the past financial year, the percentage of properties with sustainability certificates fell from 2016 to 2017.

However, current development projects, such as the office buildings The Mark in Bucharest and the Einsteinova Business Center in Bratislava, will increase the share of certified buildings again in the future. S IMMO is aiming for a BREEAM sustainability certificate with an 'excellent' rating for both office buildings.

BREEAM stands for Building Research Establishment Environmental Assessment Method and has been the leading worldwide certification system for sustainable construction since 1990. BREEAM building assessments exist for numerous types of buildings. BREEAM International is an assessment method which is used globally and, as a result, makes a key contribution to the international coverage of the assessment method. So far more than 110,000 buildings worldwide have already been certified by BREEAM.

The ecological data of The Mark in Bucharest are excellent: sustainability takes priority at every stage. This is shown by the efficient, flexible interior design offering a range of different workspaces as well as by numerous highly efficient, low-energy installations which, in conjunction with a climate-sensitive façade and an innovative shading system, contribute to reducing the building's energy consumption significantly.

The Einsteinova Business Center in Bratislava has an automatic external shading system, a smart lighting system and an open green space on the third floor. In addition, during the planning for the building, provision was made for charging stations for electric cars, bicycle stands and showers to allow employees to travel to the offices in an environmentally friendly manner. Geothermal energy is used in the building: a ventilation system with humidity control and windows that can be opened contribute to ensuring a particularly pleasant indoor climate.

There is also a clear commitment on S IMMO's part regarding ecological construction materials: The company strives for the highest standards in all new development projects and thus to obtain the accompanying certification; it also examines the need for optimisations in the case of ongoing renovations.

Sustainable mobility

S IMMO AG's properties are located in Austria, Germany and the CEE region and, for the most part, are in the capital cities of the European Union. The vast majority of the buildings are therefore easily accessible on account of the well-developed, local public transport networks, cycle paths and footpaths. In addition, car-sharing schemes are in operation in an increasing number of cities. Location and the ease of accessibility by public transport are key factors when making decisions in connection with development projects and the purchase of properties.

For example, the office project The Mark is located in Bucharest's central business district and can be easily accessed by public transport. An underground station and several tram stops are just a few minutes away. The Sun Plaza shopping centre is located in the south of Bucharest. In addition to direct access to an underground train, a unique feature that is not offered anywhere else in Romania, the shopping centre has excellent connections to numerous forms of other public transport. The Einsteinova Business Center in Bratislava, which is nearing completion, is connected to the old town by a bridge carrying pedestrians and trams. Bus stops located five minutes away by foot and a tram connection offer good accessibility by public transport.

S IMMO is also currently working on two projects in Vienna that are conveniently located as regards transport connections. One of them is a residential property in the fifth district of Vienna with a central location. The building is going to be well connected to Vienna's city centre as it is expected that the newly-constructed section of the U2 underground line is going into operation in 2023. Furthermore, S IMMO has a 35% stake in the Quartier Belvedere Central development in Vienna, which is located at Vienna Central Station. Tram, rapid transit and underground stations are in close proximity.

In the interests of sustainable performance and the satisfaction of its tenants, S IMMO will also attach great importance to location, favourable infrastructure and transport connections when selecting properties and land in future. In this way, the company is demonstrating its readiness to respond to the ever-growing demands of its tenants for sustainable mobility options (such as public transport, bicycle parking, e-charging stations etc.).

Environmental protection and safety in construction

When renovating and developing buildings, S IMMO makes sure to keep noise and dust pollution to a minimum. In addition, effective waste management, the secure handling of chemicals and short transportation distances are key priorities. Efforts are made to exclude contaminated sites by performing thorough location analyses. Where appropriate, professional disposal of waste or treatment of contaminated sites is agreed by means of framework construction contracts. Strict compliance with official regulations is guaranteed in all cases.

S IMMO's building contractors ensure that everyone involved in construction is protected against accidents, taking into account local statutory provisions. S IMMO therefore abides by high quality standards when selecting partner companies and opts for companies which attach great importance to the environment, safety in the workplace and employee protection. For example, S IMMO works in conjunction with ISO-certified partners in Germany.

