

LOCAL COMMUNITIES

PART 1 - UNDERSTANDING THE ISSUE

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 re-positioning 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 Germany's largest listed commercial 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 maximise the benefits to our tenants and local stakeholders through ongoing improvements. Whether through the Aroundtown Foundation, community events at our shopping centres or our corporate volunteering days, we want to bring people together through a sense of belonging and establish our assets as focal points within their communities.

PART 2 – MANAGING THE ISSUE

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. As well as 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 enter into contact with local authorities in order to understand community needs and concerns, and determine how these can be integrated into our refurbishment and upgrade plans and reflected within the long-term asset strategy. Indeed, community consultation, usually in the form of meetings and workshops, is a pre-requisite to securing licencing to proceed with building improvement works. With an over-arching aim of combining economic growth with positive social impact, we rely on input from stakeholders to help identify the potential contribution an asset can make to the community in question. Stakeholder engagement is always based on open, transparent communication to build relationships based on cooperation and trust.

The impact we can have naturally varies according to the type of asset, its location and unique characteristics. Hence a customised 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 turn-around pre-existing negative perceptions of the asset and enhance quality of life for building occupants and nearby residents through investment in building systems and infrastructure; shared services and facilities; the aesthetics of the external façade 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, for example, our support for a project to improve a playground at Treptower Park (to read more on our activities, see ‘Significant activities’ below). We are also partaking in the SINN in Frankfurt initiative, 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 involves a collaborative effort across all our teams, bringing together pro-

perty managers, asset managers, facilities managers and technicians to review rents; structural condition; tenant mix and other key operational performance indicators to identify improvement measures at management level and for the annual investment budget. This process encompasses engagement with tenants and other stakeholders to identify areas of concern and respond accordingly.

Shopping centres across our portfolio hold regular community events, host liaison activities with schools and provide support to local charities, for example by offering them 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 neighbourhoods, and identify opportunities for the asset to make a positive contribution to these endeavours and increase 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 programmes, sports clubs and social network groups.

To complement and strengthen our engagement at the asset level, the Aroundtown Foundation is responsible for channelling up to €500,000 p.a. into infrastructure programmes and initiatives that enhance health, well-being and education within the communities where the Group operates, working in collaboration with local partners to amplify its impact. During 2020, we developed a robust governance structure for the Foundation, which includes a Committee comprised of staff from Aroundtown's management team, overseen by the Foundation Board. Under the new structure each department is 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. An annual "Social Day" is organised in partnership with Lebenshilfe Deutschland, a charity set up to support individuals and the families of individuals living with mental disabilities.

PART 3 – PERFORMANCE

Long-term Goals and 2020 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. allocated to community investment via the Arountown Foundation
- Build partnerships with local stakeholders to achieve targeted impact with communities around group assets
- Support measures that aim to achieve the United Nation's Sustainable Development Goals

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

Due to the challenges presented by COVID-19 which prohibited large gatherings and in-person contact, employee volunteering days were put on hold during 2020 to ensure the health and safety of our employees and local stakeholders. Nevertheless, we were still able to have a positive impact in our local communities through our funding using the Arountown Foundation and over the last year, we invested over €193,000 across 13 projects. Read about some of the projects we've been supporting below.



€193,842
Investment through
the Community Foundation

(2019: 210,000)



0
Hours worked during
corporate volunteering

(2019: 240)

As well as our KPIs, in 2020 we set targets to focus our efforts on employee volunteering and the Aroundtown Foundation. Below, we have described the progress against our 2020 targets:

2020 Target	Status	Progress
Increase the amount of community investments up to €500,000 p.a.	Partially Achieved	The number of projects receiving funding from the Aroundtown Foundation increased from three in 2019 to 13 in 2020, with investments since 2019 totalling just below €434,000. Despite the challenges presented by COVID-19, which has hindered our ability to visit projects in person, we are committed to continuing to increase our investment throughout 2021.
Increase number of participants for social days across all regions	Not Achieved	Unfortunately, government restrictions in response to COVID-19 meant that our employee volunteering days were cancelled during 2020. Despite this, we saw an increase in the number of participants signing up for these events. Restrictions permitting, we look forward to hosting our social days in 2021.

Significant activities

Supporting local organisations and residents

From acquisition through to operation, we work hard to support our local communities in any way we can. Despite the restrictions due to COVID-19 which meant that only a limited number of activities and programs could take place, our shopping malls offer a fantastic opportunity to directly engage with surrounding residents and organisations.

In 2020, activities at our Park Center Treptow included support for a crowdfunding project to improve a playground at the nearby Treptower Park; hosting a digital learning conference which has been used as a template for schools in the surrounding area; and seeking patrons from neighbouring communities to support with the upkeep of local green spaces and parks. In addition, Stilwerk Düsseldorf provided €1,000 to support the wishes of over 300 children by providing families in need with presents at Christmas time.

Where we can, we also utilise our facilities to provide support, for example, we are currently offering our facilities as storage space at a reduced rent rate to a local carnival club at the request of Berlin-Reinickendorf local authority.

Growing our impact through the Arountown Foundation

One of our primary platforms to provide funding for projects is through the Arountown Foundation, and 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. One such project entailed supporting an organisation dedicated to improving the lives of young people and their families by helping children to strengthen their well-being, self-esteem and communication skills. One programme in particular uses animal-supported learning and curative horse riding to help children build trust and courage. Arountown provided €26,000 in funding to support two families benefitting from this therapy.

Several of the projects we provided funding to in 2020 are committed to supporting homeless or disadvantaged families. This remains an important cause for Arountown, particularly as many of the residents in our communities will have been negatively impacted financially due to COVID-19. One example is the €10,750 of funding we provided to a local organisation who supports mothers and their children as well as socially disadvantaged families with permanent pla-

ces to live. To help families get back on their feet, the organisation provides a variety of support services and educational programs. We supported the organisation in providing much needed technical equipment to children for home-schooling.

Another example includes the €20,000 we donated to provide urgently needed hygiene and personal protective equipment to food banks in Berlin, Düsseldorf and Kassel who collect high quality surplus food and distribute it to low-income families free of charge. Not only does this initiative provide food to people who need it most, but it reduces the amount of good quality food which would otherwise end up as waste. Lastly, we provided €7,840 to an organisation who help people sleeping rough. It provides them with amenities such as food or a sleeping bag, and drives them to a safe place to sleep at their request.

Priorities for 2021

To contribute to our long-term goals and focus our efforts in 2021, we will continue to increase our support through the Arountown Foundation, building on the more than €193,000 of funding spent across 13 projects in 2020. COVID-19 restrictions permitting, we will also move forward with our “Social days” which are an important way for our employees to contribute to causes which matter to them, such as our annual blood donation and corporate B2run which builds team spirit and helps our employees stay fit.

DATA TABLES

Key figures	Unit	2018	2019	2020
Operations with local community engagement, impact assessments, and development programs				
Neighbourhood activities	%	n/a	60	0
Community investment				
Total value of community contributions, including through the Arountown Foundation	€	n/a	210,000	193,842