



SUSTAINABILITY: IN FOCUS
2021

MESSAGE FROM OUR BOARD OF DIRECTORS

While the pandemic has posed challenges, we navigated the uncertainties through hands-on management action, supported by our dedicated professional teams, on the back of a well-diversified and strong portfolio, located in strong economic centers. We solidified our position as one of the top three largest listed real estate companies in Europe¹ and with the consolidation of GCP, we expanded our portfolio to 65,000 residential units in Germany and London.

2021 marked an important year for our sustainability agenda. Progress has been made with green building certifications, particularly regarding our offices in the Netherlands, and we have appointed a new Head of Energy and expanded our energy department to include 10 certified engineers who will navigate our investments in renewable energy systems and other environmental projects. Within our capital markets team, we have leveraged support from ESG specialists to assess the opportunity to issue Sustainability-Linked Bonds to support investment in energy efficiency projects over the coming years. We also verified our CO₂ emissions' baseline data and put in place robust procedures to facilitate the auditing and certification process.



“ *We are delighted to highlight the work of the Arountown Foundation, which has already awarded €929,987 of funds to charitable activities since its inception in 2018 and is providing a conduit for community support.* ”

From a social standpoint, we have built on our strong track record for customer care, improving the efficiency of our tenant management procedures and piloting the use of an innovative platform to enhance the tenant experience. We are delighted to highlight the work of the Arountown Foundation, which has already awarded €929,987 of funds to charitable activities since its inception in 2018 and is providing a conduit for community support.

We continued to progress against our ESG commitments. We improved our score with Sustainalytics within the low-risk category and ranked among the top 4% globally across all industries and the top 12% across real estate². We received the EPRA BPR Gold award³ for the 5th time and the EPRA sBPR Gold award⁴ for the 4th time, validating our high standards of financial transparency and sustainability reporting. Additionally, we were included in the S&P Europe 350 ESG Index

in May 2021⁵, adding to our strong visibility in ESG indices such as DAX 50 ESG Index and GPR Green Indices.

We maintained high standards of governance and risk management was further enhanced with the attainment of the ISO 27001 certification for our Information Security Management System. We are building our capacity in this area by increasing our resources and deploying innovative training and awareness

initiatives to ensure that the data of our own and our customers' businesses is safeguarded by the best available tools and procedures.

We will continue to dedicate significant resources to ESG: enhancing the environmental profile of our investment portfolio; listening and responding to feedback from our tenants and maximizing our positive social impact through community investment and engagement. To do this, we will intensify our focus on staff training and development, centered on a skills-based, performance-enabling approach. We are leveraging digital platforms to offer a wide variety of soft, technical and language skills support, tailored to individual needs including inspirational leadership programs at junior, middle and senior management levels. We look forward to a dynamic and rewarding year ahead.

A handwritten signature in black ink, appearing to read 'FR', written over a thin horizontal line.

Frank Roseen
Director

1. https://www.arountown.de/fileadmin/user_upload/04_investor_relations/downloads/2021/AT_FY_2021.pdf
2. <https://www.sustainalytics.com/esg-rating/arountown-s-a/1066708965>
3. https://www.epra.com/application/files/1816/3514/7419/2021_Deloitte_EPRA_survey_report.pdf
4. https://www.epra.com/application/files/6416/3776/6213/EPRA_Report_Nov2021.pdf
5. https://www.spglobal.com/spdji/en/documents/indexnews/announcements/20210423-1363160/1363160_s&peurope350esgindexreview-apr-2021.pdf

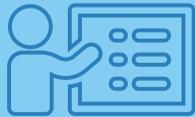
2021 HIGHLIGHTS



33%
Women in
management
positions



Achieved ISO 27001
certification for our
Information Security
Management System



€547
Investment in training
per employee



€496,146
Invested by the Aroundtown
Foundation towards community
services, outreach and infrastructure



€8 million
Invested in solar PV systems
and EV charging stations



Included in the
S&P Europe 350
ESG Index



€100,000
Donated to help flood affected areas
in Western Germany

OUR SUSTAINABILITY BUSINESS STRATEGY

The strategy focuses on the most significant risks and opportunities facing our business across five core focus areas: Tenants, Employees, Environment, Society and Governance. Our sustainable business strategy helps us to create additional and enduring value through our business model.

