



Berlin

EPRA sBPR REPORT JUNE 2019

OVERARCHING RECOMMENDATIONS & NARRATIVE ON PERFORMANCE

INTRODUCTION

ABOUT US

Aroundtown SA is a real estate company with a focus on income generating quality properties with value-add potential in central locations in top tier cities, primarily in Germany and the Netherlands.

Being the largest listed German commercial real estate company we have a clear responsibility to help address the challenges society is facing today. We have made a conscious commitment to providing sustainable value creation for tenants and shareholders alike.

Environmental, Social and Governance (ESG) criteria are at the heart of our Company. We integrate ESG factors that contribute to the profitability and positive reputation of the company wherever we see opportunities to do so. The group's primary task as asset manager is to support its tenants in achieving their sustainability goals. Our asset development and refurbishment activities strategically incorporate technological advancements, energy efficiency concerns, and a wide array of other environmental issues to achieve long-term sustainability improvements.

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

1. Overarching recommendations
2. Sustainability performance measures

OUR UTILITY SUPPLIERS

For the supply of energy we largely work with companies/frame partners who provide electricity and gas on a national level except for assets where we have inherited the current contract from the previous owner of an asset. Water supply and waste disposal contracts tend to be implemented on a municipal level due to the localized supplier economy in these sectors. Whenever possible, we use wholesale suppliers that are not limited to single geographies.

DATA VERIFICATION AND ASSURANCE

All data generated is reviewed for consistency and coherence before released into the company reporting database. The environmental data that is reported has been assured to AA1000 standard.



Cologne

1. OVERARCHING RECOMMENDATIONS

ORGANISATIONAL BOUNDARIES

We only report on assets for which we have 100% management control and for which we can collect utilities data. In 2018 this included 39 assets covering a net rental area of 1,012,434 m² out of a total portfolio net rental area of 6,112,000 m².

Our like-for-like portfolio includes only assets for which we have data over a two-year period between 2017 and 2018, and which have been in consistent operation and not under development or refurbishment. This includes five office assets, nine retail assets, and three logistics, wholesale and other (industrial) assets representing a net rental area of 485,772 m².

COVERAGE

Coverage is calculated based on the rental area for each asset type. We report the net rental area for the properties that fall within the organisational boundaries so the coverage for all performance measures is 100%.

Coverage for our own office utilities consumption is based on the proportion of the total rental floor area occupied by Aroundtown as we do not occupy the whole building.

ESTIMATION OF LANDLORD-OBTAINED UTILITY CONSUMPTION

All utilities data for the assets which we report on is 100% based on bills received for 2017 and 2018.

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.

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.

BOUNDARIES – REPORTING ON LANDLORD AND TENANT CONSUMPTION

The consumption reported includes only energy which we purchase as landlords. Tenant obtained data (i.e. from bills which the tenant receives directly) is excluded.

ANALYSIS - NORMALISATION

We have calculated 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 electricity consumed only in common areas, but we receive utility bills for district heating and cooling and fuel consumed both in the common and tenant areas (it is not possible to separate these consumptions).

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 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.

(see table “EPRA Environmental Performance Measures: Portfolio”).

DISCLOSURE ON OWN OFFICES

Our own occupied offices are reported separately to our portfolio as we are a tenant in the building, and the asset is not part of the Aroundtown investment portfolio (see table “EPRA Environmental Performance Measures: Own Office”).

NARRATIVE ON PERFORMANCE

ENVIRONMENTAL PERFORMANCE

Energy & emissions

In 2018, we recorded an absolute electricity consumption of 24 million kWh across our portfolio. The increase compared with 2017 is explained by the more than doubling of the net rental area of the properties included in our organizational boundaries.

On a like-for-like basis, electricity consumption across our portfolio increased marginally by 2% which was influenced by an 11% increase in our office portfolio. Consumption of district heating and cooling and fuels meanwhile reduced by 4% and 10% respectively with reductions recorded across all property types.

Correspondingly, the energy intensity of our portfolio improved by 4.7% on a like-for-like basis between 2017 and 2018.

