

LOCAL COMMUNITIES

1. UNDERSTANDING THE TOPIC

We seek to align our commercial interests with the creation of long-term, socio-economic benefit in the communities where we operate. From the very beginning of the asset repositioning process, we aim to grow our relationships with the local community and tenants and build productive partnerships with local stakeholders to understand their specific needs and demographics; and identify opportunities to integrate these into our long-term plans for each asset. By contributing to the wellbeing and economic growth of the communities where our assets are located, we can help build prosperous communities where we too can benefit by delivering superior performance for our company and our tenants.

Community involvement and development is an integral part of all our activities, from construction to refurbishment and operation. As Europe's third-largest real estate company, we have a unique opportunity to enhance the quality of life in our communities. Underpinning our approach is the collaboration of our people to respond quickly to concerns and identify opportunities to maximize the benefits to our tenants and local stakeholders through ongoing improvements. Whether through the Aroundtown Foundation, community events at our shopping centers or our corporate volunteering days, we want to bring people together through a sense of belonging, promote good relations between neighbors and establish our assets as focal points within their communities.

2. MANAGING THE TOPIC

Our approach is underpinned by our Community Involvement and Development Policy which sets out our commitment to make a positive impact in the local communities where we operate and improve the wellbeing of our tenants and local stakeholders. In addition to outlining reporting, responsibility, and planning requirements for active community relationship management, the policy highlights the importance of key activities for addressing local communities' needs including the Aroundtown Foundation, and engagement and consultation with external stakeholders.

At the individual asset level, community involvement begins during the property acquisition phase, with acquisition teams preparing a checklist-based, community due diligence assessment prior to asset takeover. Once an asset has been acquired, we establish dialogue with existing tenants and residents; and open discussions with local authorities to understand community needs and concerns, to determine how these can be integrated into our refurbishment and upgrade plans and be reflected within the long-term asset strategy. Community consultation, usually in the form of meetings and workshops, is a pre-requisite to securing license to proceed with building improvement works. With an overarching aim of combining economic growth with positive social impact, we rely on input from stakeholders to help identify the potential contribution that an asset can make to the community in focus. Stakeholder engagement is always based on open, transparent commu-

nication to build relationships based on cooperation and trust.

The impact we can have naturally varies according to the type of asset, its location and its unique characteristics. Hence, a customized rather than standard approach is pursued, with the effect that the community development outcomes generated by the Group differ greatly on a project-by-project basis. As we often invest in previously neglected properties, there can be substantive opportunities to turnaround pre-existing, negative perceptions of the asset and enhance quality of life for building occupants as well as nearby residents, through investment in building systems and infrastructure, shared services and facilities, the aesthetics of the external façades and maintenance of surrounding areas.

We are particularly proud of a small number of projects in Germany where our presence has the potential to deliver more significant community benefit (see 'Significant activities' below). We are also partaking in the SINN initiative (Standort-Initiative Neues Niederrad e.V.) in Frankfurt, a collective of companies and institutions that aims to support the transformation of the Niederrad office district from a mono-structural commercial area into a mixed residential and business quarter. The project is designed to align to the needs of the people who live and work in the city and will also support our long-term commercial interests as a property investor in the district by making the area more attractive to future occupiers.

Within our operational portfolio, community involvement and development activity are essentially aligned to the process of ongoing asset value creation. This process involves a collaborative effort across all our teams bringing together property managers, asset managers, facilities managers and technicians to review rents, structural conditions, tenant mix and other key operational performance indicators. These teams collaborate to identify improvement measures at management level and pinpoint any necessary adjustments to the annual investment budget. This process encompasses engagement with tenants and other stakeholders to identify areas of concern and respond accordingly.

Shopping centers across our portfolio hold regular community events, host liaison activities with schools and provide support to local charities, for example, by offering spaces free of charge to promote and raise funds for their cause. Regular meetings are held with local authorities to discuss events and developments taking place within surrounding neighborhoods and identify opportunities for the asset to make a positive contribution to these endeavors, increasing Aroundtown's involvement with the community.

As an investor in residential property our subsidiary, Grand City Properties S.A. (GCP) takes a proactive approach to social engagement that includes building social cohesiveness within and around its assets; and investing in infrastructure improvements; communal facilities and additional support services that enhance people's quality of home life, education, and socio-economic opportunities. Examples include investments in library rooms, playgrounds and sports pitches; and the funding of services such as educational support programs, sports clubs and social network groups.

To complement and strengthen our engagement at the asset level, the Aroundtown Foundation is responsible for channeling up to €500,000 p.a. into infrastructure programs and initiatives that support youth and elderly welfare, education, national and vocational training including student aid, development cooperation, sports, art and culture, as well as charitable purposes within the communities where the Group operates, working in collaboration with local partners to amplify its impact. We have a robust governance structure in place for the Foundation, which includes a Committee comprised of staff from Aroundtown's management team, overseen by the Foundation Board. Each department and all employees are empowered to propose projects within their region, ensuring that funding focuses on the projects which will deliver the highest positive impact for our local communities and their residents.