We have developed long-term targets to improve our performance.



CONTINUALLY INCREASING TENANT SATISFACTION

Long-term tenant relationships built on the premise of exceptional customer service are the foundation of our business' success.

Our approach to tenant satisfaction is intertwined with our asset repositioning strategy. We modernize the properties we invest in to bring them up to high quality standards to align our investments with tenant needs and giving considered attention to each tenants' industry segment and success factors.

When assets have been upgraded to the desired standard, tenant care is focused on delivering ongoing improvements in operational management and the provision of additional facilities and services. In the office sector, this includes space extensions to facilitate growth and smart space re-design to match evolving workplace practices. In retail, the focus is on increasing the attractiveness of our shopping malls and working with our tenants to expand existing properties to accommodate modern store concepts.

Guaranteeing the highest standards of health and safety within our buildings is a prerequisite to tenant satisfaction. Health and safety management procedures are integrated into our due diligence, construction and property management activities. During 2021, health and safety inspections were conducted across 100% of Aroundtown's assets and zero incidents of non-compliance with applicable health and safety standards and legislation were identified.

TARGETS

- » Remain an industry leader in the area of tenant-oriented customer service
- » Continually increase tenant satisfaction

HIGHLIGHTS



7.7%
EPRA VACANCY RATE



7.8 YEARS
PORTFOLIO WEIGHTED AVERAGE LEASE TERM



At the site level, facilities managers provide day-to-day technical support and attend to maintenance issues.



Property managers are a key contact for tenants and service providers, maintaining ongoing support to ensure refurbishment and management activities are aligned to tenants' needs.



At the regional level, asset managers enhance asset values through targeted re-positioning and customer service excellence, engaging with tenants on longer-term, strategic aspects relating to buildings, and also through service quality and lease agreements.

SPOTLIGHT ON: ENGAGING TENANTS THROUGH GREEN LEASES

Investing in the environmental performance of our assets is integral to ensuring our properties operate to high quality standards and align with our tenants needs and internal sustainability policies. A significant proportion of our properties' energy use is controlled by tenants and it is key to engage with them on responsible and sustainable building management. In turn, this can reduce their operational costs and support us in reaching our own environmental goals.

In 2021, we introduced green lease clauses to all new tenant leases. These will be in the form of an annex, detailing the engagement and collaboration obligations between tenant and landlord on the exchange of utilities' consumption data and information, waste management and other energy conservation practices, the selection and use of low energy-consuming equipment, preference to renewable-based energy and to ensure environmentally responsible practices with regard to maintenance, construction and modernization works.



INVESTING IN TRAINING & DEVELOPMENT

Our professional development philosophy reflects our preference for internal promotion and the cultivation of talent based on ability and potential.

We provide flexible models that support employees to pursue continued professional development and higher education courses alongside work and a training program to meet individual needs.

In today's dynamic and fast-changing business environment, we offer a training and development program that focuses on tackling new challenges linked to trends. We emphasize the fine-tuning of communication and creative skills, which we see as critical for success in a highly competitive and continually evolving market.

We enlist the support of external specialist trainers to develop specific programs including various soft skills, as well as in-house expertise. Our mandatory training offerings focus on standardized e-learning modules including occupational health and safety, fire protection, IT security and data protection, risk management and anti-corruption.

The Group's Software-based Learning Management System (LMS) helps to monitor training coverage and effectiveness and ensures that the entire workforce receives critical instruction on the Code of Conduct, information security, the handling of personal data, and safety-related guidelines.



