

ROTTERDAM

non-financial report



For the year ended
December 31, 2022

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Introduction

Aroundtown SA

Aroundtown SA (henceforth together with its investees referred to as “Aroundtown”, “AT”, “the Group” or “the Company”), incorporated in Luxembourg and trading on the Frankfurt Stock Exchange, is a real estate company with a focus on income generating quality properties with value-add potential in central locations in top tier European cities primarily in Germany, the Netherlands and London. Aroundtown invests in commercial and residential real estate which benefits from strong fundamentals and growth prospects.

The company has prepared this report in accordance with the Law of 23 July 2016 on the Publication of Non-financial Information and Information on Diversity. The Law transposes EU Directive 2014/95/EU into the Luxembourg legislation, which obliges qualifying companies to provide a non-financial statement containing information relating to material environmental, employee and social, human rights and anti-corruption, as well as bribery matters. This report also includes information published in compliance with the EU Taxonomy, Regulation (EU) 2020/852 of the European Parliament.

The main target of this report is to deliver tangible benefits for our legislators and investors, who need information about how we deal with material environmental, social and governance issues in order to understand our progress on these issues.

The content of this report and selected metrics (marked as “reviewed” on pages 10-13) have been audited with limited assurance in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised). A statement from the auditors can be found on page 70.

For a more detailed presentation of our management approach and performance in relation to the aspects identified in this report, please see our Sustainability Insights reports on our website, which provide additional information on sustainability topics. These also cover additional topics deemed important by our stakeholders as well as the key investor-focused benchmarks in which we participate. The Sustainability Insights documents can be downloaded from the sustainability section of our website.

This report complements Aroundtown’s annual Consolidated Financial Statements for the year ending 31 December 2022, and our detailed Sustainability Insights. We present our performance measures in alignment with the EPRA sBPR standards at the end of this Non-Financial Report. In addition, we also publish a separate EPRA sBPR report for this information to be easily accessible. Extracts from this data are included where relevant throughout this report, and this was audited as part of the assurance of selected metrics in this report.

About us

Aroundtown is a listed real estate company and focused on income generating quality properties that have potential for value-add in central locations mainly in Germany, the Netherlands and London. The portfolio comprises mainly office, residential and hotel properties. Aroundtown is the largest listed office landlord in Berlin, Frankfurt and Munich among real estate companies¹. Aroundtown invests in residential real estate through its subsidiary Grand City Properties S.A. ("GCP"), a publicly traded real estate company that focuses predominantly on the German residential real estate market, as well as on London. As of 31 December 2022, the Group's holding in GCP is 60% excluding shares GCP holds in treasury.

We have a well-balanced and diversified portfolio, with assets located in the central locations of top tier European cities highest ranked areas in Europe. As of 31 December 2022, the Group's portfolio (including GCP) comprised €28 billion of investment property across sectors such as offices (43%); residential (32%); hotels (18%); logistics/other and retail (7%). 93% of the portfolio is located in Germany, the Netherlands and London. Our commercial tenant base comprises more than approximately 3,500 tenants across a wide range of industries, of which the top 10 tenants represent less than 20% of the Group's rental income, demonstrating Aroundtown's limited dependency on single tenants. The granular tenant base of the residential portfolio provides the Group with further diversification.

We take our responsibilities as a corporate citizen seriously, and work to ensure we have a positive impact. This is reflected in our commitment to sustain high standards of corporate governance covering all areas of our business. Our 1,705 employees are the key to the company's performance, so investing in our people's knowledge,

skills and career development is essential to attract and retain the skills we need. Hence, our main focus is to support our employees by trying to create a motivating work environment that encourages diversity and promotes good mental and physical health and well-being, and to support them in the development of new skills and expertise. Furthermore, we enforce high performance standards for our business partners through the implementation of our Business Partner Code of Conduct and Green Procurement Policy. All our business relationships are underpinned by contractual commitments to ethical business practices and low environmental impact and we engage regularly with our business partners to make sure that they are delivering on these commitments.

Our company's long-term approach is to source and acquire assets in central locations in top tier cities with growth and upside potential, with a high upside potential, and increase their attractiveness to occupiers and investors through repositioning, operational improvements and targeted refurbishments when required. The results of this approach lead to the commercial success of the portfolio and allow us to make a contribution to the environment and society in the areas where our assets are located. This approach relates to the circular economy principles adopted by Aroundtown. By converting assets into energy-efficient and renewable energy generating entities, we respond to market demand for sustainable real estate whilst helping to reduce the carbon footprint of the built environment. From a social impact perspective, our activities bring inherent benefits to local communities. In 2022, we invested €670,000 in community services through the Aroundtown and Grand City Properties Foundations.

1. https://www.aroundtown.de/fileadmin/user_upload/04_investor_relations/downloads/2022/AT_FY_2022.pdf

Message from our Board of Directors

Looking back at a year filled with challenges and changes in the sustainability landscape, we can declare a year of progress in Aroundtown's sustainability ambitions. Global events have driven environmental and social concerns further into mainstream consideration, making it even more important for companies to have a sound sustainability strategy. Responding to market and regulatory changes, but also stakeholder and tenants' increased interests, Aroundtown has continued to focus in 2022 on its Environmental, Social and Governance (ESG) agenda as will be outlined in this report.

As part of AT's ESG efforts, our energy department continued to successfully navigate us towards achieving our carbon reduction goals and reducing our footprint. We made further investments in energy efficient measures such as installation of photovoltaics, Combined Heat and Power (CHP), EV charging stations and efficient windows, lighting, roofs, façades and heating systems. We also focused on working towards achieving a higher share of green buildings and investing in measures to reduce emissions and waste. We made further headway after the successful initiation of the pilot program in our Dutch portfolio and certified 55% of the portfolio with BREEAM, from 30% in 2021. Experience and knowledge gained from this project is currently being implemented in our German portfolio with our first office assets being certified and we expect gradual progress in the coming periods.

Furthermore, we have focused on adapting to the clear and present risks posed by climate change, integrating assessment and mitigation of these risks into the core of our risk management framework. The results of this work are set out in this report in alignment with the internationally recognized recommendations of the Taskforce on Climate-related Financial Disclosure (TCFD).

Regarding our social impact, we are delighted to report the continued contribution of the Aroundtown Foundation in directing funds towards charitable causes and commu-

nity support in the neighborhoods of our properties. Alongside our continued record of excellent customer care, through our ongoing development of innovative digital systems to streamline tenants' experiences, these neighborhood development projects evidence our holistic approach to ensuring the wellbeing of our tenants and their communities.

In addition, capitalizing on the high quality of GCP's residential tenant Service Center, we have integrated further support channels in our commercial tenant Service Center and achieved 24/7 availability as well as TÜV and ISO 9001:2015 certifications.

We are also delighted to have been included in the Bloomberg Gender-Equality Index, which represents our commitment to supporting gender equality throughout our organization, and to being transparent about our performance against this goal.

We are proud to report that our continued progress against our ESG commitments was recognized and awarded by various international organizations over the last several years. In 2022, we received the EPRA sBPR Gold award for the 6th consecutive time, reaffirming our high standards of sustainability reporting. Our highlight this year, however, related to our target to be included in the prestigious Dow Jones Sustainability Index (DJSI)² for the first time. We also formalized our continuing efforts towards the United Nations' Sustainability Development Goals (SDGs) by becoming an active participant in the UN Global Compact, one of the world's largest corporate sustainability initiatives. We are also following one of its programs to further align with the SDGs.

These continued achievements in sustainability are made possible by our high standards of corporate governance and risk management. In 2022 we have maintained our ISO 27001 certification for our Information Security Management System, and built on our strength in this area with cutting edge digital technologies, innovative training and awareness

2. https://portal.csa.spglobal.com/survey/documents/DJSIComponentsEurope_2022.pdf

campaigns, and expansion of our Data Security Assurance team. We have also further developed our compliance framework, in view of new legislation at the national and EU level, to enhance our human rights due diligence processes across our supply chain.

In the face of challenging market conditions throughout the year, we have successfully navigated the volatile market with an agile and adaptive business strategy and remained focused on our main objectives. This discipline should be attributed to the dedication of our professional teams, the quality of our diversified portfolio, the fundamentals of our locations and high financial flexibility. In 2022, we increased our net rental income by 13% to €1.2 billion and FFO I by 3% to €363 million. At year-end 2022, our portfolio reflects an annualized net rental income of €1,151 million, net rental yield of 4.5% and EPRA vacancy of 7.6%. We maintained our conservative financial profile with low LTV of 40% (EPRA LTV 55.4%), strong ICR at 5.2x, long average debt maturity of 5 years and high unencumbered assets ratio of 82% (by rent). Our strong credit rating of BBB+/Stable was re-affirmed by S&P in December 2022.

Looking ahead to 2023, our main objective is to maintain our financial flexibility and tap the potential of our operational platform. The market environment is challenging and puts the entire real estate sector on fragile ground. However, we are well-positioned to address the new challenges and explore new opportunities ahead of us in 2023 and are confident in our ability to continue to lead the company towards its long-term goals.

Besides analyzing the financial and real estate markets, we are closely monitoring upcoming regulatory changes in the Group's regions, which will involve the gradual

phasing-out of oil and gas heating systems and more stringent requirements for energy efficient buildings, which was with the updated Energy Performance of Buildings Directive at the EU level.

It is therefore a priority that we continue to devote significant resources to ESG not only by enhancing the environmental profile of our investment portfolio; but also through listening and responding to feedback from our tenants and maximizing our positive social impact through community investment and engagement. All of these activities are underpinned by an increased focus on employee training and development, centered on a competency-based, performance-enhancing approach. We are expanding our use of digital platforms to offer a wide range of soft, technical and language skills tailored to individual needs, including inspiring leadership programs at junior, middle and senior management levels. We look forward to another dynamic and rewarding year ahead.

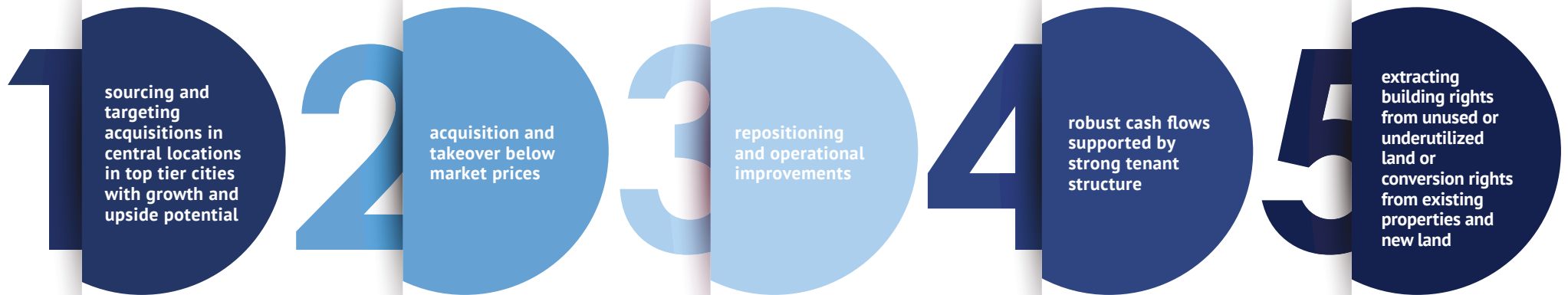


Frank Roseen
Director

Our Business Model

With an integrated approach to real estate investment and management, Aroundtown's business model centers on creating value by repositioning assets.

Through an accomplished and intensive property and asset management regime, we improve the energetic and social performance of our assets, benefitting investors, tenants, building users and the surrounding communities, whilst delivering strong portfolio returns. Aroundtown's value creation starts prior to acquisition.



1) SOURCING AND TARGETING ACQUISITIONS IN CENTRAL LOCATIONS IN TOP TIER CITIES WITH GROWTH AND UPSIDE POTENTIAL

Aroundtown's property sourcing success stems from its unique network as well as its reputation as a reliable real estate acquisition partner. The Group focuses on value-add properties in central locations of top tier European cities with positive demographic prospects and characterized by below market rent levels, inefficient cost or lease structure and/or vacancy reduction potential. With almost two decades of experience in the real estate markets, the Group benefits from a preferred buyer status across its sourcing network. The Group sources deals from a large and diverse deal sourcing base, such as receivers, banks, loan funds, broker networks, distressed owners, private and institutional investors and court auctions.

The Group follows acquisition criteria which ensure that newly acquired properties align with its business model. These criteria include:

- » Focus on central locations in top tier EU cities
- » Value-add potential through operational improvements
- » Cash flow generating assets
- » Rent level per sqm below market level (under-rented properties)
- » Purchase price below replacement cost and below market values
- » Potential to reduce operational cost per sqm significantly

Due to the experience and knowledge of its board and management, the Group is able to consider all possible uses for properties that it acquires, including altering the property's primary use in order to target specific supply shortages in the market. The Group believes that its business model provides it with a strong and sustainable competitive advantage.

2) ACQUISITION AND TAKEOVER BELOW MARKET PRICES

After a potential property passes an initial screening, the property is further assessed in order to take into account the specific features of each project while ensuring that the acquisition is in line with the Group's overall business strategy. AT believes that its experience in analyzing properties with value creation potential, and in identifying both the potential risks and the upside potential of each property, results in fast, but thorough and reliable, screening procedures.

Once a property is acquired, the actual takeover occurs swiftly and efficiently. Because liquidity plays a significant role in the acquisition of value-add properties, AT benefits strongly from its solid liquidity position and its ability to acquire properties with existing resources and refinance the acquisition at a later stage. The Group also benefits from a strong and experienced legal department, which, combined with close and longstanding relationships with external law firms, enables AT to complete multiple deals simultaneously.

3) REPOSITIONING AND OPERATIONAL IMPROVEMENTS

As a specific tailored business plan is constructed for each property, and the weaknesses and strengths are identified pre-acquisition, the execution of the repositioning process becomes smoother and faster. The business plan input is integrated into AT's IT/ software platform which enables the management to monitor all operational and financial parameters and fully control the repositioning progress. The success of the repositioning of the properties is the result of the following functions:

Operational and marketing initiatives

The initial repositioning activities aim at minimizing the time until the profitability of the acquired properties is improved. Targeted marketing activities are implemented to increase occupancy and thereby rental income. Vacancy reduction initiatives are tailored to the specific property type. Procedures applied to AT's commercial properties include establishing a network of internal and external, as well as local and nationwide letting brokers, offering promotional features and building a reputation in the market for high service standards. For the Group's hotel assets, optimal operators are selected and a fixed long-term lease contract is entered into once the hotel is repositioned. Initiatives for the Group's residential properties target relationship building with potential tenants and the local community by collaborating with local municipalities, supporting community initiatives and advertising on key real estate platforms. Rent increase and tenant restructuring, assessed during the due diligence process, are executed according to the property's business plan. Furthermore, the operational improvements the Group initiates improve the living quality or business environment for existing and future tenants, resulting in increased demand for these repositioned assets. Having identified areas for operational improvements, the Group drills down on cost saving opportunities on a per unit basis, making use of modern technologies such as consumption-based meters. These efforts, combined with cost savings achieved through vacancy reductions and economies of scale, enable the Group to benefit from a significant improvement of the cost base and

therefore higher profitability. AT manages its entire real estate value chain across acquisition, letting, upkeep and refurbishment. This integrated approach brings further efficiency benefits, a preferred landlord status and fast response times to its tenants.

Smart CapEx investments when required

AT addresses CapEx needs to keep the properties' high standards and addresses the requirements of its existing and prospective tenants. Capital improvements are discussed in close coordination with committed tenants, allowing an efficient and cost-effective implementation of the investments. The carried-out investments are followed up by AT's experienced construction team. The financial feasibility of the proposed alterations is balanced against the lease term, rental income and property acquisition cost and bears quick returns over the investment period.

Relationship management

Aroundtown puts great emphasis on establishing strong relationships with its tenants to reduce churn rates, to predict as well as strengthen the tenant structure and thereby positively affect its cash flows in the future. The Group aims to offer high quality services for both potential and existing tenants. The Group pays great attention to the industry in which its commercial tenants operate and to their individual success factors. The Group also offers direct support to its tenants through add-on facilities at its rental properties such as space extensions to facilitate growth and smart space redesign to match modern office layouts. The Group supports its tenants through its TÜV- and ISO 9001:2015-certified commercial and residential Service Centers with 24/7 availability via various channels. Furthermore, the Group aims to establish personal relationships between its tenants and its asset and property managers, providing them with personal contact points, which allows the Group to react promptly to problems and proactively prolonging existing contracts in order to optimize and secure long-term revenues.

4) ROBUST CASH FLOWS SUPPORTED BY STRONG TENANT STRUCTURE

Aroundtown targets the generation of robust cash flows throughout its operations. This is supported by ongoing cost controls and long-term value creation through repositioning and operational improvements and by extracting the upside potential embedded in the portfolio, continuous optimization of the tenant structure and thereby generating robust internal growth and cash flows.

Capital recycling by selling non-core and mature assets

While the Group's main focus is on extracting the potential of its portfolio, the Group also pursues an accretive capital recycling of non-core and/or mature properties. AT continuously analyzes its portfolio in terms of upside potential. AT seeks to dispose properties where most of the potential has been lifted or which are not in the core locations of AT. The disposal of such properties enables capital recycling and provides firepower to pursue new opportunities with high upside potential on one hand and increases the quality of the portfolio on the other. Additionally, proceeds from disposals enable the Company to buy back debt, strengthen the balance sheet and reduce leverage.

5) EXTRACTING BUILDING RIGHTS FROM UNUSED OR UNDERUTILIZED LAND OR CONVERSION RIGHTS FROM EXISTING PROPERTIES AND NEW LAND

As part of the value creation process, Aroundtown identifies and extracts building rights from unused or underutilized existing and new land and buildings and conversion rights, providing an additional internal growth driver. AT assesses internally the best use for the rights and advances on to maintain the discussion with authorities, engineers and architects in order to realize plans into permits. Once the planning and permit phases are completed, Aroundtown analyzes each project individually and decides the best way to realize the value into proceeds. Aroundtown does not intend to fully build and develop all of the rights and estimates that most of the rights will be disposed.

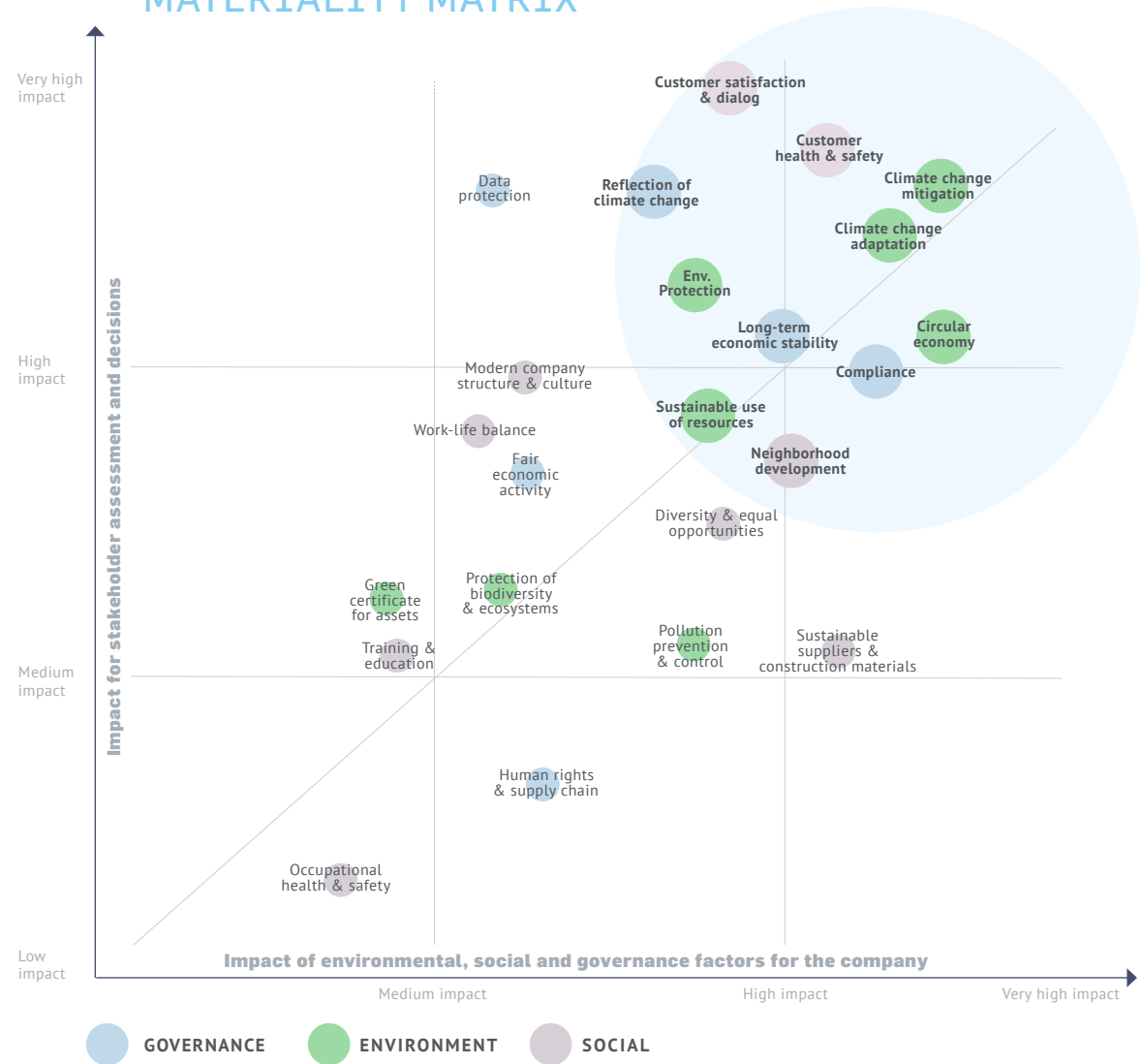
Materiality

We apply the principle of materiality as a guide to help us identify the ESG risks, opportunities and significant issues presented by our business model. We evaluate ESG risks as part of our regular risk assessments and risk planning. Financial budgets are adjusted to account for material ESG risks.

In 2021, we undertook a review of our material topics as part of a comprehensive sustainability risk assessment under the direction of the Sustainability Department and with the support of a third-party consultancy. With a regular assessment of our materiality every two years, this constituted a delayed update to our previous materiality assessment conducted in 2018. There were substantial changes to the market and regulatory landscapes between these assessments, and many of these trends have become even more significant in the time since our last report. In 2021, the most notable change was the impact of the COVID-19 pandemic, high on the agenda in that particular year (although the risk rating has reduced since). There is also a wave of new sustainability legislation both nationally and from the EU, the growing visibility of physical climate risks like the severe flooding witnessed in north-west Germany and the economic shock from the war precipitated by Russia's invasion of Ukraine. These developments have emphasized the importance of a materiality approach which considers both financial and non-financial impacts.

Our materiality assessment involved the input of a large number of employees from fifteen departments across the Group, including our subsidiary, GCP, with six workshops to raise awareness about sustainability risks and brainstorm potential solutions. Following the workshops, we performed a gap analysis and assessed the potential impact of these gaps on our business. From this, we developed a consolidated matrix encompassing both Aroundtown's and GCP's material topics.

MATERIALITY MATRIX









The topics of identified as highest priority by this assesment have determined the focus of our sustainability strategy for this year and have shaped the topics included in this report. These include some new subjects whose materiality has increased in this assessment, such as climate change adaptation, local communities, and circular economy. The inclusion of climate change mitigation reflects the broader context to the issues of energy efficiency and emissions reduction which has developed since our last assessment. Retaining their high priority since our 2018 assessment are the issues of tenant satisfaction, tenant health and safety, compliance and data protection.

We have addressed the three related topics of environmental protection, circular economy and sustainable use of resources in one section of this report, title 'Environmental Protection'.

Reflection of climate change is addressed by the sections Climate Change Mitigation, as well as Climate Change Adaptation. On the subject of long-term economic stability, please refer to our [Consolidated Annual Report](#).

In addition, the subjects of our employees' wellbeing, and of ensuring human rights protections throughout our supply chain, are vital to our business practice, and so are also reported below. Nonetheless, we consider them important to understanding the non-financial operations of the organization. We have summarized all these key topics which will be addressed in the report below.