In the case of project developments, S IMMO works with general contractors and is therefore able to manage concerns relating to environmental protection and safety in construction when selecting partners. When making such selections, S IMMO will also exercise the utmost care and focus on the highest standards in future.

Energy efficiency at S IMMO AG's locations

In addition to its registered office in Vienna, the S IMMO Group has its own employees in Germany, Hungary, Romania and Bulgaria. The property management company Maior Domus in Germany is part of the Group. Employees at all of the S IMMO Group's locations are encouraged to incorporate energy efficiency into their day-to-day work.

Energy and water consumption at S IMMO's locations in 2017[1]

	S IMMO AG (Vienna)	S IMMO Germany (Berlin)	Maior Domus (Berlin)
Heating demand	35,200 kWh	n.a.	77,187 kWh
Electricity	40,417 kWh	20,295 kWh	26,692 kWh
Water	319.0 m^3	120.0 m^3	167.25 m^3

[1] Where information is specific to a location, branches with a team of more than 15 employees are taken into account

CO_2 emissions at S IMMO's locations in 2017[1]

CO_2 emissions in tonnes	S IMMO AG (Vienna)	S IMMO Germany (Berlin)	Maior Domus (Berlin)
Heating demand	6.7	n.a.	14.7
Electricity	0.8	5.3	6.9

Other measures to reduce environmental pollution

Headquarters in Vienna

The responsible use of resources has always been given high priority in S IMMO's business operations. In the past few years, numerous measures have been adopted to minimise environmental impact. One particular concern was to reduce the company's use of paper. To that end, the company has decided, amongst other things, to cease printing all four reports that are published each year and, from now on, to print just the annual and half-year reports, using FSC mix paper for printing. The FSC system guarantees that forests are used in line with the social, economic and ecological requirements of current and future generations.

Furthermore, the S IMMO team is instructed to keep the printing of documents to a minimum ('think before you print'). Last year, around 512,000 pages were printed. This equates to a yearly per capita paper consumption of 11,640 pages. Documents are generally printed on environmentally friendly FSC recycled paper entirely manufactured from waste paper. In addition, employees are asked to avoid printing documents in colour. Old toners are collected and returned for charitable purposes. This is part of a recycling project for the benefit of the children's cancer charity 'Kinder-Krebs-Hilfe'.

Rubbish has been separated at S IMMO AG's headquarters for years. When supplying mineral water in office spaces, the company also ensures that recyclable glass bottles (return&refill system) are used. Plastic caps from bottles and tetra packs are also currently collected for charitable purposes. The old caps are subsequently used to manufacture rubber tyres for wheelchairs.

In the past year, the S IMMO team travelled some 520,000 km by train, plane and car in Austria and Germany. In the coming years, S IMMO will also endeavour to reduce that figure and to keep travel activity to the minimum by using new forms of communication technology.

Kilometres travelled in 2017 (Austria)

Location/figure in km	Pool of company vehicles/ rental vehicles[1]	Train	Plane	Private cars[1]	**Total**
S IMMO AG in Vienna	13,164	11,507	284,931	9,268	**318,870**

[1] Based on travel expense claims

Locations in Germany

Employees at the locations in Germany are also instructed to save paper and to reduce the number of documents printed to the absolute minimum. In the past year, 4,474 pages were printed on recycled paper in Germany per S IMMO Germany employee and 13,000 pages per Maior Domus employee.

There are plans to purchase a number of office bicycles to be used to travel short distances for work and to construct showers to make it easier for bicycles to be used in daily working life. Car pools will also be set up and rail cards for the German rail networks purchased in order to reduce the number of kilometres travelled by car. These measures are greatly appreciated and positively received by the team.

Kilometres travelled in 2017 (Germany)

Location/figure in km	Pool of company vehicles/ rental vehicles	Train	Plane	Employees' private cars	**Total**
Maior Domus	77,000	6,500	3,500	No data	**87,000**
S IMMO Germany	73,000	21,000	18,500	2,400	**114,900**
Total	150,000	27,500	22,000	2,400	**201,900**

As in Vienna, mineral water bottles that are part of return&refill systems are also used in Germany.