SPOTLIGHT ON: STREAMLINING OUR HR APPROACH TO BECOME EMPLOYEE-CENTRIC

Following the shift in our HR department from largely administrative to a more strategic and client-centric approach, in 2021 we consolidated Aroundtown and GCP HR Departments to streamline best practice policies and procedures, bringing together our specialist teams focused on specific aspects and enabling us to obtain an overview of performance trends and progress against targets. This new structure is better placed to support our employees' development and business growth. The department is now an integral part of the employee experience value chain by championing employee insights and incorporating them into business activities including performance management, retention strategies and training and development.



6. Our annual average training hours per employee in 2021 were comparatively high (21 hours) due to additional training required for the implementation and adaptation to SAP on a Group level.

DIVERSITY AND EQUAL OPPORTUNITIES

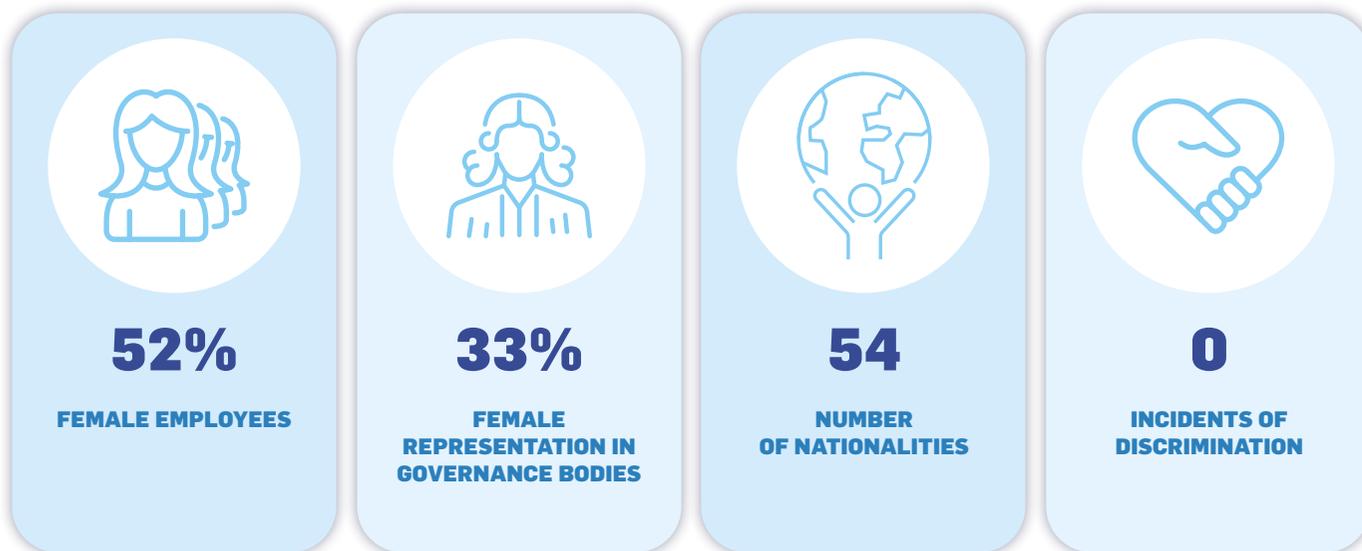
We view diversity as an operational advantage which brings both flexibility of perspective and willingness to innovate.

A diverse employee base enables us to better align to the geographical and cultural diversification present within our market and tenant base, helping us to maintain our first-rate customer service and harness diversity as a competitive advantage.

Consequently, we actively work to reinforce diversity across the business and reflect more than 54 nationalities in our workforce. As well as being a signatory of the Charta der Vielfalt (German

Diversity Charter), our Diversity Committee promotes a diverse culture throughout the Group, and all employees take part in diversity training.

Discrimination and harassment are strictly not tolerated and respect for individual personal differences is a non-negotiable expectation of all those who act in Aroundtown's name, set out in our Anti-Discrimination Policy. A process of incident reporting is in place and employees receive instructions on how to report incidents of discrimination or harassment via the whistle-blowing service.



OCCUPATIONAL HEALTH & SAFETY

We have set ambitious standards that go beyond legal compliance. Our approach is based on the premise that safety and health is a shared responsibility, and that a comfortable workplace for all supports strong staff performance, satisfaction and wellbeing.

