



EPRA
SUSTAINABILITY
Best Practice Recommendations

OVERARCHING RECOMMENDATIONS & NARRATIVE ON PERFORMANCE

INTRODUCTION

Our sustainability reporting consists of three main publications: our **Non-Financial Report**, our **Sustainability Insights** and our summary **Sustainability In Focus** report which can be downloaded on the sustainability section of our website: <https://www.aroundtown.de/sustainability/>.

As EPRA members we also chose to report on our ESG impacts in accordance with the 3rd edition of the EPRA Sustainability Best Practice Recommendations (SBPR). Our reporting response has been split into 2 sections:

1. Overarching recommendations
2. Sustainability performance measures

1. OVERARCHING RECOMMENDATIONS

Organisational boundaries

The information and data in this report covers Aroundtown SA operations spanning our direct employees and commercial portfolio. As of 31 December 2020, this comprised €21.2 billion of commercial assets including offices (55%); hotels (26%), retail (8%) and Industry (3%).

Information on our residential portfolio, which is owned by Grand City Properties S.A. in which we hold a 41% stake, is included where it is necessary to provide context and explain the scope and breadth of our activities for the sake of completeness. Unless otherwise stated, it is excluded from the scope of our data. Grand City Properties' performance is

reported separately, and this information is published on the sustainability section of Grand City Properties' website (www.grandcityproperties.com/sustainability).

Environmental performance data is only reported on commercial assets for which we have operational control and for which we can collect utilities data. In 2020 and 2019, this included 60 assets covering a net lettable area of 1,559,576 m² out of a total portfolio covering a net lettable area of 7,239,000 m². The assets in our absolute and like-for-like performance measures are therefore the same.

Unless otherwise stated, all utilities consumption relates to consumption that we purchase and/or control as the landlord, and relates to energy and water consumption used in common areas and shared services. Tenant obtained data (i.e. from bills which the tenant receives directly) is excluded.

Data relating to our employees covers all direct employees employed by Aroundtown in Germany (who represent 93% of our European workforce), including part time and temporary workers. It excludes employees in Luxemburg, Cyprus and the UK, contractors and those not directly employed by us.

Coverage

Absolute and like-for-like portfolio data relates to the assets outlined in our Organisational Boundaries. Maximum coverage per utilities is as follows:

- Electricity: 1,527,757 m²
- Fuels and district heating and cooling: 1,348,210 m²
- Water: 1,568,578 m²
- Waste: 1,268,983 m²

Data relating to our employees covers all direct employees employed by Aroundtown in Germany (who represent 93% of our European workforce), including part time and temporary workers. It excludes employees in Luxemburg, Cyprus and the UK, contractors and those not directly employed by us.

Reporting period

All data relates to our financial year which coincides with the calendar year, and consequently runs from January 1 to December 31 of the year under review.

Estimation of landlord-obtained utility consumption

All data (excluding waste) for 100% of the assets which we report on is 100% based on bills received.

Waste data is estimated as it is not possible to report the total amount of waste produced at our assets, or the total proportion of waste recycled. Waste generated by our tenants is generally out of operational control, and only a proportion of the waste generated is handled by Aroundtown.

The total waste reported represents the minimum volume of non-recycled waste collected by local authorities in line

with legal requirements. This minimum value varies between municipalities, and tenants regularly contract private waste companies to manage their waste once the minimum threshold has been reached as this is more cost effective. For these reasons, it is not possible to report the total volume of waste generated across our portfolio.

Our own office utilities consumption is estimated based on the proportion of the total rental floor area occupied by Aroundtown as we do not occupy the whole building and no sub-meters exist.

Units of measurement & normalisation

Utilities data are reported based on absolute consumption measured in kWh (energy), tCO₂e (GHG emissions), m³ (water) and litres (waste).

