

Sustainability: In-Focus

2024

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Introduction

In 2024, sustainability reporting legislation in the European Union continued to evolve, alongside refinements to existing regulations relevant to the real estate sector. These developments have had a direct impact on our ESG strategy and reporting practices. Aroundtown published its first Consolidated Sustainability Statement in accordance with the Corporate Sustainability Reporting Directive (“CSRD”), aligned with the European Sustainability Reporting Standards (“ESRS”), and inclusive of disclosure in line with the EU Taxonomy Regulation. This Statement addresses all topics identified as material in our 2024 Double Materiality Assessment (“DMA”) and fulfills the Group’s reporting obligations under the CSRD.

In addition to the required disclosures, we acknowledge the importance of maintaining transparency and ensuring continuity in our reporting. The In-Focus report therefore also includes updates on non-material topics which, although not identified as material in the recent DMA, continue to hold relevance – both in the context of responding to ESG agencies’ questionnaires and in relation to our broader sustainability agenda. Aroundtown has consistently addressed several of these topics in previous reporting cycles and remains committed to ongoing improvement in these areas. This approach ensures that our reporting remains comprehensive, forward-looking, and aligned with the evolving expectations of our stakeholders.

Throughout 2024, Aroundtown has continued to make significant progress across the key focus areas within our ESG strategy. This includes further integration of our energy and carbon reduction strategies into our business model, ongoing data collection and continued analysis of employee commuting patterns, aimed at better understanding our workforce’s carbon footprint. As part of our energy and carbon strategy integration, we have prioritized retrofitting existing buildings to help minimize our environmental impact. We updated our Biodiversity Commitment in alignment with the Kunming-Montreal Global Biodiversity Framework. In the area of waste management, we provide waste separation facilities across our sites and actively engage with tenants to support effective waste practices. Additionally, in 2024, we conducted asset-level physical climate risk assessments to develop and implement tailored solutions over time.

Our priorities in 2024 remained aligned with the key focus areas of our ESG strategy, including tenant satisfaction, health and safety, and active engagement in local communities. We recognize that investing in the professional development of our employees is essential to achieving the goal of becoming one of the most attractive employers in the industry by 2030.

Throughout this In-Focus report, we offer deeper insights into these focus areas.

Environment

Climate Change Mitigation and Environmental Protection

Our carbon reduction strategy integrates efficiency improvement initiatives, investments in renewable energy, stakeholder engagement facilitated by green leases, and rigorous governance and reporting mechanisms. These efforts help us monitor progress and uphold accountability. Aroundtown's Environmental and Energy Policy sets out our management framework to produce continued improvement across the Group's main environmental impacts, including water use and waste management. In the area of energy, key objectives include procuring renewable energy and progressively upgrading of energy systems during maintenance. The policy establishes a consistent framework of action across the portfolio, with the necessary flexibility for the particular characteristics and tenant arrangements of our properties.

Energy and Carbon Emissions

Our practical approach to energy and carbon reduction is integrated into our business model and strategy and focuses on refurbishing existing building stock to minimize environmental impact. Key aspects include:

- 1. Refurbishment First Approach:** Prioritizing renovating existing buildings over new construction to minimize energy consumption, construction waste, and environmental impact.
- 2. Long-Term Targets and Goals:** Targeting a 40% reduction in CO₂ intensity and a 20% reduction in energy intensity by 2030, along with transitioning to certified renewable electricity through Power Purchase Agreements by 2027.
- 3. Carbon Reduction Strategy:** Developing a comprehensive environmental and energy policy to guide efficiency and renewable energy projects, including a CO₂ pathway to monitor progress and identify improvement measures.
- 4. Investments in Renewable Energy Infrastructure:** Prioritizing investments in solar photovoltaic ("PV") systems, efficient energy generation (such as CHP), electric vehicle ("EV") charging stations, and smart meters to optimize energy consumption. In 2025, AT aims to increase its total solar PV capacity by 10 MWp, focusing on infrastructure expansion and efficiency optimization to enhance renewable energy generation and reduce carbon footprint.
- 5. Renewable Power Purchasing Agreements:** Aiming to switch all electricity to renewable sources by 2027, reducing carbon emissions from purchased electricity.
- 6. Green Leases and Internal Carbon Pricing:** Incorporating green lease clauses to promote energy conservation and utilizing an internal carbon pricing mechanism to assess the benefits of emissions reduction actions.
- 7. Governance and Reporting:** Overseeing climate-related risks through the interplay between risk committee, management, sustainability and operations departments and regularly reviewing and updating environmental and energy policies, with reporting on energy consumption, emissions, and progress towards reduction targets.
- 8. Utilities Data Reporting and Monitoring:** Reporting utilities data based on absolute and like-for-like consumption. Greenhouse gas ("GHG") emissions are documented utilizing market-based conversion factors provided by utility providers and location-based conversion factors provided by respective authorities for our countries of operation.

Engaging with tenants is crucial, with a focus on awareness campaigns, and collaboration for energy-efficient renovations. The carbon reduction pathway prioritizes inefficient assets for interventions to safeguard or enhance our value, aligning with market standards.

Aroundtown Employee Commuting

In response to changing work patterns and a societal shift towards hybrid working between the office and home, we have taken steps to calculate our Scope 3 corporate emissions relating to employee commuting and teleworking for employees based in Germany. We have approached these calculations following the technical guidance of the GHG Protocol for Category 7 Emissions: Employee Commuting.

For the calculation of our employee commuting emissions, we applied the average-data method, taking into account the proportion of time employees worked in the office during the reporting period. This proportion was determined based on recorded employee requests for home-working over the year, reflecting the corresponding reduction in commuting trips. To perform the average-data calculations, we used data on transport trends in Germany*.

Our teleworking emissions were calculated based on average household energy consumption in Germany and typical usage of home office appliance. We then extrapolated this data using the number of home office hours worked during the reporting period. To estimate the additional energy use from remote working, we applied an intensity benchmark to the estimated floor area of a home workspace to the total household size.

As can be seen in the table below, our Scope 3 emissions related to employee commute increased due to more employees located in Germany in 2024 compared to 2023 combined with improved digital tracking of home office and in office days leading to more complete data on all employees.

Table 1*

Commute Group	Aroundtown 2023 Emissions (tCO ₂ e)	Aroundtown 2024 Emissions (tCO ₂ e)	GCP 2023 Emissions (tCO ₂ e)	GCP 2024 Emissions (tCO ₂ e)
On foot	0	0	0	0
Bicycle	0	0	0	0
Private motorized transport	417	525	227	282
Public transport	131	172	71	93
Total employee commuting	548	697	298	375
Teleworking emissions	241	283	153	168
Total Scope 3 Category 7 Emissions	789	980	451	543

* Studie "Mobilität in Deutschland" (2023) – Bundesministerium für Digitales und Verkehr

Circular Economy

The European Union recognizes that construction and demolition waste accounts for more than one third of all waste generated in the EU. Although Resource Use and Circular Economy was not considered material in the Group's Double Materiality Assessment (DMA), Aroundtown acknowledges that it can make a major contribution to the environment by minimizing waste generation and contributing to a circular economy in general. Our focus is on implementing sustainable resource management practices to minimize waste generation and conserve water resources.

To set quantitative targets for waste reduction and improved recycling rates, we first develop an accurate baseline by collecting data across our assets. We have initiated an agreement for waste disposal with an established waste management provider to streamline reporting capabilities and enhance control over the process.