We impart training on a variety of safety measures and preventive behaviors including mandatory training on health and fire safety; carry out periodic workstation ergonomic assessments, employ a company physician and invite employees to participate in activities to improve their health including the use of a fitness center, free of charge, at our Berlin headquarters and running and other sports events. We also intend to be a health and wellbeing office by 2025.

ENVIRONMENTAL MANAGEMENT

We aim to deliver continuously strong commercial performance whilst minimising the adverse environmental impacts of our activities.

Environmental aspects are integrated into all phases of the property investment lifecycle, as shown in our strategic approach below. Aroundtown's Environmental Policy sets out our management framework focused on continued improvement, covering performance monitoring, benchmarking, auditing and target setting across the Group's main environmental impacts, including energy consumption, GHG emissions and water use.

Whilst our corporate policy prefers investment in buildings with 'green' credentials, poor environmental performance does not deter us from a purchase that aligns with our commercial criteria. We raise assets' environmental performance to the desired standard, even where this involves more significant structural interventions.

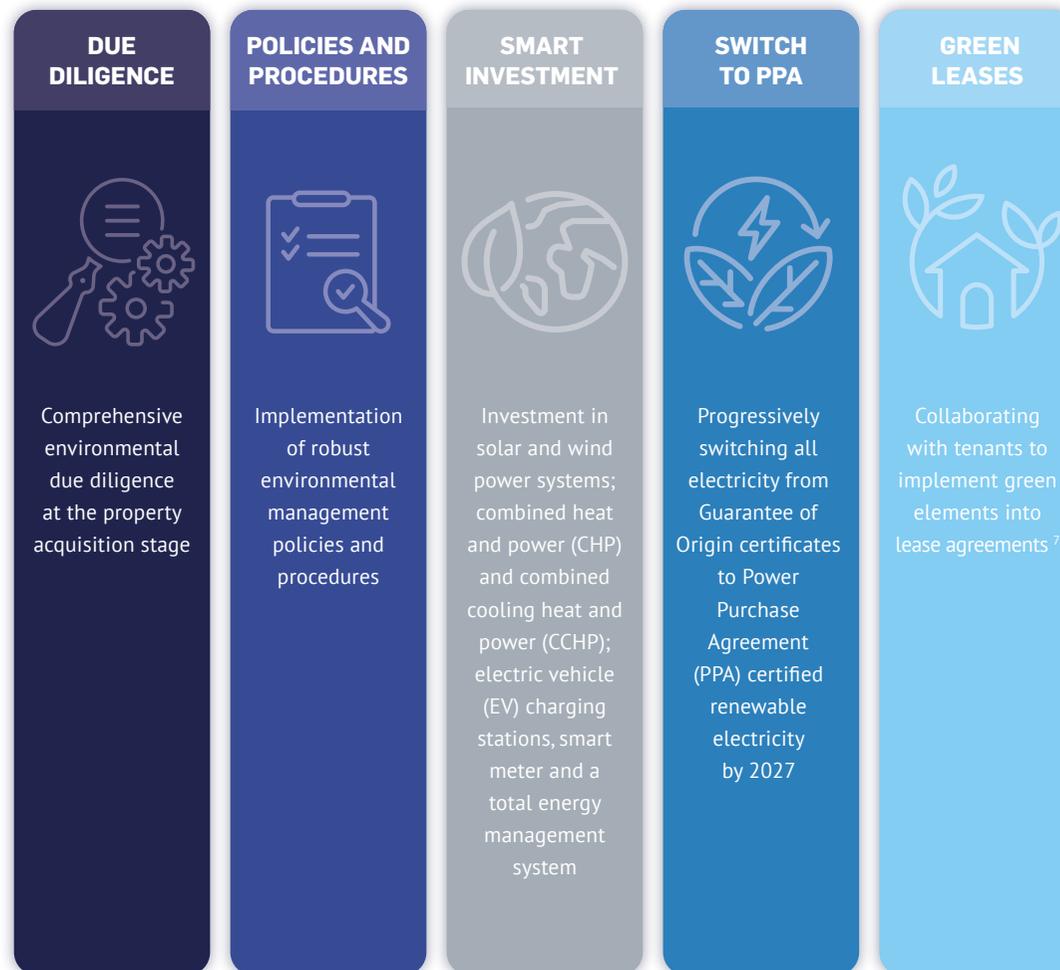
Across all asset types, we invest in measures that will deliver a higher quality accommodation offer to current and future tenants, thereby maximising occupancy rates and contributing towards strong rental returns and increased asset values.