The data collected for this report are used to take stock of the current situation. All measures adopted to date will also be continued in the future and additional environmentally friendly measures are constantly being examined. In this regard, it is S IMMO's clear objective to increase employee awareness – at all Group locations – of the issues identified above and, in doing so, to improve the related key indicators.

2. Employees and diversity

Qualified employees are S IMMO's most important asset. The company attaches particular importance to providing them with a motivating working environment as well as the personal scope for development and the ability to strike a healthy balance between work and family life. S IMMO therefore supports an open corporate culture in which cooperation as well as the satisfaction and health of all employees are promoted at all levels.

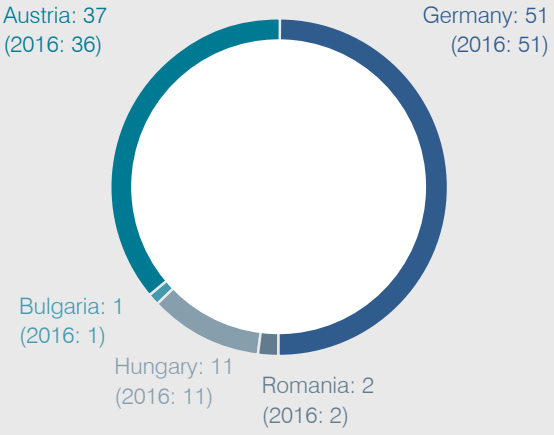
S IMMO aspires to attract the best people for the company and, working together with them, to give its best each and every day. This only works if an environment is created in which employees do not have to decide between their career and their family but can rather combine both aspects. This provides motivation, promotes team spirit and enhances a feeling of solidarity.

Employee structure

S IMMO's employees are the manifestation of the company's comprehensive expertise and make a significant contribution to the company's success. The S IMMO Group had an annual average of 102 employees (2016 annual average: 101) in Austria, Germany, Hungary, Romania and Bulgaria (calculated on the basis of full-time equivalents). Including hotel staff, the Group employed 577 people (2016 annual average: 575). The two hotels – Vienna Marriott and Budapest Marriott – are operated under management agreements. Management of the hotel staff is therefore a matter for the two hotels and not within S IMMO's control. The two Marriott hotels ensure that the guidelines relating to employee matters are observed.

Team structure by country[1]

(2017 annual average)



[1] Not including Vienna Marriott and Budapest Marriott hotels

Where reference is made in the following to the S IMMO Group, this should be understood to include all employees from Germany, Hungary, Bulgaria and Romania as well as employees based in Vienna. Given the small size of the teams in Hungary and Romania, individual data are only provided for Austria or Austria and Germany. It is made explicitly clear where this approach is adopted.

Health and occupational safety

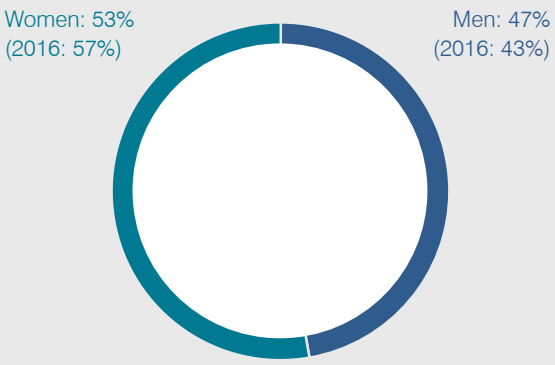
Promoting the health of its employees and reducing the corresponding risk factors for damage to health in the workplace are particularly important to S IMMO. For this reason, a medical check-up, a melanoma screening programme, seasonal vaccination programmes and various specialist tests are organised each year at the company's headquarters in Vienna. In addition, medical advice concerning the ergonomic design of the workplace is provided on a regular basis. The offers provided are very well received by S IMMO's employees. In order to guarantee occupational safety, there are four first-aiders and one safety officer based in Vienna.

S IMMO also collected sick leave data relating to its employees in the reporting year. On average, employees in Austria and Germany took nine sick days.

Both management and the S IMMO team are very happy with the measures adopted in relation to occupational health and safety. The company will also continue all measures adopted in the years to come.