Waste at Aroundtown originates from operational waste from our assets and tenant-generated waste, alongside construction and renovation projects. While we have yet to formalize a specific circular economy policy, our overarching goal is to reduce overall waste production at our properties and increase the proportion of recycled or reused materials within the circular economy framework.

Tenant Waste Management

To increase recycling rates, we provide waste separation facilities across our sites, and engage with our tenants on their waste management practices. As with other sustainable measures, reductions in waste output and landfill volume correspond to reductions in operating costs, alongside reducing our environmental impact.

Whereas some portfolio sectors, such as residential or hotels, have traditionally posed a greater challenge to influencing waste management practices, others, like office properties, have been easier to influence. However, as sustainability becomes a growing priority across sectors, we are beginning to see engagement on environmental issues from most of our tenants. Our Property Management teams are available to support tenants who seek our advice on waste reduction and other environmental practices. This coordination and engagement between stakeholders will be a crucial part of building a more circular, resource-efficient economy.

We also seek to leverage the indirect influence our properties have on tenants to produce more sustainable outcomes. This is often done through awareness raising activities; for example, our subsidiary Grand City Properties ("GCP") publishes leaflets

and has produced informative videos, advising tenants on environmentally friendly practices, such as recycling. GCP continued the previously rolled-out pay-by-volume waste systems at selected locations. These systems monitored the volume of waste disposed of by tenants and billed them accordingly. These systems are yet to prove effective in inciting meaningful behavioral changes, for example by drawing tenants' attention to the cost-saving benefits of waste reduction. These pay-by-volume waste systems did not yield significant evidence of their impact on the actual volume of waste disposed, so extending this initiative to further assets is not to be expected.

Our green lease clauses for tenants also cover waste management and other environmental management aspects, as well as engagement obligations between tenant and landlord to ensure cooperation on sustainable practices with respect to maintenance, construction and modernization works. In addition, contracts with our facility management companies also include sustainability declarations and requirements, as well as their certification with ISO 14001 standard for environmental management.

Last year, Aroundtown started digitalizing its postal correspondence with tenants through the GOGREEN Plus service from Deutsche Post DHL. This means that postal correspondence with residential tenants is digitally transmitted to Deutsche Post, who offer a climate-neutral hybrid mail dispatch, by email, SMS, fax or post. Communications with commercial tenants has been further digitalized, as it substantially reduces the waste generated in the production and delivery of the leaflets, while also supporting our tenants in reducing their carbon footprint. According to Deutsche Post's GOGREEN Plus certificate issued for Aroundtown, the Group was able to save about 98% of CO₂e emissions per mail dispatch. We will continue to look for innovative partnerships and strategies to improve our resource efficiency in future.

Recycling of Construction Waste

In general, our goal is to preserve existing structures and materials rather than demolish and build new ones. This is advantageous from an economic and ecological perspective.

When it comes to waste production and disposal from construction work, we maintain a higher degree of control over waste management and recycling processes. Whenever we undertake larger construction and refurbishment projects, we conduct reviews of the type and volume of waste generated, to ensure lawful disposal of hazardous and non-recyclable waste streams and to recycle as much as possible.

The topic of circular economy is becoming increasingly important for the real estate and construction sector, not least due to the European Union's EU Taxonomy regulation, which has stipulated the goal of a 70% recycling rate for the sector. We therefore aim to engage even more closely with our contractors regarding the recycling of demolition waste and to improve data gathering on waste disposal and recycling rates. In line with this, we have updated our standard construction contract templates to include a requirement for contractors to provide recycling data. Further, we launched a pilot project with a German start-up in 2024, focused on gathering and analyzing recycling rates for three of our construction projects - information that is not always readily available.

In order to track the progress in managing operational waste data, we collect waste generation data from our assets and monitor this year over year. Due to restrictions around tenant data sharing, we include tenant waste generation within our landlord-managed figures. It is only possible, based on our waste collectors, to report recycled and non-recycled waste.

Metrics: Circular Economy

Regarding particularities for waste data, it is important to note that in Germany, where the majority of the Group's portfolio is located, much of the waste collection services are provided by local municipalities which report waste collection in various formats. The data presented here is sourced from those service providers whose invoices allow for direct calculation of waste collected in volume (m^3). However, these invoices do not contain information on the disposal method for non-recycled waste.

To align with best practices in sustainability reporting, conversion factors are applied to convert volume data (m^3) into mass data (tons). This conversion, however, causes deviation in the relative share of recycled versus non-recycled waste in the two sets of figures, due to conversion factors being specific to each type of waste bin. For example, glass is a denser material compared to the materials typically found in general non-recycled waste bins. In terms of performance, like-for-like waste generation in m^3 decreased 25% in 2024 compared to 2023. While there is also a considerable growth in the non-recycled share in the like-for-like data, this is attributed to the conservative extrapolation approach described in the methodological notes at the end to this report assuming all extrapolated waste to be non-recycled, since several utilities do not provide complete information. The increase in absolute waste generated is due to the increase in waste data coverage of the portfolio.



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Table 2*

Total weight of waste by disposal route, and absolute and like-for-like waste generation for managed assets											
Waste reported in tons and m ³		TOTAL		OFFICE		RETAIL		OTHER EXCL. GCP		GCP	
EPRA Code	Metric	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
tons											
Waste-Abs	Landlord-managed waste recycled (including tenant waste)	2,951 tons	2,763 tons	805 tons	929 tons	11 tons	17 tons	26 tons	117 tons	2,109 tons	1,700 tons
	Total landlord-managed waste non-recycled (including tenant waste)	4,763 tons	22,188 tons	1,840 tons	2,437 tons	73 tons	168 tons	87 tons	259 tons	2,764 tons	19,324 tons
	Total landlord-managed waste generated (including tenant waste)	7,714 tons	24,951 tons	2,645 tons	3,365 tons	84 tons	185 tons	112 tons	375 tons	4,873 tons	21,025 tons
m ³											
Waste-Abs	Landlord-managed waste recycled (including tenant waste)	67,284 m ³	56,890 m ³	14,892 m ³	14,385 m ³	205 m ³	383 m ³	577 m ³	855 m ³	51,610 m ³	41,268 m ³
	Total landlord-managed waste non-recycled (including tenant waste)	34,931 m ³	162,194 m ³	13,491 m ³	17,868 m ³	534 m ³	1,234 m ³	636 m ³	1,898 m ³	20,270 m ³	141,193 m ³
	Total landlord-managed waste generated (including tenant waste)	102,215 m ³	219,084 m ³	28,383 m ³	32,253 m ³	739 m ³	1,617 m ³	1,213 m ³	2,753 m ³	71,880 m ³	182,460 m ³
Additional information											
Waste-Abs	Proportion of landlord-managed waste generation data that is estimated (including tenant waste)	0%	49%	0%	0%	0%	0%	0%	0%	0%	58%
	Total waste generation data coverage, by area (sqm)	2,774,021 m ²	5,816,270 m ²	1,791,237 m ²	2,600,592 m ²	82,319 m ²	114,580 m ²	68,170 m ²	181,133 m ²	832,295 m ²	2,919,965 m ²

* The increase in coverage was achieved through adopting an estimation approach extrapolating invoices received for partial periods across the whole year. The approach applied is conservative based on the invoices received and does not apply an average-based approach to whether waste is recycled, resulting in a likely understatement of the recycled share and an overstatement of the non-recycled share.