Topic	What it Means	Risks & Opportunities	Management Approach	Performance Indicators
LABOR STANDARDS & EMPLOYEE TOPICS	Conditions of employment, rights of co-determination, salary structures, employee satisfaction, corporate culture and ethics	<ul style="list-style-type: none"> • Reputation • High employee turn-over, resulting in loss of expertise and intellectual capital • Inability to attract talent 	<ul style="list-style-type: none"> • Code of Conduct and Anti-Discrimination policies • Whistle-blowing mechanism • Remuneration and benefits package • E-learning management system and in-house training academy • Employee satisfaction survey 	Retention rate  Incidents of discrimination Women in management Average training hours per FTE  Investment in training LTIFR

Topic	What it Means	Risks & Opportunities	Management Approach	Performance Indicators
CLIMATE CHANGE MITIGATION	Reducing our greenhouse gas emissions by enhancing energy efficiency, procuring renewable energy and investing in renewable energy generation	<ul style="list-style-type: none"> • Reduction of energy & carbon costs • Secure long-term asset values • Tenant attraction & retention, through low service costs & carbon impact 	<ul style="list-style-type: none"> • Environmental Policy and Energy Performance Strategy • Life-cycle assessment • Asset enhancement to deliver higher energetic performance • Systematic roll-out of advanced heating systems • Switch to power purchase agreements for certified renewable electricity supply and 'green' gas 	Total energy consumption (like-for-like)  Heating energy intensity  Scope 1+2+3 emissions (like-for-like)  Scope 1+2+3 emissions intensity 

 Reviewed by auditor


Topic	What it Means	Risks & Opportunities	Management Approach	Performance Indicators
CLIMATE CHANGE ADAPTATION	Increasing the resilience of our properties and procedures to the impacts of climate change and the associated policy transition	<ul style="list-style-type: none"> Property damage Insurance costs Tenant wellbeing & satisfaction 'Stranded' assets 	<ul style="list-style-type: none"> Building Resilience Taskforce Climate Risk and Vulnerability Assessment Implementation of easy adaptation solutions on portfolio level before adopting specific asset-level approach Engagement with tenants and local authorities 	EPRA sBPR


Topic	What it Means	Risks & Opportunities	Management Approach	Performance Indicators
ENVIRONMENTAL PROTECTION	Reducing waste and water consumption, encouraging reuse and regeneration of natural resources as well as enhancing biodiversity	<ul style="list-style-type: none"> Tenant attraction & retention, through low service costs & materials impact Reputation Improved attractiveness to buyers from inclusion of reusable/recyclable materials 	<ul style="list-style-type: none"> Focus on refurbishment over new construction and demolition Waste management as part of environmental policy Waste separation and minimization Professional and environmentally friendly waste disposal Future cooperation with contractors to obtain recycling data of demolition waste and increase recycling rate Enhance biodiversity through green areas where possible 	Waste Recycling Rate Building water Intensity Number of bee colonies




Topic	What it Means	Risks & Opportunities	Management Approach	Performance Indicators
TENANT SATISFACTION	Maintaining high levels of tenant satisfaction by ensuring anticipation of and response to latest interests and needs	<ul style="list-style-type: none"> Tenant attraction & retention Long-term income generation & attractive yields Occupancy rates Reputation 	<ul style="list-style-type: none"> Tenant Satisfaction Policy Tenant Satisfaction Survey Customer Relationship Management (CRM) system Integrated into due diligence and operation management procedures Alignment between investment and tenant satisfaction 	EPRA vacancy rate Weighted Average Lease Term (WALT) Percentage of satisfied tenants


Topic	What it Means	Risks & Opportunities	Management Approach	Performance Indicators
TENANT HEALTH & SAFETY	Provision of health and safety focused infrastructure and management of day-to-day health and safety risks	<ul style="list-style-type: none"> • Compliance • Sanctions & fines • Reputation & trust • Tenant satisfaction 	<ul style="list-style-type: none"> • Tenant Health & Safety Policy • Initial risk assessments and reducing maintenance backlog following acquisition • Physical presence at properties and close collaboration with construction and facilities management • Ongoing health & safety assessment which feeds into investment planning • External fire safety checks and immediate corrective action 	<p>Incidents of non-compliance concerning H&S impact of products & services</p> <p>Number of safety incidents </p> <p>Coverage of property health and safety inspections</p>

Topic	What it Means	Risks & Opportunities	Management Approach	Performance Indicators
LOCAL COMMUNITIES & NEIGHBORHOOD DEVELOPMENT	Development of positive relationships with local communities and tenants, incorporating their personal and economic needs into our long-term planning	<ul style="list-style-type: none"> • Tenant attraction & retention • Reputation • Long-term asset values 	<ul style="list-style-type: none"> • Contributions through the Aroundtown and GCP Foundations • Staff volunteering programs, such as our Social Day • Community needs assessments at acquisition • Local service contacts 	<p>Total community contribution</p> <p>Total number of foundation projects supported</p> <p>Volunteered time</p> <p>Cost of housing affordability / Rental cost burden (GCP)</p> <p>Modernization cost allocation waivers (GCP)</p>

Topic	What it Means	Risks & Opportunities	Management Approach	Performance Indicators
FAIR BUSINESS & COMPLIANCE	<p>Maintaining ethical practices; labor standards and human rights; fair treatment of staff and business partners</p> <p>Compliance with all applicable laws and regulations as a pre-requisite for exceptional performance</p>	<ul style="list-style-type: none"> • Compliance • Sanctions & fines • Reputation & trust • Staff attraction and tension • Ability to attract and retain shareholders & bondholders, tenants & customers 	<ul style="list-style-type: none"> • Code of Conduct and Anti-Discrimination policies • Whistle-blowing mechanism • Remuneration and benefits package • E-learning management system and in-house training academy 	<p>Number of confirmed compliance violations </p>

 Reviewed by auditor

Topic	What it Means	Risks & Opportunities	Management Approach	Performance Indicators
SUPPLY CHAIN & HUMAN RIGHTS	Ensuring the protection of labour standards and human rights; fair treatment of stakeholders throughout our supply chain.	<ul style="list-style-type: none"> • Compliance • Sanctions & fines • Reputation & trust • Staff attraction and tension • Ability to attract and retain shareholders & bondholders, tenant & customers 	<ul style="list-style-type: none"> • Business Partner Code of Conduct and Human Rights Policy • Whistle-blowing mechanism • Regular monitoring through site inspections by project managers and health & safety officers • E-learning management system and in-house training academy 	Number of reported human rights violations
DATA PROTECTION	Protection of individual privacy and company data through adequate data security provisions	<ul style="list-style-type: none"> • Compliance with GDPR • Reputation & trust • Sanctions & fines • Stakeholders' personal concerns & expectations 	<ul style="list-style-type: none"> • ISO-27001 certified Information Security Management System • Corporate policies and training within all departments • Regular review and development of IT systems • Standard Operating Procedures (SOPs) to protect all personal data from manipulation and misuse • 24/7 threat monitoring and identification • Mandatory reporting and incident investigation • Stakeholder communication 	Number of reportable data breaches  ISO 27001: major non-conformities raised  ISO 27001: minor non-conformities raised 

 Reviewed by auditor



Management of Environmental, Social and Governance Topics

Our governance structure incorporates consideration of sustainability issues at both the Board level and the management level.

The guiding strategy of our operations is set by the Board of Directors, and put into place by the appointed operational management teams. The Board of Directors acts independently of any conflict of interest, representing the best interests of the Group's base of shareholders. The Board is made up of three dependent directors (including one non-executive director) and three independent directors, who are elected by the General Meeting.

The success of the Board of Directors and senior management in meeting their remit, and their compliance with corporate governance rules, are assessed annually. They are overseen by five committees: these are the Risk, Audit, Remuneration, Nomination and ESG Committees. Additional support is provided by the Advisory Board. In 2022, the Board of Directors conducted 21 meetings. The below table shows the attendance of our board members, as well as the attendance average:

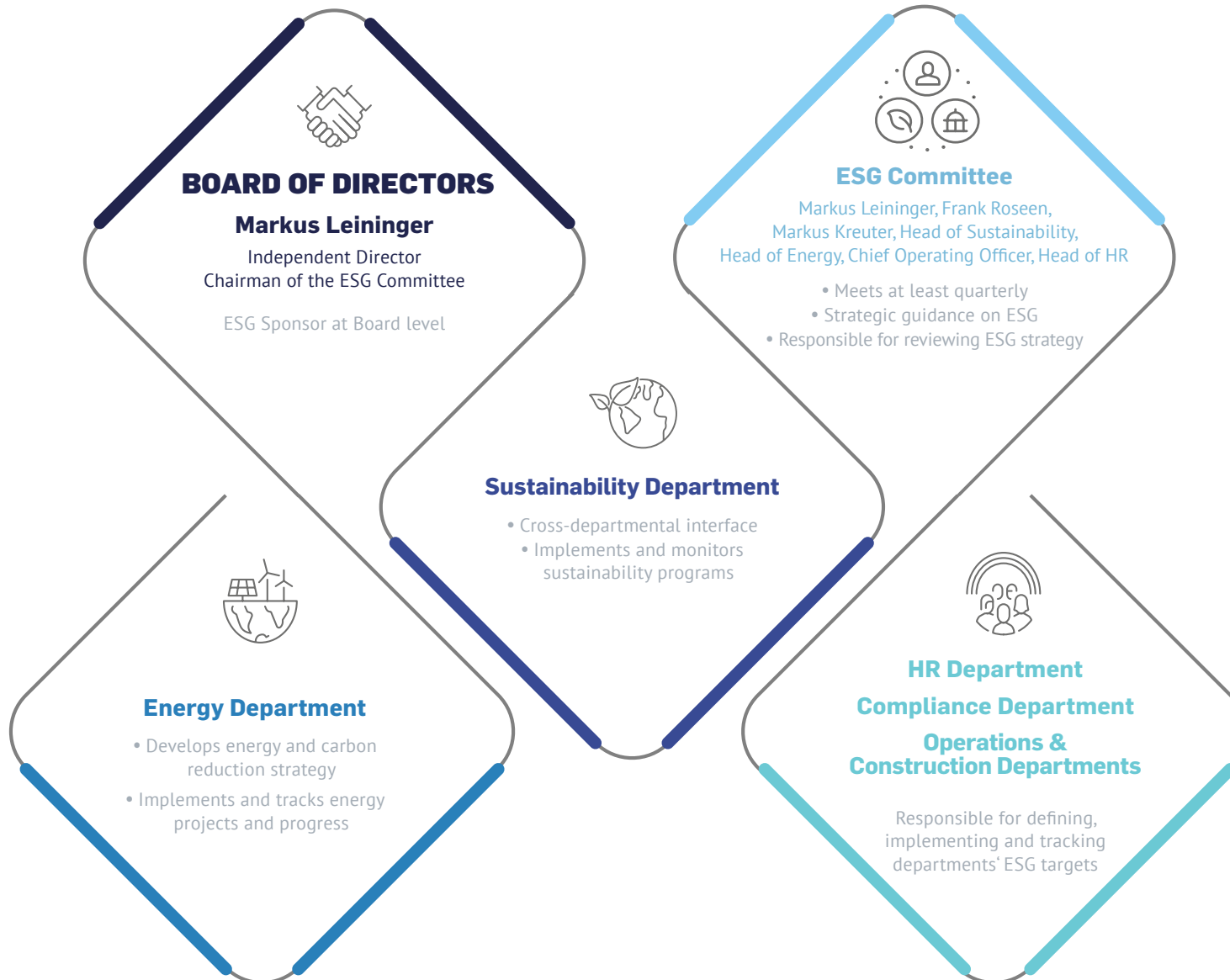
DIRECTOR NAME	MEETINGS ATTENDED	PERCENTAGE ATTENDED
Frank Roseen	18	86%
Elena Afxentiou	21	100%
Ran Laufer	21	100%
Markus Leiniger	19	90%
Simone Runge-Brandner	21	100%
Markus Kreuter	17	81%
Board average	19,5	92%

The ESG Committee oversees strategic guidance on ESG topics and is responsible for reviewing and assessing Aroundtown's responsible business strategy, policies and practices with respect to ESG. The Committee meets at least quarterly and sets the direction for the work of the Sustainability Department. It is chaired by Mr. Markus Leiniger, an independent member of the Board of Directors, and includes Independent Director Mr. Markus Kreuter, Executive Director Mr. Frank Roseen, and the Head of Sustainability, Head of Energy, Chief Operating Officer and Head of HR.

The Sustainability Department acts as a cross-departmental interface, working across the Group to implement and monitor sustainability programs and initiatives at an operational level. The Department also prepares the Group's materiality analysis and ESG reporting and responds to enquiries by investors and rating agencies on ESG topics. It collaborates closely with the Energy Department, which applies its engineering expertise to implement the technical elements of our sustainability strategy.



ESG Governance Structure



Labor Standards and Employee Topics

It is fundamental for a responsible business that everyone should feel safe and protected, and we take significant steps to ensure that our work environment has a positive impact on the health and wellbeing of our people. Beyond this foundation, we seek to excel in factors such as career development, education, work-life balance, well-being, and diversity and inclusion, which are required to attract and retain today's top talent.

Long-term targets

- » Be among the top ten most attractive employers in the commercial real estate sector by 2030
- » Maintain zero incidents of discrimination
- » Offer training and development opportunities (minimum 12hrs per FTE)

2023 Goals

- » Volunteering program organized as a company-wide Social Day for employees
- » Launch of 'Activate the Base' program, encouraging employees to implement their own sustainability projects while receiving guidance from an external coach
- » Conduct 180-degree surveys to encourage self-development among employees

Policies and Achievements

The consolidation of the Aroundtown and GCP HR departments in 2021 strengthened the team's ability to support our employees' experience and development. We were able to organize specialist HR teams focusing on aspects like employee development, and enhance our view of performance trends and progress against targets.

Employee Satisfaction

Building on this improved foundation, we have expanded our employee engagement programs in 2022. We initiated our quarterly HR roundtables in April 2022, holding 3 sessions for both employees and management across the year. These allow leaders and employees to come together and discuss upcoming HR topics, supporting better communication and engagement within our organization. Under the same philosophy, we initiated our first

HR townhall meeting in the Netherlands in 2022, to provide more open and up to date information to our regional employees about our current and upcoming initiatives.

To ensure straightforward communication with staff across the group, we have implemented Rexx as our employee engagement tool. Through this platform, employees are able to manage personal data, holiday and home office requests, sick leave, and book training and participation at other company events. The software is used by AT and GCP employees, and we are continuing to roll out new features to make the system more user friendly. Our goal is for Rexx to serve as a centralized HR system across all our locations of operation, so that all our employees have easy access to the information they need.

In 2022, we conducted a survey with our employees in Germany and the Netherlands, the results of which will guide our strategy to improve workplace satisfaction. The results were a clear indication of the engagement of our employees, with a 72% response rate from across the company. From this, we have identified priority areas for improvement in our HR policies, and we have formulated an action plan for 2023 to act on this feedback. This will include further employee surveys to provide more opportunities for feedback and communication, and increased communication about Aroundtown's overall strategy and vision, and the promotion path opportunities which employees can pursue within our organization.

Training & Development

We place great importance on delivering a broad learning and development program to our staff, to provide them the skills required to prosper in today's business environment and further their careers. Our training is targeted to individual needs, and delivered flexibly to meet the needs of all our employees. We utilize our in-house expertise, as well as external specialists, to deliver training ranging from construction and property management to business skills and leadership training. Training is delivered in person, through online webinars, or our self-directed learning portal, the Contemporary Real Estate Academy, referred to as CREA. This platform enables a unified presentation of our mandatory training content and learning and development material, which is accessible to staff across our business.

We have also continued to implement performance reviews digitally through Rexx. Managers receive training on using the tool to provide performance feedback, and can then provide

ratings and reviews digitally through REXX. In 2023, we plan to launch the performance review tool across the Aroundtown departments, aiming to deliver 80% of performance reviews with this method. Streamlining this review process will allow our employees to receive personal feedback more straightforwardly and regularly, helping them to improve and progress towards their own goals.

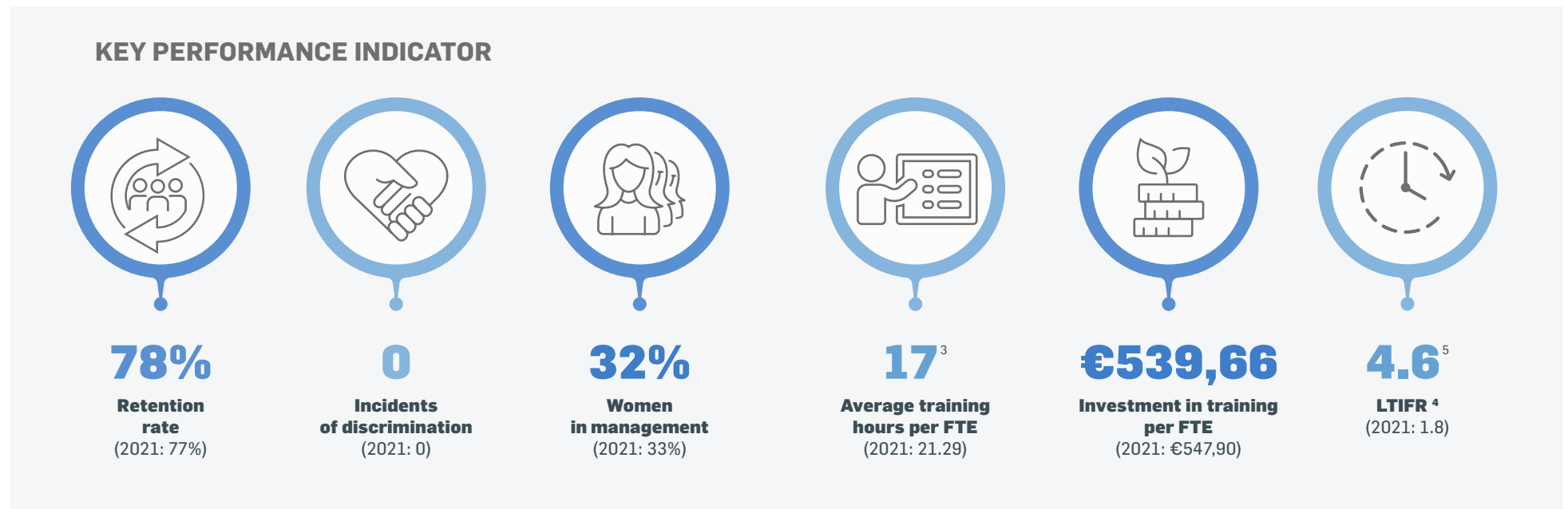
Occupational Health & Safety

We take our responsibility to provide a safe work environment seriously and ensure that tasks do not pose undue health risks. Our Occupational Health and Safety Policy ensures strict compliance with all workplace health and safety regulations at national and EU level. The implementation of this policy is overseen by our dedicated internal Office Health & Safety Manager. We conduct internal audits of the occupational safety standards in our

workplaces, and are subject to external audits by state officers on an ad hoc basis. One such audit was conducted in 2022, which was successfully passed.

To support the wellbeing of our employees, we offer a flexible package of benefits and working provisions. We offer hybrid working arrangements to support home-working up to two days a week, and flexible work hours. We also support part-time working, granting even greater flexibility for our employees to balance their work around their lives and families. Such part-time arrangements are specific to the employee's needs.

The wider health & wellbeing benefits provided include eye examinations and health checks provided by our company physician; employees at our Berlin headquarters have access to our company gym, with courses and personalized training; and mental health appointments are available for all AT and GCP employees with our in-house therapist.



For further information on the topic please review our more in-depth Sustainability Insights on the relevant topics of Occupational Health & Safety, Employee satisfaction, Diversity, equality & inclusion and Training and development, available to download from the sustainability section of our [website](#).

3. The training hours exceeded the target of 12 hrs. Last year's training hours were particularly high due to special training on the new ERP system.
 4. Lost Time Injury Frequency Rate (LTIFR)
 5. The increase is likely due to employees working at the office again as opposed to mostly home office in 2021.

Material Environmental Matters

Climate Change Mitigation

The Intergovernmental Panel on Climate Change (IPCC) has made clear that we must limit global warming to 1.5°C. Without significant reductions in Greenhouse Gas Emissions worldwide, this will not be possible. As emissions from buildings and construction make up around 40% of annual global emissions, we, as a leader in this sector, are undertaking significant efforts to drive this transition.

Long-term Targets

- » Achieve a 40% reduction in CO₂ intensity by 2030 against the 2019 baseline, measured in CO₂-equivalent emissions intensity, CO₂e/m².
- » Achieve a 20% reduction in energy intensity by 2030 against the 2019 baseline, measured in kWh/m².
- » Switch electricity to Power Purchasing Agreements (PPAs) certified renewable electricity from wind, hydro-electric and solar PV sources by 2027.

2023 Goals

- » Set up a new database for environmental data, allowing semi-automated data collection through a mobile app for facility managers.
- » Source 7% of our procured energy volume from PPA renewables.
- » Conducting energy assessments of 500 properties.

Policies and Achievements

The rise of climate change topics to the top of the agenda in the real estate sector is one of the clearest changes reflected by our 2021 materiality assessment. There is increasing pressure from investors, from governments and regulators, and from society for urgent action to reduce the adverse impact of the built environment on climate change.

A key development which continues to drive change is the phased introduction of the EU Taxonomy. This legislation requires large, listed companies like Aroundtown to align our approach with strict criteria across fundamental environmental objectives on climate change,

water, waste, pollution and biodiversity. Our first full assessment against the EU Taxonomy Key Performance Indicators for the environmental objective, Climate Change Mitigation, can be found at the end of this report.

Aroundtown Group Carbon Reduction Strategy

Our fundamental commitment to climate change mitigation is our target of a 40% reduction in CO₂ emissions by 2030, against our 2019 baseline. In order to achieve this ambitious goal, we developed our Group-wide Environmental and Energy Policy, to establish how efficiency and renewable energy projects will be targeted, identified, implemented and monitored. To view some examples of the renovations conducted under this ambitious policy, please see the Energy & Emissions Sustainability Insight, available to download from the sustainability section of our website.

Guiding our actions on this target is our Group CO₂ Pathway, which monitors our progress towards achieving this 40% reduction target, and forecasts the rate of reductions which must be made to reach it. Data on current energy performance and EPC ratings are combined with metrics on potential improvement measures to develop a model of the entire portfolio. The suite of possible measures is determined from on-site audits, desk-based energy simulations and EPC recommendations. Using this data, possible combinations of energy efficiency measures and renewable energy systems are considered, to assess how various types of stranding risk can be mitigated at each property. These insights are considered alongside broader market and regulatory factors, to develop an action plan for combined investments which aligns with the required carbon reduction.

The measures incorporated in the modelling of our CO₂ pathway include upgrades to current building fabric and systems; more sophisticated renewable energy measures such as air source heat pumps and CHP systems; and advanced technologies the department will investigate further in future, such as micro wind turbines, geothermal heat pumps, and hydrogen-based CHP systems. The potential efficiency improvement, carbon reductions and associated costs of these measures are considered.

Aroundtown Group Carbon Reduction Strategy

2019 Baseline
66.98 kg CO₂e/m²/year Intensity

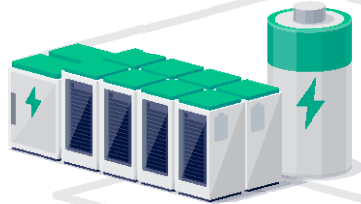
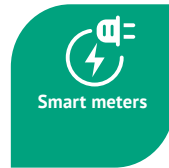
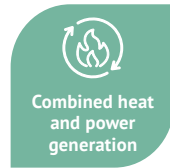
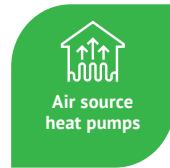
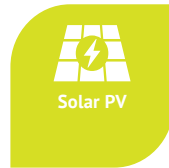
2022
64.07 kg CO₂e/m²/year Intensity
4% Cumulative reduction

2025
55.27 kg CO₂e/m²/year Intensity
17% Cumulative reduction

2030 Target
40.19 kg CO₂e/m²/year Intensity
40% Cumulative Reduction

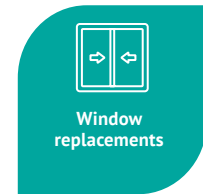
Sourcing local renewable energy through Power Purchase Agreements

Renewable energy systems and technological upgrading.

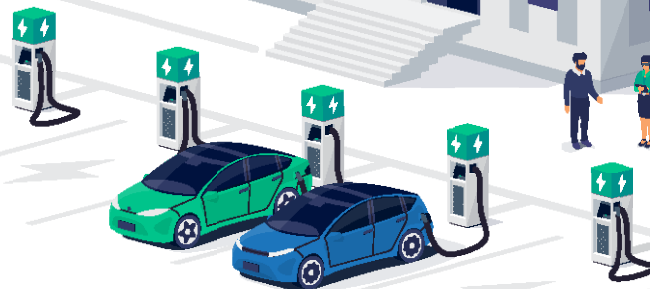


Smart energy management systems and hydraulic balancing improve operational efficiency through integrating systems and optimizing energy flows.

Improved energy efficiency through better building envelopes.



Increase energy storage to better utilize energy created onsite.



Given the highly volatile energy market in 2022, with significant uncertainties regarding process, regulations, and security of supply, many efficiency projects, especially heating upgrades, were not economically viable during this year. The Group's focus has therefore been on making significant improvements to identifying and implementing projects, which we believe will pay off in the ability to roll out such projects more efficiently in future. These improvements are specified in the new Energy Policy and Strategy published in 2022, which sets out how opportunities for energy efficiency and emissions reduction improvements will be considered across all asset types and at all stages of their lifecycle.

Our Energy Strategy focuses on:

- » Comprehensive due diligence at the acquisition stage, enabling us to develop asset improvement and refurbishment plans to achieve higher energetic performance;
- » Implementation of environmental management policies and procedures, including data collection, digitalization and reporting, preventative maintenance and ongoing operational improvement;
- » Sustainable energy measures encompassing investment in solar and wind power systems, combined heat and power (CHP) and combined cooling heat and power (CCHP) systems; electric vehicle charging stations; smart meters and a total energy management system;
- » Progressively switching all electricity from Renewable Energy Certificates to PPA certified renewable energy by 2027;
- » Collaborating with tenants with whom we seek to implement green elements into lease agreements.

Due Diligence at Acquisition

At acquisition, our due diligence processes record the energy intensity and supply systems of the property, so that planning for efficiency improvements can begin as early in the asset lifecycle as possible. This includes examining the current structural fabric, technical systems, and management practices of the building. We are working to expand the energy auditing done alongside the formal due diligence process, so that projects can be implemented immediately upon acquisition.

Monitoring and Management

To maximize the improvement opportunities among our existing properties, we aim to complete 500 energy audits each year. In 2022, we also began to conduct more holistic site audits which assess the condition of the shell, envelope and supply systems of the property. From these audits we aim to identify suitable efficiency and renewable energy projects. The energy savings, carbon reductions and investment costs of these projects are modelled and extrapolated to the full portfolio, to provide an integrated picture of our progress towards our reduction targets. In future, these assessments will be enriched by sophisticated digital modelling to simulate the effect of efficiency interventions.

Whereas our initial energy management approach has been to invest in on-site renewable energy and efficient energy generating systems, such as CHPs or CCHPs (see next section on our Energy Investment Program), we have adjusted our approach already last year to align with the three-stage hierarchy in the World Green Building Council's Net Zero Carbon Buildings Commitment for operational carbon. This has now become our strategy. This means when identifying energy interventions, we first focus on ways to reduce and optimize the energy demand of our assets; then identify opportunities to generate the required energy renewably and on-site; and finally source the remaining energy demand through off-site renewable energy.

To ensure we prioritize these improvement plans correctly, and monitor their effect to further inform our modelling, good data coverage and reliability is essential. We have a long-term goal of achieving full data coverage across our portfolio. We increased the coverage of our like-for-like energy data to 86% in 2022, from 54% in 2021. To maximize the utility of this data, we have initiated the development of a new database for environmental data, enabling semi-automated data collection through a mobile app for facility managers.

Energy Investment Program

In 2019 we launched our Energy Investment Program. The program's purpose is to ensure that our properties remain competitive during the transition to greater electrification of properties and transport, and to a more decentralized energy market focused on renewable energy. The extreme challenges to the European energy market in 2022 have further underlined the urgency of this transition, and the foresight of our investment plan.