During the operations phase, we ensure robust energy performance monitoring and deliver ongoing improvements. This involves a three-step hierarchy aligned with the World Green Building Council's Net Zero Carbon Buildings Commitment for operational carbon: reducing and optimizing energy demand in the first instance, identifying opportunities for on-site renewable energy generation, and supplying the remaining energy demand through off-site renewable-based energy. Where residual operational emissions remain, we will investigate sourcing high quality, credible carbon offsets.

The Aroundtown Energy Department work alongside property managers to identify improvement measures and we encourage suppliers to present new and improved systems, technology and management processes. Where possible, preference is given to suppliers with certified management systems such as the ISO 14001.

ENERGY STRATEGY

The five pillars underpinning our energy strategy are:



7. Green leases commit tenants to sustainable activities such as water and energy conservation through their lease agreement.

DELIVERING GREENER BUILDINGS

We have made significant efforts to develop a greener portfolio, recognising that energy efficient and low-carbon buildings bring commercial benefits in the form of reduced costs, more attractive assets and an enhanced reputation.

We continue to systematically switch energy contracts to renewable-based electricity and carbon neutral gas each time an agreement is subject to renewal and are progressively replacing all inefficient, fossil-fuel based heating systems from our buildings with the most efficient and, where possible, renewable-based alternatives.

In the rare instances where new construction is carried out or more significant redevelopment works, we align our activity with sustainable building certification standards such as the German Sustainable Building Council's DGNB scheme or LEED. In the Netherlands, where it is common practice to apply the 'BREEAM In-Use' standard for building operational management, we plan to use BREEAM to reach a significant proportion of certified green space within our commercial property portfolio. As of 2021, 30% of the Dutch portfolio is certified⁸, including 20 new certifications this year, and 5% of the commercial portfolio is certified.

In 2021, our energy consumption was 478.6 million kWh and our Scope 1 and 2 CO₂ emissions totalled 37,294 tCO₂e, representing a 13% and 5% increase against 2020 respectively. Scope 3 emissions were 70,085 tCO₂e⁹, bringing total Scope 1, 2, and 3 emissions to 107,379 tCO₂e. Increasing the scope and quality of our environmental data collection has been a key focus area in recent years to support us in evaluating our baseline impact, setting meaningful targets and monitoring progress.



8. The 30% provided is based on square meters of our Dutch portfolio not on the number of buildings
9. These are like-for-like figures as disclosed in the EPRA table.

ENERGY INVESTMENT PROGRAM – A PATHWAY TO 2030

As a responsible business with long-term interests in the cities where we invest, limiting the potentially catastrophic impacts of climate change is a natural course of action.

The reduction of greenhouse gas emissions and investment in an efficient and renewable-energy based power supply is key to the transition to low-carbon and the achievement of our target to reduce our CO₂ emissions by 40% by 2030 against a 2019 baseline.