GHG emissions are reported using location-based conversion factors published by the German Environmental Protection Association. Market-based emissions are calculated using emissions factors published by our energy suppliers. Where consumption is normalised, we calculate intensity indicators using floor area (m²) for whole buildings, including tenant areas. We are aware there is a mismatch between the nominator and denominator in our methodology for calculating intensities, as we receive utility bills for energy consumed only in common areas for some properties, and bills for energy consumed both in the common and tenant areas for other properties (it is not possible to separate these consumptions).

Employee coverage rates are expressed as a percentage of Aroundtown's total direct employees at year end.

Health and safety performance measures are calculated using the following formulae:

- Injury rate = Number of reportable injuries/Number of Full Time Employees (FTEs)
- Lost Day Rate = Number of days lost due to workplace injuries/Number of working hours
- Absentee rate = Number of days absent due to illness/Total number of working days

Analysis – Segmental analysis (by property type, geography)

Segmental analysis by geography is not relevant for our portfolio. Our assets are located within Germany and the Netherlands, and therefore in the same climatic zone. Segmental analysis is instead provided by asset type and is consistent with our financial reporting.

Disclosure on own offices

Our own occupied office consumption is excluded from our portfolio data as we are a tenant in the building, and the asset is not part of the Aroundtown investment portfolio.

2. NARRATIVE ON PERFORMANCE

Explanation and analysis of our performance in relation to the following Performance Measures are available in the relevant Sustainability Insights that are available to download on the sustainability section of our website:

- Elec-Abs; Elec-LfL; DH&C-Abs; DH&C-LfL; Fuels-Abs; Fuels-LfL; Energy-Int; GHG-Dir-Abs; GHG-Indir-Abs; GHG-Int: please see [Energy & Emissions](#)
- Water-Abs; Water-LfL; Water-Int; Waste-Abs; Waste-LfL: please see [Water & Waste](#)
- Cert-Tot: please see [Energy & Emissions](#)
- Diversity-Emp; Diversity-Pay: please see [Diversity & Equal Opportunities](#)
- Emp-Training; Emp-Dev: please see [Training & Development](#)
- Emp-Turnover: please see [Employee Satisfaction](#)
- H&S-Emp: please see [Occupational Health & Safety](#)
- H&S-Asst; H&S-Comp: please see [Tenant Health & Safety](#)
- Comty-Eng: please see [Local Communities](#)

Communities

Please see our [Consolidated Annual Report for the year ended December 31, 2020](#) for further information on our Board composition and selection process.

Assurance

This EPRA compliance report is designed to complement our Non-Financial Report for the year ending 2020. The Non-Financial Report has been assured according to the International Standard on Assurance Engagements (ISAE) 3000 (Revised), and a statement from the auditors can be found on page 23 of the report. The scope of the assurance does not include the EPRA Performance Measures included in this report.