The program is focused around five components:

- » The installation and operation of solar PV generation systems on rooftops and parking areas;
- » The installation of highly efficient energy generating systems based on CHP or CCHP;
- » The implementation of electricity storage to support these solar, CHP and CCHP systems. This will enable optimal management of energy consumption and production, and provide the necessary infrastructure for fast electric vehicle charging stations to serve Aroundtown, our tenants and their clients;
- » The installation of EV charging stations. This will allow for conversion of the Group's fleet to EV, resulting in lower fleet cost and more reliable mobility as well as lower emissions;
- » The implementation of smart meters combined with total energy management systems (demand/response) to optimize efficiencies in terms of resource use and cost.

Given the regulatory changes in the past year, we intend to review our Energy Investment Program in 2023, in particular with regard to the usage of gas or fuel-based systems, such as CHPs, which will be phased-out in the mid-term.

Together with our partner company which implements efficient and renewable-based on-site energy systems at our properties, we invested a total of €6.5 million in solar PV systems and EV charging stations. We created additional capacity of 2400 kWp. Our partner also undertakes site visits to identify the number of EV charging points that can be installed at each of our properties, for private or public use. Whereas in 2021 we completed 80 sockets, we managed to install 199 sockets in 2022. We are also pursuing a deeper investigation into the potential use of heat pumps, and the possibility of incorporating new technology that can increase the efficiency of CHP systems.

Renewable Power Purchasing Agreements

Beyond the scope of our Energy Investment Program, we have set a goal to switch all electricity from Renewable Energy Certificates (RECs) to PPA certified renewable electricity generated from wind, hydroelectric and solar PV sources by 2027. This means that where it is not viable to generate energy on site or not sufficient to meet building demand, additional sustainable energy will be sourced to minimize asset and portfolio carbon emissions. Since agreeing a new contract with a main supplier for RECs in 2021, 79.4% of our purchased electricity was covered by RECs in 2022, an increase from 70.1% in 2021.

Green Leases

All aspects of our energy strategy ultimately impact the quality of our assets and the property management services we offer to our tenants. Since 2021 our tenant leases include green lease clauses which were introduced as an annex, and which include obligations for both parties to agree on the sharing of utilities' consumption data and information; observance of energy conservation practices; selection of low energy-consuming equipment and preference to renewable-based energy. More information about our green leases can be found in the Tenant Satisfaction section of this report.



KEY PERFORMANCE INDICATOR ⁶



726.0

Energy Consumption (GWh)
(2021: 735.4)



121.29

Heating Energy Intensity (kWh/m²)
(2021: 131.10)



202,319

Scope 1 + 2 + 3 emissions in t CO₂e
(2021: 208,397)



45.85

Scope 1 + 2 + 3 emissions intensity kg (CO₂e/m²)
(2021: 47.2)

In 2022, landlord-obtained electricity in our like-for-like portfolio totaled 33,686,655 kWh (from 43,695,366 kWh in 2021). Like-for-like landlord-obtained district heating and cooling totaled 299,361,840 kWh (from 307,011,529 kWh in 2021), and fuels totaled 230,303,064 kWh (compared to 265,242,836 kWh in 2021). This translated into an average building heating energy intensity of 121.29 kWh/m²/year, a decrease of about 8% from 131.10 kWh/m²/year in 2021. These improvements demonstrate the impact of our investments in energy efficiency, and we will look for this trend to continue in future years.

Our like-for-like Scope 1 and 2 associated with building energy use across our portfolio totaled 36,491 metric tons of CO₂ emissions in 2022 (2021: 39,029 tons), while like-for-like Scope 1, 2, and 3 emissions totaled 202,319 tons (2021: 208,397 tons). We achieved a Scope 1 and 2 building GHG emissions intensity of 8.31 kg CO₂e/m²/year (2021: 8.90 kg CO₂e/m²/year), and a Scope 1, 2, and 3 GHG emissions intensity of 45.85 kg CO₂e/m²/year (2021: 47.23 kg CO₂e/m²/year). In addition to our renewable energy efforts outlined above, these reductions delivered by our energy efficiency projects put us in a strong position to meet our CO₂ reduction target. The measures implemented this year will begin to show their effect in future years' reporting.

These reductions in key metrics also validate that the increases observed from 2020 to 2021 (stated in last year's report) were attributable to the change in occupation and usage as COVID restrictions were eased.

In the below table, we present the progress of carbon and energy intensity reduction against our 2019 baseline:

Progress Against Baseline ⁷	2022 Progress	2030 Target
Carbon Intensity (Annual)	-4%	-40%
Carbon Intensity (Cumulative)	-12%	
Energy Intensity (Annual)	0%	-20%
Energy Intensity (Cumulative)	-6%	

For more information on our approach and performance, please see the Energy & Climate Change Sustainability Insight, available to download from the sustainability section of our [website](#).

6. These KPIs are based on like-for-like data.

7. This statement highlights a projected decrease in CO₂ emissions intensity compared to the 2019 baseline in the presented report. While both EPRA sBPR and the CO₂ 2019 Baseline adhere to GHG Protocol Standards, EPRA sBPR figures are reported in a more limited timeframe for data consolidation, which can result in variations in data coverage, approximation, and methodology used for emissions calculation, requiring a more detailed impact assessment to produce a more directly comparable figure.

Climate Change Adaptation

It is clear that climate change poses major risks across all countries and sectors. These come from both the physical impacts of climate change itself, and the potential impacts of the social transition which will be required to mitigate it. This section of our report is structured according to the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD), the leading international standard for reporting on management of climate-related risks.

Long-term Targets

- » Ensure our portfolio's increasing resilience to climate-related risks through the implementation of adaptation solutions and retrofitting of our assets
- » Continue building climate risk assessment capacities and data collection to allow asset specific and forward-looking planning and actions
- » Follow technological developments in the real estate sector, as well as products and services offered by prop-tech start-ups to adopt cutting-edge climate change adaptation solutions

2023 Goals

- » Continue to assess the Group's portfolio stranding risk using the CRREM tool.
- » Start implementation of climate change adaptation plans determined in 2022, as well as tracking their implementation
- » Set a dedicated budget for the implementation of future climate change adaptation solutions

Governance of Climate-related Risks

As with corporate governance, Aroundtown's Board of Directors and management team share overall responsibility for climate related risks.

The Risk Committee oversees risk management for the Group, and the potential impacts of climate change are considered as part of this process. Assessment of physical and transitional climate risks is conducted by the Chief Risk Officer in close collaboration with the Sustainability Department, and such assessments are presented to the Committee annually at a minimum, as well as upon urgency throughout the year.

In addition, a cross-departmental Taskforce on Building Resilience was formed in autumn 2022, with contribution from the construction, operation, acquisition, energy and insurance departments. This taskforce will address climate risks across relevant business units and develop action plans and adaptation solutions as necessary.

The Management of Aroundtown is co-responsible for assessing and managing climate-related risks. A distinction is made between climate risks affecting the Group at the corporate level, for which Management is the risk owner, and climate risks which impact our properties, which are owned by the Group's Chief Operations Officer (COO).

Strategy

Aroundtown follows the common practice of distinguishing climate-related risks into physical and transition risks. In line with the requirements for a climate risk and vulnerability assessment as laid out in the EU Taxonomy, we further subdivide physical risks as being either chronic or acute, with regards to the time-scale of their impacts, and as being temperature-, wind-, water- or solid mass-related.

Transition Risk

In order to understand the exposure of the Group to transition risks, our Sustainability Department and Risk Committee have undertaken a comprehensive assessment of various transitional risk factors. A summary of the identified risks is provided in the following table, which also sets out the mitigation strategies being used to control these risks to our organization. In alignment with the recommendations of the TCFD, we also describe the potential opportunities which the Group has identified in each of these factors.

The timeframes short-, medium- and long-term in this table refer to expectations in the next 1-3 years, 4-10 years, and 10+ years respectively. We note that the financial value of each risk has not yet been quantified for Aroundtown.

Risk Committee

Oversees risk management,
incl. climate risks



Management

Assessment and management
of climate-related risks
at corporate level



Sustainability Department Risk Officer

Assessment of physical
and transitional climate risks



Chief Operating Officer

Assessment and management of
climate-related risks on a property level



Governance Structure on Climate Risks



Building Resilience Taskforce

*Inter-departmental platform for the
discussion and collaboration on climate risks*

Develop KPI's for climate risk &
action plans and adaptation solutions

Risk Category	Description	Impacts and Timeframe	Mitigation Strategy	Opportunity
Policy	Climate-related regulations and laws are changing rapidly, placing stricter requirements and expectations on the energy and emissions performance. Carbon pricing schemes and energy ratings such as the EU's energy performance certificates (EPCs) are increasingly being implemented, and requirements for minimum ratings that must be met to let units to tenants are coming into force. Over time, existing regulations may become more aggressive or new policy tools may be implemented posing restrictions on letting, or preventing the sale of buildings that do not comply with such minimum standards, leaving them „stranded“.	Carbon pricing and enhanced emissions-reporting obligations might result in higher operating and compliance costs. Stricter EPC requirements are already in place in Netherlands and UK, similar requirements are under development in Germany, and the trend will continue in the mid to long-term. These standards may require increased CapEx to bring properties up to the required standard in order to prevent their stranding. Market and investor pressure to disclose GHG emissions, as well as a carbon reduction pathway to net-zero has increased and will stay high in the mid to long-term. (S, M, L)	The Group's Carbon Reduction Pathway forms the strategy for reducing the carbon intensity of the portfolio. The Pathway explicitly considers potential carbon taxes and energy efficiency measures, and will identify inefficient assets which are high priority for action to mitigate stranding risk. The Group has piloted the use of the science-based CRREM methodology across our Dutch portfolio to assess the medium-/long-term alignment of our assets to decarbonization expectations. The group has also already launched a broader CRREM analysis starting with a set of assets in the German portfolio.	A move to more efficient buildings may result in lower operating costs, reduce stranding risks and decrease exposure to variations in the cost and availability of natural resources. More efficient buildings may also attract higher valuations influenced by improved energy performance and will be more attractive to investors and financial institutions due to compliance with their sustainable reporting requirements.
Legal	Companies may also become subject to lawsuits alleging failure to take sufficient actions to reduce greenhouse gas emissions or to account for or disclose known climate-related risks. Climate-related litigation may also result from erroneous non-financial reporting or misleading sustainability claims, in cases of „greenwashing“.	With stricter EU regulation, including the EU Taxonomy and SFDR, the real estate sector has already felt the pressure of environmental legislation. The significant gaps between current regulations and the carbon budgets of the Paris Agreement make further regulatory tightening over the mid- to long-term likely. It is also possible that the scope of these regulations expands to take in more segments of the company's value chain, increasing potential exposure and compliance costs. (M, L)	Our dedicated Sustainability Department works to ensure accurate and high-quality non-financial reporting, while constantly monitoring changes in regulations to identify gaps and facilitate compliance. This involves not only monitoring current legislative initiatives but also assessing the gaps between current policy and science-based climate targets to anticipate future changes.	
Market	Tenant preferences for low or zero-carbon properties are likely to reduce demand for inefficient properties. Likewise, shifting investor preferences for sustainable and resilient assets could see valuations favor green buildings. Market conditions may shift from „green premiums“ for low- or zero-carbon assets to „brown discounts“ in rent or valuation for assets with high energy or carbon intensities.	The age of German building stock, where the Group primarily operates, combined with our business model of acquiring and managing existing buildings, poses significant challenges in offering low or zero-carbon properties through the level of investment that is required. Inability to meet tenant preferences may increase vacancies and reduce revenues while inability to meet investor expectations may reduce access to capital. Shifting market demand may put downward pressure on the value of „brown“ assets which are not in line with market expectations, thereby reducing the availability of capital and increasing the cost of debt. Increasing sustainable finance regulation is forcing our tenants and investors to report on their sustainable actions, which will increase these demands on the Group. (M, L)	The Group is working with tenants to reduce energy and utility consumption as part of specific green lease agreements and tenant awareness campaigns, as well as increasing engagement with our largest tenants on their green building expectations and needs. The Group's ongoing renovation in Zeist, the Netherlands provides an example of close cooperation with the tenant to meet our sustainability goals (see our Energy & Emissions Sustainability Insight for a showcase of this project). The carbon reduction pathway prioritizes the most inefficient assets in the portfolio for assessment of possible interventions to determine economic feasibility of investments that will protect or improve their value. This pathway will be subject to ongoing development to ensure alignment to market standards.	Low and zero-carbon buildings will be better positioned to reflect shifting tenant preferences, as well as investor demands, positively impacting rents and access to capital. Green assets may strengthen business resilience by increasing revenue through new products and services that meet market demands and may improve access to capital and debt. Green bond issuance or sustainability-linked loans can be used to improve the financial feasibility of making the needed investments.

Risk Category	Description	Impacts and Timeframe	Mitigation Strategy	Opportunity
Energy	Aroundtown's operating costs are closely connected to commodity-based energy markets, which are more prone to price fluctuations driven by supply crunches or swings in energy demand. This leads to risks associated with high energy and utility consumption and over-reliance on fossil-fuel derived energy supplies.	Energy market risks associated with a dependence on fossil fuels were previously seen as being relevant in the medium-to-long term, but the Russian war in Ukraine and the ensuing rise in energy prices have brought these risks to the present day. This has caused many sectors, including the real estate sector to call for speeding up the transition to a low-carbon economy. Nonetheless, the current energy mix of most grids are still primarily reliant on fossil fuels, as renewable energy generation and energy storage capacities have not reached the required levels for decarbonization. (S, M, L)	The Group's target is to procure 100% of land-lord obtained electricity through power purchase agreements (PPAs) and installation of on-site renewable energy systems contribute to reduced reliance on fossil fuels. Investments in energy efficiency through our carbon reduction pathway and Energy Investment Program will also reduce energy costs, mitigating exposure to variations in price.	Increasing procurement of energy from renewable sources and a shift to decentralized energy generation can reduce operational costs, compliance costs and exposure to volatile fossil fuel markets. Green bond issuance or sustainability-linked loans can be used to improve the financial feasibility of making the needed investments.
Technology	Aroundtown recognizes that current technologies are insufficient to achieve the grid decarbonization needed to address climate change, and this is expected to increase the pace of technological development.	Insufficient monitoring of technological developments may lead to investment in technologies that become obsolete before the end of their use life. Buildings with obsolete technology systems may experience reduced demand and require higher maintenance costs/capex requirements to meet minimum efficiency standards and modern work, leisure and residential trends (M, L)	The energy and operational departments monitor available technologies on the market and their observed costs to maintain awareness of relevant and economical technologies that can improve the energy or carbon profiles of buildings. The energy-related procedures underlying the new environmental policy of the group prescribe prioritization of investment towards proven and cost-effective technologies.	Opportunity to engage with and invest in proptech start-ups to ensure modern, forward-thinking and appropriate technological outfits of the Group's properties.
Reputation	Companies seen as taking insufficient climate action or delaying climate action face increasing scrutiny and criticism from tenants, investors, the media, and society at large. Additionally, current and future generations of employees hold greater expectations for companies to act to address climate change.	Any deficiencies in the climate strategy of the Group could expose the company to criticism from societal actors, diminishing the company's reputation. Errors in non-financial reporting may be seen as fraudulent or „greenwashing“. Reputational damage from inaction on climate change may also reduce the ability to recruit and retain talent in the medium- to long-term (S, M, L)	The Sustainability Department monitors best practices and societal trends to identify and act on gaps in the company's climate strategy and bringing them to the attention of relevant internal stakeholders while working to ensure high-quality sustainability disclosures. Clear communication on the Group's sustainability, climate risk actions and carbon reduction targets will reassure employees, potential candidates and investors of the Group's continued efforts with regard to climate change mitigation and adaptation.	Through meeting or exceeding requirements, expectations, or best practices, the group may be able to positively improve its reputation. This can also improve the Group's ability to attract and retain critical talent.

Physical Risk Assessment

To assess the materiality of various physical risks to our assets, in 2022 we conducted a city-level physical risk assessment through S&P Global's Sustainable1 for each of our major strategic locations. This was done across eight physical risks, with modelling conducted under four warming scenarios SSP1-2.6, SSP2-4.5, SSP3-7.0, and SSP5-8.5 from the CMIP6 consolidated climate models. From this analysis, exposure scores were produced for each decade from 2020 to 2100 in twenty

cities of particular strategic focus to Aroundtown. These scores were weighted against the GDP of the areas assessed, and the cities analyzed cover around 73% of the value of our portfolio. This analysis informs the assessment of risk levels in various locations and scenarios provided below.

The following table presents the results of this risk analysis, describing the potential impacts and severity of each risk across the locations analyzed and under two warming scenarios.

Risk Category	Potential Impacts	Potential Business Impacts	Variation under Climate Scenarios	Variation by Location
Extreme Heat	Deadly heat stress is a prominent risk across our countries of operation, particularly in urban areas with heat island effects. Other potential chronic impacts include worsening air quality due to wildfires; and the spread of disease vectors due to increased temperatures.	Under-adapted assets could become dangerous or unlivable in situations of heat stress, with potential effects on occupancy or rent levels. Household energy demand is likely to increase to manage extreme temperatures. Increased CapEx demands will be incurred to adapt to these risks with measures such as green rooftops or use of water permeable material.	Divergence in degree of exposure between scenarios is only observed in the latter half of the century. With actual extreme heat observations outpacing modelled estimates of our current warming path, our analysis indicates this risk is highly likely to become material, regardless of scenario.	Likely to be experienced at similar levels throughout given urban geographies, indicating the need for systemic adaptation plans in high risk locations. Munich has a high rate of increase of exposure, as well as high absolute risk, alongside other South German cities such as Stuttgart.
Drought	Decreased precipitation and increased temperatures, in particular during extreme heat effects, could make water scarce across large geographic areas. This may have wider infrastructural effects, including to local agriculture.	Under-adapted assets could become dangerous or unlivable in drought conditions, with potential effects on occupancy or rent levels. CapEx requirements may be required to adapt high risk assets.	Divergence of risk level between the scenarios analyzed is comparatively lower than for other risks, with the level of exposure of the Group's regions of operation high across all warming paths assessed.	Drought risks are observed to be correlated by region, with the East German cities of Leipzig, Halle, and Dresden among the most exposed. Almost all cities have near-maximum exposure scores by the end of the century, indicating that the solutions adopted need to be systemic across locations.
Wildfire	Wildfire events can cause substantial damage to life and property in short periods of time, displacing communities and rendering wider areas dangerous or unlivable. The resulting smoke also severely worsens air quality, leading to potential chronic impacts.	Acute property damage could prove highly costly to the business and dangerous to our occupants. The potential chronic impacts on air quality may also impact occupancy. Heightened physical risk is also likely to impact insurance premiums and vacancy rates.	Divergence of risk level between the scenarios analyzed is comparatively lower than for other risks, with the level of exposure of the Group's regions of operation high across all warming paths assessed.	Local geographical conditions drive wide variations in exposure levels between cities. Despite the connection to heat and precipitation levels, the results differ from the scores for extreme heat and drought, indicating a need to assess local risk drivers at asset-level.
Fluvial Flood	Spontaneous flooding due to extreme precipitation can cause substantial damage, with the impacts depending strongly on location due to ground conditions and structural stability. Such flooding can also have collateral impacts on infrastructure and transportation.	Acute property damage could prove highly costly to the business and dangerous to our occupants. Impacts are extremely dependent on asset-level conditions, making it difficult to assess the value at risk with any accuracy. Heightened physical risk is also likely to impact insurance premiums and vacancy rates.	Some cities see considerable differences in risk scores between the SSP2-4.5 and SSP3-7.0 scenarios, with greater magnitude of increase between decades observed in the higher-warming scenario. The rate of increase of risk rating is most pronounced in the decades before 2050 in these more severe scenarios.	There are considerable differences in exposure scores at city level, indicating the very location-specific drivers of this risk. The cities with greatest exposure include London, Hamburg and Amsterdam. London also ranks among the cities with the greatest rate of increase in exposure through 2050, along with the cities of Frankfurt, Mannheim, Mainz, and Wiesbaden, which are located near the confluence of the Rhein and Main rivers. The highly location dependent findings demonstrate the need to conduct asset-level assessments of this risk.
Coastal Flood	Rising sea levels may render coastal areas or river flood basins unlivable. Impacts will be widespread in affected locations, potentially leading to displacement of communities or substantial adaptation costs.	Surface water or river flooding could lead to severe damage to real estate, potentially incurring substantial costs for repair and maintenance, and losses from assets being removed from operation. Heightened physical risk is also likely to impact insurance premiums and vacancy rates.	Differences between scenarios are significant by the end of the century, but are less pronounced through to 2050, suggesting this risk will be material regardless of actual warming.	Naturally, this risk can only be assessed in coastal cities, with the highest scores found in Bremen, Amsterdam and Hamburg. As the adaptation solutions required cannot be implemented at the scope of individual assets, in-depth consideration of the adaptation plans of local governments will be required to understand the value at risk of assets.

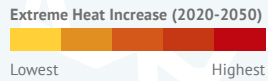
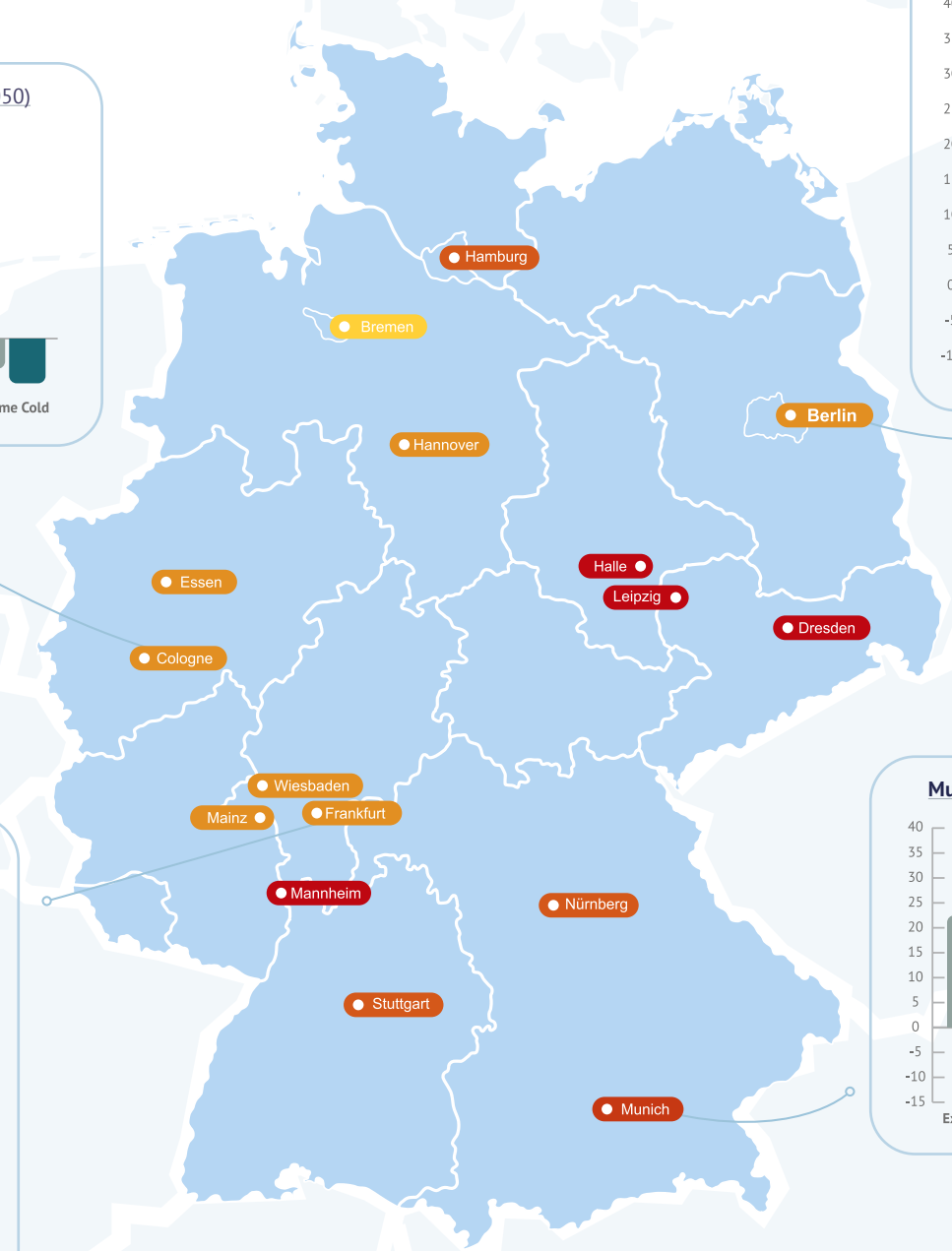
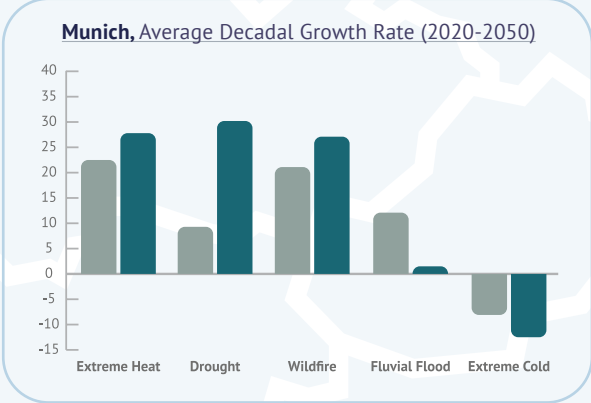
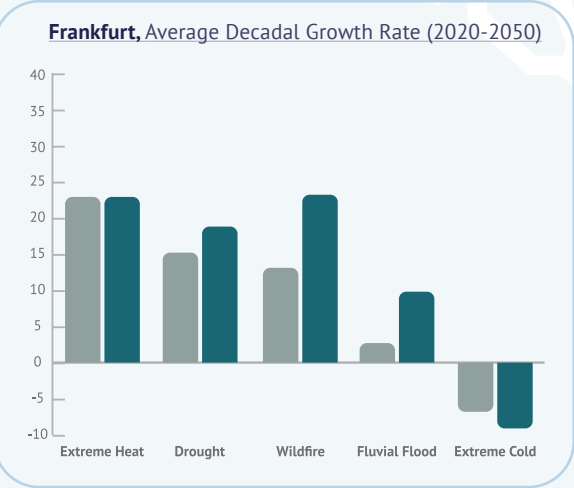
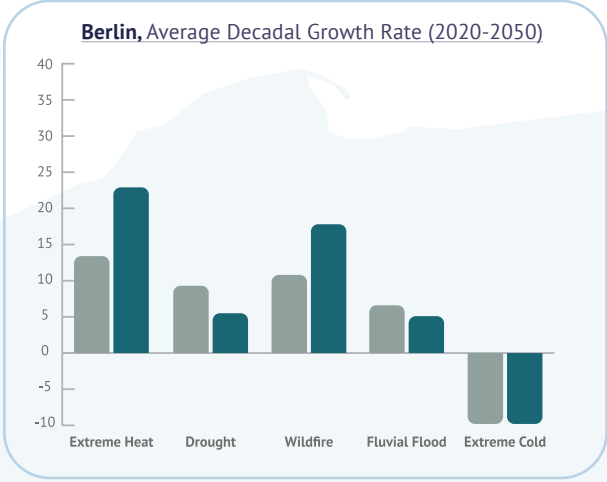
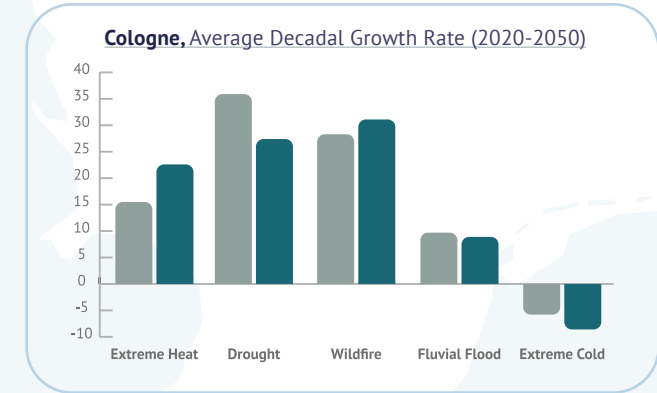
Three risks are excluded from the table above, as they were deemed less relevant to our portfolio following the analysis conducted. Tropical cyclones are excluded, as our assets have no potential exposure to such risks. Extreme cold is discounted as the scores against this risk fall in all scenarios. This risk is part of the historical norm for the European areas in which we operate, and so is not relevant as a climate risk. Finally, water stress is excluded, as the analysis conducted indicated decreasing risk levels. However, we consider that this does not incorporate the potential interrelations with other risks, and is not sufficiently clear as to the driving causes of the identified stress. We will seek to conduct more conclusive analysis of this risk in future.