Mirroring these trends, like-for-like Scope 1 emissions decreased by 40% influenced by the reduction in fuels consumption and an increase in the proportion of fuels from renewable sources. Similarly, Scope 2 emissions from electricity and district heating and cooling decreased by 24% as we increased the procurement of electricity from renewable sources to 46.5% across our portfolio. Consequently, the GHG emissions intensity of our portfolio (measured in kg CO₂e/m²) improved by almost 23%.

Most of our assets' energy use and associated GHG emissions are due to tenant activities. Aroundtown has only limited influence on tenants' consumption behaviour, but we nonetheless utilise a variety of strategies to enhance energy efficiency in our buildings and help tenants reduce their carbon footprint. These include structural investments such as insulation and facade improvements, and investments in buildings' technical equipment with a focus on the installation of energy-efficient heating and PV systems. The Group further performs technical audits of its assets on a regular basis to continually identify potential areas for improvement.

Within contractual limits set by existing contracts, Aroundtown is also switching its entire portfolio to gas providers who fully offset their

CO₂ emissions and to electricity providers with 100% renewable sources to further reduce GHG emissions.

For more information on our approach and performance, see section 4 of our Corporate Responsibility Report 2018.

Water

In 2018, like-for-like water consumption across our portfolio remained largely static at 77,106 m³ (159,000 m³ on an absolute basis). Across our property types, a 16% increase in our office portfolio was offset by 2% and 14% reductions in our retail and industry portfolio's respectively. Mirroring these, the total water intensity of our portfolio improved by 0.21% compared with 2017 to 0.158 m³/m².

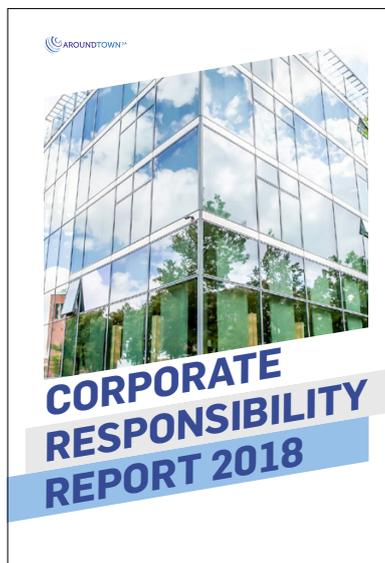
While Aroundtown is not directly responsible for most of water consumption related to its operations, we can however influence tenant consumption indirectly via technical and information means. Where possible, we install technical improvements that will result in lower water consumption. A key factor in consumption behaviour is the ability to monitor and record consumption; we are therefore prioritizing the installation of water meters in all assets in our portfolio. In addition to technical capacities, we undertake awareness raising initiatives among our tenants through a variety of information measures.

For more information on our approach and performance, see section 4 of our Corporate Responsibility Report 2018.

Waste Management

In 2018, like-for-like waste handled by Aroundtown decreased by 5% across our portfolio.

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. Regulations in Germany require that local authorities are legally obliged to manage a minimum proportion of the waste generated by our tenants. This minimum value varies between municipalities, and



tenants have the option of contracting private waste contractors once the minimum threshold has been reached. For these reasons, it is not possible to report the total volume of waste generated across our portfolio nor disposal routes.

For more information on our approach and performance, see section 4 of our Corporate Responsibility Report 2018.

Building certifications

By the end of 2018, 100% of the assets in our portfolio had an energy performance certificate. The proportion of certificates achieved by type is not applicable as different values are awarded depending on whether the energy performance certificate is based on actual energy performance or potential performance (due to building design and fabric).

Nearly all properties in our portfolio were existing buildings at the time of purchase and therefore only qualify to a limited extent for green building certifications. Nevertheless, two newly built warehouses (with a combined floor area of 25,785m²) achieved DNGB Gold certification following their construction in April 2018.

For more information on our approach and performance, see section 4 of our Corporate Responsibility Report 2018.

SOCIAL PERFORMANCE

Diversity

By the end of 2018, women occupied 36% of senior management positions (excluding the Board). The decrease compared with 2017 (44%) follows the restructuring that has taken place over the past 12 months which saw our employee headcount increase by 56%. Although the number of women in management positions has increased on an absolute basis, the proportion has decreased as more new positions were filled by male candidates. Considering all employees across the company, the proportion of positions occupied by women increased to 54% (up from 53% in 2017).