Gender distribution [1]

(as of 31 December 2017)



[1] Calculated on the basis of head counts, excluding the Vienna Marriott and Budapest Marriott hotels

Diversity and equal opportunities

Diversity and equal opportunities are key aspects of S IMMO's corporate philosophy. As an internationally operating group, S IMMO employs people from many different countries. The Group considers this wealth of languages and cultures to be an extremely valuable resource.

The average age of employees in Austria was 41 in the reporting year. As of 31 December 2017, there were four employees in the <30 age group, 32 in the 30–50 age group and seven in the 50+ age group.

Employees in Austria are covered by a collective agreement. In all countries in which the S IMMO Group has employees, all legal provisions and requirements have high priority and are conscientiously observed.

All locations used by the S IMMO Group itself are barrier-free and ease of access is taken into account for all new buildings.

S IMMO operates a company-wide 'open door policy' and constantly strives to bring all kinds of conflicts to a quick and non-bureaucratic conclusion that is satisfactory to all sides. The satisfaction and well-being of the team is one of S IMMO's key assets, and the greatest care will also be taken to maintain them in future. Making the best possible use of the personal strengths and potential of each individual is not only in the company's own interest, but also increases the motivation and identification of all employees on a sustainable basis. There were no cases of discrimination at S IMMO in the reporting year.

S IMMO AG has set itself the goal of continuously increasing the proportion of women in management positions and is expressly committed to the advancement of women. S IMMO places great emphasis on the advancement of women when filling senior managerial positions. As of 31 December 2017, 53.2% of the S IMMO Group workforce and 44.0% of managers were female. Specific measures to appoint women to the Management Board will be considered when a change to the composition of the Board is due. With the company's best interest in mind, the emphasis when making appointments to the Management Board and the Supervisory Board has been on the maximum degree of professional skill and international experience possible. In addition, the company makes a conscious effort to ensure a diverse composition with regard to professional qualifications and educational background, regardless of gender. There were no women on the Management Board of S IMMO AG in the reporting year. As of 31 December 2017, the proportion of women on the Supervisory Board was 14.3%.

As a listed company, S IMMO is subject to the Austrian Equality between Women and Men on Supervisory Boards Act with effect from 01 January 2018. In accordance with that legislation, preference will be given to female candidates when there is any change to the composition of the Supervisory Board until women account for at least 30% of Board members.

Work-life balance

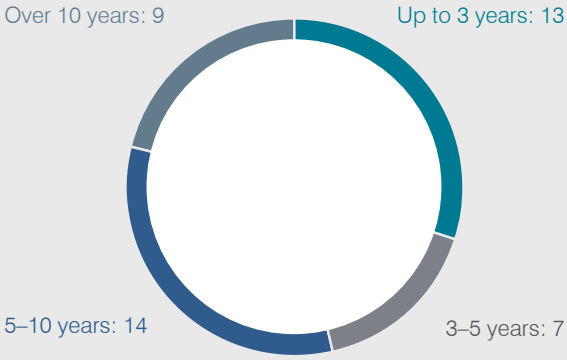
S IMMO attaches the greatest importance to a healthy work-life balance. The company regards this as key to the increased motivation, stronger commitment and improved performance of its employees; in addition, this makes a major contribution to equal opportunities within the company. S IMMO offers, among other things, flexible working hours and the option of personalised working and part-time work patterns, including in conjunction with study or training. Parental leave and sabbaticals are also supported, as are various schemes to simplify re-entry into the workplace after parental leave. Such opportunities are positively viewed and very well received by S IMMO employees.

As of 31 December 2017, eleven staff members were employed on a part-time basis at S IMMO in Austria and Germany, nine of whom were women. Three employees in Austria were on parental leave or in maternity protection. As of 31 December 2017, a total of four persons with restricted mobility and/or a level of mental disability were employed in the two countries.

It is particularly important for S IMMO that employees' families are also involved in various events. Children are happy when they get to know their parents' workplace, spouses and partners gain an understanding for the business model and contact between families strengthens team spirit and promotes identification with the company. In order to promote a feeling of togetherness and team spirit, a variety of events are organised such as an annual summer festival, a Christmas party, team excursions and joint participation in events such as the Business Run in Vienna. Furthermore, all employees receive meal vouchers that can be redeemed at nearby restaurants.