The following map shows the 16 cities from the German portfolio included in the physical

risk assessment conducted through S&P Global Sustainable1. The color scale ranks the cities according to their increasing exposure to extreme heat risk up until 2050 providing an indication of which German cities should be prioritized when implementing adaptation solutions.

The four bar charts demonstrate the growth rates in risk exposure through 2050, comparing between the Medium (SSP2-4.5) and Medium-High (SSP3-7.0) scenarios, for the strategically important cities of Berlin, Cologne, Frankfurt, and Munich. The differences between the scenarios, as well as the local risk variations indicate the need for a carefully informed approach when developing adaptation plans at the city- and asset-level. Consideration of multiple scenarios is critical for ensuring any plans implemented are robust to multiple climate change scenarios.

City-level Physical Risks Analysis



Medium scenario (SSP2-4.5) Medium-high scenario (SSP3-7.0)

Risk Management

The Group categorizes our risk management systems into two main sections – internal risk mitigation and external risk mitigation. The assessment of physical and transitional risks linked to climate change are primarily external.

The Risk Committee commissions the Chief Risk Officer and the Sustainability Department to conduct physical risk assessments of Aroundtown's portfolio in Germany, the Netherlands and the UK. Other departments, including insurance, energy and technical due diligence provide additional support and expertise where necessary. Under our current procedures, we assess climate-related risk at the portfolio level; however, it is the Group's long-term ambition to conduct an asset-level analysis. Our focus is to prioritize information which provides the most accurate image of regional and local climate risks, as well as opportunities arising from the necessary transition.

In addition to governing risk assessment within the Group, the Risk Committee also monitors the effectiveness of risk management functions throughout the organization, ensuring that our infrastructure, resources and systems are adequate to maintain satisfactory risk management discipline.

Aroundtown's overall risk management is based on the COSO Enterprise Risk Management framework in order to determine the Group's material risks, define current and desired mitigating controls for each risk group (Strategic, Operational, Reporting and Compliance) and to provide a framework for Risk Management Program and risk-based Internal Audit Plan.

Climate-related risks are taken into account throughout the process described above. A comprehensive risk matrix catalogue for each risk group has been compiled for the Group, including physical and transitional climate-related risks. Each risk is rated based on combination of impact and likelihood resulting in four rating definitions: Inherent Risk, Target Residual Risk, Target Risk Reduction and Actual Residual Risk.

Where possible the impact is quantified and based on the current financial results of the company; the likelihood is based on the management's subjective judgement of the probability or on historical data, such as number of claims filed in recent years in relation to flooding.

The ability to quantify climate related risks depends on the availability of data and methodologies. The Carbon Risk Real Estate Monitor, CRREM, tool is an emerging best practice for stranding risk assessment in the real estate sector. Therefore, this tool has also been piloted

by the Group in 2022. So far 50% of the Dutch portfolio has been analyzed and an analysis of the German portfolio was launched in 2022 and continues in 2023.

Adaptation Solutions

A key priority in our current risk management efforts is the implementation of adaptation solutions and action plans. The joint work of the CRO, the Sustainability Department and the Building Resilience taskforce on this objective is presented to the Risk and ESG Committees and reported to the Management. These bodies then jointly authorize the risk management approach we will move forward with.

Potential adaptation solutions were identified by the Sustainability Department, taking into account the results of the physical risk analysis described above. In order to prioritize these measures, the Building Resilience Taskforce held a working session to assess the materiality and feasibility to the stakeholder departments within Aroundtown. The results of this exercise were collated, to identify those measures which could deliver the greatest value for the required investment.

The outcome of this assessment process was a set of four adaptation programs which will be prioritized at our assets. The identified solutions are:

- » Tree planting program – Planting and maintenance of trees in public areas, and unsealing spaces to create more green areas around buildings. .
- » Flood analysis and planning – Asset-level analysis of flood and drought to determine particular counter-measures. Development of flood scenarios plans and emergency plans.
- » Tenant guidebook for extreme conditions – Creation of a behavioral guide for tenants to deal with extreme climatic conditions, including definition of the internal and external notification chain in such emergency circumstances.
- » Refurbishments – Review of materials chosen at sites which are at risk, and roof maintenance works.

In line with the EU Taxonomy's prescribed climate risks and vulnerability assessment, it is the Group's goal to implement these adaptation solutions over the course of the next five years. These solutions will therefore guide our investment program to increase the resilience of our assets to physical climate risks. Our Sustainability Department will continue to analyze the vulnerabilities of our assets to identify further opportunities for adaptation in future.

Metrics and Targets

We publish comprehensive energetic performance data in line with the EPRA Sustainability Best Practice Recommendations (sBPR). In 2022 we received the EPRA sBPR Gold award for this disclosure for the 5th time consecutively, demonstrating the high standard of the data we publish. As recommended by EPRA, we track our total energy consumption and Scope 1, 2 and 3 emissions, and the intensity ratios of these totals normalized by floor area, decomposed by the sectors within our portfolio. As mentioned above, in 2022, we initiated the project of benchmarking these data against the pathways published by CRREM. We will expand the number of properties assessed by this project in 2023, in order to proactively monitor and mitigate the stranding risk of our assets.

We produced a CO₂ baseline report for 2019, with ISAE 3000 limited assurance, to provide a solid baseline for our reporting going forward. This report establishes our organizational and emissions boundary and will ensure that our future emissions reduction goals are assessed against a verified point of comparison.

As mentioned in the previous section, the Group has launched the process of assessing future exposure to the physical risks of climate change. As progress continues in this area, additional metrics will be identified to monitor progress in adapting to the risks of climate change, serving as the foundation for relevant targets as well.



Environmental Protection

Within Aaroundtown's overarching goal of environmental protection, we include other closely associated topics that were raised in our 2022 materiality assessment: the sustainable use of resources, circular economy, as well as biodiversity. The principles of a circular economy are to reduce waste and pollution, maximize the reuse and regeneration of resources, and restore greater balance between the economy and the environment. The concept aligns with our long-term commitment to tenants and society by ensuring that the resources we need to maintain a high quality of life are preserved.

Long-term Targets

- » Focus on refurbishment over new construction and demolition
- » Waste minimization and separation
- » Professional and environmentally friendly waste disposal
- » Stronger consideration of biodiversity topics in refurbishment projects and upgrading of assets

2023 Goals

- » Engage more closely with our contractors regarding the recycling of demolition waste and higher recycling rates
- » Improve data gathering on waste disposal and recycling rates
- » Conduct further biodiversity projects for our Dutch and German portfolios

Policies and Achievements

We take our responsibility to safeguard the natural environment and reduce the adverse impacts of our business activities very seriously.

Circular Economy

Our goal is to reduce the total amount of waste produced at our properties, and to increase the proportion of this waste which is recycled or reused back into the circular economy. To increase recycling rates, we are providing waste separation facilities on our sites, and engaging with our tenants on their waste management practices. As with other environmentally sustainable measures, reductions in waste output and landfill volume correspond to reductions in operating costs, alongside reducing our environmental impact.

Most of the waste produced in the operation of our properties falls outside our direct control, and so in order to reduce our environmental impact we engage with our tenants to reduce their footprint. For example, in our offices portfolio we encourage waste separation to enable more waste to be recycled, and require waste separation facilities from all our waste contractors and processors.

Other portfolio sectors have traditionally posed a greater challenge to influencing waste management practices, such as our retail properties, which present a small percentage of our portfolio. However, as sustainability issues rise on everyone's agenda, we are beginning to see engagement on environmental issues from retailers and consumers. Our local technical teams are always available to support tenants who seek our advice on these issues. This coordination and engagement between stakeholders will be a crucial part of building a more circular, resource-efficient economy.

We also try to use the indirect influence that our properties can have on their tenants to produce more sustainable outcomes. This is often done through awareness raising activities; for example, GCP publishes leaflets and has produced information videos for tenants with advice on more environmentally friendly behavior such as recycling, correct heating whilst not wasting energy and how to ventilate apartments properly. We are also investing in pay-by-volume waste systems at select locations, which monitor the volume of waste disposed by tenants and bill them accordingly. These systems are very effective in drawing tenants' attention to the cost-saving benefits of waste reduction.

As another key example of our waste reduction projects, in early 2023 Aaroundtown will digitalize our postal correspondence with tenants and switch to the new GOGREEN Plus

services from Deutsche Post DHL. The postal correspondence with Aroundtown tenants will be digitally transmitted to Deutsche Post, who offer a climate-neutral hybrid mail dispatch, by email, SMS, fax or post. This will substantially reduce the waste generated in the production and delivery of these leaflets. It will also support our tenants in reducing their carbon emission reductions. We will continue to look for innovative partnerships and strategies to improve our resource efficiency in future.

We have also introduced green lease clauses in our new contracts with tenants, which cover waste management and other environmental management aspects, as well as engagement obligations between tenant and landlord to ensure cooperation on environmentally sustainable practices with respect to maintenance, construction and modernization works.

We are more able to control waste production and disposal from refurbishment work, although in general we do not conduct a lot of major construction and renovation projects. Where we do undertake these larger projects, we conduct reviews of type and quantity of waste produced, to ensure lawful disposal of hazardous and non-recyclable waste streams. With the topic of circular economy being included in the six environmental objectives of the European Union, stipulated with the EU Taxonomy, the goal of a 70% recycling rate has been set for the real estate and construction sector. We therefore aim to engage even more closely with our contractors regarding the recycling of demolition waste and to improve data gathering on waste disposal and recycling rates. Lastly, we are also planning to explore potential collaborations with circular economy service providers for buildings materials in 2023.

Whilst our corporate policy gives preference to investment in buildings with 'green' credentials, poor environmental performance does not deter us from proceeding with a purchase that aligns with our commercial criteria, as the guiding principle of our strategy is to raise assets' environmental performance to the desired standard, even where this involves more significant structural interventions. Fundamentally, the findings of the environmental assessments undertaken as part of our due diligence enable us to develop comprehensive asset environmental improvement plans, including a defined catalogue of measures which are factored into the budget for asset repositioning.

Water Management

We aim to use water as efficiently as possible, and to comply with the high standards for water quality and wastewater disposal set at EU and national level. The importance of sustainable water usage has been highlighted by its inclusion as a core environmental objective in the EU Taxonomy.

Our operations do not entail significant water consumption; the most substantial impact occurs at distribution, before the tenants enter the value chain. However, we seek to positively influence tenants' water consumption, through engagement programs and advanced measurement technologies. We are prioritizing investment in water meters to provide tenants with accurate information about their water usage. This data is also used to identify inefficiencies and potential interventions from both a structural and management perspective. Based on these insights, we seek to implement technical improvements to reduce water consumption in our properties wherever feasible.

Acknowledging that this topic is of increasing importance, AT will also create a specialized role for water management which has until now been handled by the energy department and various operation teams.

In 2022, the water intensity increased by 5% compared to last year, which can likely be explained by warmer temperatures in the summer of 2022.

Biodiversity

The COP 15 conference in 2022 highlighted the growing international consensus that the loss of global biodiversity is a crisis of equal magnitude to climate change. We see it as part of our corporate responsibility to go beyond minimizing our negative effects on the natural environment, by contributing positively to biodiversity at our sites.

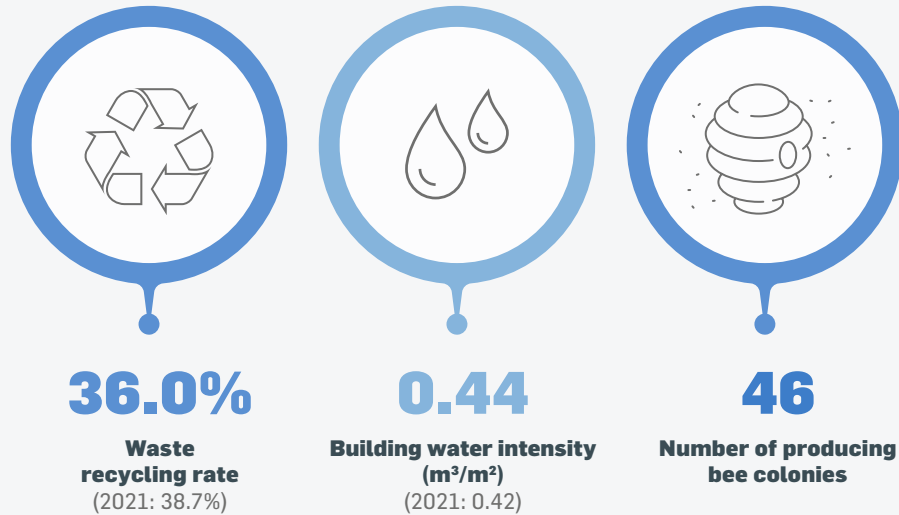
In 2022, we piloted projects to support biodiversity at two of our sites in the Netherlands. At both locations, a biodiversity survey was conducted by an ecologist, to identify possible improvements to support native flora and fauna. The measures implemented included bird nesting boxes, insect hotels and bat boxes, as well as new planters with native species. Our goal is for these projects to contribute to a future sustainable co-use of flora and fauna at our properties. Further biodiversity projects are planned for 2023.

We have also continued to expand our 'Aroundtown buzzes' program to protect urban bee populations in and around our assets. The program was initiated by in spring 2020 with 15 roof-top beehives across our commercial properties. In 2022, this number has tripled, to 46 producing bee colonies across 11 roofs in our portfolio. These also include four roofs in our hotel portfolio which we added to this program, in collaboration with the hotel tenants, and we aim for this number to increase in 2023. Today, the bees are looked after by our very own registered beekeeper.

At the retail center Markt Center Potsdam, greenery and wildflowers were planted and seeded on the roof to create favorable conditions for the bee colonies there. These efforts reflect our commitment to protecting biodiversity at our assets, which we will continue to pursue in the coming years.

To engage our staff with these biodiversity programs, our Aroundtown and GCP employees receive gifts produced by our bee colonies, including beeswax candles, and 1,400 jars of honey following our investment in a new honey extractor.

KEY PERFORMANCE INDICATOR



For more information on our approach and performance, please see the Environmental Protection Sustainability Insight, available to download from the sustainability section of our [website](#).



Material Tenant Matters

Tenant Satisfaction

Our business has been built on the premise of exceptional customer service, emphasizing responsiveness, diligence, and reliability. We aim to build long-term tenant relationships by striving for the highest possible standards in our properties, and customizing our management approach to cater for each tenant's needs.

Long-term Targets

- » Retain strong performance in the area of tenant orientated customer service.
- » Continually increase tenant satisfaction

2023 Milestones

- » Annual tenant satisfaction survey
- » Continued installation of renewable energy projects and electric vehicle charging facilities

Policies and Achievements

In order to deliver the long-term cash flows which are central to our business model, it is crucial that we build positive, long-term tenant relationships. This drives our objectives for this area: to continually increase the satisfaction of our tenants with their experience of our properties; and to offer industry-leading, tenant-oriented customer service.

Our tenant base is very diverse, comprising mainly governments, multi-national and large domestic corporations, granular residential tenants and strong third-party hotel operators, additionally including a small share of small to medium enterprises. This presents a diverse range of tenant needs, which we aim to identify and support from the first site visit.

Our tenants are supported by a three-tier management approach. At the regional level, our asset managers work to enhance asset value by delivering excellent customer service and targeted asset re-positioning. They serve as the first point of contact for our prospective tenants, and engage with them on longer-term aspects of the assets, the lease agreements, and

tenant satisfaction. Our property managers are responsible for ongoing customer care. They make regular site visits, prepare budgets, plan technical improvements and maintenance works, and ensure that refurbishment and management activities are aligned to tenants' needs. At site level, facility managers provide day-to-day technical support and maintenance, accommodating the needs of our tenants with an accessible, flexible approach. Whenever facility managers are unavailable, tenants can also report issues directly to property managers, who can then raise them with facility managers for action.

The process of establishing a professional customer relationship management (CRM) system was initiated in 2021. The CRM system assists the efficiency of our customer engagement process including letting, tracking leads, response times, and the status of customer requests. Digitizing these workflows improves the pace of our communications with tenants, providing the accessible customer care which is vital in a competitive and continuously changing market.

Our focus will be on harnessing opportunities for further digitalization through our SAP management system, for example by integrating the CRM solution and a letting support tool to improve our accessibility for tenants, potential tenants and service providers. We have trialed solutions to provide tailored experiences for our tenants, including booking systems, services and amenities, and to track satisfaction and support resolution time. The ability to customize these systems will allow us to respond better to the needs of our tenants.

Occupancy and retention rates are key indicators for assessing the effectiveness of our tenant satisfaction strategy. We monitor vacancy rates and weighted average lease terms as indicators of satisfaction levels, with unsatisfied tenants evidencing reduced loyalty and a greater likelihood of termination.

We also include the proportion of satisfied tenants, following the launch of our tenant survey. Continuing this survey, as well as expanding the use of digital platforms for our tenants, will provide us a wider range of useful data points with which to monitor and communicate our performance in this area.

For more information on our management approach and performance in 2022, please see the Tenant Satisfaction Sustainability Insight, available to download from the sustainability section of our website.

Tenant survey

In 2022, we developed a tenant satisfaction survey. This asked tenants to rate their satisfaction across several areas such as rental property features including parking and safety, sustainability-related features including green space and energy efficiency, fit-outs, cost, property management, and onsite service.

For the 2022 survey, the scope for participation was limited by the need to acquire signed consent from each tenant in order to use their data. 100% of tenants were invited to give their consent and participate in the survey. The survey showed high overall satisfaction, with 64% of those who consented and took part answering that they were partially or completely satisfied with Aroundtown's service. This rate was even higher among our larger tenants (those with over 400m² rented) and tenants with relatively longer-term contracts (those with 7+ years' contract duration). The results also demonstrated good satisfaction with our external service providers, with the average ratings for friendliness, accessibility, competence, responsiveness and service orientation all indicating positive satisfaction. In the tenant survey we conducted at our Netherlands properties, 63% of the tenants who consented and took part in the survey answered that the condition of their properties was quite or very good.

The survey has also highlighted some areas for improvement, which we will address in 2023 through action plans informed by these results. There was higher dissatisfaction with the accessibility, response time and service orientation of our property management teams. To act on this, Aroundtown now offers a 24/7 hotline for our commercial tenants, to provide a professional point of contact outside normal service hours. Our commercial tenant service center has also been certified with TÜV and ISO 9001:2015 in 2022, which puts us in a unique position compared to our peers. Our efforts to develop our CRM technologies will also deliver more dynamic service to our tenants, which we hope will be reflected in the results of future surveys.

We aim to conduct these tenant satisfaction surveys annually to ensure the continual evaluation of our efforts and improve our processes and tenant offerings. To overcome the data protection issues limiting participation, we have entered an addendum to tenants'

standard lease documents, which asks for their permission ahead of time to receive online tenant surveys in the future. This will increase the range of future surveys.

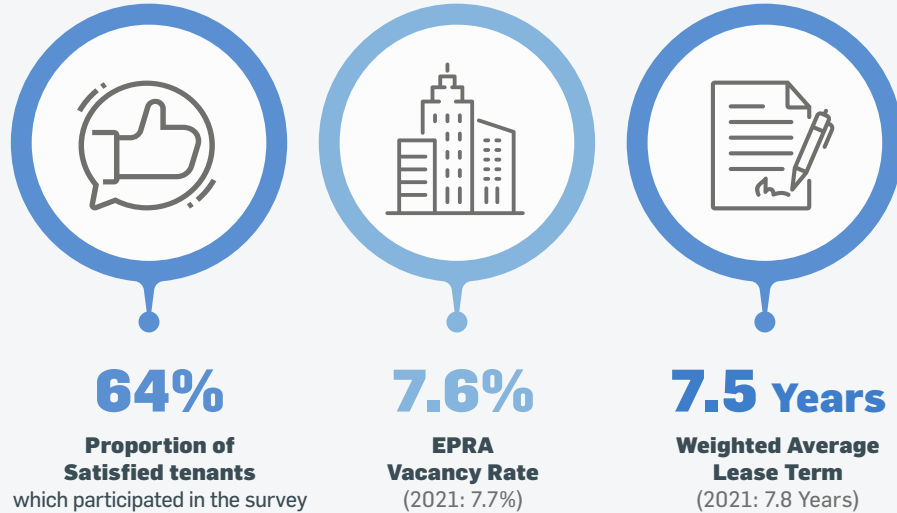
Improving Building Quality

In order to align our investments with our tenants' needs, we tailor ongoing analysis into each tenant's industry segment and individual success factors. Investments in environmental efficiency measures are an integral part of this strategy. Larger corporate tenants often have sustainability policies which give preference to buildings with higher environmental standards, as well as buildings which offer additional benefits to employee health and wellbeing. To evidence the green credentials of our assets, we are continuing to pursue BREEAM certification across our commercial portfolio. We made further headway after the successful initiation of the pilot program in our Dutch portfolio and certified 55% of the portfolio with BREEAM, from 30% in 2021. Experience and knowledge gained from this project is currently being implemented in our German portfolio. 9% of the commercial portfolio is certified (5% in 2021). It is our goal to complete BREEAM certification for the entire Dutch portfolio excluding retail, Center Parks and disposal properties in 2023.

Environmental measures also benefit tenants through reduced service charge costs, such as efficiency gains in energy and water consumption or waste reduction. This trend was reflected in the results of our tenant survey, which showed a clear desire for improvement in the energy efficiency of our buildings among our tenants. In particular, almost 50% of our tenants anticipate converting their company cars to electric vehicles in the next two years, indicating clear demand for electric charging stations at our properties.

Because of this demand, we are beginning to implement electric vehicle charging stations across our portfolio, as well as installing high-efficiency heating system replacements and on-site solar PV systems. To support these programs we have introduced green lease clauses in our new lease agreements, covering aspects such as use of eco-efficient equipment and waste management.

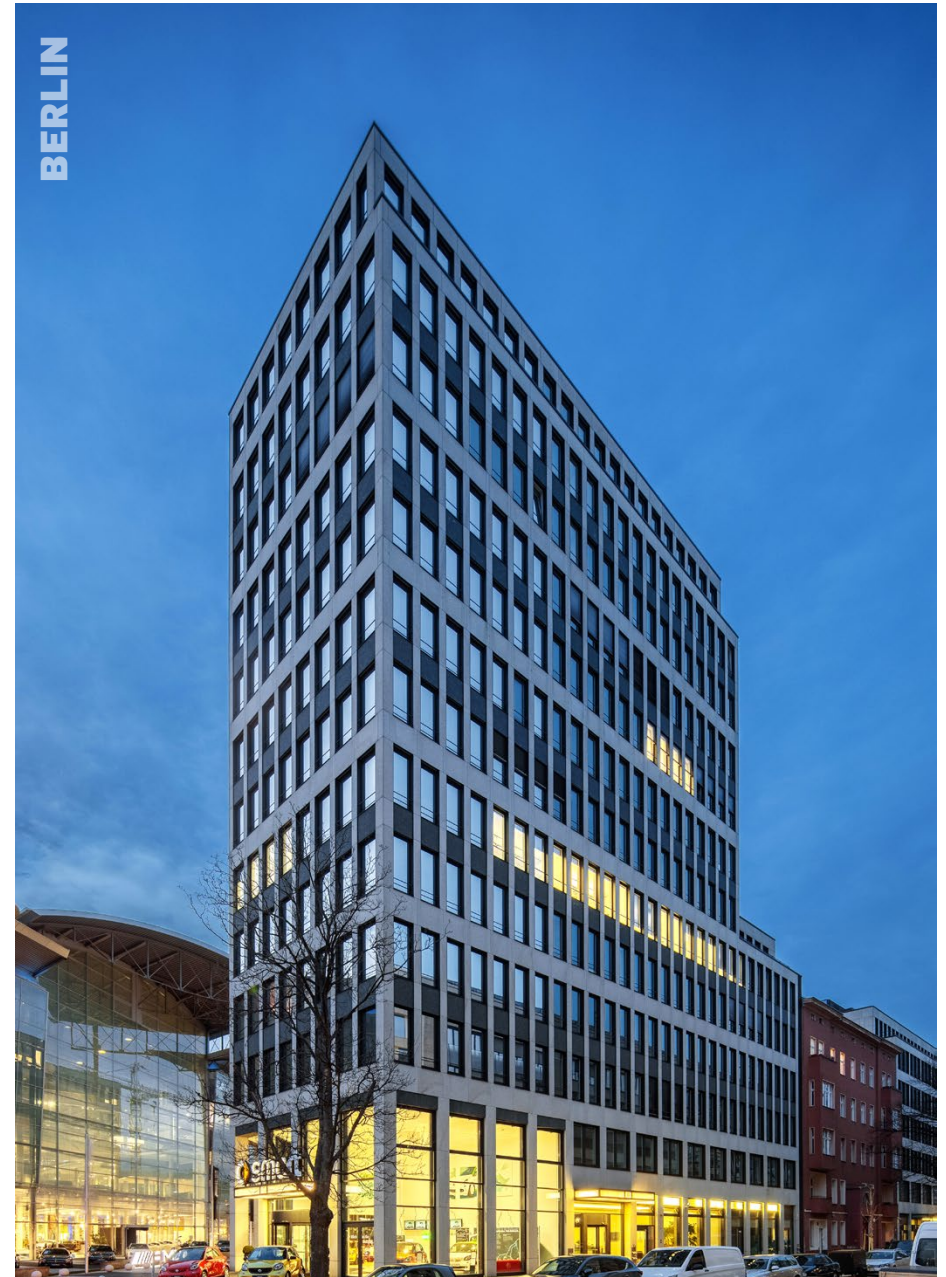
KEY PERFORMANCE INDICATOR



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We also include the proportion of satisfied tenants, following the launch of our tenant survey. Continuing this survey, as well as expanding the use of digital platforms for our tenants, will provide us a wider range of useful data points with which to monitor and communicate our performance in this area.