Aroundtown is a signatory of the German Diversity Charter, and our commitment to diversity is laid out in the company's mission statement and further defined in the Employee Code of Conduct, which is supplemented by the Group's Diversity Policy and the Anti-Discrimination Policy. We have also established a Diversity Committee to more firmly embed diversity is-

ues in both operational and strategic alignment. The Diversity Committee is made up of employees from different organisational levels of the company and guides the Group's engagement in this area.

Remuneration is determined solely based on the skills of the individual, the tasks and responsibilities associated with their position, their personal success and their time in the role. For 2018 the gender pay gap was 29% among all employees, and 55% at management level. The increase since 2017 is due to the maturation of share incentives schemes for long-standing senior employees.

For more information on our approach and performance, see section 3 of our Corporate Responsibility Report 2018.

Turnover

Our new hire rate of 56% in 2018 (building on 47% in 2017) reflects our strong growth since 2016 and was only partially offset by a turnover rate of 14%. Most new positions created were in operational departments such as Asset Management, Tenant Accounting, Operational Costs and Construction. Our goal is to reduce staff turnover to 8% and the Group has implemented a retention program designed to boost loyalty and reduce fluctuation.

For more information on our approach and performance, see section 3 of our Corporate Responsibility Report 2018.

Training and development

During 2018 we delivered an average of 0.8 hours of training per employee with the focus on managerial skills to support our restructuring. Consequently, training covered topics including strategy, compliance, risk management and soft skills development. In addition, all employees participated in training related to data protection and privacy in line with GDPR requirements.

We have introduced a process for regular performance and career development reviews as a demonstration of our commitment to support employees' professional development. The reviews provide an opportunity to align training needs with employees' career ambitions and the company's strategic goals, boost satisfaction levels and reduce turnover rates.

For more information on our approach and performance, see section 3 of our Corporate Responsibility Report 2018.

Health and safety

In 2018 the injury rate among employees rose to 0.84 (2017: 0.47) following the increase in employee numbers. Likewise, the lost day rate increased to 0.004% (2017: 0.001%) and the absentee rate also increased to 6% (2017: 4%). An in-house work safety training and awareness programme promotes safe and healthy behaviour, and this is available to all new employees.

For more information on our approach and performance, see section 3 of our Corporate Responsibility Report 2018.

During 2018, health and safety assessments were conducted across 100% of Aroundtown assets as part of our extensive due diligence activities. Aroundtown requires that all tenants carry out annual technical reviews of all properties in line with legislative requirements. Among other things, the assessments include fire protection systems, general technical assessments (i.e. water quality, elevators), other organisational measures (i.e. assigning fire protection officers, provision of a fire protection order, internal and external fire protection audits).

We also carry out regular site visits by asset managers and on-site property/hotel managers which provide valuable input for identifying areas in need of enhancement, and ensuring any issues are dealt with promptly. Necessary repairs are dependent on the contractual obligations of the tenant or the owner and are commissioned immediately from the responsible party and any dangers associated with the issue eliminated. All safety-related incidents are thoroughly investigated. Site management also assist in carrying out regular tests of fire safety systems.

Aroundtown uses external and internal service providers for fire safety assessments. The assessors prepare expert opinions on various fire safety issues through on-site visits at all properties. Where defects are identified, Aroundtown relays the issue to the responsible asset/operational manager/tenant who are tasked with ensuring the defect is eliminated swiftly. Comprehensive documentation of the process, from identification to elimination and follow-up ensure that transparency of all measures and work conducted is maintained. Where necessary, additional site visits are performed at multiyear intervals.

For more information on our approach and performance, see section 2 of our Corporate Responsibility Report 2018.

Governance

As the largest listed German commercial real estate company, strong governance is central to Aroundtown's value creation promise. Operational oversight is administered by the Board of Directors and appointed management teams. The Board of Directors comprises three dependent and three independent directors, who are elected at the Annual General Meeting. The number of directors, their term and their remuneration are determined by the general meeting of shareholders and the maximum term of directors' appointment per election is six years according to Luxembourg law.

The Board is supported in its stewardship of the Group's operational activities by work from the Risk Committee, the Audit Committee, the Nomination Committee, and the Remuneration Committee, with the Advisory Board providing additional oversight. In order to embed the Group's commitment to sustainability issues within its governance structures, the Board has also established an ESG/CSR Committee. In addition, the Board is provided with regular training on ESG/CSR matters.