Table 3*

Like-for-like waste generation for managed assets											
Waste reported in tons and m ³		TOTAL		OFFICE		RETAIL		OTHER EXCL. GCP		GCP	
EPRA Code	Metric	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
tons											
Waste-LfL	Landlord-managed waste recycled (including tenant waste)	1,404 tons	730 tons	737 tons	515 tons	0 tons	0 tons	0 tons	0 tons	667 tons	215 tons
	Total landlord-managed waste non-recycled (including tenant waste)	2,069 tons	2,857 tons	1,298 tons	910 tons	0 tons	0 tons	0 tons	0 tons	771 tons	1,947 tons
	Total landlord-managed waste generated (including tenant waste)	3,473 tons	3,586 tons	2,035 tons	1,425 tons	0 tons	0 tons	0 tons	0 tons	1,438 tons	2,161 tons
m ³											
Waste-LfL	Landlord-managed waste recycled (including tenant waste)	30,736 m ³	13,712 m ³	14,107 m ³	8,270 m ³	0 m ³	0 m ³	0 m ³	0 m ³	16,629 m ³	5,441 m ³
	Total landlord-managed waste non-recycled (including tenant waste)	15,173 m ³	20,949 m ³	9,521 m ³	6,672 m ³	0 m ³	0 m ³	0 m ³	0 m ³	5,652 m ³	14,277 m ³
	Total landlord-managed waste generated (including tenant waste)	45,909 m ³	34,660 m ³	23,628 m ³	14,942 m ³	0 m ³	0 m ³	0 m ³	0 m ³	22,281 m ³	19,718 m ³
Additional information											
Waste-LfL	Proportion of landlord-managed waste generation data that is estimated (including tenant waste)	0%	31%	0%	0%	0%	0%	0%	0%	0%	51%
	Total waste generation data coverage, by area (sqm)	1,178,876 m ²	1,178,876 m ²	895,555 m ²	895,555 m ²	0 m ²	0 m ²	0 m ²	0 m ²	283,321 m ²	283,321 m ²

* The increase in coverage was achieved through adopting an estimation approach extrapolating invoices received for partial periods across the whole year. The approach applied is conservative based on the invoices received and does not apply an average-based approach to whether waste is recycled, resulting in a likely understatement of the recycled share and an overstatement of the non-recycled share.

Water Management

Although the topic of water and marine resources was not identified as material during our DMA, we recognize the importance of responsible water management, and the potential negative environmental impacts arising from unsustainable practices. Sustainable water use has been highlighted as a core environmental objective under the EU Taxonomy, reinforcing its relevance. In line with this, we are promoting efficient water use across our portfolio, and aim to comply with the high standards for water quality and wastewater disposal, set at both EU and national level.

We seek to positively influence tenants' water consumption through engagement programs and the use of advanced measurement technologies. We are prioritizing investment in smart water meters to improve data accuracy, identify inefficiencies, and enable leakage detection while providing tenants with accurate information about their water usage. Based on the insights gathered, we seek to implement technical improvements to reduce water consumption in our properties wherever feasible. So far, this initiative has been implemented in the Netherlands, and pilot projects in Germany completed in 2024. For 2025, it is AT's target to collect water consumption information via smart water meters / smart reading devices at 10% of its operationally-controlled commercial assets located in Germany.

The Group added a Water Resource Specialist to our team in 2023, acknowledging that this topic is of increasing importance and needs to be addressed separately from the Energy Department, who had previously managed water resources. The specialist works closely with relevant stakeholders and management to ensure that water-related risks and initiatives are effectively managed in alignment with the Group's broader sustainability strategy. A Water Management Policy and Procedure were also developed, establishing a unified framework for managing water resources at operationally controlled and owned assets, outlining our current water strategy, water management, and water-related procedure principles. The Water Management Procedure also provides further information to Asset and Property Managers on improving sustainable water usage at assets in our portfolio.

Metrics: Water Management

Our water management strategy is outlined in the section above. In order to track the progress of our approach, we collect water consumption data from our assets and monitor this year on year as shown in the tables below. Due to restrictions on tenant data sharing, water consumption recorded through tenant submeters is included in the overall landlord-obtained water consumption figures. In 2024 like-for-like water consumption decreased by 15% compared to 2023, partly attributable to improvements in data accuracy described in the methodological notes at the end of this report



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Table 4

Absolute water consumption for managed assets											
Water reported in m³		TOTAL		OFFICE		RETAIL		OTHER INCL. LOGISTICS		GCP	
EPRA Code	Metric	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
Water-Abs	Total landlord-obtained water consumed (including tenant submeters)	4,680,901 m³	4,598,018 m³	249,165 m³	477,678 m³	23,128 m³	65,243 m³	72,276 m³	109,977 m³	4,336,332 m³	3,945,120 m³
	Proportion of landlord-obtained water consumption data that is estimated (including tenant submeters)	18.65%	50.06%	21.63%	21.34%	0.00%	1.55%	16.66%	7.50%	18.61%	55.53%
	Total water consumption data coverage, by area (sqm)	5,535,007 m²	7,605,292 m²	1,624,678 m²	3,019,836 m²	62,680 m²	240,474 m²	272,722 m²	449,210 m²	3,574,928 m²	3,895,773 m²
Absolute building water intensity (m³/m²*year)											
Water-Int	Building water intensity for all water consumed	0.85 m³/m²	0.60 m³/m²	0.15 m³/m²	0.16 m³/m²	0.37 m³/m²	0.27 m³/m²	0.27 m³/m²	0.24 m³/m²	1.21 m³/m²	1.01 m³/m²

Table 5

Like-for-like water consumption for managed assets											
Water reported in m³		TOTAL		OFFICE		RETAIL		OTHER INCL. LOGISTICS		GCP	
EPRA Code	Metric	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
Water-LfL	Total landlord-obtained water consumed (including tenant submeters)	4,680,901 m³	4,001,543 m³	249,165 m³	273,240 m³	23,128 m³	32,399 m³	72,276 m³	73,802 m³	4,336,332 m³	3,622,102 m³
	Proportion of landlord-obtained water consumption data that is estimated (including tenant submeters)	18.65%	49.17%	21.63%	22.33%	0.00%	0.00%	16.66%	4.85%	18.61%	52.54%
	Total water consumption data coverage, by area (sqm)	5,535,007 m²	5,535,007 m²	1,624,678 m²	1,624,678 m²	62,680 m²	62,680 m²	272,722 m²	272,722 m²	3,574,928 m²	3,574,928 m²
Like-for-like building water intensity (m³/m²*year)											
Water-Int	Building water intensity for all water consumed	0.85 m³/m²	0.72 m³/m²	0.15 m³/m²	0.17 m³/m²	0.37 m³/m²	0.52 m³/m²	0.27 m³/m²	0.27 m³/m²	1.21 m³/m²	1.01 m³/m²

Biodiversity and Ecosystems

Although Biodiversity and Ecosystems were not identified as material in the DMA, Aroundtown recognizes their significant value and actively strives to contribute positively to biodiversity across its operations and properties.

To further reinforce this dedication, in 2024 the Group updated its Biodiversity Commitment, informed by the 2050 Goals and 2030 Targets of the Kunming-Montreal Global Biodiversity Framework. The revised commitment prioritizes integrating biodiversity considerations into projects, with an emphasis on urban green spaces, nature-based solutions, and sustainable development. The Group adopts a proactive approach through regular assessments, applying the mitigation hierarchy (avoidance, minimization, and restoration), and fostering community engagement, reaffirming its responsibility to support biodiversity and build a resilient environment. The updated Biodiversity Commitment is scheduled to be publicly available on the Group's website by summer 2025.