For more information on our management approach and performance in 2022, please see the Tenant Satisfaction Sustainability Insight, available to download from the sustainability section of our [website](#).



Tenant Health and Safety

Guaranteeing high standards of health and safety within our buildings is a fundamental obligation to our tenants, and a prerequisite to ensuring their satisfaction with our service. Through the dedication of our property management teams, we work continually to instill a positive health and safety culture across our operations.

Long-term Targets

- » Guarantee relevant health & safety standards and ensure compliance with all statutory norms and safety requirements in Aroundtown's countries of operation.
- » Ensure the highest health & safety standards following national laws

2023 Goals

- » Reduction of facility management service providers and concentration on a few service providers, as well as the standardization of contracts across the portfolio. The goal is to improve processes and introduce uniform standards and reports. This will transfer more responsibility for the operation of the properties to the service providers and thus an even stronger focus of the service providers on health and safety issues.

Policies and Achievements

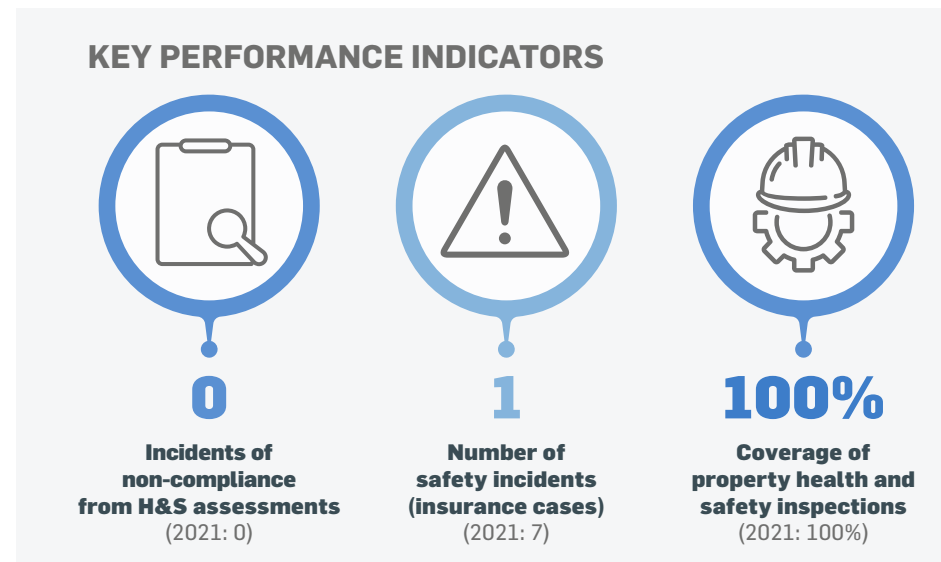
Health and safety are central to our asset management approach at every stage of a property's life cycle. The Aroundtown Tenant Health and Safety Policy sets out our commitment to protecting the wellbeing of our tenants and the processes we apply through the asset lifecycle, including hazard assessment, training, fire safety, and reporting. The policy details a three-tier management approach, with distinct roles and responsibilities assigned to our facility, property and asset management teams.

At acquisition, we conduct a comprehensive due diligence risk assessment which enables us to identify risks and implement preventative maintenance solutions. We assess the building's structural characteristics to establish which refurbishment activities should be targeted.

Safety is a priority throughout these assessments, especially fire safety, and we regularly commission the legally required assessments from external fire safety specialists. Also, statutory checks with the regional fire brigade are being conducted. If deficits are identified, these are documented and reported to the Head of Technical Property Management who is then responsible for seeing that the required work is carried out. The proper implementation of these corrections is confirmed by appropriate follow-up processes (inspections and audits).

During the operational phase, we conduct technical reviews of our properties on an ongoing basis, to ensure alignment with regulations and to guide future investment planning. Our external facility managers have operational responsibility for delivering the information and works necessary to maintain the technical condition of our assets. This includes documentation of all conducted checks of all technical installations and building structures. Reports are submitted to Aroundtown, and any remedial works identified are included in our annual budget planning for each property or completed immediately if necessary.

We are committed to complying with fire and safety regulations, conducting regular drills, investigating and documenting safety incidents, and providing support and training to our tenants to reduce risks to their employees.



All our properties are subject to an annual safety assessment as part of our extensive operational activities. We track issues of non-compliance with applicable health and safety standards and legislation and no such issues were reported in 2022.

For more information on our management approach and performance in 2022, please see the Tenant Health & Safety Sustainability Insight, available to download from the sustainability section of our [website](#).

Local Communities & Neighborhood Development

Investors in the built environment are expected to think beyond their commercial interest, to create long-term socio-economic benefit in the communities they operate in. By building productive relationships with the local community, we can contribute to the development of prosperous neighborhoods, which in turn will benefit our properties and their tenants.

Long-term Targets

- » Invest up to EUR 670,000 p.a. in community projects via the Aroundtown and GCP Foundations
- » 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)

2023 Goals

- » Maintain our level of community investment through the Aroundtown Foundation at €670,000 p.a.
- » Employee volunteering through the company-wide 'Social Day',
- » Organization of our annual blood drive day at the Berlin office

Policies and Achievements

As part of our acquisition criteria of targeting properties with value-add potential, we often invest in mismanaged properties whose upside potential can be lifted via improvements. This type of asset provides significant opportunities to deliver improvements for the property's tenants and nearby residents, through investment in building systems and facilities, shared services, aesthetics of external facades and better maintenance. We open discussions with existing tenants and local authorities as soon as an asset is acquired, to determine how the needs and concerns of the community can be addressed through the long-term asset strategy. These community consultations are usually in the form of meetings and workshops.

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.

Neighborhood Development

The opportunities for community engagement programs differ greatly across the sectors represented by our asset types. Shopping centers, which represents a small part of the portfolio, for instance, hold regular community events, host liaison activities with schools, and provide support to local charities, for example by providing spaces free of charge to promote and raise funds for their cause.

Our subsidiary GCP takes a proactive approach to social engagement in the communities surrounding the residential properties they invest in. They run community events in and around our assets to bring neighbors together, which this year have included sponsoring a charity run, parties for tenants at various sites, and a youth café being sponsored in Lünen. They also invest in improvement of social areas and green spaces, including four playgrounds at various East German assets and a new wildflower area in Dortmund with a bee hotel.

In an important example of the Group's cooperation with local authorities throughout the life cycle of our assets, GCP apartments across Germany were rented to local municipalities to provide accommodation for refugees from Ukraine after the outbreak of the war. After 6 months, these refugees were able to move out and rent their own apartments, some within the GCP portfolio.

Charitable Contributions

The Aroundtown Foundation exists to channel funding into projects which enrich the communities in which the Group operates. This includes charitable organizations, and initiatives which support youth and elderly welfare, education, national and vocational training including student aid, development coordination, sports, art and culture.

In 2022, the Aroundtown and Grand City Properties Foundations supported a total of

90 projects and donated €670,000 to charitable organizations. One such donation went to the non-profit association HORIZONT e.V., which provides care and accommodation for homeless mothers and their children, as well as for socially disadvantaged families without a permanent residence. Our donation supported the planned introduction of a children's theatre series, and the expansion of a podcast series for socially disadvantaged young people. We also donated to wünschdirwas e.V., a charity which fulfils wishes for chronically ill children and young people. Also, with the support of the Aroundtown Foundation, two young people from the Gymnasium Langenhagen were able to participate in the world championship of RoboCup Junior held in Bangkok. To our great delight, the students we supported won the World Championship in July 2022, for which we send our congratulations!

The projects funded by the Grand City Properties Foundation included the support of a local day-care centre in Kaiserslautern, Kita Mobile, in providing plants and seeds for their vegetable academy project, giving children the opportunity to learn in the fresh air and grow their own vegetables. The foundation also donated to fund a new computer-based football skills training system for the youth teams of Talentsportverein Mainz e.V., and a programme of dance lessons culminating in a competition for the 300 pupils of Grundschule West am See in Neubrandenburg.

Social Day

Following the pause of our Social Day during the Coronavirus pandemic, it could finally be offered again to our employees located in Berlin. As in the past it was organized together with the non-profit association, Lebenshilfe e.V., which sees itself as a self-help and support association for people with intellectual disabilities and their families in particular. Lebenshilfe helps people with disabilities to participate in society on an equal footing.

Aroundtown employees at our Berlin headquarter could volunteer to participate in a range of projects taking place between May and September 2022. They included helping out at a summer party for Ukrainian refugees, assisting Lebenshilfe clients in a wheelchair during a visit to the Berlin Zoo, as well as the renovation of common and individual rooms at several of Lebenshilfe's residential homes.

Following the great success of the 2022 Social Day, it is the goal of Aroundtown and Lebenshilfe to offer this engagement opportunity to employees across Germany in 2023.

Affordable Housing

Much of our community impact comes from our residential properties, owned through our subsidiary GCP. GCP's tenants represent a range of social, economic and cultural backgrounds, including a high proportion of households with below-average incomes. To offer properties which serve these communities, we are committed to providing affordable housing. In order to monitor our performance in this regard, the Group has developed a "rental cost burden" metric modeled on Eurostat's housing cost overburden rate. This metric compares GCP's median rent for residential units against the net minimum wage salary after taxes and social security contributions, which we believe is a conservative benchmark focusing on those most sensitive to rent affordability. The housing cost burden based on the median warm rent of GCP residential properties in Germany in 2022 was 38% of this benchmark. The warm rent incorporates various costs of living, including energy costs, housing services et cetera, which GCP has no control over. The rental cost burden based on median cold rent for our German residential properties, excluding these factors, was 24% of the net minimum wage salary. This figure is a testament to the Group's commitment to ensuring that our high-quality residential properties are priced affordably for all our tenants.

Modernization Rent Increases

GCP launched its modernization program for its residential properties in 2021. As part of our commitment to providing affordable housing, GCP works to ensure that modernization cost allocation to tenants are done in a way that keeps housing affordable.

To determine these cost allocations, the rent control and increase department analyses the current market situation and relevant regulations on cost allocations, to decide whether to enact rental increase waivers on the modernization costs. The average modernization cost allocation for German residential properties in 2022 was €0.49/sqm, which is 28% lower than the legally possible cost allocation set out in German law.

In cases of significant rent increases, tenants can object to the cost allocation, known as a financial hardship case. These can be resolved through a complete or partial waiver of the entitled rent increase for a given number of years. In 2022, 6 hardship case objections were received by GCP, out of which all 6 ended in positive decisions to waive or reduce the cost allocation. We believe this low number of hardship case applications reflects GCP's targeted approach to conducting modernization projects, and the careful consideration the company puts into rent increases and waivers.

KEY PERFORMANCE INDICATOR



€670,000⁸

Total community contribution
(2021: €496,146)



90

Total number of foundations projects
(2021: 16)



200 hours

Volunteered time
(2021: 0)



6

Modernization cost allocation waivers
(2021:0)



24%⁹

Cost of housing affordability/ cold rental cost burden

For more information on our approach and performance, please consult our Local Communities and Neighborhood Development Sustainability Insight, available to download from the sustainability section of our [website](#).

8. Our 2022 figures include data from the GCP Foundation.
9. of the German net minimum wage salary

Material Governance Matters

Fair Business & Compliance

Our business strategy is underpinned by our fundamental commitment to ethical conduct, robust corporate governance and high levels of transparency. Our compliance framework seeks to embed our principles of integrity, respect, performance, accountability, and sustainability into all of our business activities.

Long-term Targets

- » Keep our level of fair business relationships with our customers and suppliers
- » Maintain zero tolerance towards compliance violations

2023 Goals

- » Maintain high-level awareness and engagement with our company compliance policies
- » Relaunch our corporate Compliance Day for this purpose which has been reduced due to Covid
- » Alignment of our Group policies to the new Supply Chain Act in Germany

Policies and Achievements

To ensure our high ethical standards are embedded in our business, we have developed a comprehensive compliance framework. This system is designed to adapt to increasingly complex legal frameworks, and to protect our business from the risks associated with unethical conduct. The expectations and requirements of this framework are clearly set out through our Group-level policies and standards. Alignment with these standards is monitored by internal control mechanisms, and in case of deviations we have a clear reporting and response process.

At the heart of our internal policies for compliance is our Employee Code of Conduct. This sets out the principles of our commitment to ethical behavior, and is a contractual requirement for our staff at every level. The Code of Conduct covers our standards on topics including bribery, corruption, fair competition and anti-trust, conflict of interest and discrimination. An updated Code was rolled out in 2022, as we continue to improve and solidify our compliance practices.

Supporting this code are a number of specific policies, such as our Anti-Corruption, Anti-Discrimination, and Global Information Security Policies. Another crucial subject in our compliance program is the management of ethical standards in our supply chain. This is addressed in detail below in the section 'Supply Chain & Human Rights'.

Part of our commitment to fair and sustainable business is to engage with other companies who share our goals. In 2022, we extended this commitment by becoming an active participant in the UN Global Compact, one of the world's largest corporate sustainability initiatives.

In 2022 we launched the compliance site on our company intranet, where these policies are available to all our employees. This is a major step towards our overarching goal to unify our internal policies across all our operating regions. Through the intranet platform, we can now ensure that policies are available in a standard form to the whole organization, and that updates to these policies are rolled out immediately.

This intranet page also supports the measures which ensure ongoing alignment with these compliance standards. Firstly, it contains a dedicated page on our breach reporting and whistleblowing processes, and provides access to our whistleblowing platform. Ensuring continued alignment to our high ethical standards requires a frictionless way for employees' concerns to be registered. This is the spirit of our "Speak Up" approach, through which employees and external service providers are encouraged to voice any concerns they may have about breaches of the law, without any fear of repercussions. Issues can be reported in person, but to guarantee total anonymity we use a third-party web application to allow stakeholders to register any suspected misconduct in good faith. Our intranet page ensures availability and awareness of this platform for our employees and the whistle-blowing system can also be accessed via our website by external stakeholders. This whistleblowing process is key to the effectiveness of the compliance framework.

Additionally, the intranet platform provides links to our e-learning tool, CREA, which provides training on anti-corruption, bribery and data protection topics. This continual training and communication ensures that understanding of our standards is always being reinforced.

Compliance training through CREA is included in our Welcome Days for new employees, as is training on the use of our whistleblowing platform. Employees are then required to undergo annual refresher training on these policies, to reaffirm their commitment to these standards.

In addition to unifying our compliance approach across our operating locations, we want awareness and consideration of compliance issues to be straightforward and commonplace for our employees. To this end, in 2022 we began to introduce compliance ambassadors in our regional offices, to serve as first contacts for staff on compliance subjects. These have currently been embedded in our UK, Cypriot and Netherlands offices. In order to enable an open culture around compliance questions, these ambassadors are not officers of the Compliance department, but are empowered to serve as sources of information and guidance for staff across the organization. We aim intensify our collaboration with our local compliance ambassadors in 2023.

Aroundtown does not engage in unlawful lobbying activities or make donations to political parties. However, as a member of bodies such as the German Sustainable Building Council (DGNB), German Property Federation (ZIA) and the European Public Real Estate Association (EPRA) we participate in consultations on public policy. For example, we have been involved through EPRA in consultation with the EU on the real estate applications of their Sustainable Finance and Taxonomy Regulations.

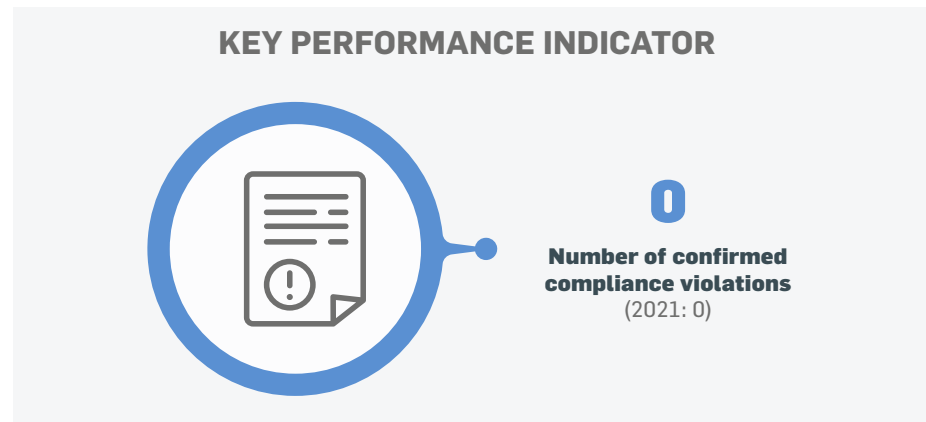
For more information on our approach and performance, please see the Data Protection Sustainability Insight, available to download from the sustainability section of our website.

We monitor the effectiveness of our compliance framework by tracking the number of com-

pliance violations. We continue to carefully analyze the evolving market and regulatory environment in conjunction with further appropriate development of internal structures. In 2022, zero relevant compliance cases were reported within the Group.

For the purpose of this report, Aroundtown considers a compliance case to be relevant either when it has the potential to materially harm the reputation of Aroundtown, will have a significant impact on an investor's decision to invest in Aroundtown or if it may lead to a significant financial damage (of > €500,000). Those cases reported to the compliance department in 2022, were treated with the highest attention and considered carefully based on the provided definition of relevance. It was determined that none of the cases could be considered relevant.

For more information on our approach and performance, please see the Fair Business & Compliance Sustainability Insight, available to download from the sustainability section of our [website](#).



Supply Chain & Human Rights

Aroundtown believes that respect for human rights is a non-negotiable foundation for any business. As such, Aroundtown's commitment to maintaining stringent standards of ethical behavior extends throughout our value chain as well as to our own operations.

Long-term Targets

- » Maintain zero human rights violations in the supply chain
- » Maintain our high standard of business partner scrutiny

2023 Goals

- » Distribution of our new Business Partner Code of Conduct together with the new Business Partner Questionnaire
- » Ensuring alignment of our policies with the new Supply Chain Act in Germany.

Policies and Achievements

In our regions of operation, human rights are protected by the strict legal framework of the European Union and the United Kingdom, meaning that concrete human rights violations are not a substantial risk. This means that the most material business impact of this topic is as a compliance issue, so our comprehensive controls on human rights throughout our value chain are managed through our compliance framework.

The Supply Chain Act in Germany has been a significant development in 2022. Adapting our supply chain management procedures in preparation for compliance with the new law has been a focus for our compliance team this year, and will be a major ongoing project in 2023. As with all our compliance framework procedures, we aim to unify our procedures across operating locations to create a consistent, best-practice approach.

Our Human Rights Policy sets out our commitment to act in accordance with internationally recognized standards of human rights, including the UN Guiding Principles on Business and Human Rights, the Declaration of the International Labor Organization (ILO) on Fundamental Principles and Rights at Work, and the International Bill of Human Rights. These principles cover equality, freedom of association, safe work environments, and education and development. The policy also sets out our expectations for suppliers, our

process for monitoring and responding to violations and infringements, and requirements for reporting.

Prior to contracting our Business Partners, we conduct checks regarding their reputation, ability to provide the proposed work and their compliance with the respective local laws. Aroundtown's Code of Conduct for Business Partners is a contractually binding part of all of our business partner relationships. In 2022, we undertook a comprehensive review process for this Code of Conduct, and the new Code will be brought into operation in 2023. To ensure that our requirements are both practical and sufficiently thorough, we worked closely with leading experts to develop a robust system for reporting and monitoring which can be integrated into their operations smoothly. The Code requires an explicit commitment to the core principles of the Agreement of the Governing Body of the ILO, the Principles of the UN Global Compact, and the OECD Guidelines for multi-national companies.

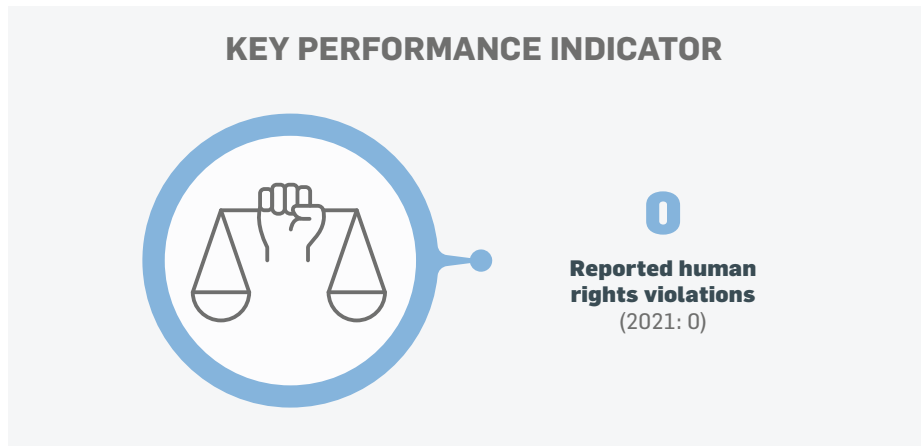
The requirements imposed by the Code are flexible, depending on the materiality of the potential risks. These materiality considerations include factors such as the size of the company and its internal compliance resources, and the composition of its workforce. This ensures that greater scrutiny is placed on companies whose operations are deemed to be a greater risk for human rights violations. Based on this continuous monitoring of their safety and compliance practices, we categorize our business partners internally according to their associated risk level, informing the level of attention required in future risk management.

Since our business model includes the refurbishment of underperforming properties, much of our supply chain consists of building work carried out by construction companies and their subcontractors. Since these sub-contractors do not operate under our direct oversight, this introduces a risk area for human rights violations, for which specific controls are in place.

Each construction undertaking is managed by a dedicated Aroundtown project manager, who engages directly with the on-site contractors and sub-contractors. These project managers evaluate compliance with the Code of Conduct during their site visits, such as inspections and acceptance of partial deliveries. We also conduct spot checks of business

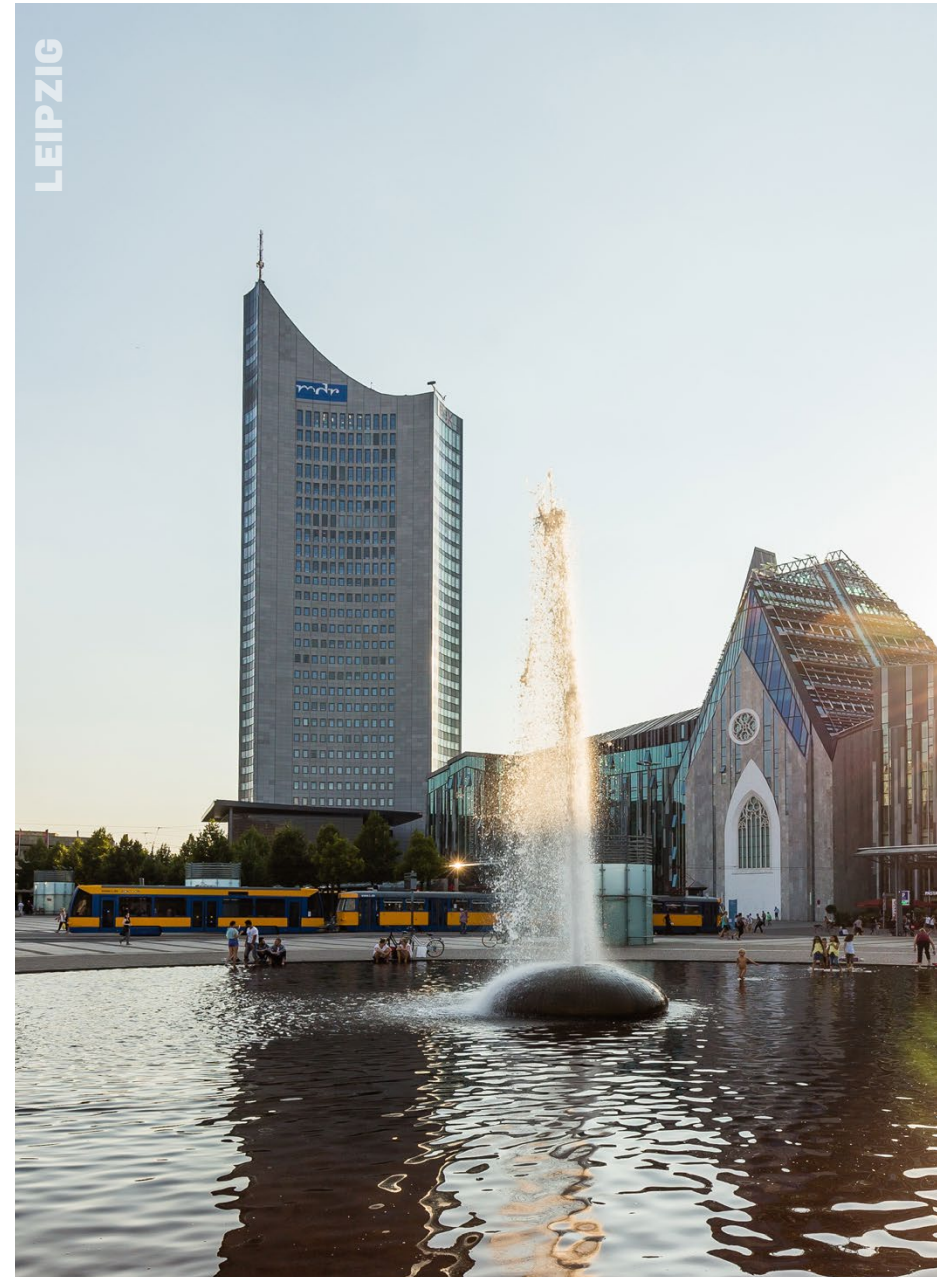
partners' compliance through our operational departments. This supplements our standard systems for auditing the activities of our business partners to control for the different risk potential.