The Board makes decisions solely in the Group's best interests and independently of any conflicts of interest. The Code of Conduct outlines the Company's standards of behaviour and is a mandatory component of all employment contracts. It is supplemented by a number of topical policies on, for instance, anti-corruption measures, avoiding conflicts of interest, preventing bribery, and anti-discrimination practices

For more information on our approach and performance, see section 1 of our Corporate Responsibility Report 2018 and the Board of Director's Report in our Consolidated Financial Statements for the year ended December 31, 2018.

LOCATION OF EPRA SUSTAINABILITY PERFORMANCE MEASURES

EPRA sustainability performance measures for our portfolio and own offices can be found in the tables on pages 6, 7, 8 and 9 of this report.

SUSTAINABILITY BEST PRACTICE PERFORMANCE MEASURES

2. SUSTAINABILITY PERFORMANCE MEASURES

EPRA ENVIRONMENTAL PERFORMANCE MEASURES (PORTFOLIO)

| IMPACT AREA | UNIT | EPRA SUSTAINABILITY BEST PRACTICE PERFORMANCE MEASURES (PORTFOLIO ABSOLUTE) | | | INTENSITY INDICATOR | TOTAL PORTFOLIO | RETAIL | OFFICE | INDUSTRY |
|-------------------------------------|------------|--|--|--|--|-----------------|---------|---------|----------|
| | | | | | | 2018 | 2018 | 2018 | 2018 |
| ENERGY | Energy-Int | Building energy intensity [GRI CRESS CRE1] | | | kWh / m ² / year | 70,96 | 89,73 | 110,35 | 28,63 |
| GREENHOUSE GAS EMISSIONS | GHG-int | Greenhouse gas Scope 1 and 2 intensity from building energy [GRI CRESS CRE3] | | | kg CO ₂ e / m ² / year | 14,83 | 20,91 | 22,04 | 6,26 |
| WATER | Water-Int | Building water intensity [GRI CRESS CRE2] | | | m ³ / m ² / year | 0,157 | 0,413 | 0,202 | 0,036 |
| Net Lettable Area (m ²) | | | | | | 1.012.434 | 139.960 | 419.816 | 452.659 |
| Number of applicable buildings | | | | | | 40 | 18 | 18 | 4 |

| IMPACT AREA | UNIT | EPRA SUSTAINABILITY BEST PRACTICE PERFORMANCE MEASURES (PORTFOLIO ABSOLUTE) | | | TOTAL PORTFOLIO | RETAIL | OFFICE | INDUSTRY |
|---|--------------------------|---|--------------------------------------|---|--------------------------|-----------|------------|-----------|
| | | | | | 2018 | 2018 | 2018 | 2018 |
| ENERGY | KWh | Elec-Abs | Electricity | for landlord shared services | 24.070.860 | 3.433.992 | 19.219.694 | 1.417.174 |
| | | | | Total landlord-obtained electricity | 24.070.860 | 3.433.992 | 19.219.694 | 1.417.174 |
| | | | | % from renewable sources | 64,1% | 52% | 68% | 40% |
| | | DH&C-Abs | Heat | for landlord shared services | 30.608.980 | 4.130.776 | 19.194.204 | 7.284.000 |
| | | | | Total landlord-obtained heat | 30.608.980 | 4.130.776 | 19.194.204 | 7.284.000 |
| | | | | % from renewable sources | 13,9% | 13,9% | 13,9% | 13,9% |
| | | Fuels-Abs | Fuels | for landlord shared services | 17.166.724 | 4.993.389 | 7.913.607 | 4.259.728 |
| | | | | Total landlord-obtained fuels | 17.166.724 | 4.993.389 | 7.913.607 | 4.259.728 |
| | | | | % from renewable sources | 34% | 12% | 29% | 70% |
| Applicable net rent area (m ²) of properties | | | | | 1.012.434 | 139.960 | 419.816 | 452.659 |
| GREENHOUSE GAS EMISSIONS | tonnes CO ₂ e | GHG-Dir-Abs | Direct | Scope 1 | 2.455 | 887 | 1.231 | 337 |
| | | | GHG-Indir-Abs | Indirect | Scope 2 (location-based) | 12.556 | 2.039 | 8.022 |
| | | Indirect | | Scope 2 (market-based) | - | - | - | - |
| | | Total | | | | 15.011 | 2.926 | 9.253 |
| Applicable net rent area (m ²) of properties | | | | | 1.012.434 | 139.960 | 419.816 | 452.659 |
| WATER | Cubic metres | Water-Abs | Water | for landlord shared services | 158.890 | 57.748 | 84.788 | 16.354 |
| | | | | Total landlord-obtained water | 158.890 | 57.748 | 84.788 | 16.354 |
| Applicable net rent area (m ²) of properties | | | | | 1.012.434 | 139.960 | 419.816 | 452.659 |
| WASTE (LANDLORD HANDLED) | liters | Waste-Abs | Waste | Waste by disposal route | 5.366.930 | 2.114.784 | 3.040.800 | 211.346 |
| | | | | Recycled (%) | N/A | N/A | N/A | N/A |
| Applicable net rent area (m ²) of properties | | | | | 1.012.434 | 139.960 | 419.816 | 452.659 |
| CERTIFIED ASSETS | % | Cert-Tot | Mandatory (EPC): energy certificates | % of portfolio certified by building | 100% | 100% | 100% | 100% |
| | | | | Applicable net rent area (m ²) of properties | | | | 1.012.434 |