Period of service in years in Austria[1]

(as of 31 December 2017)



[1] Not including Vienna Marriott and Budapest Marriott hotels

Employee satisfaction with the measures adopted and their effectiveness in various areas are also shown by the years of service of employees, which averages 6.34 years in Austria.

The turnover rate in Austria and Germany for the reporting year stands at 15.5%. For Austria alone, the turnover rate for that period is 9.3%.

Further education and training, knowledge management

S IMMO provides targeted support to its staff in relation to professional and personal further education and training. Along with individual coaching sessions, language courses and part-time study courses, the primary focus in this area is on expanding employees' industry-specific knowledge, for example through the completion of postgraduate programmes in the field of real estate.

S IMMO regards the annual performance review between employees and their line manager as a key human resources (HR) management tool. The aims of the review are, amongst others, to provide the opportunity for reciprocal feedback, to improve the quality of cooperation between employees and their managers, to promote employees in an efficient and targeted manner for their current and future roles, and to improve the corporate culture and climate of communication.

All the aforementioned measures relating to knowledge management are to be continued in the future. Safeguarding in-house expertise and ensuring the continuous training of its team is a declared aim of S IMMO and a key component of HR management.

Internal communications

S IMMO Group's corporate culture is characterised by lean, efficient structures and interdepartmental collaboration. The close ties fostered with management allow for quick and open communications and is standard practice at S IMMO. The Intranet is used to share information on a company-wide basis and, in the reporting year, was an important platform for the whole team.

3. Ethics and compliance

Combating corruption

The observance of internationally applicable rules, the fair treatment of stakeholders and transparent communications with all target groups are basic cornerstones of S IMMO's corporate culture. As a company listed on the stock exchange, S IMMO AG is subject to the Austrian and European provisions of capital market legislation. Building upon that legislation, the company feels not only bound by the laws but, in addition, has established a policy which lays down codes of conduct for business activity on a company-wide basis, particularly with regard to the acceptance of gifts.

Official contact persons are available to all employees at their request and when a breach is suspected. Local management can also be used as the point of contact when reporting compliance infringements.

No cases of compliance violations were reported in 2017 and there were no instances of corruption or cases leading to disciplinary measures, legal proceedings or the termination of an employment relationship. In addition, no supplier contracts had to be terminated on account of breaches of the compliance guidelines. S IMMO was not required to make any penalty payments in connection with cases of corruption or breaches of competition law in the reporting year.

Capital market compliance and corporate governance

For the purpose of preventing market abuse and the misuse of insider information, a guideline governing issuer compliance was established and published company-wide. It is binding for all employees, regulates the handling of insider information and the mangement of the capital market compliance, and clarifies the legal regulations governing insider information.

Since 2007, S IMMO AG has been committed to observing the Austrian Code of Corporate Governance (for more information, see the corporate governance report), which contains principles on transparency and good corporate governance. The Management Board has brought corporate governance into line with the principles of the Code and, in conjunction with the Supervisory Board, declares that the company observes and complies with the C Rules (deviations from the C Rules are also set out in the corporate governance report).

All compliance measures will also be continued in the future. Training courses are again planned for the current year and ensuring that all employees are aware of key principles is a declared aim of the company.

Data protection and security

S IMMO is taking the opportunity to revise and expand pre-existing internal guidelines in the course of 2018, not least because of the imminent entry into force of the EU General Data Protection Regulation (GDPR). Furthermore, employees receive appropriate training and are made aware of the obligations accompanying the GDPR.

4. Social responsibility

Architecture and art

Art Supermarket (Kunstsupermarkt)

In 2017, S IMMO made its facilities at 103 Mariahilfer Strasse available to the Vienna Art Supermarket for the 11th time. Over a three-month period, art enthusiasts could purchase over 6,000 original works by 90 artists from 14 countries at affordable fixed prices. The Art Supermarket is one of the largest contemporary art events in Austria and makes art readily accessible. Alongside disciplines such as drawing, painting and photography, performance art was on display for the first time. Furthermore, S IMMO also provides active support by purchasing works – numerous paintings are hanging in the company's offices.