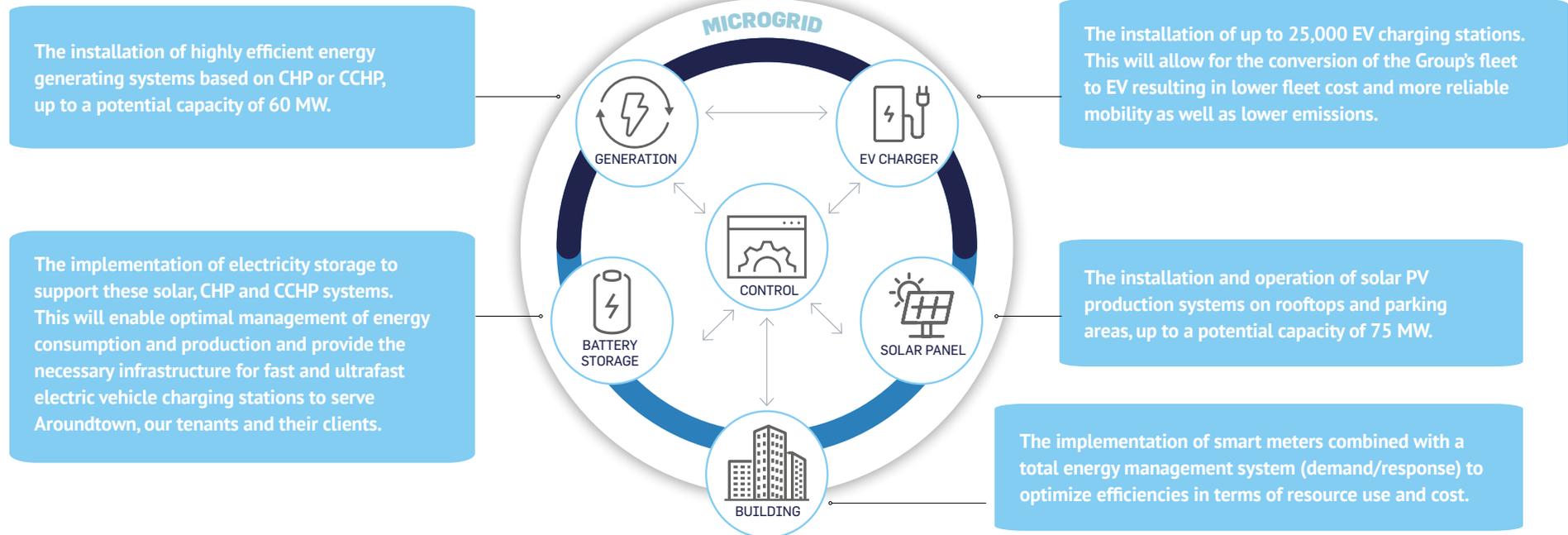
In 2021, we have invested approx. €78 million in energy efficiency refurbishment and renewable energy projects across the Group. Together with a renewable energy company Aroundtown has co-invested in, it was able to drive the installation of advanced energy systems and is planning to invest further in storage systems, EV charging stations, smart meters and advanced energy measurement software. Our Energy Strategy is focused around five core components, outlined on page 9.

Anticipating the transition to a more decentralized, renewables-based energy market and electrification of road transport, the program will improve the competitive position of our properties and unlock opportunities associated with digital technology advancements in the energy, building and transport sectors.

In 2021, we installed 10 CHP systems, 80 EV charging points and completed 35 solar photovoltaic (PV) projects, with a total installed capacity of 6,396 kWp.

ACHIEVE A 40% REDUCTION IN CO₂ EMISSIONS BY 2030

Since program launch in 2019, 386 energy efficiency refurbishment and renewable energy projects have been implemented across the Group.



COMMUNITY INVESTMENT AND DEVELOPMENT

We build productive partnerships with local stakeholders to ensure that what we do is aligned to tenant and community needs.

Our community involvement activities begin during the property acquisition phase. Stakeholder engagement - particularly dialogue with tenants and residents - is invaluable for understanding community needs and concerns, helping us to identify the potential contribution of our assets. As our potential impact can vary by asset type, stakeholder engagement is important for supporting the development of our customized approach. For example, investing in previously neglected properties can present important opportunities to transform pre-existing negative perceptions and deliver long-term socio-economic benefits for tenants and nearby residents. Currently, our participation in the SINN initiative (Standort-Initiative Neues Niederrad e.V.) in Frankfurt aims to support the transformation of the Niederrad office district from a mono-structural commercial area into a mixed residential and business quarter, to align with the needs of the people who live and work in the city. By making the area more attractive to future occupiers, we are supporting long-term commercial interests in the district.