Waste

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 Arountown. 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 mu-

nicipalities, 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.

District heating & cooling

Due to different energy mixes provided by local suppliers, the proportion of district heating from renewable sources

is taken from the German environmental protection association which represents the highest authority in the country.

GHG Emissions conversion factors

Conversion factors for GHG emissions and for all relevant energy media are in line with the requirements of the German environmental protection association which represents the highest authority in the country.

EPRA ENVIRONMENTAL PERFORMANCE MEASURES (PORTFOLIO LIKE-FOR-LIKE)

| IMPACT AREA | UNIT | EPRA SUSTAINABILITY BEST PRACTICE PERFORMANCE MEASURES (PORTFOLIO ABSOLUTE) | | TOTAL PORTFOLIO LIKE-FOR-LIKE | | | RETAIL LIKE-FOR-LIKE | | | OFFICE LIKE-FOR-LIKE | | | INDUSTRY LIKE-FOR-LIKE | | | | |
|---|---|---|-------------|-------------------------------------|-------------------------------|------------|----------------------|-----------|-----------|----------------------|-----------|-----------|------------------------|-----------|-----------|--------|------|
| | | | | 2017 | 2018 | % CHANGE | 2017 | 2018 | % CHANGE | 2017 | 2018 | % CHANGE | 2017 | 2018 | % CHANGE | | |
| ENERGY | KWh | Elec-LfL | Electricity | for landlord shared services | 6.879.501 | 6.982.908 | 2% | 3.425.242 | 3.283.361 | -4% | 2.191.124 | 2.440.836 | 11% | 1.263.135 | 1.258.711 | -0,4% | |
| | | | | Total landlord-obtained electricity | 6.879.501 | 6.982.908 | 2% | 3.425.242 | 3.283.361 | -4% | 2.191.124 | 2.440.836 | 11% | 1.263.135 | 1.258.711 | -0,4% | |
| | | | | % from renewable sources | 14,3% | 46,5% | | 4,21% | 54% | | 19% | 44% | | 34% | 33% | | |
| | | DH&C-LfL | Heat | for landlord shared services | 13.917.269 | 13.386.137 | -4% | 3.727.021 | 3.394.742 | -9% | 2.893.648 | 2.707.395 | -6% | 7.296.600 | 7.284.000 | -0,2% | |
| | | | | Total landlord-obtained heat | 13.917.269 | 13.386.137 | -4% | 3.727.021 | 3.394.742 | -9% | 2.893.648 | 2.707.395 | -6% | 7.296.600 | 7.284.000 | -0,2% | |
| | | | | % from renewable sources | 13,9% | 13,9% | | 13,9% | 13,9% | | 13,9% | 13,9% | | 13,9% | 13,9% | | |
| | | Fuels-Abs | Fuels | for landlord shared services | 10.973.782 | 9.909.173 | -10% | 5.062.946 | 4.358.513 | -14% | 2.757.164 | 2.557.039 | -7% | 3.153.672 | 2.993.621 | -5% | |
| | | | | Total landlord-obtained fuels | 10.973.782 | 9.909.173 | -10% | 5.062.946 | 4.358.513 | -14% | 2.757.164 | 2.557.039 | -7% | 3.153.672 | 2.993.621 | -5% | |
| | | | | % from renewable sources | 29% | 34% | | 0% | 8% | | 0% | 0% | | 100% | 100% | | |
| | Applicable net rent area (m ²) of properties | | | | 485.775 | 485.775 | | 108.924 | 108.924 | | 101.688 | 101.688 | | 275.163 | 275.163 | | |
| | WATER | Cubic metres | Water-LfL | Water | for landlord shared services | 76.943 | 77.106 | 0% | 38.671 | 37.997 | -2% | 20.576 | 23.951 | 16% | 17.696 | 15.158 | -14% |
| | | | | | Total landlord-obtained water | 76.943 | 77.106 | 0% | 38.671 | 37.997 | -2% | 20.576 | 23.951 | 16% | 17.696 | 15.158 | -14% |
| Applicable net rent area (m ²) of properties | | | | | 485.775 | 485.775 | | 108.924 | 108.924 | | 101.688 | 101.688 | | 275.163 | 275.163 | | |
| WASTE (LANDLORD HANDLED) | liters | Waste-LfL | Waste | Waste by disposal route | 3.289.758 | 3.127.730 | -5% | 1.568.301 | 1.542.544 | -2% | 1.529.587 | 1.404.640 | -8% | 191.870 | 180.546 | -6% | |
| | | | | Recycled (%) | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Applicable net rent area (m ²) of properties | | | | 485.775 | 485.775 | | 108.924 | 108.924 | | 101.688 | 101.688 | | 275.163 | 275.163 | | | |