Artistic design at Sun Plaza, Bucharest

The Sun Plaza shopping centre in Bucharest was renovated and expanded in 2017. The remodelling was fully completed in the first quarter of 2018. A major milestone was celebrated in October 2017: S IMMO was able to get Peter Kogler, an internationally successful Austrian artist, to design two light installations, thereby making a contribution to the exhibition of art in public places. The multimedia artist is taking on the artistic design of a 700 m^2 glass installation in the entrance of the shopping centre to the underground station and a light installation with a height of about 18 m inside the shopping centre. The latter is the largest individual light ever constructed by the Austrian company Zumbtobel.

Commitment to cultural, social and ecological initiatives

To support sustainable development and change, S IMMO is keen to pursue long-term partnerships in those countries in which it operates.

In addition, it is most important to S IMMO that its employees are actively involved in social projects. As part of corporate volunteering projects, last year two teams from S IMMO took over the cooking at the Caritas day centre at Vienna Central Station, providing hot meals for people in need.

S IMMO has supported various charitable projects which provide people in need with a home under the motto 'Giving shelter' since 2008. In addition, the company is committed to further projects that help young people.

Hoffnungshaus (Hope house) and counselling in Romania

Since 2000, Caritas has operated four hope houses for children and adolescents without parents in Alba Iulia. The aim of the project is to offer young people a safe place to live and a positive future perspective as well as to support them in their integration into society. Thanks to financial assistance from S IMMO, urgently needed repairs and renovation work were carried out at the hope house in 2017.

Day centre, soup kitchen and mobile care in Bulgaria

In the Bulgarian village of Pokrovan, 90% of the residents are over the age of 70. The village is heavily affected by migration – there is neither a school nor a community centre. Many elderly people live in poverty and isolation. Caritas cares for around 40 old and needy people, providing them with hot meals and medical aid. Those unable to visit the day centre receive home visits.

Future for children in Hungary

Members of the Roma minority in Hungary are often affected by poverty and unemployment. At the 'Unser Haus' (Our House) community centre, care is provided to some 90 socially disadvantaged children and adolescents. The aim of the project is to help these people pull themselves out of poverty. S IMMO supports the 'external class' project, which helps pupils to finish school and to start a vocational training programme.

Christmas campaign

The Christmas campaign on S IMMO's website is a now a well-established tradition. In 2017, website users were again invited to take part in an online game to raise money for the Caritas Socialis' #mehrRaum campaign ('more room' campaign). The donations collected are being used to extend the hospice area. Increasing the spaces available and converting double rooms into single rooms are measures intended to give hospice guests and their family members the ability to say goodbye to each other in a dignified manner.

Promoting young talent

S IMMO adopts targeted measures to promote young talent in the industry via the academic sector. As part of the existing collaboration with Danube University Krems, the company allowed students of the postgraduate real estate programme to undertake a foreign studies module at S IMMO Germany in Berlin. In addition, a scholarship for the short-term master's level course Green.Building.Solutions was awarded again in 2017. This annual summer programme provides 30 students from the fields of architecture and civil engineering with extensive insight into the topic of sustainable construction.

Financial literacy

Proper money management and basic knowledge about finances and economy are skills which have a great impact on people's lives. Through its financial literacy initiative, S IMMO contributes to making it easier for young people to learn about this issue. To that end, the previous year's online stock market game, Aktien Trophy, was repeated. In addition, the Apropos Geld ('Speaking of Money') financial blog was launched. The aim of the blog is to create an information platform on the subject of money. Interesting articles on that topic are constantly posted online via Facebook. Furthermore, in May 2017, S IMMO – in conjunction with a daily newspaper – organised an event entitled 'Generation Y and the Money'. In the autumn of 2017, S IMMO also took part in a podium discussion on the issue of financial education.

Memberships

For S IMMO, sustainability means taking responsibility for society and the environment. A further expression of the company's well-established CSR concept are its memberships in the corporate platform respACT (Austrian Council for Sustainable Development) and the Austrian Sustainable Building Council (ÖGNI). ÖGNI is committed to creating sustainable living spaces.

S IMMO is convinced that long-term forms of cooperation are the best way of fulfilling its social responsibility on a sustainable basis. For this reason, cooperation with the aforementioned institutions will also be continued in 2018.