At a corporate level, we also encourage employees to participate in volunteering and charity fundraising activities. Although our company-wide annual "Social Day" did not take place in 2021 because of the continued COVID-19 related restrictions on in-person meetings, employees were offered the opportunity to volunteer their time to provide support to flood victims in Ahr Valley in western Germany. In addition, 46 Aroundtown and GCP employees as well as 21 of our tenants generously participated in our blood drive.

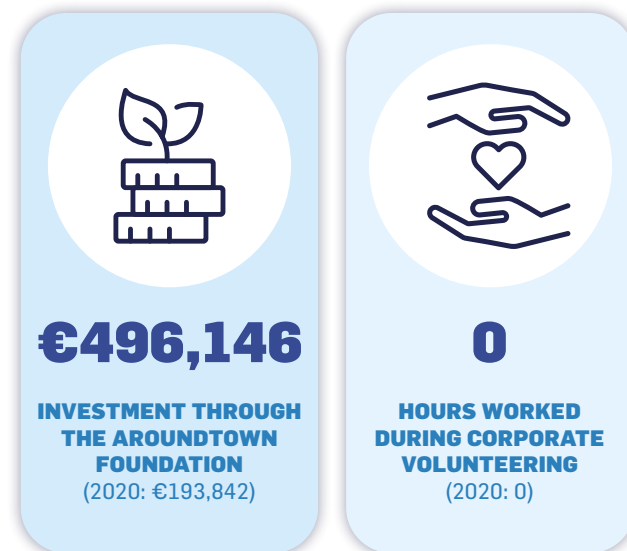
3. PERFORMANCE

Long-term Goals and 2021 Performance

To guide the implementation of our sustainability strategy and track our progress, we have developed several long-term goals that we are continuing to work towards:

- » Invest up to €500,000 p.a. in community projects via the Aroundtown Foundation
- » Build partnerships with local stakeholders to achieve targeted impact with communities around group assets
- » Support measures that aim to achieve several of the United Nations Sustainable Development Goals (UN SDGs)

There are several key figures which we track on a yearly basis to monitor our performance and contribute to our long-term goals:



We were still able to have a positive impact in our local communities through our funding via the Arountown Foundation and over the last year, we invested over €496,146 across 16 projects. Read about some of the initiatives we have been supporting below.

In addition to our KPIs, in 2021 we set targets to focus our efforts on employee volunteering and the Arountown Foundation. Below, we have described the progress against our 2021 targets:

2021 Target	Status	Progress
Increase the amount of community investments up to €500,000 p.a.	Achieved	In 2021, we provided €496,146 of funding to 16 projects aimed at creating a positive impact within our local communities. This represents a 156% increase compared to 2020.
Hold employee 'social days'	Not applicable	Despite company-wide 'Social Days' not taking place in 2021 due to the ongoing restrictions on social mixing during the height of the COVID-19 pandemic, we were able to offer our employees the opportunity to volunteer towards the flood relief efforts in western Germany (see 'Significant activities' below). Over 67 of our employees and tenants also participated in our blood drive.



Significant Activities

Increasing our support to local communities through the Arountown Foundation

One of our primary platforms to provide funding for community-focused projects is through the Arountown Foundation, and in 2021 we provided €496,146 across 16 projects, increasing our investment by 156% compared to 2020. Given the challenges faced by local communities during the COVID-19 pandemic, we were determined to ensure that our funding was directed at the people who needed it most.

As heavy rains 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, providing 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 need it most.

Other investments we made through the Arountown Foundation in 2021 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. In addition, we provided €25,150 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.

Enhancing the local community fabric

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, Arountown provided the façade for the citizen's initiative, 'RadEntscheid', which is committed to improving cycle path infrastructure in Essen. The façade

was used 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.

Priorities for 2022

In line with our long-term goals, we will uphold our contributions to the foundation and continue to support relevant projects and organizations in our local communities. It is through our work with a variety of projects focused on different areas that we see our contribution towards the global agenda.

COVID-19 restrictions allowing, Arountown hopes to implement its 'Social Days' in 2022, offering our employees the opportunity to support causes that matter to them. We will also repeat our annual blood drive day at our Berlin office.

DATA TABLE

Key figures	Unit	2019	2020	2021
Operations with local community engagement, impact assessments, and development programs				
Neighborhood activities ¹	%	60	0	0
Community investment				
Total value of community contributions, including through the Arountown Foundation	€	210,000	193,842	496,146

1. Relates to the number of community events held in our retail assets, which represent 6% of our commercial floor area by value.