Waste

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 mu-

nicipalities, 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.

District heating & cooling

Due to different energy mixes provided by local suppliers, the proportion of district heating from renewable sources

is taken from the German environmental protection association which represents the highest authority in the country.

GHG Emissions conversion factors

Conversion factors for GHG emissions and for all relevant energy media are in line with the requirements of the German environmental protection association which represents the highest authority in the country.

EPRA ENVIRONMENTAL PERFORMANCE MEASURES (OWN OFFICE)

| IMPACT AREA | UNIT | EPRA SUSTAINABILITY BEST PRACTICE PERFORMANCE MEASURES | | | BERLIN TOP TEGEL | | DÜSSELDORF | | BERLIN TOP TEGEL + DÜSSELDORF | |
|--|--------------------------|--|--------------------------------------|--------------------------------------|------------------|----------------|----------------|----------------|-------------------------------|----------------|
| | | | | | ABSOLUTE | | ABSOLUTE | | ABSOLUTE | |
| | | | | | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 |
| ENERGY | kWh | Elec-Abs, Elec-LfL | Electricity (indirect) | Total landlord obtained electricity | 44.725,00 | 155.850,00 | Not available | 1.674,85 | 44.725,00 | 157.524,85 |
| | | DH&C-Abs, DH&C-LfL | Heat (indirect) | Total landlord obtained heat | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable |
| | | Fuels-Abs, Fuels-LfL | Fuels (direct) | Total landlord obtained fuels | 96.524,78 | 223.437 | Not available | 6.605,30 | 96.524,78 | 230.042,64 |
| applicable net rent area (m ²) | | | | | 1.960,00 | 4.903,56 | Not available | 236,59 | 1.960,00 | 5.140,15 |
| GREENHOUSE GAS EMISSIONS | tonnes CO ₂ e | GHG-Dir-Abs, GHG-Dir-LfL | Direct | Scope 1 | 24,13 | 55,86 | Not available | 0,00 | 24,13 | 55,86 |
| | | GHG-Indir-Abs, GHG-Indir-LfL | Indirect | Scope 2 (location-based) | 25,493 | 88,835 | Not available | N/A | 25,49 | 88,83 |
| | | | | Scope 2 (market-based) | 0,00 | 0,00 | Not available | 0,00 | 0,00 | 0,00 |
| applicable net rent area (m ²) | | | | | 1.960,00 | 4.903,56 | Not available | 236,59 | 1.960,00 | 5.140,15 |
| WATER | m ³ | Water-Abs, Water-LfL | Water | Total landlord-obtained water | 799,00 | 2.969,96 | Not available | 22,31 | 799,00 | 2.992,26 |
| applicable net rent area (m ²) | | | | | 1.960,00 | 4.903,56 | Not available | 236,59 | 1.960,00 | 5.140,15 |
| WASTE (LANDLORD-HANDLED) | litres | Waste-Abs, Waste LfL | Waste | Total waste | Not available | 20.439,07 | Not available | 12.350,01 | Not available | 32.789,08 |
| | | | | % recycled | Not available | 39,81 | Not available | 39,81 | Not available | 39,81 |
| applicable net rent area (m ²) | | | | | 1.960,00 | 4.903,56 | Not available | 236,59 | 1.960,00 | 5.140,15 |
| CERTIFIED ASSETS | % | Cert-Tot | Mandatory (EPC): energy certificates | % of portfolio certified by building | 100,00 | 100,00 | Not available | 100,00 | 100,00 | 100,00 |
| applicable net rent area (m ²) | | | | | 1.960,00 | 4.903,56 | Not available | 236,59 | 1.960,00 | 5.140,15 |