Community involvement and development continues across our operational portfolio, as we rely on the collaborative effort across all our teams to continually improve the value of our assets. We host regular meetings with local authorities to discuss events and developments taking place within the surrounding neighborhoods of our shopping centers. This helps us to identify ways in which the shopping centers can make a positive contribution to events and developments, increasing Aroundtown's involvement with the community.



THE AROUNDTOWN FOUNDATION

The Aroundtown Foundation, our charitable entity, complements our asset-level engagement and channels up to €500,000 p.a. into infrastructure programs and initiatives that support people in the communities where we operate.

The Foundation works closely with local partners to identify and support programs focused on youth and elderly welfare, education, national and vocational training (including student assistance), community development, sports, art, and culture.

The Foundation is governed by a Committee comprised of staff from Aroundtown's management team which is overseen by the Foundation Board. This structure helps us to ensure that funding is efficiently directed to projects that will deliver the highest positive impact and each department and all employees are empowered to propose projects within their region.

In 2021, our investments included €280,000 for the Jewish Education Center in Berlin, to support events and activities which nurture a strong foundation and encourage self-confidence and a positive Jewish identity in young people. We also provided €25,150 to the Eve Foundation to help 12 orphans who have lost one or both parents. Through motivational talks from specialist speakers and writing, music and cooking experiences, the project aims to help the orphans reach their full potential as they share their experiences.



€496,146

INVESTMENT THROUGH THE AROUNDTOWN FOUNDATION

SPOTLIGHT ON: THE RADENTSCHIED FAÇADE INITIATIVE

From acquisition through to operation, we work hard to support individual local communities' aspirations in any way we can. In 2017, the city of Essen was named the Green Capital of Europe and has a self-imposed goal of increasing cycling by more than 250% by 2035. To inspire residents to choose cycling over car travel, Aroundtown supported the citizen's initiative, 'RadEntscheid', which is committed to improving cycle path infrastructure in Essen. Aroundtown provided the façade to create an eye-catching mural named 'Cycle Faces in Places you Wouldn't Expect to Find Them' by artist, Ursula Meyer, to motivate motorists on the A40 in the Ruhr region to cycle. The picture was financed with funds from the Green Capital Agency, in Essen and with donations from RadEntscheid supporters.



Photos: Christopher Mick

SPOTLIGHT ON: SUPPORTING THE FLOOD RELIEF IN AHR VALLEY

When floods swept across western Germany in July 2021, we provided €100,000 to a non-profit organization supporting those affected by the flooding in the Ahr Valley in North Rhine-Westphalia. The fund contributed to building materials and other items urgently needed to get the community back on its feet.

We also offered our employees in North Rhine-Westphalia the opportunity to volunteer, with paid time off work, to support the relief efforts. As a result, three employees offered a combined 30 hours of their time to help those affected within the local community. In addition, we provided a hotel room free of charge for four weeks to two craftsmen who were helping affected residents. The craftsmen volunteered their time without charge, providing important resources to those who needed it most.



CREATING A BUZZ FOR BIODIVERSITY

In early spring 2020 we launched 'Aroundtown buzzes' to protect and ensure the survival of urban bee populations in and around our assets. Bee populations are under sustained pressure across much of Europe, yet they play a vital role in supporting healthy and vibrant ecosystems through their industrious behavior.

Aroundtown buzzes began with 15 roof-top beehives across our commercial properties. There are now 28 colonies including six young colonies, which will become producing colonies in 2022. The bees are looked after by our very own registered beekeeper, Torsten Hernández Trigo, who before becoming a full-time beekeeper was a receptionist and team assistant for GCP. Torsten also received support from a seasonal assistant between April and September 2021. To further engage our staff with this initiative, all GCP employees received a bee sponsorship with a certificate stating the name of the bee, and both Aroundtown and GCP employees received beeswax candles and honey produced from the bees. Following our investment in a new honey extractor, we were able to fill around 1,800 250ml glasses with honey.