Our property management business also outsources facilities management services. These companies are required to have their own human rights guidelines in place and are also subject to the Code of Conduct for Business Partners. Our facilities managers are required to complete questionnaires regarding their compliance practices, in which they must confirm that they have conducted their own human rights checks on any sub-contractors and that they comply with all relevant human rights laws.



No instances of human rights' violations of any form were brought to our attention.

For more information on our approach and performance, please see the Supply Chain & Human Rights Sustainability Insight, available to download from the sustainability section of our [website](#).



Data Protection

We have a deep commitment to protecting the privacy of our stakeholders' data, which goes beyond what is required of us by regulation. The volume of data handled in the course of our business relationships increases every year, and we take the trust placed in us to protect the confidentiality of this data very seriously.

Long-term Targets

- » Identify risks proactively, to detect and eliminate weaknesses before they can become threats
- » Embed a culture of awareness and vigilance throughout our staff, through consistent training and reinforcement
- » Pursue continual improvement of the security of our digital systems

2023 Goals

- » Conduct at least five technical crises training and simulations to enhance our ability to respond to cybersecurity events
- » Work with an external partner to improve our data loss prevention strategy
- » Carry out 10% more internal audits on our ISMS to ensure that it conforms to all relevant criteria
- » Deploy advanced security technologies
- » Introduce a “Welcome Day” to provide assistance and guidance to new employees

Policies and Achievements

The development of our Information Security and Privacy Strategy has been a years-long project. The strategy is spearheaded by our in-house cybersecurity leads, who sit in on the board's Risk Committee meetings to reflect data security considerations in our top-level risk management processes. Our ISO 27001 certification for our Information Security Management System (ISMS) at our headquarters in Berlin, which we received in 2021, was maintained in 2022 with no issues for correction raised. The certification only applies to our head office, but our local German offices fall under the same implementation scope and apply all relevant policies and procedures. For operational reasons, all

digital information flows through Berlin, making this the most material location to focus our certification effects.

The core principles of our Information Security Management System are:

- Confidentiality: encryption wherever data is stored or accessed
- Integrity: establishing procedures to prohibit unauthorized personnel to alter information
- Availability: designing systems to minimize downtime
- Security: securing business information pertaining to company operations
- Personally identifiable information: enforcing the security and confidentiality of processed personal information
- Regulations: satisfying regulatory (such as GDPR) and other information security requirements
- Awareness: training employees on how to identify threats and act according to company guidelines
- Resilience: protecting our systems and networks as well as the data contained therein from malicious activities
- Information Assets: ensuring that all networks, systems and applications comply with confidentiality, integrity and availability

As part of our proactive approach to risk identification, in 2022 we conducted internal audits in our office branches in the Netherlands and the UK, as well as our regional offices in Germany. These were designed to compare the effectiveness of measures at these offices to the implementation at our HQ, to ensure that application of our procedures is unified across our business locations. The results demonstrated good levels of compliance across the organization, and opportunities to improve practice at these sites further were identified. A new team member joined our data protection team in 2022, increasing our resources and expertise for such Information Security Audits. Our goal is to continue to conduct more audits, to pinpoint weaknesses before they can become threats. We will also be increasing the frequency of our third-party cyberattack simulations to being conducted quarterly, rather than semi-annually.

Data protection requires more than robust procedures for our staff; proper security also requires high-quality digital systems. In 2022 we upgraded our main firewall to a new product,

which provides us with unique capabilities to support the company's digital resilience. It will allow us to improve our redundancy in case our main data center is down, detect sophisticated network threats better, connect to multiple tenants from the same computer, and more.

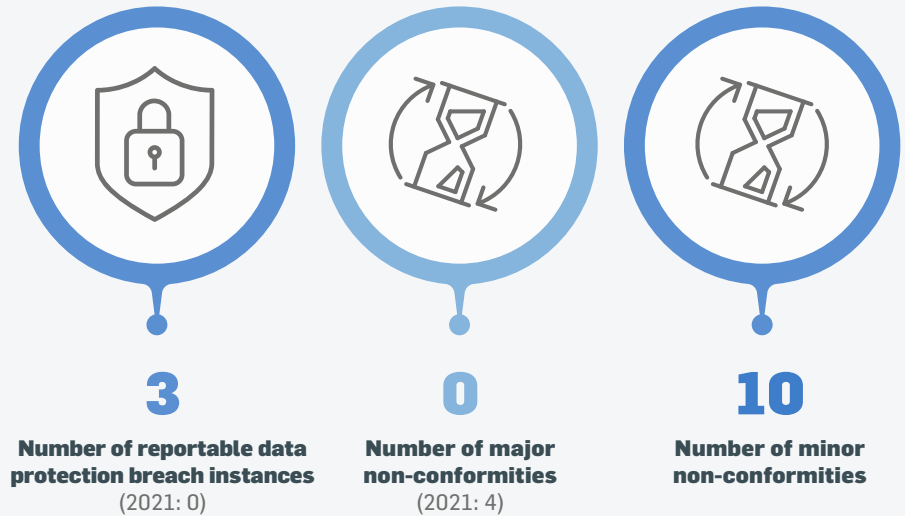
Another key channel of risk to our systems and networks is via mobile devices. In light of the move to remote working, spurred by the pandemic, we have introduced new controls to ensure that all external connections are secure. BeyondTrust is used as our security layer for external IT service providers which enforces MFA, session recording, least privileges and requires approval before each session. For our external business service providers, we have implemented DUO, which checks the compliance of the operating systems that connect to ensure that they are well protected with a recent operating system, a malware solution and encryption. External service providers can only connect if all these standards are fulfilled.

To ensure adequate security in our processes for saving and sharing information, all documents are labelled with an information security classification, from Public to Restricted, which requires password protection for the document. In 2022 as part of our ongoing Data Loss Prevention Project, we analyzed all data on its keywords and attributes to create a system which automatically attributes this security label in the footer of all documents. When completed in early 2023, this project will considerably streamline the workload of these security procedures, allowing for standardized information control across the organization.

To embed our data protection system across the Group, we place great importance on training and awareness for our staff. All our employees are required to complete video-based training modules on data protection. These are regularly developed to keep the training provided up-to-date. A new course on the GDPR was launched on our e-learning platform CREA in October 2022. CREA also offers Information Security training modules for temporary employees and business partners with access to Aaroundtown's IT systems. All personnel are required to sign a company statement of their commitment to data protection.

Beyond initial training on our data protection procedures, we emphasize continued learning and awareness efforts. Furthermore, Aaroundtown's Standard Operating Procedures (SOPs) set out expected courses of action for day-to-day activities, such as saving and storing information or handling requests for data. Permanent employees must complete mandatory refresher trainings every 18 months, to reinforce their knowledge of these procedures and awareness of data protection risks. We issue regular internal campaigns and communications emphasizing alertness to phishing and malware attacks, such as a new awareness video on the importance of data protection at work, which was written and produced in-house with employees from various office locations in 2022.

KEY PERFORMANCE INDICATORS ¹⁰



We monitor potential security incidents and data protection breaches as an indicator of the effectiveness of our operational procedures. In 2022, no such confirmed breaches or incidents were reported. In the event of any confirmed incident, a response team is formed to immediately investigate the matter and recommend remedial actions to prevent a similar occurrence.

For more information on our approach and performance, please see the Data Protection Sustainability Insight, available to download from the sustainability section of our [website](#).

¹⁰. Including figures for GCP

EU Taxonomy

Introduction

The EU Taxonomy is a classification system for the identification of sustainable economic activities. Its purpose is to offer companies, investors and policymakers a standard set of definitions for which economic activities can be considered sustainable in order to create security for investors, protect against greenwashing and encourage investment into more sustainable activities. The EU Taxonomy is currently comprised of six environmental objectives: Climate Change Mitigation; Climate Change Adaptation; Sustainable Use and Protection of Water and Marine Resources; Transition to Circular Economy; Pollution Prevention and Control; and the Protection and Restoration of Biodiversity and Ecosystems. To date, detailed criteria to determine the Taxonomy eligibility and alignment have been developed for the first two of these. Draft criteria for the other four objectives, as well as a draft Social Taxonomy, have been published and are expected to be officially adopted in the near future.

In 2021, Aroundtown has already reported on its Taxonomy-eligible activities in accordance with Article 8 of the EU Taxonomy Regulation¹¹ and its supplementary Delegated Acts¹². In 2022, Aroundtown undertook for the first time an assessment of the Group's Taxonomy-aligned turnover, capital expenditure (CapEx) and operating expenses (OpEx) relating to the EU Taxonomy environmental objectives Climate Change Mitigation and Climate Change Adaptation for the financial year ending 31 December 2022.

Methodology

Approach to determine Group activities

In order to determine Taxonomy eligibility, Aroundtown first identified all activities undertaken by the Group. This assessment was first conducted in 2021 and involved multiple discussions with various departments, including energy, operations, construction, finance and was managed by the Sustainability Department. During this identification process, the list of eligible activities was reviewed with a focus on those activities relevant for the energy sector (section 4), the construction and real estate sector (section 7) and other activities, such as "Professional, scientific and technical activities" (section 9).

In 2022, the Sustainability Department reviewed the activities identified previously and determined the list was still up to date with the exception that any installation of photovoltaic systems would be reported under activity 7.6 (installation, maintenance and repair of renewable energy systems), instead of activity 4.1 (electricity generation using solar photovoltaic technology) in light of further clarification published by the European Commission in December 2022.

Hence, the following seven Taxonomy-eligible activities, as defined within Annex I and II of the delegated act, were identified as being undertaken by Aroundtown:

- Construction of new buildings (7.1)
- Renovation of existing buildings (7.2)
- Installation, maintenance and repair of energy efficient equipment (7.3)
- Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) (7.4)
- Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings (7.5)
- Installation, maintenance and repair of renewable energy systems (7.6)
- Acquisition and ownership of buildings (7.7).

The above activities were determined as relevant for both environmental objectives – Climate Change Mitigation and Climate Change Adaptation.

Despite the activities' contribution to both objectives, Aroundtown considers itself as contributing more to Climate Change Mitigation than Climate Change Adaptation through the energy efficiency improving renovations of its assets. Nevertheless, with the refurbishment of our properties, they also become more climate resilient. Aroundtown has also adopted several specific adaptation solutions which will increase the contribution to the second environmental objective in the upcoming years.

As a consequence, the Taxonomy Key Performance Indicators (KPIs) are reported with regard to climate change mitigation only. Whereas turnover and OpEx are relevant only for activity 7.7, CapEx is relevant for all other activities.

11. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32020R0852>

12. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32021R2139>; <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32021R2178>

We note that amendment of the Delegated Regulation published by the European Commission in July 2022 with regard to the inclusion of economic activities in certain energy sectors does not apply to Aroundtown Group. Under the amended delegation atomic energy and fossil gaseous fuels activities may be considered as environmentally sustainable under certain conditions. Aroundtown does not engage in such activities.

Attributing data to economic activities

Although our construction and operations departments have started to put into place processes in 2022 that allow for the allocation of projects or activities to the relevant economic activities, the majority of bookings had to be analyzed and evaluated manually for eligibility and alignment. Using determined commodity codes relevant to each identified economic activity, based on information provided in guidelines and resources by the European Commissions, the bookings could be allocated to the correct eligible economic activity. This attribution process was necessary for CapEx mostly.

The majority of turnover is generated in relation to activity acquisition and ownership of buildings (7.7), in the form of rental income. The Group also derives a comparatively small amount of other income that is not related to eligible economic activities. Additionally, OpEx is also reported as relating to activity 7.7, since it corresponds to the maintenance measures at Aroundtown's properties.

Assessment of aligned activities

In order for an economic activity to be aligned with the EU Taxonomy, three requirements need to be fulfilled:

- 1) it has to make a substantial contribution to the achievement of one or more EU environmental objectives ("substantial contribution")
- 2) it does not significantly harm any other EU environmental objective ("do no significant harm")
- 3) it is in compliance with minimum social standards on topics such as Human Rights, Labor Standards and Anti-Corruption ("minimum social safeguards")

Based on these requirements, checks for Taxonomy alignment relate to different business levels at Aroundtown. Whereas substantial contribution to climate change mitigation is assessed at the individual asset or project level, the "do no significant harm" (DNSH) criteria

apply rather to the economic activity itself. The DNSH criteria for Climate Change Adaptation was conducted for Aroundtown as a whole.

Compliance with minimum social safeguards was also evaluated for Aroundtown Group.

Substantial Contribution Assessments

This section outlines the checks conducted for substantial contribution to Climate Change Mitigation relevant to Aroundtown's eligible economic activities.

Starting with acquisition and ownership of buildings (7.7), this is the only activity for which Aroundtown reports turnover and OpEx. Turnover is only considered as making a substantial contribution to 7.7 if the relevant buildings – provided they were constructed before 31 December 2020 – have been assigned energy efficiency class A (or better) or are among the top 15 percent of regional or national housing stock in terms of primary energy demand. For buildings constructed after 31 December 2020, the same criteria for significant contribution to climate change mitigation apply as for new constructions (see below).

As Aroundtown Group acquires existing buildings with renovation potential, they are mostly built before 31 December 2020. With regard to the energy class and building stock it has been recognized by the European Commission and several real estate associations, that the lack of an energy class labelling based on letters (A-G) for commercial assets in Germany, has created an issue for reporting. Aroundtown closely followed the sector's debate on the topic and has reviewed and assessed several methodologies presented by industry organizations and an external service provider to the real estate sector at the end of 2022.

After thorough review of the available methodologies, Aroundtown has adopted the 15% benchmark approach based on data published by a publicly available index¹³, that has been endorsed by the German Sustainable Building Council (DGNB), a non-profit focused on making buildings more sustainable. The index uses average yearly primary energy consumption data per asset type from its vast database of European clients' consumption data to establish top 15% and top 30% benchmarks for Germany, the UK, Benelux and other countries. We note that this approach was adopted for the German portfolio only, whereas for the Dutch and UK portfolios for which EPC ratings were readily available, the EPC rating approach was followed.

13. <https://index-esg.com/>

Hence, aligned turnover and OpEx was only calculated in relation to the properties that fall within the top 15% of building stock (German portfolio) or have an EPC rating A and above (Dutch and UK portfolio). However, due to issues with data availability on energy performance for our UK and hotel portfolios, these are not fully captured in the turnover and OpEx calculations and it is therefore likely that our aligned percentages are actually higher than presented.

As for the substantial contribution criteria for the activity new construction (7.1), the relevant building has to show a primary energy demand that is at least ten percent below the national standard for nearly zero-energy buildings. In addition, for buildings larger than 5000m² further criteria have to be fulfilled upon completion in order to be aligned: tests for air-tightness and thermal integrity, as well as a life-cycle Global Warming Potential of the building. At Aroundtown Group, new constructions constitute a very small percentage of its business activities. Due to lack of data with regard to the fulfillment of substantial contribution criteria for new construction (7.1) projects – which only presents a small percentage of our activities – it is therefore reported as eligible only in this year's report.

The substantial contribution criteria for the renovation of existing buildings (7.2) involve that the refurbishment results in at least a 30% reduction in primary energy demand within three years or qualifies as a major renovation. Aroundtown checked compliance with these criteria by assessing whether the renovation project touches 25% of the building envelope or more and meets the cost-optimal minimum energy performance requirements as laid out in the German buildings energy act, Gebäudeenergiegesetz (GEG), implementing the EU Directive 2010/31/EU. If this is the case, the CapEx can be considered as aligned. If this is not the case, the CapEx is assessed under the substantial contribution criteria for individual energy efficiency measures as described in 7.3, the activity regarding the installation, maintenance and repair of energy efficient equipment. Depending on the individual measure that was conducted, compliance with the relevant technical criteria laid out in the GEG is evaluated. Only if these were met CapEx allocated to 7.3 is considered as aligned.

There are no additional technical screening criteria for activities 7.4, 7.5 and 7.6 beyond the list of individual measures described for each activity.

Do No Significant Harm Assessments

As mentioned above, in order for an economic activity to be aligned, the EU Taxonomy employs the principle of 'do no significant harm' (DNSH). As such, in addition to making a

substantial contribution to one of the environmental objectives, it must be shown that each activity does not significantly harm any of the other objectives, as defined by the Technical Screening Criteria in the First Delegated Act to the Taxonomy.

Since all eligible activities were assessed for making a substantial contribution to climate change mitigation, the DNSH assessments were performed only for those that met the technical criteria for substantial contribution. As data with regard to the fulfillment of substantial contribution criteria was not readily available for our new construction (7.1) projects no further DNSH checks were conducted for this activity and is therefore reported as eligible only in this year's report.

Regarding activity 7.2, substantial contribution criteria were met, however, not all DNSH could be fulfilled, in particular the criteria for Protection of Water and Marine Resources. This stems to a great degree from a lack of relevant data available for both areas – areas in which Aroundtown Group is highly dependent on information provided by contractors and suppliers. The Group mainly faced challenges regarding the lack of readily available technical information of bathroom and kitchen appliances, which is oftentimes not indicated in contracts or invoices by contractors.

Despite these challenges, Aroundtown has worked consistently on setting up processes and gathering the necessary data for relevant DNSH criteria, in particular those for the environmental objectives of Protection of Water and Marine Resources. Aroundtown is committed to improving access to data relevant for EU Taxonomy reporting through continued engagement with contractors and suppliers. We note that this DNSH criteria does not apply to residential properties and can therefore be omitted in alignment checks of our residential portfolio held by our subsidiary GCP.

The other DNSH criteria related to the environmental objectives of Climate Change Adaptation, Circular Economy, Pollution and were met for 7.2, the assessments of which are described further below. We note that the activity 7.2 can only be reported as aligned in 2022 for our residential properties held by GCP.

For activity 7.3, DNSH criteria exist for the environmental objectives of Climate Change Adaptation and Pollution Prevention, whereas for the activities 7.4 to 7.7 only Climate Change Adaptation applies.

The assessments performed against these different DNSH criteria are discussed in turn below.

- **Climate Change Adaptation:** All economic activities in category 7 (construction and real estate), require that a robust climate risk and vulnerability assessment is conducted following the steps laid out in Appendix A of the Delegated Act¹⁴. Please refer to the section

14. <https://ec.europa.eu/sustainable-finance-taxonomy/assets/documents/CCM%20Appendix%20A.pdf>

on Climate Change Adaptation in this report for further information on this assessment and the adoption of relevant adaptation solutions.

- **Protection of Water and Marine Resources:** Water appliances for bathrooms and kitchens need to follow specifications on maximum water flow and flush volume outlines in Appendix E of the EU Taxonomy Regulation. As this DNSH is not fulfilled for 7.2 for AT in 2022 due to lack of data on installed appliances, the activity is only reported as aligned for GCP.
- **Transition to a Circular Economy:** At least 70% y weight of non-hazardous construction and demolition waste generated on the construction site are prepared for reuse, recycling and other material recovery. GCP complies with national legislation on recycling requirements, and so do its renovation projects in Germany. The German Circular Economy Act Kreislaufwirtschaftsgesetz (KrWG), which implements EU Directive 2008/98/EC on waste, as well as its amending Directive 2018/851/EU¹⁵ stipulates a recycling rate of 70% by weight for construction and demolition waste.
- **Pollution Prevention:** In order to prevent pollution through toxic and environmentally harming chemicals, non-financial undertakings are required to confirm that a number of chemical substances mentioned in Appendix C of the EU Taxonomy Regulation are not manufactured, placed on the market or being used in any economic activity. As this DNSH criteria is relevant for three of our economic activities (7.1, 7.2 and 7.3), the Company has created a questionnaire outlining the specifications of Appendix C which has been sent to our largest contractors to confirm non-usage of these chemicals in our building materials and at our construction sites. It has been made clear in the European Commission's FAQ document from December 2022 that such proof must come from the supplier itself.

Minimum Social Safeguards

The EU Taxonomy states that activities may not qualify as environmentally sustainable unless they comply with minimum social safeguards. This requires alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, as well as the fundamental conventions of the International Labor Organization (ILO) and the International Bill of Human Rights.

Aroundtown has several corporate policies in place that make reference to these international standards and frameworks to ensure alignment with these social minimum safeguards. These policies include our Human Rights Policy, the Business Partner Code of Conduct and

Employee Code of Conduct, as well as the Anti-Corruption Policy. Further, the company's compliance trainings for employees include topics of corruption and fair business.

To assess the alignment of this framework to the required minimum safeguards, in particular on the topic of human rights, the Group has made reference to the report of the Platform on Sustainable Finance of October 2022¹⁶, in which two criteria to determine compliance with the safeguards were established. These are:

- 1) That the company has established adequate human rights due diligence (HRDD) processes, as outlined in the UNGPs and OECD Guidelines for Multi-national Enterprises (MNE).
- 2) That there are no indications that the company does not adequately implement HRDD, resulting in human rights abuses.

Demonstrating adequate HRDD for the purposes of the first criterion requires that the following six key steps have been implemented:

Six-Steps of Human Rights Due Diligence	
1.	Adopting and embedding a commitment to Human Rights Due Diligence into policies and procedures
2.	Identification and assessment of adverse impacts, including through stakeholder engagement
3.	Taking actions to cease, prevent, mitigate and remediate adverse impacts
4.	Tracking the implementation of these actions and its results
5.	Communicating publicly on the approach of HRDD and actions taken to avoid and address adverse impacts
6.	Providing or cooperating in remediation, incl. establishing or participating in grievance mechanisms where individuals and groups can raise concerns about adverse impacts

Aroundtown has addressed and implemented these six steps through embedding the topic of human rights (HR) in its policies, including the Human Rights Policy, as well as Employee and Business Partner Codes of Conduct and by conducting annual Human Rights online trainings with its employees.

15. <https://ec.europa.eu/sustainable-finance-taxonomy/assets/documents/CCM%20Appendix%20A.pdf>
 16. <https://www.bmuv.de/gesetz/kreislaufwirtschaftsgesetz>

Taking into account adverse impacts on human rights in the Group's materiality assessments and risk management, AT has identified and addressed potential risks in the areas of construction and refurbishment/maintenance of the business through a number of measures and processes. For instance, AT's critical suppliers (those with a contract volume of >€500,000 per annum) are required to sign the Company's Human Rights questionnaire and during project implementation site visits are conducted by construction or operation departments on a quarterly basis. Furthermore, through Aroundtown's whistle-blowing system that is accessible to employees and externals, potential human rights violations may be reported.

Any reports are tracked and investigated by our compliance department, which is responsible for the HRDD overall. Following an internal investigation procedure as documented in our Investigation Policy for handling potential violations, employees or business partners receive a warning, are fined, or banned from doing further business with the Group should the claim be confirmed. Aroundtown may also decide to consult with authorities if necessary.

Please also see the sections 'Fair Business and Compliance' and 'Supply Chain and Human Rights' in this report.

None of the negative indicators described by the Platform on Sustainable Finance report with regard to human rights, corruption, fair business and taxation for the second criterion are applicable to AT. We therefore assess that this criterion is also met for Aroundtown, and thus that the required minimum safeguards are implemented as required by Article 18 of the EU Taxonomy.

Calculation of Key Performance Indicators

Based on the determination above of Taxonomy-eligible activities, Aroundtown calculated the proportions of eligible and non-eligible activities, and the proportion of these eligible activities which is aligned, in accordance with the calculation methodologies defined in the Commission Delegated Regulation 2021/2178 published on 6 July 2021.

In general, all three Key Performance Indicators (KPIs) are calculated in accordance with IFRS in line with our consolidated annual report.

Double accounting is avoided by direct allocation of eligible and aligned KPIs to a specific economic activity, as well as a clear separation in our accounting system of CapEx and OpEx accounts. This division is further aggravated through separate bookkeeping systems at Aroundtown's various business entities.

17. https://www.aroundtown.de/fileadmin/user_upload/04_investor_relations/downloads/2022/AT_FY_2022.pdf

18. https://www.aroundtown.de/fileadmin/user_upload/04_investor_relations/downloads/2022/AT_FY_2022.pdf

The Turnover, OpEx and CapEx KPIs for aligned activities are determined according to the following calculations:

Turnover KPI

The definition of the Turnover KPI pursuant to the EU Taxonomy Regulation:

Numerator	Share of turnover derived from products and services associated with Taxonomy-aligned activities.
Denominator	Total net turnover, calculated in accordance with "IAS 1.82 a) Revenue" and consistent with the accounting principles applied to the preparation of the Group's financial statement. Please see our website for the financial statement ¹⁷ .

The only activity from which revenue is derived that is deemed to be Taxonomy-eligible is Activity 7.7, acquisition and ownership of buildings. Aroundtown's turnover consists to a great degree of revenue generated from rental income and operating income. The Group also derives a comparatively small amount of other income that is not related to eligible economic activities, which is not counted to the numerator but is included in the denominator. Other revenue includes mainly management fee, consulting fees as well as income from loans in connection with real estate transactions.

AT's denominator is taken from the Company's 2022 Consolidated Annual Report¹⁸. Please refer to section 7 on "revenue".

Aligned turnover is calculated as the sum of turnover generated firstly, from Aroundtown Group's properties that fall within the 15% top building stock in Germany based on the previously described method and index and secondly, from Dutch and UK assets that have an EPC label A or higher.