District heating and cooling

DH&C is not applicable as our offices are not supplied with district heating and cooling.

Waste

Waste data for 2017 was not available as waste is handled by the landlord and it was not plausible to estimate Aroundtown's share of waste based on the floor area occupied by Aroundtown. The proportion of recyclable waste is taken from the German environmental authority (Bundesumweltamt).

Düsseldorf office

2017 data for our office in Düsseldorf was not available because of the small share of floor area occupied by Aroundtown at the time.

Estimation of utility consumption data

Utilities consumption data is estimated based on whole building data for the buildings occupied by Aroundtown. Aroundtown's proportion has been calculated based on the floor area occupied by Aroundtown.

EPRA SOCIAL AND GOVERNANCE PERFORMANCE MEASURES

| INDICATOR | EPRA CODE | UNIT OF MEASURE | COVERAGE | 2017 | 2018 |
|-----------------------------------|---------------|--|---|---|----------------------|
| EMPLOYEE DIVERSITY | Diversity-Emp | % male/female (Board) | Corporate operations | 86% male, 14% female | 83% male, 17% female |
| | | % male/female (Senior management) | | 56% male, 44% female | 65% male, 35% female |
| | | % male/female (all employees) | | 46% male, 54% female | 43% male, 57% female |
| | Diversity-Pay | Ratio of basic salary and remuneration of women to men (Board) | Corporate operations | 0.47:1 | 0.67:1 |
| | | Ratio of basic salary and remuneration of women to men (Senior Management) | | 0.89:1 | 0.45:1 |
| | | Ratio of basic salary and remuneration of women to men (all employees) | | 0.78:1 | 0.71:1 |
| EMPLOYEE TRAINING AND DEVELOPMENT | Emp-Training | Average hours per employee | Corporate operations | N/A | 0,8 |
| | Emp-Dev | % of total workforce with performance appraisals | Corporate operations | N/A | 17% |
| | Emp-Turnover | Total number of new hires | Corporate operations | 126 | 189 |
| | | Rate (%) | | 47% | 56% |
| | | Total number of leavers | | 53 | 46 |
| Rate (%) | | 20% | | 14% | |
| HEALTH AND SAFETY | H&S-Emp | Injury rate | Corporate operations | 0,47 | 0,84 |
| | | Lost day rate | | 0,001 | 0,004 |
| | | Absentee rate | | 4 | 6,1 |
| | | 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 | N/A | N/A |
| COMMUNITIES | Comty-Eng | % of assets with community engagement initiatives | Portfolio | N/A | N/A |
| GOVERNANCE | Gov-Board | Total number of Executive members | Corporate operations | 3 | 3 |
| | | Total number of Independent members | | 3 | 3 |
| | | Average tenure | | 1,08 | 2,2 |
| | | Total number with competencies relating to environmental and social topics | | 6 | 6 |
| | Gov-Select | Description | Corporate operations | Please see the Corporate Governance section of our website: http://www.aroundtown.de/investor-relations/corporate-governance/ | |
| Gov-Col | Description | Corporate operations | Please see the Board of Directors' Report (page 47) of our Consolidated Financial Statements for the year ended December 31, 2018 | | |

Emp-Training & Emp-Development

2017 data has been restated to include Executive Directors only.