Key Initiatives for 2024

Biodiversity Improvement Projects

Aroundtown launched biodiversity enhancement projects across six assets in the Netherlands in 2024, investing over €75,000. These projects, which will be completed in 2025, aim to improve local ecosystems by introducing diverse plant species, expanding green spaces, and adding eco-friendly features such as insect hotels, swallow houses, and bat houses. For example, one asset will see the introduction of 300 m² of diverse plant species to replace grass, enhancing ecological variety. Another site will feature an Eco Wadi (also known as "Eco-swale"), a natural water drainage system to improve water management and the planting of 2,000 new flowers. Additional initiatives include expanding green roofs, increasing green spaces, and installing wildlife shelters, such as squirrel and hedgehog houses, to support urban biodiversity.

To ensure continuous improvement, Aroundtown regularly assesses the ecological impact of its sites. In 2024, an ecological expert evaluation was conducted for a site in Frankfurt, focusing on green spaces, ecological quality, and operational impacts. The report included long-term enhancement recommendations, which will be implemented in 2025. Expert reports for other sites are also in progress, and the Group is developing strategies to integrate the proposed recommendations across its portfolio.

Tree Planting

To integrate environmental protection within our operations, the Group has implemented a program focused on planting and maintaining trees in public areas. This initiative enhances local biodiversity, creating habitats for various species in urban areas. In 2024, the Group collaborated with an external company which carried out façade cleaning and tree planting. In 2025, we plan to resume tree planting efforts directly, reaffirming our dedication to sustainability and environmental stewardship.

Beekeeping Activities

As part of its biodiversity strategy, Aroundtown initiated the "Aroundtown Buzzes" program, dedicated to protecting urban bee populations in and around its properties. Launched in 2020 with 15 rooftop beehives across commercial assets, the program has grown significantly. By 2024, it expanded to 51 bee colonies across 12 urban locations, alongside a partnership with an external beekeeper in Kassel to manage two additional colonies. In 2024, the program expanded further with Aroundtown's beekeepers now managing 16 new colonies at several hotel properties. Their responsibilities include monitoring health, providing food, and treating any illnesses.

The program not only supports urban bee populations but also fosters community engagement and environmental awareness. Since its launch, "Aroundtown Buzzes" has produced 450 liters of honey—equivalent to 1,800 jars—shared with the community and staff. In spring 2024, Aroundtown donated 400 jars of honey to the Berliner Tafel food bank to assist those in need. Educational activities are also a key aspect of the program. In Berlin, Aroundtown's beekeepers hosted an event for 23 children and their teachers, where they shared insights about the bees. Another event at Schloss Hotel Berlin, in Grunewald offered guests the opportunity to learn about the vital role bees play in supporting biodiversity.

Climate Change Adaptation and Resilience

Although Climate Change Adaptation was not found to be material in the 2024 DMA, the Group remains committed to understanding and preparing for the physical risks of climate change. As reported in previous years, the Group's Building Resilience Task Force conducted a city-level physical risk assessment in 2022 involving four warming scenarios (SSP1-2.6, SSP2-4.5, SSP3-7.0 and SSP5-8.5 from the CMIP6 consolidated climate models) involving 20 of its strategic-focus cities. While none of the assessed assets are situated in areas exposed to high water stress risk, the results indicated significant long-term development in five climate-related physical risks considered: extreme heat, drought, wildfire, fluvial flood, and coastal flood. From these results, the Building Resilience Task Force developed an overall climate adaptation plan involving implementation of the following measures from 2022 through 2027, selected based on potential to bolster asset resilience while also considering their feasibility:

- Refurbishments: Review of materials chosen at sites which are at risk, and roof maintenance works.
- Tenant guidebook for extreme conditions: Creation of a behavioral guide for tenants to deal with extreme climatic conditions, including definition of the internal and external notification chain in such emergency circumstances.
- Flood analysis and planning: Asset-level analysis of flooding and drought to determine countermeasures. Development of flood scenario plans and emergency plans.
- Tree planting program: Planting and maintenance of trees in public areas where this leads to a positive effect, and unsealing spaces to create more green areas around buildings.

Tenant guidebooks were already implemented for residential tenants while targeted flood risk assessments were conducted in Germany and the Netherlands in 2023. In 2024, the Group continued to collect relevant information on which measures support adaptation to specific climate hazards through its Adaptation Toolbox meant to provide internal guidance. While the benefits of trees and green areas for climate change adaptation are clear, professional and site-specific assessments are needed to ensure effective heat reduction through tree planting. Refurbishment materials are also highly asset- or project-specific with a strong link to energy measures. As such, considerations of these measures are being integrated into the actions underway to transition to asset-level adaptation planning measures discussed in our Consolidated Sustainability Statement 2024.



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Social

Tenant Satisfaction Survey and Retention Program

Aroundtown was unable to conduct a tenant satisfaction survey for its commercial tenants in 2024 due to market-specific sensitivities in Germany. In the commercial real estate sector, such surveys are often perceived as promotional in nature, which may compromise trust and deter engagement. Furthermore, data protection constraints—particularly under the GDPR—restrict our ability to contact commercial tenants directly without their explicit consent, especially when the outreach could be interpreted as marketing communication. Despite these limitations, Aroundtown remains committed to maintaining high tenant satisfaction and leverages alternative channels such as direct feedback from asset and property management teams, on-site engagement, and service performance assessments to stay attuned to tenant needs. In contrast, our residential portfolio—managed by our subsidiary GCP—implements a structured, year-round feedback mechanism. Following the resolution of a tenant enquiry through the GCP Service Centre, tenants are invited to complete a satisfaction survey. The overall tenant satisfaction rate is derived by averaging tenant responses across five key indicators—resolution time, service provider friendliness, quality of completed work, service center accessibility, and service center friendliness—each rated on a 5-point scale. This average (4.6) is then expressed as a percentage of the maximum possible score (5), resulting in a 2024 satisfaction rate of 92.0%. The survey achieved a coverage rate of 91.5%. Further details on the satisfaction survey results are provided in Table 6.

Table 6

Key Figures Tenant Satisfaction 2024					
Tenant Satisfaction Indicator	Unit	2024	2023	2022	2021
Tenant rating of resolution time	Out of 5	4.53	4.54	4.78	4.75
Tenant rating of service provider friendliness		4.54	4.66	4.91	4.75
Tenant rating of the quality of the completed work		4.50	4.55	4.72	4.75
Tenant rating of service center accessibility		4.68	4.75	4.88	4.82
Tenant rating of service center friendliness		4.67	4.83	4.9	4.83

The Group's tenant retention program is designed to foster a more dynamic, tenant-centric experience that strengthens tenants' satisfaction and promotes a collaborative community. The program features a modular set of measures aimed at expanding service offerings in line with the strategic framework developed by our operational team. Key initiatives include the integration of amenities such as coworking spaces, conference areas, vending machines for snacks and drinks, gym facilities, and more, creating a comprehensive and engaging environment tailored to tenants' needs.

BREEAM for Sustainability and Tenant Health & Wellbeing

Aroundtown's continued progress in increasing the share of green certified buildings, as disclosed in our Consolidated Annual Report 2024, reflects our strategic focus on targeted green investments and refurbishments, underscoring our ongoing commitment to environmental responsibility and the wellbeing of our tenants.