OpEx KPI

The definition of the OpEx KPI pursuant to the EU Taxonomy Regulation:

<p>Numerator</p>	<p>Share of operating expenditure that is –</p> <ol style="list-style-type: none"> 1. Related to assets or processes associated with Taxonomy-aligned economic activities, including: <ul style="list-style-type: none"> • training and other human resources adaptation needs • direct non-capitalized costs that represent research and development 2. Part of the OpEx plan (expand / upgrade of activities) 3. Related to the purchase of output from Taxonomy-aligned economic activities 4. Related to measures allowing activities to be carried out in a low-carbon manner or with reduced greenhouse gas emissions and individual building renovation measures 5. Part of CapEx for the adaptation of economic activities to climate change
<p>Denominator</p>	<p>Total operating expenditure, as the sum of direct non-capitalized costs, including –</p> <ol style="list-style-type: none"> 1. Research and development 2. Building renovation measures 3. Short-term lease 4. Maintenance and repair 5. Any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party. <p>Please see our website for the financial statement¹⁹.</p>

As such the OpEx KPI is defined differently and is comprised of specific accounts summarized in “property operating expenses” (section 9) disclosed in our 2022 [Consolidated Annual Report](#). The OpEx denominator amount is therefore not mentioned as such in the Consolidated Annual Report.

Whereas in our non-financial report in 2021, reported OpEx in relation to activities 7.3 and 7.5, it is now considered as overall operating expenses that are linked to the acquisition and ownership of buildings, 7.7, and therefore to the overall maintenance and day to day servicing of properties.

Hence, for the calculation of the aligned OpEx it is linked, to the extent possible, to the properties that fall within the 15% top building stock in Germany or are labeled with an EPC A or higher in the Netherlands and the UK.

OpEx linked to research and development cannot be allocated to individual properties as would be required for alignment.

¹⁹ https://www.aroundtown.de/fileadmin/user_upload/04_investor_relations/downloads/2022/AT_FY_2022.pdf

CapEx KPI

The definition of the CapEx KPI pursuant to the EU Taxonomy Regulation:

<p>Numerator</p>	<p>Share of capital expenditure that is –</p> <ol style="list-style-type: none"> 1. Related to assets or processes that are associated with Taxonomy-aligned economic activities 2. Part of a CapEx plan (expand / upgrade of activities) 3. Related to the purchase of output from Taxonomy-aligned economic activities 4. Related to measures allowing activities to be carried out in a low-carbon manner or with reduced greenhouse gas emissions 5. Part of the CapEx for adaptation of economic activities to climate change
<p>Denominator</p>	<p>Total capital expenditure, as the sum of –</p> <ol style="list-style-type: none"> 1. Additions to tangible and intangible assets during the financial year considered before depreciation, amortisation and any re-measurements, including – <ul style="list-style-type: none"> • IAS 16.73 e) i) and iii) Property, Plant and Equipment • IAS 38.118 e) i) Intangible Assets • IAS 40.76 a) and b) Investment Property (for the fair value model) • IAS 40.79 d) i) and ii) Investment Property (for the cost model) • IAS 41.50 b) and e) Agriculture • IFRS 16.53 h) Leases (Leases that do not lead to the recognition of a right-of-use over the asset shall not be counted as CapEx) 2. Revaluations and impairments, additions resulting from business combinations and excluding fair value change <p>Please see our website for the financial statement²⁰.</p>

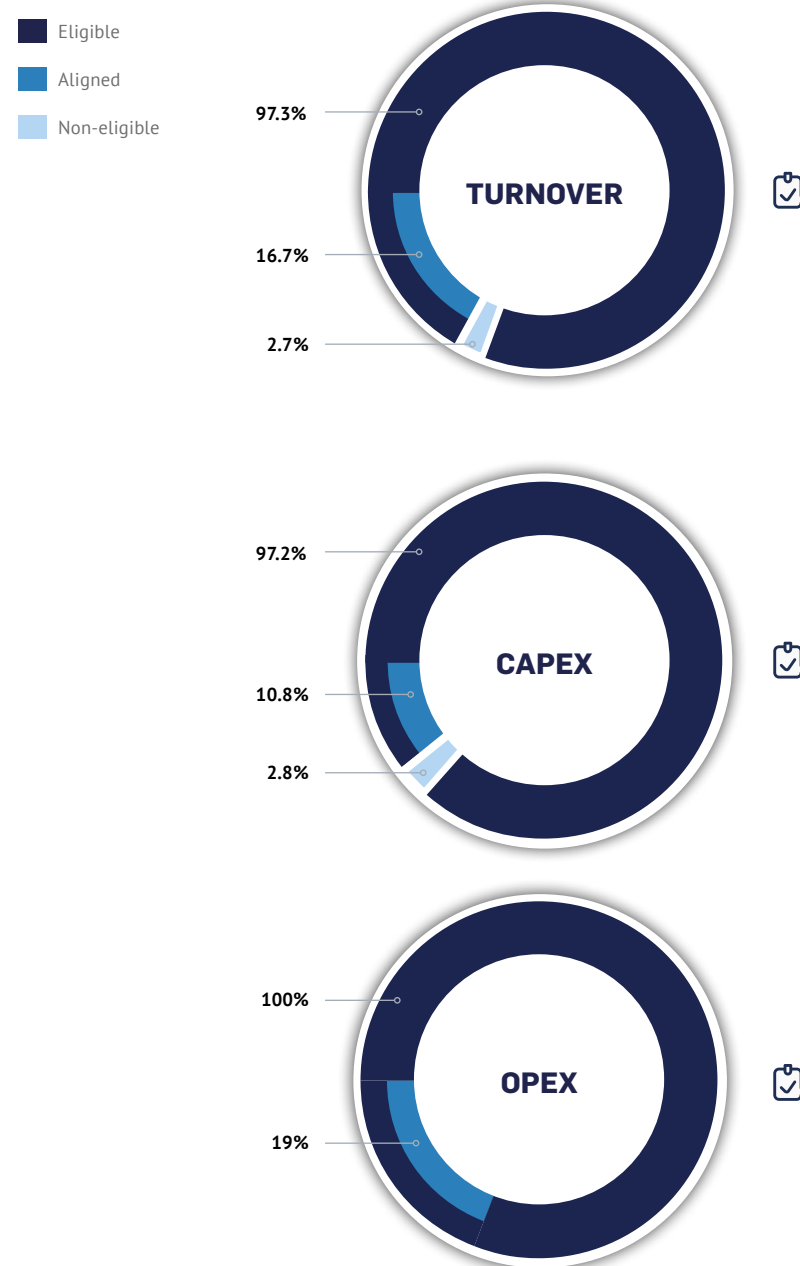
The CapEx denominator is composed of net additions to property and equipment (section 14); goodwill and intangible assets (section 15), reconciliation of investment property, modernizations, pre-letting modifications and capital expenditures (section 16.1).

The Taxonomy-aligned CapEx comprises costs incurred from economic activities 7.2 to 7.7. Where refurbishment, energy efficiency projects or renewable energy projects last for several years, only those expenses that were capitalized in the relevant reporting year are calculated as Taxonomy-eligible or aligned CapEx.

CapEx linked to activities 7.4 and 7.6 mostly relates to infrastructure costs of necessary modernization, upgrades or technical equipment of the properties prior to the installation of EV charging stations or PV systems respectively. The majority of CapEx is currently invested by our partner company. CapEx linked to activity 7.7 represents acquisitions of new assets in 2022. The CapEx numerator did not include CapEx as part of a CapEx plan.

²⁰ https://www.aroundtown.de/fileadmin/user_upload/04_investor_relations/downloads/2022/AT_FY_2022.pdf

Taxonomy-aligned, eligible and non-eligible percentages of Aroundtown's KPIs:



Reviewed by auditor

Aroundtown - EU Taxonomy KPIs overview for the year 2022

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2022

Economic activities	Code(s)	Absolute turnover EUR	Proportion of turnover %	Substantial contribution criteria							DNSH criteria (‘Does Not Significantly Harm’)							Taxonomy-aligned proportion of turnover, 2022 Percent	Taxonomy-aligned proportion of turnover, 2021 Percent	Category (enabling activity or) E	Category (transitional activity) T
				Climate change mitigation %	Climate change adaptation %	Water and marine resources %	Circular economy %	Pollution %	Biodiversity and ecosystems %	Climate change migration Y/N	Climate change adaptation Y/N	Water and marine resources Y/N	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystems Y/N	Minimum safeguards Y/N					
A. TAXONOMY-ELIGIBLE ACTIVITIES																					
A.1. Environmentally sustainable activities (Taxonomy-aligned)																					
Acquisition and ownership of buildings (7.7)	L68	268,524,320	16.7%	16.7%	0.0%					N/A	Y	N/A	N/A	N/A	N/A	Y	16.7%	-			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		268,524,320	16.7%	16.7%	0.0%												16.7%				
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																					
Acquisition and ownership of buildings (7.7)	L68	1,297,453,835	80.6%	80.6%	0.0%													-			
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1,297,453,835	80.6%	80.6%	0.0%																
Total (A.1 + A.2)		1,565,978,155	97.3%	97.3%	0.0%																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																					
Turnover of Taxonomy-non-eligible activities (B)		43,943,565	2.7%																		
Total (A + B)		1,609,921,720	100%																		

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2022

Economic activities	Code(s)	Absolute OpEx EUR	Proportion of OpEx %	Substantial contribution criteria						DNSH criteria (‘Does Not Significantly Harm’)						Minimum safeguards Y/N	Taxonomy aligned proportion of OpEx, 2022 Percent	Taxonomy aligned proportion of OpEx, 2021 Percent	Category (enabling activity) E	Category (transitional activity) T
				Climate change mitigation %	Climate change adaptation %	Water and marine resources %	Circular economy %	Pollution %	Biodiversity and ecosystems %	Climate change migration Y/N	Climate change adaptation Y/N	Water and marine resources Y/N	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystems Y/N					
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Acquisition and ownership of buildings (7.7)	L68	94,000,140	19.0%	19.0%	0.0%					N/A	Y	N/A	N/A	N/A	N/A	Y	19.0%	-		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		94,000,140	19.0%	19.0%	0.0%												19.0%			
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Acquisition and ownership of buildings (7.7)	L68	401,343,688	81.0%	81.0%	0.0%													-		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		401,343,688	81.0%	81.0%	0.0%													-		
Total (A.1 + A.2)		495,343,828	100%	100%	0.0%															
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities (B)		-	0.0%																	
Total (A + B)		495,343,828	100.0%																	

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2022

Economic activities	Code(s)	Absolute CapEx EUR	Proportion of CapEx %	Substantial contribution criteria						DNSH criteria (‘Does Not Significantly Harm’)						Taxonomy aligned proportion of CapEx, 2022 Percent	Taxonomy aligned proportion of CapEx, 2021 Percent	Category (enabling activity) E	Category (transitional activity) T			
				Climate change mitigation %	Climate change adaptation %	Water and marine resources %	Circular economy %	Pollution %	Biodiversity and ecosystems %	Climate change migration Y/N	Climate change adaptation Y/N	Water and marine resources Y/N	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystems Y/N					Minimum safeguards Y/N		
A. TAXONOMY-ELIGIBLE ACTIVITIES				%																		
A.1. Environmentally sustainable activities (Taxonomy-aligned)																						
Renovation of existing buildings (7.2)	F41, F43	12,391,794	1.31%	1.31%	0.00%						N/A	Y	Y	Y	Y	N/A	Y	1.3%			T	
Installation, maintenance and repair of energy efficiency equipment (7.3)	F42, F43, M71	4,891,341	0.52%	0.52%	0.00%						N/A	Y	N/A	N/A	Y	N/A	Y	0.5%		E		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) (7.4)	F42, F43, M71	147,074	0.02%	0.02%	0.00%						N/A	Y	N/A	N/A	N/A	N/A	Y	0.0%		E		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings (7.5)	F42, F43, M71	518,654	0.06%	0.06%	0.00%						N/A	Y	N/A	N/A	N/A	N/A	Y	0.1%		E		
Installation, maintenance and repair of renewable energy technologies (7.6)	F42, F43, M71	2,150,940	0.23%	0.23%	0.00%						N/A	Y	N/A	N/A	N/A	N/A	Y	0.2%		E		
Acquisition and ownership of buildings (7.7)	L68	81,762,938	8.67%	8.67%	0.00%						N/A	Y	N/A	N/A	N/A	N/A	Y	8.7%				
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		101,862,740	10.81%	10.81%	0.00%													10.8%				
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																						
Development of new buildings (7.1)	F41.1, F41.2	2,317,811	0.25%	0.25%	0.00%																	
Renovation of existing buildings (7.2)	F41, F43	8,423,208	0.89%	0.89%	0.00%																	T
Installation, maintenance and repair of energy efficiency equipment (7.3)	F42, F43, M71	22,124,396	2.35%	2.35%	0.00%															E		
Acquisition and ownership of buildings (7.7)	L68	781,390,479	82.89%	82.89%	0.00%																	
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		814,255,894	86.37%	86.37%	0.00%																	
Total (A.1 + A.2)		916,118,634	97.18%	97.18%	0.00%																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																						
CapEx of Taxonomy-non-eligible activities (B)		26,599,066	2.82%																			
Total (A + B)		942,717,700	100.00%																			

EPRA Sustainability Best Practices Recommendations

Overarching Recommendations

Introduction

Our sustainability reporting consists of two main publications: our Non-Financial Report and our accompanying Sustainability Insights which can be downloaded from the sustainability section of our website: <https://www.aroundtown.de/sustainability/>.

As members of the European Public Real Estate Association (EPRA), we also choose to report on our ESG impacts in accordance with the 3rd edition of the EPRA Sustainability Best Practice Recommendations (sBPR). Our reporting response has been split into two sections: 1. Overarching recommendations 2. Sustainability performance measures.

1. Overarching Recommendations

Organisational Boundaries

The information and data in this report covers Aroundtown SA operations spanning our direct employees and commercial portfolio. As of 31 December 2022, our Group portfolio (including Grand City Properties S.A.) held €28 billion of investment property comprising offices (43%); residential (32%); hotels (18%); logistics/other and retail (7%).

Information on our residential portfolio, which is owned by Grand City Properties S.A. ("GCP") in which we hold a 60% stake (excluding the shares GCP holds in treasury), has been consolidated and the data is included in the scope of this report. However, GCP's performance is also reported separately, and this information is published on the sustainability section of GCP's website (www.grandcityproperties.com/sustainability).

Landlord and Tenant Boundaries

We have followed the methodology established in last year's report for allocating energy consumption between landlord-controlled areas and tenant-controlled areas. In our 2019 baseline, we use a common area/total area ratio to apportion shared-service heating consumption between landlord and tenant spaces, based on the floor area distribution found

with the property types classification appendix (3a) of the GRESB Real Estate Assessment reference guide. Thus, the whole building consumption is attributed to landlord or tenant control in proportion to the ratio of shared spaces to tenant areas expected for the property. Correspondingly, emissions from this heating is attributed to Scope 1 and 2 or to Scope 3 in the same proportion. For electricity, the consumption for tenant-controlled areas is estimated based on industry standard energy benchmarks, namely those of CIBSE.

Therefore, the energy consumption and the corresponding CO₂ emissions will now represent the entire building area i.e., of both landlord and tenant-controlled area. We recognize that under an operational control approach, the allocation of CO₂ emissions between Scope 1 or 2 and Scope 3 is dependent on the metering and sub-metering arrangement in place between tenants and landlords. However, to create an accurate representation of the entire building, we have classified indirect emissions by area apportioned between landlord and tenant spaces, as described in the methods above.

Coverage

Absolute and like-for-like portfolio data relates to the assets outlined in our Organizational Boundaries. The like-for-like subset contains all the properties which we have operated continuously for the full two-year period from 1 January 2021 to 31 December 2022.

Actual environmental performance data is only reported on assets for which we have operational control and for which we can collect utilities data. On an absolute basis, this included a net lettable area of 5,200,022 m² out of a total portfolio covering a net lettable area of 9,757k m² (excluding assets held for sale and properties under development) at the end of 31 December 2022. A breakdown of the portfolio net lettable area based on asset types are as follows: office – 3,474k m², retail – 618k m², hotel – 1,531k m², others (excluding GCP) – 449k m². During 2022, we continued to improve the quality of our environmental data collection, and are now able to report like-for like data from approximately 86% of the net lettable area for which data is reported.

Further information relating to maximum coverage on an absolute and like-for-like basis per utility type is provided within our EPRA tables.

Data relating to our employees covers all direct employees employed by Aroundtown in Germany (who represent 82% of our European workforce), including part time and temporary workers, as well as our international employees. Following the consolidation with GCP in 2021, our employee data also includes GCP data, but excludes contractors and those not directly employed by us.

Voluntary green building certifications (Cert-Tot) are discussed in absolute terms. 55% of the Dutch portfolio is certified with BREEAM (30% in 2021) and 9% of the commercial portfolio is certified (5% in 2021). In our German portfolio with the first office assets are being certified and we expect gradual progress in the coming periods.

Reporting Period

All data relates to our financial year which coincides with the calendar year, and consequently runs from January 1 to December 31 of the year under review.

Estimation of Landlord-obtained Utility Consumption

1. Utility bills for the reporting year were not fully available in time for publication. In instances where the available heating data is not representative, estimations were calculated based on known consumption from other periods, following the ratio-based heating-degree-days normalization method. In the case of electricity, the consumption was extrapolated based on the weighted arithmetic mean of other known periods. In instances this was not possible for heating. Here we calculated an estimation by extrapolating expected heating consumption according to the EPC rating of the building and weather
2. Data is only available for a proportion of units under our management control, for example regarding recycled waste. In this instance we have extrapolated data for the units where we are able to collect complete data given the similarities between our units and tenants.

We have reported the percentage of estimation that this represents per utility type in our EPRA sBPR tables.

Furthermore, we have disclosed the proportion of overall consumption that our estimation of tenant consumption represents, according to our methodology described in the section 'Landlord and Tenant Boundaries',

Regarding only landlord-obtained utility consumption, as per the EPRA sBPR requirements, we have detailed the extent of estimations below:

- » Electricity: 98% of landlord-obtained consumption is based on available utility consumption data, with the remaining 2% estimated.
- » Heating: 93.43% of landlord-obtained consumption is based on available utility consumption data, with the remaining 6.57% estimated.

The total volume of waste is based on the contracted waste volumes at properties where this information was available. No additional estimation occurred. The total proportion of recycled waste is based on household averages published by the German environmental protection authority which represents the highest authority in the country.

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.

Units of Measurement & Normalization

Utilities data are reported based on absolute consumption measured in kWh (energy), tCO₂e (GHG emissions), m³ (water) and m³ and tons (waste).

GHG emissions are reported using location-based conversion factors published by the German Environmental Protection Association and the Dutch Green Deal Initiative associated with the Ministry of Economic Affairs and Climate.

Where consumption is normalized, we calculate intensity indicators using floor area (m²) for whole buildings, including tenant areas. Since we are now estimating the tenant consumption, we believe that our numerator and denominator provide a representative intensity figure.

Employee coverage rates are expressed as a percentage of Aroundtown's total direct employees at year end.

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 workplace injuries/Number of working hours
- Absentee rate = Number of days absent due to illness/ Total number of working days

Segmental Analysis (by property type, geography)

Segmental analysis by geography is not relevant for our portfolio. Our assets are located mainly in Germany, the Netherlands and London, and therefore in the same climatic zone. Segmental analysis is instead provided by asset type and is consistent with our financial reporting.

Disclosure on Own Offices

Our own occupied office consumption is excluded from our portfolio data as we are a tenant in the building.

Restatements of Information

2021 figures for our Lost Day Rate have been restated due to a technical error in last year's reporting, where an internal metric using total number of working days as the denominator was reported in place of the Lost Day Rate as prescribed by the EPRA sBPR guidelines, which uses total number of working hours as the denominator. 2021 figures for the absolute waste have been restated due to a technical error in GCP's waste reporting, where data had not been converted to cubic meters from liters, all 2021 waste data is now reported in cubic meters.

2. Narrative on Performance

Explanation and analysis of our performance in relation to the following Performance Measures are available in the relevant Sustainability Insights that are available to download on the sustainability section of our website:

- Elec-Abs; Elec-LfL; DH&C-Abs; DH&C-LfL; Fuels-Abs; Fuels-LfL; Energy-Int; GHG-Di-Abs; GHG-Indir-Abs; GHG-Int: please see Energy & Climate Change
- Water-Abs; Water-LfL; Water-Int; Waste-Abs; Waste-LfL: please see Water & Waste
- Cert-Tot: please see Energy & Climate Change
- Diversity-Emp; Diversity-Pay: please see Diversity & Equal Opportunities
- Emp-Training; Emp-Dev: please see Training & Development
- Emp-Turnover: please see Employee Satisfaction
- H&S-Emp: please see Occupational Health & Safety
- H&S-Asst; H&S-Comp: please see Tenant Health & Safety
- Comty-Eng: please see Local Communities

Please see our Consolidated Annual Report for the Year Ended December 31, 2022 for further information on our Board composition and selection process.

Assurance

This Non-Financial Report and the data included within it has been assured according to the International Standard on Assurance Engagements (ISAE) 3000 (Revised), and a statement from the auditors can be found on page 70. The scope of the assurance includes the following EPRA Performance Measures in this report:

- Energy-Int
- GHG-Dir-Abs, GHG-Indir-Abs
- GHG-Int
- Emp-Training
- Emp-Turnover

Sustainability Best Practice Performance Measures

EPRA environmental performance measures: Absolute

IMPACT CATEGORY	EPRA SUSTAINABILITY BEST PRACTICE PERFORMANCE MEASURES				TOTAL PORTFOLIO AT AND GCP		OFFICE		RETAIL		HOTEL		OTHER (EXCLUDING GCP)		TOTAL PORTFOLIO GCP	
					Absolute measures (Abs)		Absolute measures (Abs)		Absolute measures (Abs)		Absolute measures (Abs)		Absolute measures (Abs)		Absolute measures (Abs)	
Environmental impacts	EPRA code	Measurement unit	Indicator	Boundaries	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
ENERGY	Elec-Abs	kWh	Electricity	for landlord shared services	75,770,036	42,946,916	54,223,250	25,845,675	7,515,875	1,879,813	n.a.	n.a.	1,588,039	1,296,389	12,442,873	13,925,039
				Total landlord-obtained electricity	75,770,036	42,946,916	54,223,250	25,845,675	7,515,875	1,879,813	n.a.	n.a.	1,588,039	1,296,389	12,442,873	13,925,039
				Total tenant-obtained electricity	510,545,493	377,180,534	249,076,369	161,158,593	93,413,662	26,444,067	19,069,047	21,196,017	12,574,709	12,504,955	136,411,707	155,876,902
				Total electricity	586,315,529	420,127,450	303,299,618	187,004,267	100,929,536	28,323,880	19,069,047	21,196,017	14,162,748	13,801,344	148,854,580	169,801,942
				% from renewable sources (landlord shared services)	70.14	79.41	32.81	37.56	48.70	59.48	94.82	39.43	73.06	51.81	100.00	100.00
	Fuel-Abs	kWh	Fuel	for landlord shared services	78,582,583	64,322,490	18,092,759	10,674,290	3,303,078	1,220,926	n.a.	n.a.	205,771	87,448	56,980,974	52,339,825
				tenant allocated	257,302,786	206,882,025	54,278,277	32,022,871	18,007,103	6,656,017	n.a.	n.a.	6,653,277	2,827,493	178,364,129	165,375,643
				Total landlord-obtained fuel	335,885,369	271,204,515	72,371,036	42,697,161	21,310,181	7,876,943	n.a.	n.a.	6,859,049	2,914,942	235,345,103	217,715,468
				Total fuel	360,014,732	282,815,251	72,371,036	42,697,161	21,310,181	7,876,943	24,129,363	11,610,736	6,859,049	2,914,942	235,345,103	217,715,468
				% from renewable sources (landlord-obtained fuel)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
				% from neutralized sources (landlord-obtained fuel)	n.a.	19.26	0	51.55	n.a.	87.95	n.a.	n.a.	n.a.	80.67	0.00	0.00
	DH&C-Abs	kWh	District heating & cooling	for landlord shared services	98,628,200	81,155,956	34,205,099	17,512,218	2,095,219	463,215	n.a.	n.a.	106,289	20,260	62,221,593	63,160,262
				tenant allocated	308,121,618	255,812,971	102,615,296	52,536,655	11,422,324	2,525,271	n.a.	n.a.	3,436,671	655,077	190,647,326	200,095,968
				Total landlord-obtained heating & cooling	406,749,817	336,968,927	136,820,395	70,048,873	13,517,543	2,988,487	n.a.	n.a.	3,542,960	675,337	252,868,919	263,256,230
				Total heating & cooling	410,697,451	345,309,767	136,820,395	70,048,873	13,517,543	2,988,487	3,947,634	8,340,840	3,542,960	675,337	252,868,919	263,256,230
				% from renewable sources	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