Emp-Training & Emp-Development

Data for 2017 was not available (N/A) following strong growth in employee numbers since 2016.

Comty-Eng

This performance measure is not currently reported on an asset-by-asset basis. Operational management of community relations is the responsibility of the relevant Asset Manager, and prior to the acquisition of an asset, a community due diligence assessment is used to design targeted engagement plans as the property moves through takeover, repositioning, and

its operational phase. Aroundtown's broader community initiatives have mainly involved sponsorships. In 2018 we founded the Aroundtown Foundation with the 2030 goal to invest €500,000 per year to support infrastructure, programs, and initiatives that enhance health, well-being, and education within our communities.

ASSURANCE STATEMENT

Third Party Assurance



Third Party Independent Report Document to Arountown SA including its investees ('Arountown')

In accordance with our mandate, GUTcert GmbH (GUTcert) accomplished an independent third party validation to obtain a **limited assurance** (within the meaning of the Assurance Standard AA1000) of the disclosures in the EPRA Sustainability Reporting 2019 by Arountown SA for the financial years 01.01.2017 to 31.12.2018. The check includes also the method of collection of consumption data and the special requirements in Germany.

Organisational boundaries, Coverage

As of 31 December 2018 the Arountown's portfolio covers a commercial portfolio diversified over several different asset types including office, hotel, logistics wholesale, retail and other covering a total of 6.1 million square meters. For EPRA Sustainability Performance Measures Arountown collect data of 40 properties with 1,012,434 square meters. Therefore 16.5% percent of Arountown's portfolio data are considered.

Within the chosen organizational boundaries all assets includes all Sustainability Performance Measures of the EPRA Reporting. GUTcert activity consists of the validation of the acquisition data process adopted by Arountown and of the control of the Environmental performance data set and KPIs about consumption of electricity, gas, district heating, oil, water and waste as well as CO₂ Emissions for the years 2017 and 2018.

Methodology

GUTcert undertook the following assurance activities:

- 1) Organization of a meeting with the referee of Arountown to receive the official procedures of the Company for the acquisition and the processing of the data. This method is in accordance to the Best Practices Recommendations on Sustainability Reporting, developed by EPRA.
- 2) Providing a review in a random sample survey, concerning:
 - the consumption data reported in the bills of each energy supplier or contractor,
 - the summary data list collection reported within a dedicated model for each property,
 - a final table of general recording of consumption data that includes the comparison of all the collected values with the whole data.
- 3) Discussion of results of the above analysis with the referee of GCP to close open issues and point recommendations.

Verdict

GUTcert verified consumption data of Arountown SA for all EPRA sBPR Performance Measures and the methodology of data collection and their treatment. The data set were ordered in a coherent and comprehensive way, contractors' bills are complete (as far as possible) and traceable. If contractors' bills are not available, the figures are based on an extrapolation of actual data from previous period. As a result of our validation process about the figures from a random sample survey we confirm the correctness of the calculated values. The examination and comparison of data do not put in evidence any incorrect situation or any non-conformity.

On the basis of our assessment to obtain a limited level of security, we have not been aware of any issues that may lead us to believe that the EPRA Report of Arountown SA is not materially in accordance with the EPRA sBPR Performance Measures.

Recommendations

Without limiting the above mentioned results, we would like to make the following recommendations for the further development of data management and reporting:

- Internal standards should be defined and implemented for all EPRA relevant data collecting
- The data collection should be based on a software tool, adding the consumption data by hand is error-prone
- Copies of the consumption bills should be stored centrally

Independence of Assurance

- GUTcert is a certification body and has a number of accreditations through DAkkS e.g. ISO 9001, ISO 14001, BS OHSAS 18001, ISO 50001, ISO 14064 as well approved body for Validation of European Emissions Trading.

Berlin, 28th June 2019

GUT Zertifizierungsgesellschaft für
Managementsysteme mbH Umweltgutachter


Yulia Felker


Elisabeth Gebhard