Alongside the environmental criteria assessed in Building Research Establishment Environmental Assessment Method ("BREEAM") In-Use certifications*, the process assesses several factors related to the health and wellbeing of tenants. Asset-specific information is gathered and assessed regarding indoor environmental quality, encompassing elements such as natural daylight, thermal comfort, and indoor air quality. BREEAM's criteria also cover other aspects, including energy efficiency, water conservation, accessibility, pollution prevention, and ecological preservation. BREEAM-certified buildings signal an environment that not only fosters productivity, but also enhances tenant satisfaction, health and wellbeing. By meeting these standards, BREEAM-certified buildings attract environmentally conscious tenants and investors while also ensuring long-term operational efficiency and cost savings; providing a secure and healthy space for tenants to thrive. The certifications provide a clear public signal of our commitment to providing quality assets and clear guidelines on potential future improvements in each BREEAM criteria.

Tenant Health and Safety

Although Tenant's Health and Safety risks was not identified as material topic in the 2024 DMA, it continues to be a priority for Aroundtown. Guaranteeing high standards of health and safety within our buildings is a fundamental obligation to our tenants, and a prerequisite to ensuring their satisfaction with our service. Through the dedication of our property management teams, we work continually to instill a positive health and safety culture across our operations. Our ultimate goal is to protect tenants and third parties from health and safety risks, and to deliver an environment which is healthy, safe and motivating, with which our tenants are satisfied. When considering our consumers and end-users, we include all tenants who can be materially impacted by our activities.

Health and safety are central to our asset management approach at every stage of a property's life cycle. At acquisition, we conduct a comprehensive due diligence risk

assessment which enables us to identify risks and implement preventative maintenance solutions. We assess the building's structural characteristics and establish which refurbishment activities should be targeted, looking for opportunities to improve the quality and accessibility of the property. Various measures are then implemented to support tenants' well-being, easier movement around the building, and additional communal space and services.

The Aroundtown Tenant Health and Safety Guidelines set out our commitment to protecting the well-being of our tenants and the processes we apply throughout the asset lifecycle, including prevention measures, hazard assessment, fire safety, and reporting. The guidelines detail a three-tier management approach, with distinct roles and responsibilities assigned to our facility, property and asset management teams.

During the operational phase, we conduct reviews of our properties on an ongoing basis, to ensure alignment with regulations and to guide future investment planning. We digitized the process of documenting inspections in 2024. Our property management now uses a standardized template from our system to apply the same standard to our portfolio. Our external facility managers are tasked with operational responsibility of providing information and carrying out the necessary tasks to maintain the technical condition of our assets. This encompasses documenting all checks performed on technical installations and building structures. Reports are forwarded to Aroundtown, and any identified remedial works are incorporated into our annual budget planning for each property or addressed promptly if required. In 2024, we further advanced in this domain by strategically aligning with three contractors that are required to adhere to stringent health and safety reporting standards. If one of our framework contract partners takes over a property, the current management concept is also reviewed again from an H&S perspective. If any deficits are identified, these are eliminated in the new management concept.

Our standard operating procedures for all assets ensure compliance with fire and safety regulations. We regularly commission the legally required assessments from external fire safety specialists as well as conduct statutory checks with the regional fire brigade. If deficits are identified, these are documented and if needed, a remediation plan is drawn up together with our facility management partner and the authorities. The proper implementation of these corrections is confirmed by appropriate follow-up processes, which include an onsite inspection and subsequent clearance report to the authorities after the deficits have been processed. Our objective is to safeguard tenants and third

* Detailed information on BREEAM assessment criteria and technical manuals can be found on BREEAM's web page, <https://breeam.com/standards/in-use>

parties from health and safety hazards while providing a healthy, secure, and inspiring work environment that satisfies our tenants.

Our Human Rights Policy also details our commitment to protecting the human rights of our tenants. It has been written in accordance with the UN Guiding Principles on Business and Human Rights and in particular respects the privacy of our tenants through data protection measures. Any and all reported violations of human rights are recorded by our Compliance Department and reported directly to our Co-CEO/COO and CFO and a member of the Board of Directors. We are committed to reporting human rights violations and include this risk within our risk management process.

Metrics: Tenant Health and Safety

Table 7

Asset Health and Safety *				
EPRA Code	Units of Measure	Metric	2024	2023
H&S-Asset	Percentage of assets for which health and safety impacts are assessed or reviewed for compliance/improvement	Percentage of assets	93%	95%
H&S-Comp	Number of incidents of non-compliance with Regulations and/or voluntary standards	Number of incidents	3	6

* This metric is reported regarding the German portfolio only.

Neighborhood Development

At Aroundtown, community engagement encompasses meaningful interaction with the broader community in which the Group operates, including tenants, local authorities and community organizations. The Group's three-tier support system - comprising asset managers at a regional level, property managers for ongoing customer care, and facility managers for day-to-day technical support and maintenance - delivers exceptional service and strengthens its ongoing engagement with both tenants and the surrounding communities. This approach not only fosters positive relationships but also ensures that the Group remains responsive to the needs and aspirations of the communities it serves.

Neighborhood development is a key pillar of AT's social impact strategy. Beyond maintaining and upgrading its commercial portfolio, the Group seeks to support active urban areas and create inclusive spaces that benefit the broader community. In this context, the Group collaborates with a third-party partner to repurpose selected units into vibrant creative hubs. This project offers affordable studio spaces for local artists and fosters cultural exchange through exhibitions, events, and community engagement. The project also includes educational formats that promote artistic exchange and participation, such as artist residencies, guided exhibitions, and interactive programs designed to make contemporary art more accessible.

Within the Group's residential portfolio, our subsidiary, GCP, strives to nurture vibrant and supportive communities, where people enjoy living and staying. A variety of communal amenities are provided, such as playgrounds, fitness trails, BBQ areas, tenant libraries, and seasonal events.

Enhancing Our Commitment to Communities: 2024 Guidelines Update

In 2024, the Group updated its Community Involvement and Development Guidelines to reinforce its commitment to social responsibility and enhance its positive impact on the communities in which it operates. The updated guidelines establish a clear framework focused on four key areas: proactive engagement with residents, local authorities, and organizations; promoting inclusive, safe, and vibrant neighborhoods through sustainable development; conducting regular assessments and transparent reporting on social impacts in alignment with EU sustainability standards; and supporting targeted social initiatives through the Aroundtown Foundation. These updates provide employees with a clear and actionable roadmap for enhancing the wellbeing of both tenants and surrounding communities through locally tailored and meaningful initiatives.

The Aroundtown Foundation and Community Engagement Initiatives

The Aroundtown Foundation donates funds to support community projects and neighborhood development, including those supporting youth, the elderly, and poverty relief. The Aroundtown Foundation is run by the Aroundtown Foundation Board. All employees are encouraged to propose projects for consideration, with each department and individual empowered to suggest initiatives within their region. The Aroundtown Foundation Board ensures that funding is directed towards projects that will have the most significant positive impact on local communities and their residents.

Community engagement opportunities vary widely across the sectors represented by AT's assets. For example, shopping centers - while representing a small portion of the portfolio - regularly host community events, organize liaison activities with schools, and offer support to local charities, for example by providing free spaces to promote and fundraise for their causes.