In addition, greenery and bee-friendly flowers were planted and seeded on the roof of Aroundtown's retail center, Markt Center Potsdam, to create favorable conditions for our bee colonies located there, a reflection of our commitment to protecting biodiversity through features such as green roofs and habitats for animals and insects.



FAIR BUSINESS & COMPLIANCE

Our business is underpinned by our commitment to ethical business conduct, robust corporate governance and high levels of transparency.

Aroundtown's comprehensive compliance framework covers all stages of the property investment process as well as administrative and operative functions and, is designed to prevent compliance violations and misconduct.

Our Code of Conduct is a mandatory component of all employment contracts, establishing behavioral standards in relation to ethical risks including bribery and corruption and discrimination. Supplementary policies such as our Whistle-blowing Policy and annual refresher training module provide all staff with extensive guidance on behavioral standards.

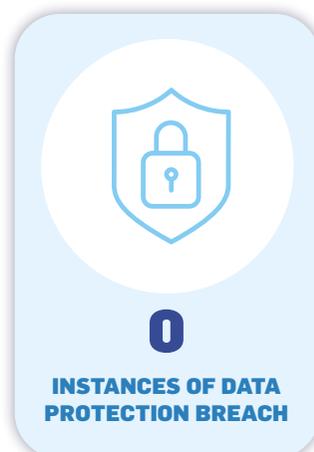


PROTECTING PERSONAL DATA

We ensure that all personal data stored and/or processed in the course of our operations is protected from manipulation and misuse. Data protection policies and procedures are fully GDPR compliant, and these are continuously reviewed in line with the evolution of digital technology and work processes.

Data protection standards and processes are fully embedded throughout our operations, and all departments receive guidance on the specific data protection risks and management measures that must be taken in relation to their day-to-day work.

Our advanced approach to data protection management combines the use of high-standard IT systems with staff training and awareness. We have adopted an Information Security and Privacy Strategy to protect the confidentiality, integrity and availability of Aroundtown's data across all business process, information processing, storing and transmitting facilities and systems.



SPOTLIGHT ON: GAMIFICATION

To bolster the impact of the Group's phishing prevention campaign, in 2021 we introduced various cybersecurity awareness measures and significantly improved existing procedures including using gamification. Through an ongoing competition, employees could win prizes for reporting the most correctly identified phishing emails. The emails were fictitious examples of the types of harmful correspondence employees should be on the look-out for. Employees were notified on how they were scoring against other departments and winning teams were given prizes including vouchers for a weekend stay at a hotel.

Our Patch Management Policy defines the requirements for maintaining up-to-date operating system security patches on all owned and managed workstations and servers to reduce potential IT vulnerabilities. In addition, all staff follow video-based training units on topics such as information security and the GDPR. In the event of any possible data protection breach, a committee is formed to immediately investigate the matter.

We were proud to achieve the ISO 27001 certification in 2021 for our information security management system (ISMS), covering the Aroundtown headquarters in Berlin. We are the first amongst our near peers in the real estate industry to achieve this certification and feedback from our auditor suggests that our ISMS is advanced compared to other companies of our size.

ABOUT THIS REPORT

This report provides an overview of our sustainability achievements, covering the main focus areas of our responsible business strategy.

It complements our Non-Financial Report and Sustainability Insights, which can be downloaded on our website at: www.aroundtown.de/sustainability

Together, these documents provide a comprehensive overview of our ongoing commitment to sustainability and information

on our management approach and progress against all of our material sustainability issues.

It is compiled using the guidelines developed by the Global Reporting Initiative (GRI) and the European Public Real Estate Association Sustainability Best Practice Recommendations.



Received Gold Awards for our financial and sustainability reporting from the European Public Real Estate Association (EPRA) for the fifth and fourth time respectively.



Improved our ranking from Sustainalytics in the low-risk category and ranked among the top 4% globally across all industries and top 12% across global real estate coverage. Our strong ranking with Sustainalytics supports our inclusion in the DAX 50 ESG Index.

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