SUSTAINABILITY BEST PRACTICE PERFORMANCE MEASURES

EPRA ENVIRONMENTAL PERFORMANCE MEASURES: ABSOLUTE & LIKE-FOR-LIKE

IMPACT AREA	UNIT	EPRA SUSTAINABILITY BEST PRACTICE PERFORMANCE MEASURES			TOTAL		RETAIL		OFFICE		INDUSTRY		
					2019	2020	2019	2020	2019	2020	2019	2020	
ENERGY	KWh	Elec-Abs, Elec-Lfl	Electricity (indirect)	For landlord shared services	32,617,814.30	27,366,673.65	8,077,190.00	6,879,674.25	21,816,250.30	17,951,453.19	2,724,374.00	2,535,546.22	
				Total landlord-obtained electricity	32,617,814.30	27,366,673.65	8,077,190.00	6,879,674.25	21,816,250.30	17,951,453.19	2,724,374.00	2,535,546.22	
		% Carbon Neutralized				72.35%	71.40%	98.76%	99.08%	69.24%	68.03%	19.00%	20.13%
		Applicable net rent area (m ²) total				1,527,757.23	1,527,757.23	177,904.96	177,904.96	618,307.28	618,307.28	731,544.99	731,544.99
		DH&C Abs, DH&C-Lfl	Heat (indirect)	For landlord shared services	70,613,402.00	72,727,402.06	3,851,193.00	4,442,304.00	28,668,368.00	28,421,766.06	38,093,841.00	39,863,332.00	
				Total landlord-obtained Heat	70,613,402.00	72,727,402.06	3,851,193.00	4,442,304.00	28,668,368.00	28,421,766.06	38,093,841.00	39,863,332.00	
		% Carbon Neutralized				0.73%	0.65%	0.00%	0.00%	1.80%	1.65%	0.00%	0.00%
		Fuels-Abs, Fuels-Lfl	Fuels (direct)	For landlord shared services	25,853,787	24,658,116	8,633,074	7,947,743	13,639,561	13,812,392	3,581,152	2,897,981	
				Total landlord-obtained fuels	25,853,787	24,658,116	8,633,074	7,947,743	13,639,561	13,812,392	3,581,152	2,897,981	
		% Carbon Neutralized				58.93%	60.47%	61.70%	64.83%	72.64%	70.66%	0.00%	0.00%
Applicable net lettable area (m ²) total				1,348,209.57	1,348,209.57	177,904.96	177,904.96	632,847.28	632,847.28	537,457.33	537,457.33		
GREENHOUSE GAS EMISSIONS	tonnes CO ₂ e	GHG-Dir-Abs	Direct	Scope 1 (location Based)	5,512.86	5,227.30	1,947.03	1,771.50	2,842.44	2,873.31	723.39	582.49	
		GHG-Indir-Abs	Indirect	Scope 2 (location-based)	37,419.86	32,118.21	5,415.79	4,181.47	19,874.81	15,692.34	12,129.26	12,244.41	
		Total GHG Emissions (Scope 1 + Scope 2)				42,932.72	37,345.52	7,362.81	5,952.96	22,717.25	18,565.65	12,852.66	12,826.91
		Carbon Offsets				16,026.82	10,841.56	5,359.53	3,708.03	10,389.33	6,933.40	277.96	200.13
		Net GHG Emissions (Scope 1 + Scope 2)				26,905.90	26,503.96	2,003.28	2,244.94	12,327.92	11,632.24	12,574.70	12,626.77
		Applicable net lettable area (m ²) total				1,559,576.23	1,559,576.23	177,904.96	177,904.96	650,126.28	650,126.28	731,544.99	731,544.99
WATER	m ³	Water-Abs, Water-Lfl	Water	Total landlord-obtained water	238,751.77	192,295.84	68,221.09	57,287.15	134,905.97	109,210.75	35,624.71	25,797.94	
		Applicable net lettable area (m ²) total				1,568,578.04	1,568,578.04	421,068.34	421,068.34	593,460.81	593,460.81	554,048.89	554,048.89
WASTE	Litres	Waste-Abs, Waste-Lfl	Waste	Total waste	20,805,244.0	20,864,132.8	3,352,201	3,011,152	16,742,128	17,159,011	710,915	693,970.0	
				% recycled	61%	62%	54%	48%	64%	67%	23%	21%	
		Applicable net lettable area (m ²) total				1,268,983.10	1,268,983.10	169,996.82	169,996.82	615,722.25	615,722.25	483,264.03	483,264.03
CERTIFIED ASSETS	%	Cert-Tot	Mandatory (EPC) energy certificates	% of portfolio certified by building	100%	100%	100%	100%	100%	100%	100%	100%	
		Applicable net lettable area (m ²) total				1,559,575.23	1,559,576.23	177,903.96	177,904.96	650,125.00	650,126.00	731,543.99	731,544.99