Meanwhile, our subsidiary, GCP, takes a proactive approach to engagement in the communities surrounding the residential properties they invest in. This year their activities/events have included:

- GCP Cinema Summer: Live open-air cinema at 8 locations, plus 800 additional cinema boxes for a home movie night (3,735 participants)
- GCP Advent Calendar: Interactive calendar from Dec. 1st to 24th, featuring daily games, quizzes and surprises, as well as a main prize - a 50€ voucher (27,504 participants)
- GCP Halloween World: Digital Halloween craft activities with daily interactive tasks
- GCP Easter Week: Digital Easter week campaign with daily interactive activities

Some of these events have evolved into long-standing traditions, with invitations for participation actively promoted through various channels to foster engagement. The strong participation rates highlight the positive reception of these initiatives. The Group takes great pride in this success and remains dedicated to expanding and enhancing its community engagement efforts in 2025.

Charitable Contributions

In line with its commitment to enriching local communities, the Aroundtown Foundation allocates funding to various charitable organizations and initiatives. These include support for youth and elderly care, arts and culture, education and vocational training, social welfare, and sports. The Aroundtown Foundation also assists refugees, displaced persons, victims

of war, and individuals persecuted for political, racial, or religious reasons. Additionally, it promotes commemoration efforts, supports victims of discrimination based on gender identity or sexual orientation, and engages in development cooperation and other charitable causes.

In 2024, the Aroundtown and Grand City Properties Foundations donated approximately €600,000 to support local and international charitable projects. One notable contribution supported a Berlin-based program that provides children and young people in need with a safe and nurturing home. The donation helped fund animal-assisted educational initiatives for the children. Other donations helped grant wishes to chronically ill children and young people across Germany, offering them memorable experiences and fostering confidence and motivation during challenging times.

The Grand City Properties Foundation has also supported several impactful initiatives, including funding vocational training for 40 disadvantaged young people in South Africa, aiming to improve the lives of vulnerable children, youth, and families. Further support was directed towards initiatives offering housing and holistic care for homeless mothers and children, as well as contributions to a hospice providing essential end-of-life support.

Social Day

In addition to tenant-focused activities, the Group encourages its employees to give back to the community through its Social Day initiative. This program allows employees to dedicate a paid working day to volunteering with charitable organizations that create meaningful social impact. Participants can either join a suggested organization or select a cause of their own choosing.

In 2024, the Group organized seven Social Days. This year's efforts focused on supporting Tafel e.V., an umbrella organization comprising over 970 food banks in Germany. Employees across Germany took part in volunteering activities that supported Tafel's mission to reduce food waste and combat poverty by redistributing surplus food to those in need. These initiatives enhanced the Group's social impact while fostering a culture of community involvement across its workforce.

Furthermore, what has traditionally been an annual employee blood donation event was expanded in 2024 to two separate donation days—held in June and October—at our Berlin office. Building on this success, the Group aims to further expand the Social Day initiative in 2025, reaching even more employees across additional regions.

Metrics: Community Engagement

The Group continues to prioritize meaningful local engagement across its portfolio. Table 8 presents the percentage of assets under operational control that have implemented local community engagement initiatives, impact assessments, and/or development programs.

Table 8

Community Engagement				
EPRA Code	Units of Measure	Metric	2024	2023
Comty-Eng	% of assets under operational control that have implemented local community engagement, impact assessments, and/or development programs	Percentage of assets	58%	75%

We note that the decrease from 75% in 2023 to 58% in 2024 is primarily due to changes in how we engaged tenants around events and community activities. Whereas in 2023, we sent outreach letters to individual tenants, in 2024 - in line with our digitization efforts - we replaced physical letters with public notices on tenant notification boards in building entrances and digital channels, i.e. information in the GCP Tenant App and our public website. Although this allowed us to engage a more diverse audience among our tenants and also included other community members, it required a change in engagement reach calculation, causing a drop in engagement figures in 2024 in comparison to 2023.

Housing Access and Affordability

The Group actively considers the housing access and affordability impacts of the residential portfolio of its subsidiary company, Grand City Properties. In order to understand the affordability of its properties, The Group tracks the average modernization cost allocation for German residential properties, comparing it with the legally permitted allocation under German law while also monitoring the number of hardship cases received relative to total units modernized and are subject to rent increase. In 2024, of the 1,809 modernization-related rent increases, only three hardship applications were submitted, demonstrating the effectiveness of GCP's approach to maintaining housing accessibility. These modernizations saw an average rent increase of 0.34 €/sqm, 6% lower than the legally permitted allocation under German law.

The Group has also developed a "rental cost burden" metric, which was modelled on Eurostat's housing cost overburden rate defined as housing costs being greater than 40% of net income. The Group's metric observes the median rent of the managed German portfolio is compared against the net minimum wage salary in Germany after taxes, health insurance, and social security contributions. The Group believes this as an adequately conservative benchmark, targeting the lowest-income portion of the population most sensitive to rent affordability. The median warm rent in the Group's German residential properties accounted for 38% of net minimum wage income in 2024, compared to 39% in 2023, which is below Eurostat's housing cost "overburden" rate. The net rent portion, which excludes service charges and more directly observes the portion of rent under the Group's direct control, remained stable at 24% of the net minimum wage in 2024.

Employee Health & Wellbeing

We ensure strict compliance with all workplace health and safety regulations at national and EU level. The Group has a dedicated internal Office Health and Safety Manager who implements our Occupational Health and Safety ("OHS") Policy. Aroundtown recognizes that every employee plays a vital role in maintaining a safe and healthy workplace. This includes actively identifying and reporting unsafe conditions, breaches of safety protocols, and workplace incidents. To support this shared responsibility, Aroundtown HR Roundtables foster open communication and consultation with employees on all work-related matters including health and safety, ensuring their insights contribute to ongoing risk prevention and the continuous improvement of safety practices. Work-related injuries, ill health and accidents are investigated in accordance with the Group's OHS Policy. The company physician conducts site inspections to check occupational health and safety provisions, as well as periodic workstation ergonomics assessments. The findings are documented, prioritized and integrated into site-specific action plans to reduce or eliminate risks. In the case of accidents, root cause analysis is carried out to identify underlying issues or hazards to ensure appropriate corrective and control measures are in place. Lessons learned are shared across the Group through training and other awareness programs, to prevent recurrence.

We set short-term targets to manage material health and safety impacts, risks and opportunities. In addition to our mandatory OHS training for all employees, we offer first aid training to our employees internally, across our Berlin and regional offices, to effectively respond to health emergencies at our offices. Currently, 152 employees are

certified first-aiders, representing about 9.1% of our employees, which exceeds the 8% targeted for 2024. Training participation and effectiveness are regularly evaluated to ensure high standards are maintained. We will continue to provide these trainings for employees in coming years.

To support the wellbeing of our employees, the Group offers a flexible package of benefits and working provisions, including eye examinations for employees who spend a significant amount of time working with computer screens. In recognition of the growing demand, AT has doubled the number of offered eye examination days – from 4 days in 2023 to 8 examination days in 2024. Looking ahead, we will continue to review and adjust the number of examination days based on employee needs. In addition, one of our key 2025 targets is the creation of a digital solution to streamline the eye examination process, making it more accessible and efficient for all employees. We also have a cooperation agreement with an optical retailer offering subsidized glasses to employees since 2022.

Mental health appointments are available for all Aroundtown employees with a mental wellbeing coach at our headquarters. We also ran 2 flu vaccination days in our offices during 2024 and intend to continue in 2025. Employees at our Berlin headquarters have access to our company gym with personalized training and nutrition programs offered by the trainers, including a specific course for employees suffering from back problems. There is also access to a health and wellbeing subscription service platform, which includes gym subscription, subsidized by Aroundtown for all employees in Germany.

