

TRAINING & DEVELOPMENT

1. UNDERSTANDING THE TOPIC

Attracting and retaining the best talent is vital for our business' long-term growth and success. Opportunities for training and development have become a core aspect of what employees look for in a company, so investing in our people's knowledge, skills and career development is essential to attract and retain the skills we need.

Given our dynamic industry and work environment, ensuring employees' skills evolve in line with trends and the latest developments contributes positively to our productivity and operational performance, safeguarding the firm's competitive advantage. In addition, employees who are well equipped to perform in their roles are more likely to get more engaged and thus, go the extra mile in contributing to the success of our business.

We want our employees to share our strong commitment to their personal growth, whether that's through our customized training approach, internal recruitment policy or focus on leadership. Understanding our employee's priorities and career aspirations has helped us to identify what we can do better. Our focus on employee engagement and providing opportunities for training and internal promotion in 2021 has increased our ability to respond to our employees' expectations.

2. MANAGING THE TOPIC

Management Approach

In 2020, we began the transition to a more strategic approach for our management of employee training and development. As such, this topic is a key priority for both the organization and the Board, who view this as a unique opportunity to strengthen the collaboration between Group companies and deliver an enhanced offering to employees. A new organizational unit was created with responsibility implementing the strategy, led by the recently appointed Head of Strategic Human Capital Development. In 2021, the integration of the Grand City Properties (GCP) HR department enabled us to create one, consolidated team responsible for training and development needs, we also implemented a software for administration linked to performance management accessible to the whole department.

Aroundtown's continued expansion, combined with the accounting consolidation of GCP, creates opportunities for people to move swiftly between departments or into management level roles aligned to their specific areas of interest and/or potential leadership abilities. Our professional development philosophy reflects our preference for internal promotion and the cultivation of talent potential based on ability and potential rather than prior experience and qualifications. We pride ourselves on offering substantive opportunities for people of all backgrounds to advance their career, providing flexible models that enable employees to pursue continued professional

development and higher education courses alongside work and a training programme tailored to meet individual needs.

In today's dynamic and fast-changing business environment, ensuring staff are equipped with the right knowledge and skills is critical to corporate success. Thus, we seek to invest in our employees in a way that brings mutual benefit to both the Group and each individual. We do this by offering a training and development program that focuses on enabling staff to tackle new challenges linked to current and future 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. All together, we believe this approach supports long-term value creation within the Group whilst enhancing personal motivation.

Our experience has taught us that a wide-reaching training programme tailored to both the needs of our employees and the needs of specific departments is more effective than a blanket approach. Training content is developed by incorporating input from external specialist trainers to progress specific areas such as various soft skills, as well as in-house expertise. At the same time, we implement standardized e-Learning modules on topics which are a pre-requisite for all staff, including occupational health and safety, fire protection, IT security and data protection, risk management and anti-corruption.

Our CSR training module, which was assigned to all staff when first launched in 2018, is mandatory for all new employees who join the Group. It provides in-depth information about the Group's sustainable business strategy, focus areas and management of material risks and opportunities.

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. Professional development is also supported through our yearly individual performance review process, which offers a format for employees to reflect on and plan for their professional development goals and express any ambitions and/or concerns to managers.