EPRA environmental performance measures: Absolute

IMPACT CATEGORY	EPRA SUSTAINABILITY BEST PRACTICE PERFORMANCE MEASURES				TOTAL PORTFOLIO AT AND GCP		OFFICE		RETAIL		HOTEL		OTHER (EXCLUDING GCP)		TOTAL PORTFOLIO GCP	
					Absolute measures (Abs)		Absolute measures (Abs)		Absolute measures (Abs)		Absolute measures (Abs)		Absolute measures (Abs)		Absolute measures (Abs)	
Environmental impacts	EPRA code	Measurement unit	Indicator	Boundaries	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
GHG EMISSIONS	GHG-Dir-Abs	t CO ₂ e	Direct	Total landlord-obtained	70,009	56,981	15,096	9,935	4,799	1,585	n.a.	n.a.	1,380	586	48,735	44,875
				Total Scope 1	16,357	13,534	3,774	2,484	744	246	n.a.	n.a.	41	18	11,798	10,787
	GHG-Ind-Abs		Indirect	Total landlord-obtained	138,575	102,218	58,504	21,399	6,609	842	n.a.	n.a.	1,582	190	71,880	79,787
				Total Scope 2	52,377	28,525	30,684	5,350	3,390	131	n.a.	n.a.	614	6	17,688	23,039
	Indirect		Total landlord-obtained	139,850	117,140	39,142	23,500	7,274	2,051	n.a.	n.a.	2,307	753	91,128	90,836	
			Total tenant-obtained	195,531	144,788	98,382	65,335	35,338	9,726	7,014	7,796	4,625	4,599	50,172	57,332	
			Total Scope 3	335,381	261,927	137,524	88,835	42,612	11,777	7,014	7,796	6,932	5,353	141,300	148,167	
	Total		Scope 1 + Scope 2			68,734	42,059	34,458	7,833	4,134	376	n.a.	n.a.	655	23	29,487
Scope 1 + Scope 2+ Scope 3			404,115	303,987	171,982	96,668	46,746	12,153	7,014	7,796	7,587	5,376	170,786	181,994		
WATER	Water-Abs	m ³	Water	Total landlord-obtained water (Tenant Submetered)	6,571,991	3,587,030	635,097	362,113	162,879	42,501	19,252	461,391	36,312	26,212	5,718,452	2,694,813
WASTE	Water-Abs	m ³	Waste	Total landlord-managed waste (Incl. Tenants)	90,956	136,280	71,092	38,386	16,633	1,403	748	232	918	14,809	1,565	81,450
		%		% Recycled	53.77	35.44	55.00	32.52	52.00	41.57	52.00	75.34	21.00	50.29	37.05	33.90
		tonnes		Total landlord-managed waste (Incl. Tenants)	8,334	14,384	6,369	4,255	1,601	156	73	18	116	1,379	175	8,575
		%		% Recycled	31.08	30.20	31.51	16.99	31.32	28.40	33.36	57.63	14.82	27.21	23.15	37.22
CERTIFIED ASSETS	Cert-Tot	%	Mandatory (Energy Performance Certificates)	% of portfolio certified by floor area	81.63	95.93	62.63	53.53	71.55	31.01	n.a.	n.a.	70.67	53.28	98.50	95.93
				% of portfolio certified by number of properties	95.41	96.38	62.90	54.05	80.00	27.78	n.a.	n.a.	75.00	41.18	97.28	97.09

EPRA Environmental Performance Measures: Like-for-Like

IMPACT CATEGORY	EPRA SUSTAINABILITY BEST PRACTICE PERFORMANCE MEASURES				TOTAL PORTFOLIO AT AND GCP		OFFICE		RETAIL		HOTEL		OTHER (EXCLUDING GCP)		TOTAL PORTFOLIO GCP			
					Like-for-like (Lfl)		Like-for-like (Lfl)		Like-for-like (Lfl)		Like-for-like (Lfl)		Like-for-like (Lfl)		Like-for-like (Lfl)			
Environmental impacts	EPRA code	Measurement unit	Indicator	Boundaries	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022		
ENERGY	Elec-Lfl	kWh	Electricity	for landlord shared services	43,695,366	33,686,655	29,321,694	20,236,488	529,044	1,041,410	n.a.	n.a.	654,833	144,433	13,189,796	12,264,324		
				Total landlord-obtained electricity	43,695,366	33,686,655	29,321,694	20,236,488	529,044	1,041,410	n.a.	n.a.	654,833	144,433	13,189,796	12,264,324		
				Total tenant-obtained electricity	113,932,144	171,345,139	92,624,684	130,111,525	10,790,216	13,694,852	7,320,724	7,493,254	3,196,520	6,342,745	139,165,315	139,165,315		
				Total electricity	296,792,825	330,494,347	121,946,378	150,348,014	11,319,260	14,736,262	7,320,724	7,493,254	3,851,353	6,487,178	152,355,111	151,429,639		
				% from renewable sources (landlord shared services)	56.78	53.97	56.75	45.84	93.44	96.95	n.a.	n.a.	46.73	72.74	n.a.	n.a.		
	Fuel-Lfl	kWh	Fuel	for landlord shared services	63,642,771	54,852,327	12,905,893	7,762,378	495,508	931,472	n.a.	n.a.	64,252	62,181	50,177,118	46,096,296		
				tenant allocated	201,600,065	175,450,737	38,717,680	23,287,133	2,701,317	5,078,025	n.a.	n.a.	2,077,478	2,010,504	158,103,590	145,075,075		
				Total landlord-obtained fuel	265,242,836	230,303,064	51,623,573	31,049,510	3,196,825	6,009,497	n.a.	n.a.	2,141,730	2,072,685	208,280,708	191,171,371		
				Total fuel	271,490,013	235,836,902	51,623,573	31,049,510	3,196,825	6,009,497	6,247,177	5,533,838	2,141,730	2,072,685	208,280,708	191,171,371		
				% from renewable sources	0.00		0.00		0.00		0.00		0.00		0.00		n.a.	n.a.
				% from neutralized sources (landlord-obtained fuel)	12.48	14.19	45.15	69.94	91.10	93.39	n.a.	n.a.	79.62	74.42	0.00	0.00		
	DH&C-Lfl	kWh	District heating & cooling	for landlord shared services	73,495,858	71,816,244	11,158,756	16,304,221	350,561	463,215	n.a.	n.a.	13,198	19,338	61,973,343	55,029,469		
				tenant allocated	233,515,671	227,545,596	33,476,267	48,912,662	1,911,120	2,525,271	n.a.	n.a.	426,739	625,276	197,701,544	175,482,386		
				Total landlord-obtained heating & cooling	307,011,529	299,361,840	44,635,023	65,216,883	2,261,681	2,988,487	n.a.	n.a.	439,937	644,615	259,674,888	230,511,855		
				Total heating & cooling	307,011,529	299,361,840	44,635,023	65,216,883	2,261,681	2,988,487	0	0	439,937	644,615	259,674,888	230,511,855		
				% from renewable sources	0.00		0.00		0.00		0.00		n.a.		0.00		0.00	

EPRA Environmental Performance Measures: Like-for-Like

IMPACT CATEGORY	EPRA SUSTAINABILITY BEST PRACTICE PERFORMANCE MEASURES				TOTAL PORTFOLIO AT AND GCP		OFFICE		RETAIL		HOTEL		OTHER (EXCLUDING GCP)		TOTAL PORTFOLIO GCP	
					Like-for-like (Lfl)		Like-for-like (Lfl)		Like-for-like (Lfl)		Like-for-like (Lfl)		Like-for-like (Lfl)		Like-for-like (Lfl)	
Environmental impacts	EPRA code	Measurement unit	Indicator	Boundaries	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
GHG EMISSIONS	GHG-Dir-LfL	t CO ₂ e	Direct	Total landlord-obtained	54,463	47,845	10,283	6,685	643	1,209	n.a.	n.a.	431	417	43,107	39,534
				Total Scope 1	13,066	11,402	2,571	1,671	100	187	n.a.	n.a.	13	13	10,383	9,531
	GHG-Ind-LfL		Indirect	Total landlord-obtained	93,994	91,010	14,649	20,037	637	842	n.a.	n.a.	124	182	78,583	69,949
				Total Scope 2	26,218	25,283	3,662	5,009	99	131	n.a.	n.a.	4	5	22,453	20,137
	Total		Indirect	Total landlord-obtained	67,776	65,727	10,987	15,028	539	712	n.a.	n.a.	120	176	56,130	49,812
				Total tenant-obtained	101,336	99,907	42,330	41,127	4,120	3,969	2,481	2,450	1,220	1,176	51,185	51,185
				Total Scope 3	169,112	165,634	53,317	56,155	4,658	4,680	2,481	2,450	1,341	1,352	107,315	100,997
	Scope 1 + Scope 2				39,284	36,685	6,233	6,680	198	318	n.a.	n.a.	17	18	32,581	29,475
Scope 1 + Scope 2+ Scope 3				208,397	202,319	59,550	62,835	4,857	4,998	2,481	2,450	1,357	1,370	140,151	130,665	
WATER	Water-Lfl	m ³	Water	Total landlord-obtained water (Tenant Submetered)	1,762,395	1,869,518	215,747	362,113	46,777	26,723	n.a.	n.a.	n.a.	n.a.	1,499,871	1,480,683
WASTE	Waste-Lfl	m ³	Waste	Total landlord-managed waste (Incl. Tenants)	137,918	131,783	44,987	38,386	1,174	1,403	175	232	16,053	14,809	75,529	76,953
		%		% Recycled	38.68	35.98	38.20	32.52	41.29	41.57	67.26	75.34	54.98	50.29	35.39	34.74
		tonnes		Total landlord-managed waste (Incl. Tenants)	15,641	13,917	3,913	4,255	96	156	8	18	1,207	1,379	10,425	8,127
		%		% Recycled	22.06	30.52	3.12	16.99	2.20	28.40	0.10	57.63	18.37	27.21	29.78	38.20
CERTIFIED ASSETS	Cert-Tot	%	Mandatory (Energy Performance Certificates)	% of portfolio certified by floor area	80.91		54.37		76.01		n.a.		100.0		90.93	
				% of portfolio certified by number of properties	95.96		61.45		71.43		n.a.		100.0		96.72	

EPRA Environmental Performance Measures: Absolute Intensities

IMPACT CATEGORY	EPRA SUSTAINABILITY BEST PRACTICE PERFORMANCE MEASURES			TOTAL PORTFOLIO AT AND GCP		OFFICE		RETAIL		HOTEL		OTHER (EXCLUDING GCP)		TOTAL PORTFOLIO GCP		
				Absolute measures (Abs)		Absolute measures (Abs)		Absolute measures (Abs)		Absolute measures (Abs)		Absolute measures (Abs)		Absolute measures (Abs)		
Environmental impacts	EPRA code	Measurement unit	Indicator	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	
ENERGY	Energy-Int	kWh/m ² /year	Heating Energy Intensity	118.45	120.62	94.54	95.51	80.91	107.38	101.00	161.30	63.07	45.26	142.73	131.64	
			Total Energy Intensity (partly estimated)	203.05	203.04	223.32	246.06	280.31	387.28	n.a.	n.a.	143.98	219.22	186.18	178.11	
GHG EMISSIONS	GHG-Int	kg CO ₂ e/m ² /year	GHG Intensity	(Scope1+Scope2)/m ²	10.56	8.19	15.57	6.64	9.60	3.72	n.a.	n.a.	3.97	0.29	8.62	9.26
				(Scope1+Scope2+Scope3)/m ²	62.11	59.16	77.72	81.89	108.60	120.10	25.23	63.03	46.01	67.76	49.93	49.81
WATER	Water-Int	m ³ /m ² /year	Water Intensity	1.32	1.17	0.26	0.36	0.33	0.26	0.30	0.87	0.20	0.24	3.27	2.11	

EPRA Environmental Performance Measures: Like-for-Like Intensities

IMPACT CATEGORY	EPRA SUSTAINABILITY BEST PRACTICE PERFORMANCE MEASURES			TOTAL PORTFOLIO AT AND GCP		OFFICE		RETAIL		HOTEL		OTHER (EXCLUDING GCP)		TOTAL PORTFOLIO GCP		
				Like-for-like (Lfl)		Like-for-Like (Lfl)		Like-for-like (Lfl)		Like-for-Like (Lfl)		Like-for-like (Lfl)		Like-for-Like (Lfl)		
Environmental impacts	EPRA code	Measurement unit	Indicator	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	
ENERGY	Energy-Int	kWh/m ² /year	Heating Energy Intensity	131.10	121.29	95.20	95.21	85.49	140.93	118.24	104.74	52.49	55.25	144.63	130.33	
			Total Energy Intensity (partly estimated)	197.29	194.99	209.85	236.57	262.78	371.73	n.a.	n.a.	121.48	171.46	191.72	177.13	
GHG EMISSIONS	GHG-Int	kg CO ₂ e/m ² /year	GHG Intensity	(Scope1+Scope2)/m ²	8.90	8.31	6.16	6.61	3.11	4.98	n.a.	n.a.	0.34	0.37	10.15	9.17
				(Scope1+Scope2+Scope3)/m ²	47.23	45.85	58.89	62.14	76.07	78.28	46.97	46.38	27.60	27.85	43.32	40.38
WATER	Water-Int	m ³ /m ² /year	Water Intensity	0.42	0.44	0.22	0.36	0.49	0.28	n.a.	n.a.	n.a.	n.a.	1.81	1.79	

EPRA Environmental Performance Measures: Coverage and Estimation, Absolute

IMPACT CATEGORY	EPRA SUSTAINABILITY BEST PRACTICE PERFORMANCE MEASURES			TOTAL PORTFOLIO AT AND GCP		OFFICE		RETAIL		HOTEL		OTHER (EXCLUDING GCP)		TOTAL PORTFOLIO GCP	
				Absolute measures (Abs)		Absolute measures (Abs)		Absolute measures (Abs)		Absolute measures (Abs)		Absolute measures (Abs)		Absolute measures (Abs)	
Environmental impacts	EPRA code	Indicator		2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
ENERGY	Elec-Abs	m ² of applicable properties	Electricity disclosure coverage	6,929,914	5,200,022	2,355,040	1,242,135	506,188	101,191	467,866	123,690	175,049	79,334	3,425,770	3,653,672
		%	Proportion of electricity estimated	83.82	89.78	82.21	86.18	92.55	93.36	0.00	0.00	88.79	90.61	90.63	91.21
	Fuel-Abs	m ² of applicable properties	Fuel disclosure coverage	2,651,940	2,245,508	720,991	598,881	233,001	76,309	201,016	75,627	105,010	62,899	1,391,922	1,431,792
		%	Proportion of fuel estimated	14.78	6.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	24.20
	DH&C-Abs	m ² of applicable properties	Heating & cooling disclosure coverage	3,854,845	2,892,806	1,491,822	581,545	197,428	24,883	76,987	48,063	59,911	16,435	2,028,696	2,221,880
		%	Proportion of heating & cooling estimated	10.84	13.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	35.20
GHG EMISSIONS	GHG-Dir-Abs, GHG-Ind-Abs	m ² of applicable properties	GHG Emissions disclosure coverage	6,506,785	5,138,314	2,212,813	1,180,427	430,429	101,191	278,003	123,690	164,921	79,334	3,420,618	3,653,672
WATER	Water-Abs	m ² of applicable properties	Water disclosure coverage	4,978,197	3,076,589	2,489,796	999,057	488,207	163,776	65,219	528,579	183,705	108,068	1,751,269	1,277,110
WASTE	Waste-Abs	m ² of applicable properties	Waste disclosure coverage	4,007,058	2,394,036	2,349,749	1,050,032	486,844	110,471	65,219	32,226	151,191	101,788	954,054	1,099,517

EPRA Environmental Performance Measures: Coverage and Estimation, Like-for-Like

IMPACT CATEGORY	EPRA SUSTAINABILITY BEST PRACTICE PERFORMANCE MEASURES			TOTAL PORTFOLIO AT AND GCP		OFFICE		RETAIL		HOTEL		OTHER (EXCLUDING GCP)		TOTAL PORTFOLIO GCP	
				Like-for-Like (Lfl)		Like-for-Like (Lfl)		Like-for-Like (Lfl)		Like-for-Like (Lfl)		Like-for-Like (Lfl)		Like-for-Like (Lfl)	
Environmental impacts	EPRA code	Indicator		2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
ENERGY	Elec-LfL	m ² of applicable properties	Electricity disclosure coverage	4,484,553		1,063,588		63,847		65,756		55,823		3,235,538	
		%	Proportion of electricity estimated	82.81	87.54	75.96	86.54	95.33	92.93	0.00	83.00	97.77	91.34	91.90	
	Fuel-LfL	m ² of applicable properties	Fuel disclosure coverage	1,898,432		507,413		38,965		52,834		42,694		1,256,527	
		%	Proportion of fuel estimated	5.60		0.00		0.00		0.00	0.00		5.60		
	DH&C-LfL	m ² of applicable properties	Heating & cooling disclosure coverage	2,514,108		503,723		24,883		0		6,491		1,979,011	
		%	Proportion of heating & cooling estimated	0.00		0.00		0.00		0.00		0.00		18.28	
GHG EMISSIONS	GHG-Dir-LfL, GHG-Ind-LfL	m ² of applicable properties	GHG emissions disclosure coverage	4,412,540		1,011,136		63,847		52,834		49,185		3,235,538	
WATER	Water-LfL	m ² of applicable properties	Water disclosure coverage	4,230,337		999,057		95,863		n.a.		n.a.		829,201	
WASTE	Waste-LfL	m ² of applicable properties	Waste disclosure coverage	1,802,353		1,040,913		110,471		32,226		101,788		516,954	

EPRA sBPR Social & Governance Performance Measures

EPRA code	Unit of measure	2021	2022
DIVERSITY-EMP	% female (Board)	33	33
	% female (Management)	33	32
	% female (all employees)	52	50
DIVERSITY-PAY	Ratio of basic salary and remuneration of women to men (Board)	n/a	n/a
	Ratio of basic salary and remuneration of women to men (Management)	0.69:1	0.73:1
	Ratio of basic salary and remuneration of women to men (Non-management)	0.87:1	0.85:1
EMP-TRAINING	Average hours per employee	21.29	17.01
EMP-DEV	% of total workforce with performance appraisals	17.2	16.7
EMP-TURNOVER	Total number of new hires	350	486
	Rate (%)	21	29
	Total number of leavers	416	422
	Rate (%)	20	20
H&S-EMP	Injury rate	0.0032	0.0083
	Lost day rate	0.00005 ¹	0.00004
	Absentee rate	5.6	8.0
	Fatalities (total number)	0	0
H&S-ASSET	% of assets undergoing health & safety assessments	100	100
H&S-COMP	Total number of incidents of non-compliance from health & safety assessments**	0	0
COMTY-ENG	% of assets with community engagement initiatives ⁸	0	0
GOV-BOARD	Total number of Executive members	2	2
	Total number of Independent members	3	3
	Average tenure	4.2	5.2
	Total number with competencies relating to environmental and social topics	6	6
GOV-SELECT	Description	Please see the Corporate Governance section of our website: http://www.aroundtown.de/investor-relations/corporate-governance/	
GOV-COL	Description	Please see the Board of Directors' Report page 51 of our Consolidated Annual Report for the year ended December 31, 2022	

1. 2021 figures have been restated due to a technical error in last year's reporting, where an internal metric using total number of working days as the denominator was reported in place of the Lost Day Rate as prescribed by the EPRA sBPR guidelines, which uses total number of working hours as the denominator.

GLOSSARY OF TERMS

CAPEX	Capital expenditure
CCHP	Combined Cooling Heat and Power solutions
CHP	Combined heat and power
CO₂	Carbon dioxide
CO₂e	Carbon dioxide equivalent, used to standardize the climate effects of various greenhouse gases
CR	Corporate Responsibility
CREA	Contemporary Real Estate Academy
CRM	Customer Relationship Management
DGNB	Deutsche Gesellschaft für Nachhaltiges Bauen (German Sustainable Building Council)
DJSI	Dow Jones Sustainability Index
DNSH	Do No Significant Harm (related to EU Taxonomy)
EPRA	European Public Real Estate Association
ERP Software	Enterprise resource planning software
ESG	Environmental, social and governance
EV	Electric vehicle
FFO	Funds from Operations
GDPR	EU General Data Protection Regulation
GEG	Gebäudeenergiegesetz (German Building Energy Act)
GHG	Greenhouse gas
GRI	Global Reporting Initiative
HQ	Headquarters
HRDD	Human Rights Due Diligence
ILO	International Labour Organisation
ISMS	Information Security Management System
KrWG	Kreislaufwirtschaftsgesetz (German Circular Economy Act)
KPI	Key Performance Indicator

GLOSSARY OF TERMS

kWh	Kilowatt hour, a unit of energy
LTV	Loan-to-Value
MFA	Multi-Factor Authentication
OECD	Organization for Economic Co-operation and Development
OPEX	Operational expenditure
PPA	Power purchase agreement
PV	Photovoltaic
REC	Renewable Energy Certificates
SDGs	Sustainable Development Goals (of the United Nations)
SOPs	Standard operating procedures
S-ROI	Sustainable return on investment
TCFD	Task Force on Climate-Related Financial Disclosures
WALT	Weighted average lease term
ZIA	Zentraler Immobilienausschuss (German Property Federation)

Report on a Limited Assurance Engagement of a separate non-financial group report

To Aroundtown SA, Luxembourg

Conclusion

We have performed a limited assurance engagement on the separate non-financial group report (hereinafter the “non-financial group report”) of Aroundtown SA, Luxembourg, (hereinafter the “Company” or “Aroundtown”) for the purpose of complying with the principles of Luxembourg Law of 23 July 2016 and Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on establishing a framework for facilitating sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the “EU Taxonomy Regulation”) and the delegated acts adopted in this respect for the financial year from 1 January 2022 to 31 December 2022.

Not subject to our limited assurance engagement are the external sources of documentation, expert opinions, visual material (photos, screenshots, etc.) and the Message from the Board of Directors mentioned in the non-financial group report.

Based on the assurance procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the attached separate non-financial group report for the period from 1 January 2022 to 31 December 2022 has not been prepared, in all material aspects, in accordance with the relevant national legal and European regulations and the substantiating criteria outlined by the company’s legal representatives.

We do not express an audit opinion on the external sources of documentation, expert opinions, visual material (photos, screenshots, etc.) and the Message from the Board of Directors mentioned in the non-financial group report.

Basis for the conclusion

We have performed our limited assurance engagement in accordance with the draft German auditing standard: Limited assurance engagement on non-financial (group) reports outside the scope of an audit of financial statements (IDW EPS 991 (11.2022), as issued by the Institute of Public Auditors in Germany, Incorporated Association [Institut der Wirtschaftsprüfer in Deutschland e.V. (IDW)] and the International Standard on Assurance Engagements (ISAE) 3000 (Revised): “Assurance Engagements other than Audits or Reviews of Historical Financial Information”, issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibility is further described in the section “Practitioner’s Responsibility for the limited assurance engagement related to the separate non-financial group report”.

Our audit firm has applied the quality assurance system requirements of the International Standard on Quality Management (ISQM 1) as issued by the IAASB. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

We have complied with the German professional requirements on independence and other ethical requirements.

Emphasis of Matter - Principles for the preparation of the non-financial group report

Without modifying our conclusion, we draw attention to the explanations in the non-financial group report, in which the principles for the preparation of the non-financial group report are described. The non-financial group report was prepared by the company to meet the requirements of Luxembourg Law of 23 July 2016 and Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the "EU Taxonomy Regulation") and the delegated acts adopted in this respect. Consequently, the non-financial group report is not suitable for other purposes.

Responsibility of the legal representatives and the supervisory board for the non-financial group report

The legal representatives are responsible for the preparation of the non-financial group report in accordance with the relevant national legal and European regulations and with the specific criteria outlined by the legal representatives, as well as for such internal control as the legal representatives determine it necessary to enable the preparation of a non-financial group report that is free from material misstatement, whether due to fraud or error (e.g. manipulation of the non-financial group report).

This responsibility includes the selection and application of appropriate methods to prepare the non-financial group report as well as making assumptions and estimates about individual non-financial disclosures that are reasonable under the circumstances.

The relevant regulations contain phrases and terms that are subject to considerable uncertainties of interpretation and for which authoritative comprehensive interpretations have not been published yet. Accordingly, the legal representatives have provided their interpretations of such phrases and terms in the section on the EU Taxonomy Regulation of the non-financial group report. The legal representatives are responsible for the reasonableness of these interpretations. As such phrases and terms may be interpreted differently by regulators or courts, the legality of such interpretations is uncertain.

The supervisory board is responsible for overseeing the process of preparing the non-financial group report.

Practitioner's responsibility for the limited assurance engagement related to the non-financial group report

Our objective is to express a conclusion with limited assurance, based on our limited assurance engagement performed, as to whether any matters have come to our attention that cause us to believe that the non-financial group report has not been prepared, in all material respects, in accordance with the relevant national legal and European regulations as well as the substantiating criteria outlined by the legal representatives of the company.

In a limited assurance engagement, the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly, a significantly lower level of assurance is obtained. The selection of the assurance procedures is at the practitioner's discretion.

In the course of our limited assurance engagement, we performed the following assurance procedures and other activities, among others:

- Gaining an understanding of the structure of the Group's sustainability organization and of stakeholder engagement,
- Interviews of personnel responsible for the materiality analysis to gain an understanding of Aroundtown's approach to identifying material issues and corresponding reporting boundaries,
- Interviews of personnel involved in the preparation of the non-financial group report about the preparation process, internal controls relevant to that process and the disclosures in the non-financial group report,
- Identifying and assessing the risk of material misstatement of the non-financial group report,
- Performing analytical procedures on selected disclosures in the non-financial group report,
- Reconciliation of selected disclosures with the corresponding disclosures in the financial statements,
- Evaluation of the processes of identifying taxonomy-relevant economic activities and the corresponding disclosures in the separate non-financial group report.

As set out in the description of the legal representatives' responsibilities, the legal representatives have interpreted the wording and terms contained in the relevant regulations; the legality of these interpretations is subject to the inherent uncertainties mentioned in this description.

Restriction on Use and Distribution of our Report

We draw attention to the fact that the limited assurance engagement was carried out for the purposes of the Company and that the report is only intended to inform the Company of the result of the limited assurance engagement. Consequently, it is not suitable for any other purpose than the aforementioned. Thus, the report is not intended for third parties to make (financial) decisions based on it. Our responsibility is to the company alone. We do not accept any responsibility to third parties. Our conclusion is not modified in this respect.

General Terms of Engagement

The General Engagement Terms for Certified Auditors and Audit Firms as of 1 January 2017 (<https://www.mazars.de/Home/Services/Audit-Assurance/Auftragsbedingungen>) as well as our Special Engagement Terms for audits and audit-related services of Mazars GmbH &

Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft [Besondere Auftragsbedingungen für Prüfungen und prüfungsnahe Leistungen der Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft] as of 1 June 2019 shall apply during our limited assurance engagement. Clause 9 of the General Engagement Terms regulates the liability of our profession and contains a limitation of liability with respect to third parties. We shall not assume any responsibility, liability or other obligations towards third parties unless we have concluded a written agreement to the contrary with the third party or such exclusion of liability would be ineffective.

We expressly point out that we do not update the report with regard to events or circumstances occurring after it was issued, unless there is a legal obligation to do so. Whoever takes note of the result of our work summarised in the above report must decide on his own responsibility whether and in what form he considers this result useful for his own purposes and extends, verifies or updates it by his own investigative actions.

Hamburg, 27 April 2023

Mazars GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Philipp Killius
Partner

Corinna Kaufhold
Wirtschaftsprüferin
[German Public Auditor]