Employee Engagement Survey

AT interacts with its employees through various channels, including annual employee engagement survey, to gather direct feedback from all staff members. Oversight of this survey falls under the responsibility of our Group Head of HR, with results informing decisions and actions to address current and potential issues.

The 2024 employee engagement survey achieved a 74% response rate among all Group employees in Germany, marking an increase from 63% in the previous year. The survey explored a wide range of subjects relating to employee interactions, including those with management, the Group, and among colleagues. Responses were measured using a 5-point likert scale, where 5 represents the highest level of satisfaction and 1, the lowest. The average engagement score across all topics was 3.8 out of 5.0, reflecting a relatively high engagement level of approximately 76%.

Topics such as “Relationship with Manager”, “Goals and Goal Achievement” and “Relationship with Colleagues”, received the highest ratings. Conversely, “Feedback and Communication”, “Strategy, Vision and Culture”, and “Workplace and Tools” received comparatively lower scores and have been prioritized for further enhancement. Notably, no topic was scored below 3.5 out of 5.0, highlighting the Group’s consistent efforts to foster positive employee experience and an engaging work environment.

Based on the survey feedback, we have identified key improvement areas and have developed strategic actions for 2025, while also continuing the implementation of successful initiatives launched in 2024 (refer to the S1 section in our 2024 Consolidated Sustainability Statement for further details).

Labor Practices

The Group ensures that all paid overtime work is accurately documented and compensated in accordance with applicable labor regulations and internal guidelines. Employees’ working hours are monitored through a time-tracking system to engender transparency and improved time management.

In addition, emphasis has been placed on ensuring that employees utilize their full paid annual leave entitlement. The HR department and supervisors proactively encourage employees to schedule and take their annual leave balances. This approach supports employee wellbeing and maintains productivity in the Group.

Governance

Board of Directors

Aroundtown is administered by a Board of Directors vested with the broadest powers to make independent decisions and to manage and carry out its duties solely in the Group's best interests, free from any conflict of interest. All powers not expressly reserved by the Luxembourg Companies Act or by the articles of association to the general meeting of the shareholders fall within the competence of the Board of Directors. On a regular basis, the Board of Directors evaluates the effective fulfilment of their remit and compliance with corporate governance procedures implemented by the Group. This evaluation is also performed by the Audit and Risk Committees. The Board also remains attentive to matters of business ethics and regularly considers ethical risks as part of its oversight responsibilities.

In 2024, the Board of Directors conducted 61 meetings. The table below shows the attendance of the Board members, as well as the attendance average:

Table 9

Director	Meetings attended	Percentage attended
Mr Frank Roseen	55	90%
Ms Jelena Afxentiou	54	89%
Mr Ran Laufer	60	98%
Mr Markus Leininger	53	87%
Ms Simone Runge-Brandner	57	93%
Mr Markus Kreuter	50	82%
Mr Daniel Malkin	58	95%
Board average	55	91%

Table 10

Composition of the Highest Governance Body

EPRA Code	Units of Measure	Metric	2024		2023	
			Number	%	Number	%
Gov-Board	Total numbers and percentages	Executive board members	2	29%	2	29%
		Independent board members	4	57%	4	57%
		Non-executive board members	1	14%	1	14%
		Independent / non-executive board members with competencies relating to environmental and social topics	5	100%	5	100%
		Average tenure (years) on the Board of Directors	6.3	N/A	6.2	N/A

The ESG, Audit, Risk, Remuneration, and Nomination Committees support the Board, along with an Advisory Board. The Committees receive regular training on legal updates, regulatory, sector-specific knowledge, capital markets, and ESG matters. This proactive approach not only ensures sound knowledge of corporate governance among our Board members, but also serves to advance sustainability goals outlined by the United Nations, particularly through ESG initiatives.

Executive Management

Management share ownership, presented in the table below, aligns the interests of company leadership with those of shareholders, fostering long-term value creation and responsible corporate governance. When managers are also stakeholders, they are more likely to consider the financial, social, and environmental impacts of their decisions.

Table 11

KPI	Individuals Involved	Value
Average shares held as multiple of base salary	Management Body	14.46
% of outstanding stock owned	Management Body & Board of Directors	0.92

Additionally, the Group regularly monitors its CEO-to-employee pay ratio to allow our stakeholders and ourselves to understand the extent of executive compensation relative to the broader workforce, particularly in the context of social equity and responsible governance.

Table 12

Metric	2024
CEO to employees pay ratio (median compensation)	35
CEO to employees pay ratio (mean compensation) (Euros)	26

Responsible Dealings, Industry Associations, and Policy Alignment

The Group's Anti-corruption Policy prohibits direct engagement in lobbying and political involvements, including donations to political parties and facilitation payments. Facilitation payments being an unofficial payment made to public officials or bureaucrats intended to expedite or secure the performance of routine governmental actions to which the payer is legally entitled.

Table 13

Key Figures	Unit	2024	2023	2022
Monetary contribution to lobbying and interest representation	€	0	0	0
Monetary contributions to local, regional or national political campaigns/ organizations/ candidates	€	0	0	0
Monetary contributions to trade associations	€	82,153	69,045	69,028
Total political contributions and spending on public policy	€	0	0	0

While the Group does not directly engage in lobbying activities or make donations to political parties, we recognize the pivotal role of trade associations in shaping policies and influencing societal actions. We view them as appropriate platforms for engaging with emerging climate policy, as well as sustainability reporting and overall ESG topics relevant to the real estate sector in the EU. When selecting and renewing our memberships, we consider how closely organizations' values and commitments align with our sustainability ambitions. We are members of the German Property Federation (*Zentraler Immobilien Ausschuss*, "ZIA"), the European Public Real Estate Association ("EPRA"), and the German Sustainable Building Council (*Deutsche Gesellschaft für Nachhaltiges Bauen*, "DGNB"). As of the time of this publication, our internal review of the climate positions of these associations has found a high degree of alignment with our own policy positions. However, if misalignments are identified in the future the Group would first engage the relevant organization to address the misalignment, and in the case of irreconcilable differences, terminate its membership.

ZIA advocates for energy efficiency and sustainability standards in the real estate sector, striking a balance between ambition and pragmatism — particularly when dealing with older building stock prevalent in Germany. The association supports the German Energy Saving Ordinance and the EU Energy Performance of Building Directive, champions the Climate Action Plan 2050, and promotes Germany's Energy transition by advancing the integration of renewable energy in buildings. ZIA also endorses smart technologies to optimize energy usage as well as supports fair carbon pricing to develop effective climate policies aimed at reducing emissions.

Similarly, EPRA supports the European Green Deal's aim for climate neutrality by 2050. To achieve this, it promotes building energy efficiency and the integration of renewable energy as key strategies for reducing carbon emissions across the entire building lifecycle. It advocates for the use of sustainable technologies like smart building solutions and supports standardised reporting of carbon footprints and energy usage to ensure transparency and environmentally sound investments.

Meanwhile, DGNB develops internationally-recognized certification systems for sustainable buildings. Key focus areas for DGNB are stressing decarbonization throughout buildings' lifecycle, promoting the use of renewable energies and sustainable materials, and retrofitting existing buildings to improve energy efficiency. DGNB certifications require comprehensive lifecycle assessments that evaluate environmental impacts from construction to demolition, aiming to minimize resource use and enhance occupants' quality of life.

These associations ensure the integration of sustainable practices that yield real benefits, which significantly influence our strategic environmental initiatives.