EPRA ENVIRONMENTAL PERFORMANCE MEASURES: INTENSITIES

IMPACT AREA	UNIT	EPRA SUSTAINABILITY BEST PRACTICE PERFORMANCE MEASURES		TOTAL PORTFOLIO		RETAIL		OFFICE		INDUSTRY	
				2019	2020	2019	2020	2019	2020	2019	2020
ENERGY	KWh / m ² / year	Energy-Int	Building energy intensity	82.77	79.99	115.58	108.31	98.63	92.58	60.69	61.92
GREENHOUSE GAS EMISSIONS	kg CO ₂ e / m ² / year	GHG-Int	Greenhouse gas Scope 1 and 2 intensity from building energy (location based)	0.028	0.024	0.041	0.033	0.035	0.029	0.018	0.018
			Net greenhouse gas Scope 1 and 2 intensity from building energy (location based)	0.017	0.017	0.011	0.013	0.019	0.018	0.017	0.017
WATER	m ³ / m ² / year	Water-Int	Building water intensity	0.075	0.075	0.126	0.140	0.035	0.035	0.779	0.798

EPRA ENVIRONMENTAL PERFORMANCE MEASURES: BUILDING CERTIFICATIONS

IMPACT AREA	UNIT	EPRA SUSTAINABILITY BEST PRACTICE PERFORMANCE MEASURES		TOTAL	RETAIL	OFFICE	INDUSTRY
				2020	2020	2020	2020
CERTIFIED ASSETS	%	Cert-Tot	Mandatory (EPC) energy certificates	100	100	100	100
			DNGB Gold	0.4%	0	1	3%
			LEED Gold	0.6%	0	1%	0
			EU Green Building Program	0.8%	8%	0	0
			% of portfolio certified by floor area				

EPRA SOCIAL & GOVERNANCE PERFORMANCE MEASURES

EPRA CODE	UNIT OF MEASURE	COVERAGE	2019	2020
DIVERSITY-EMP	% female (Board)	Corporate operations	19%	33%
	% female (Management)		27%	25%
	% female (all employees)		56%	48%
DIVERSITY-PAY	Ratio of basic salary and remuneration of women to men (Board)*	Corporate operations	N/A	N/A
	Ratio of basic salary and remuneration of women to men (Management)		0.81:1	0.62:1
	Ratio of basic salary and remuneration of women to men (All employees)		N/A	N/A
EMP-TRAINING	Average hours per employee	Corporate operations	6.5	31.1
EMP-DEV	% of total workforce with performance appraisals	Corporate operations	55%	41%
EMP-TURNOVER	Total number of new hires	Corporate operations	172	156
	Rate (%)		44%	24%
	Total number of leavers		68	166
	Rate (%)		15%	9%
H&S-EMP	Injury rate	Corporate operations	0.006	0.0014
	Lost day rate		0	0.001
	Absentee rate		4.9	5.5
	Fatalities (total number)		0	0
H&S-ASSET	% of assets undergoing health & safety assessments	Portfolio	100%	100%
H&S-COMP	Total number of incidents of non-compliance from health & safety assessments	Portfolio	0	0
COMTY-ENG	% of assets with community engagement initiatives**	Portfolio	60	N/A
GOV-BOARD	Total number of Executive members	Corporate operations	3	3
	Total number of Independent members		3	3
	Average tenure		3.2	4.2
	Total number with competencies relating to environmental and social topics		6	6
GOV-SELECT	Nominating and selecting the highest governance body	Corporate operations	Please see the Corporate Governance section of our website: http://www.aroundtown.de/investor-relations/corporate-governance/	
GOV-COL	Process for managing conflicts of interest	Corporate operations	Please see the Board of Directors' Report (page 38) of our Consolidated Annual Report for the year ended December 31, 2020.	

* The Board includes three independent directors (two male and one female member), one non-executive director (male) and two executive directors (one male and one female). Taking only the base remuneration of the independent and non-executive directors into account, the pay ratio is 1:1. Information on remuneration for executive directors, including fees related to their corporate duties as members of the Board of Directors, can be found in our Remuneration Report for the Financial Year 2020: https://www.aroundtown.de/fileadmin/user_upload/04_investor_relations/agm/2021/AGM/2020_AI_Remuneration_Report.pdf

** 2019 data relates to the total number of community events held across our properties. 2020 data is not applicable due to the challenges presented by COVID-19 which prohibited large gatherings and in-person contact. As a result, our physical community events were put on hold during 2020 to ensure the health and safety of both our tenants and employees.