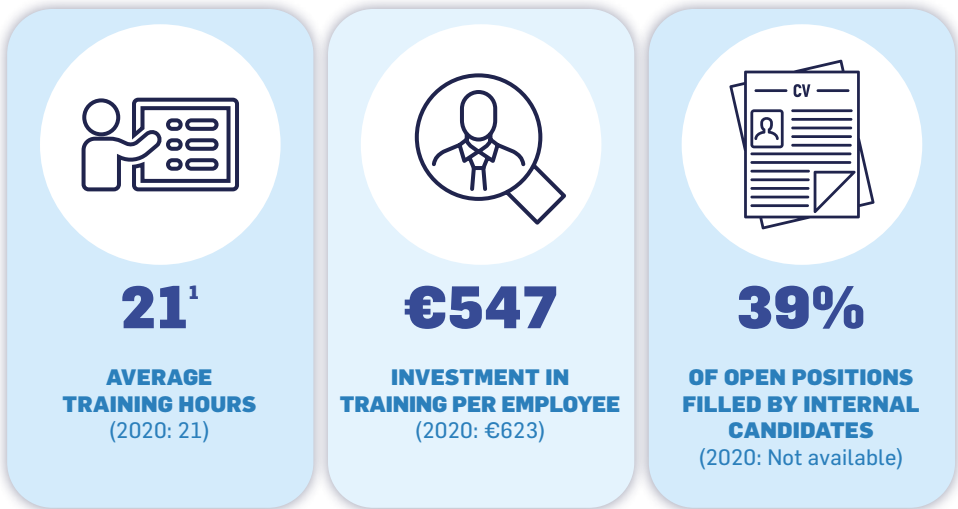
3. PERFORMANCE

Long-term Goals and 2021 Performance

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

- » Be among the top ten most attractive employers in the commercial real estate sector in Germany by 2030
- » Maintain staff turnover at or below the national average
- » Offer our employees continued training opportunities that enhance their skills and set them up for success to thrive even further at our company. Our training strategy is evolving from learning enabler to value creator and performance enabler. We are changing from role-based to skill-based approach in order to build readiness and help our employees to develop their career. Aroundtown is promoting a self-driven learning culture and employee ownership.
- » Expand our mentoring and coaching for managers to support them in new and challenging roles. We aim to create a structure for organic teams to function as a learning hub and learning at the flow of work.

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



In 2021 we delivered an average 21 hours of training per employee, with an investment of €547,90 per person. Whilst these data are lower than those reported for 2020, over the three-year period, investment in training as expressed in terms of time and cost has increased steadily, reflecting our intensified focus on this aspect. In fact, 2020 was an atypical year in relation to staff training: 655 hours of training were delivered on the new SAP software to facilitate the business in moving to this new management system, and professional on-line coaching sessions were provided in the context of the COVID-19 pandemic with a strong level of uptake. In 2021 we focused on delivering more in depth, specialized training. Importantly, we our leadership programme, with the delivery of 462 hours of training for upcoming leaders. We pursued an intensive focus on language learning, partnering with Berlitz to offer advanced German courses for non-native speakers and English for German speakers, with over 200 employees taking part. We delivered ESG training to all new employees, and we maintained our mentoring scheme, enabling our employees to receive professional coaching support from more senior team members.

1. We note that our annual average training hours per employee in 2020 and 2021 were comparatively high (21 hrs) due to additional training required during the implementation and adaptation to SAP on a Group level.

2021 Target	Status	Progress
Increase the average hours of training per employee to 12 hours	Achieved	In 2021, we achieved 21 hours training on average FTE including our SAP training implementation. We plan to keep our target for 12 training hours, giving our teams and leaders autonomy as self-learners as well.
Increase investment in training per employee to €500	Achieved	In 2021, we paid €547 for training on average per FTE. We will keep up this high standard of investing in our employees.
At least 10% of open positions are filled with internal candidates	Ongoing	Due to a change of our HR ERP system, we were unable to track this data in 2021. It will be included in next year's report.

Significant Activities

Leveraging the benefits of a combined management approach to HR management

In 2021, the most significant activity which took place across our Human Resources (HR) department as a whole was its full integration with the Grand City Properties (GCP) HR department. This change was made necessary by the accounting consolidation of GCP which was commenced in the third quarter of the year, and the resulting treatment of Arountown's investment in GCP as a position of de facto control as defined under the IFRS. The combining of the two HR departments enables us to increase efficiencies by streamlining the best practice policies and procedures in place in both organizations, including the implementation of the team lead structure; consolidating specialist HR resources, such as employee development, and allowing us to obtain a complete overview of performance trends and progress against targets. We also implemented a combined HR management system to measure and report consolidated data across the new integrated department. Moreover, it has given rise to new opportunities for internal promotions and the flexibility for some employees to move teams or take on a more specialist role.

Priorities for 2022

As both our long-term goals are contingent on the investments we make in the training and development of our employees, we have set a target to maintain the average hours of training per employee at 12 hours and continue our investment in training per employee at around €500.

Secondly, investing in the growth of our employees and furthering their development has always been a priority. To continue to drive our success in this area, we are committed to ensuring that at least 25% of open positions are filled with internal candidates.

DATA TABLE²

Key figures	Unit	2019	2020	2021	
Average hours of training per year per employee		AT	AT	AT	AT +GCP
Female	hours/year	11.7	8.6 ³	8,85	18,16
Male	hours/year	16.5	3.8	10,14	14,26
Employees	hours/year	6.5	21.1 ⁴	9,55	21,29
Upcoming leaders	hours/year	50	n/a	259	462
Percentage of employees receiving regular performance and career development reviews					
All employees	%	55	41	13,12	17,17

2. The key figures do not represent like-for-like figures due to AT's consolidation with GCP in mid-2021. Previous years only show figures for AT Germany.

3. Related to TLG employees only in 2020, as we are not able to provide training hours by gender for all Arountown employees. The same comment applies to the training hours reported for male employees. In 2021, all data is included, also for Arountown.

4. This figure has been restated due to an error in the publication of the 2020 Sustainability Insights Report for Training and Development. It was previously mis-stated as 31.1 hours in place of 21.1 hours.