Governance of Data Protection and Information Security

Aroundtown has a deep commitment to protecting the privacy of our stakeholders' data. We believe data protection and information security are key aspects sitting within our governance responsibilities, and every organization should have strong data protection governance in place. Our Information Security and Privacy Strategy is continuously evolving, led by our internal cybersecurity experts, who actively work with senior management through the Information Security Steering Committee to ensure that data security is fully integrated into our top-level risk management framework.

In 2024, as part of our proactive approach to risk management, we conducted internal audits across our office branches. These audits, alongside regular testing such as security drills, breach response exercises, and vulnerability analysis, serve to assess the efficiency of escalation procedures and robustness of our information security framework. Under the independent oversight of the Data Protection Officer and the information security team, compliance with GDPR and ISO 27001 was ensured. In addition, key areas covered under our internal Global Information Security Policy include data protection and integrity, as well as information security-related business continuity planning. These audits and measures demonstrate strong compliance across the organization, while also highlighting opportunities for further improvement,

ensuring that the Group's monitoring and response procedures are adequately prepared against security threats.

Concerning third parties, our Business Partner Code of Conduct places data protection and information security on partners and service providers. The cybersecurity team also reviews the information security framework of third parties before data is shared or system integration occurs.

We monitor potential security incidents and data protection breaches as an indicator of the effectiveness of our operational procedures. In 2024, no such confirmed breaches or incidents were reported. In the event of any confirmed incident, a response team is formed to immediately investigate the matter and recommend remedial actions to prevent a similar occurrence.

Approach to Digital Transformation

AT recognizes the importance of Digital Transition as a cornerstone of its innovation, aimed at equipping employees to effectively adapt to evolving digital tools, technologies, and work processes. The Group has developed and implemented an internal training course focused on the responsible and effective use of artificial intelligence ("AI"). The course, titled "Understanding the EU AI Act", is mandatory for all employees across the organization. This course is designed to support the integration of AI into daily work routines while ensuring alignment with the legal and ethical requirements set forth by the EU AI Act. By combining practical skill development with a strong emphasis on ethical considerations, the course reflects Aroundtown's broader vision of fostering a digitally competent, resilient, and ethically responsible workforce. In addition, workshops have been conducted with employees to identify how AI can be used to improve productivity in their day-to-day tasks while brainstorming concrete approaches to integrating its use into their roles and procedures.

Approach to Taxation Statement

The Group follows a tax policy based on a clear set of principles that guide its approach to tax management. The key principles of the Group tax policy are listed below:

- Commitment to adherence to all relevant tax laws, regulations, and reporting requirements in each jurisdiction where we operate. External advice is sought where appropriate.
- The governance structure includes a professional in-house tax department led by the Group Tax Director who is responsible, among others, for recommending the tax policy, and once approved executing the overall tax policy. Material issues, if they exist, are reported to the group CFO.
- Maintaining a healthy cooperation and communication with tax authorities.
- Ensuring legal compliance with all tax affairs and regulations on a subsidiary and group level.
- Transfer pricing for transactions between group entities located in different tax jurisdictions are to be determined using the arm's length principle.
- Tax structures, if exists, will have commercial and economic substance.
- The group tax policy is approved by the Board of Directors.

Approach to Risk Management Statement

Risk Management ("RM") in the Group adheres to the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") Enterprise Risk Management ("ERM") framework, identifying, evaluating, and monitoring risks based on their impact and probability while also determining the risk appetite, as well as considering the effectiveness of controls to mitigate them.

Roles and Responsibilities:

- **Board of Directors:** Leads the RM strategy, ensures its own independence, delegates responsibilities, aligns with the Group's risk appetite, and communicates through policies and documentation.
- **Risk Committee:** Reviews RM system effectiveness and coordinates with other committees, particularly on ESG and non-financial risks.

- **Chief Risk Officer ("CRO"):** Supports senior management in risk identification, assessment, mitigation, and action plans, reporting to the Risk Committee and Board.
- **Employees:** Assigned risk owners act as "first line of defense" by monitoring risks.

	Board of Directors	Risk Committee	Other Committees	Senior Management	CRO	Employees
Identification of risks		x	x	x	x	x
Tolerance level definition	x					
Risk evaluation				x	x	
Risk mitigation				x		x
Supervision	x	x	x		x	
Reporting				x	x	x

Illustration 1: Enterprise Risk Management Segregation of Duties.

The Group:

- Understands strategic objectives.
- Assesses the business environment.
- Identifies and evaluates risks in terms of their likelihood and magnitude.
- Monitors controls and mitigating activities.
- Reviews processes and establishes risk appetite.
- Assesses risks via key risk indicators ("KRIs") and takes corrective actions.

Reviews occur regularly, at least annually, with immediate action on ad-hoc issues. Risks are displayed on a Risk Heat Map. The Group maintains zero tolerance for legal breaches, fraud, and corruption.

Methodology and EPRA sBPR Data Preparation Notes

The following methodological notes provided in the Consolidated Sustainability Statement 2024, p. 105-109 apply to the EPRA sBPR indicators found in this report:

- Organizational boundaries
- Coverage
- Landlord and Tenant Boundaries
- Reporting period
- Segmental Analysis
- Disclosure on Own Offices

The remainder of this section outlines the notes specific to the EPRA sBPR indicators presented in this report.

Estimation of Utility Consumption

The total volume of waste is based on the contracted waste volumes at properties where this information was available, and in cases where this is not available for the entire year invoices available are extrapolated to cover the full year. Cases where extrapolation of waste data is required are generally those where incomplete information was found from utilities regarding the recycled share of waste. In the spirit of taking a conservative approach to dealing with missing information, the Group assumes all of the extrapolated waste to be not recycled which might cause an overstatement of non-recycled waste and an understatement of recycled waste. The conversion of waste from cubic meters to metric tons is also based on obtained averages from public organizations or utility providers to the extent that they have been made available, although a degree of uncertainty remains since some recycling containers contain a mix of materials with varying densities.

In cases where water data is only received for a portion of the reported year, this data is also extrapolated to cover the entire reporting period. An important improvement was made in 2024 data collection regarding improved mapping of main- and submeters which improved the accuracy of this data.

Restatements of Information

Due to further enhancements made on operational data, some properties included in last year's water and waste figures have been identified as being managed by the tenants. As a result, utility consumption data of these assets has not been changed, but changes in aggregated figures have occurred associated with the changes in assets included to more precisely align with the Group's definition of the operational control scope.

As explained in the Consolidated Sustainability Statement 2024 p. 105-109, the basis for intensity figures per square meter has been changed from Net Lettable Area ("NLA") to Gross Floor Area ("GFA") to align with best practices in sustainability reporting. 2023 intensity figures have thus been restated with GFA as the denominator.

Regarding waste data, the conversion factors for translating data for each specific waste type from cubic to metric tons was updated retroactively for 2023 data to improve accuracy. Employee commuting and teleworking figures have been restated after more recent location-based statistics were made available and improvements from the digitalized tracking of in-office and home office days were integrated.

Units of Measurement and Normalization

Utilities data are reported based on absolute consumption or measured in cubic meters (water and waste) and metric tons (waste). Water consumption has been normalized through calculated intensity indicators using floor area (square meters) for whole buildings, including tenant areas in order to provide a representative figure.

Narrative on Performance

Explanation and analysis of our performance in relation to the Performance Measures reported on are found with the respective data tables throughout this report.