

#FUTURE FOR WARD

ECE

ECE 2021

Laying the foundation
for a sustainable future

CREATING SPACE.
INSPIRING PEOPLE.

"Our properties across all asset classes are important pieces of the puzzle in the city of tomorrow."

Dear Readers,

The coronavirus crisis hit us all hard. In many locations, it further fueled concerns about the vibrancy and diversity of our downtown areas. The most important lesson for me is that a crisis like the coronavirus pandemic can only be managed collaboratively and in a spirit of partnership – with owners, tenants, and operators working together closely. Despite all the challenges we've been facing in recent months, this is a goal we've largely succeeded in accomplishing. In this context, ECE is particularly active in its role as a mediator with the aim of reconciling the interests of tenants and investors to the greatest extent possible. It was and remains important to find equitable solutions that are tailored to the respective individual situation. That's why we worked to ensure that the retail partners only had to pay half of the rents during the period of the lockdowns, thus spreading the burden equally between owners and tenants. In doing so, we set a standard for the industry.

At the beginning of the year, ECE restructured itself with the clear aim of responding more quickly to the needs of its customers and the requirements of the market. Under the umbrella of the ECE Group, ECE Marketplaces (shopping) and ECE Work & Live (residential, hotel, office, logistics) offer their expertise to the market as all-around specialists and independent companies. In addition, the investment company ECE Real Estate Partners operates alongside them as an independent, regulated alternative investment fund manager (AIFM), and is expanding its activities beyond shopping centers, having just launched its first hotel fund with an initial property in Venice.

This means we are extremely well positioned for the future. Our properties across all asset classes are important pieces of the puzzle in the city of tomorrow. This applies equally to MesseCity in Cologne, with its mix of offices, hotels, and restaurants, as it does to the planned residential towers at Stern-Center in Potsdam, the new state-of-the-art office campus in Hamburg, and the completely repositioned shopping center at Potsdamer Platz in the heart of Berlin. The aim is always to listen carefully in order to understand the wants and needs of the local market and the local residents. In this context, thoroughly modernizing existing properties and their functions is another important area of activity.

The key phrase here is "mixed use" – in line with urban and societal change, shopping centers will increasingly become vibrant marketplaces that combine dining options, recreational activities, and entertainment offerings with traditional stores as well as complementary uses such as service centers, office and residential space, and even hotels.

Our job, in the spirit of placemaking, is to create attractive places and spaces that are part of people's daily lives – their third place that they enjoy visiting again and again with friends and family. At the same time, we will continue to work with our partners to connect the online and offline worlds and systematically develop our locations into omnichannel platforms. Our Digital Mall, for example, allows our retail partners' products to be viewed online as well. The digital world offers brick-and-mortar retailers many new opportunities to attract customers to their stores. Due to their central locations, our sites are also an ideal starting point for the last mile, i.e. the final delivery of products to the surrounding area.

Regardless of the activity, sustainability is at the heart of everything we do. Sustainability isn't merely an option; it's a reality of life and needs to be incorporated into everything we do. ECE has been doing this for many years. We pursue a holistic sustainability strategy and have firmly enshrined ESG (environmental social governance) criteria in our corporate culture. In a dialogue with our stakeholders, we have identified six strategic fields of activity: energy, resources, sustainable mobility, well-being, employees, and sustainable trends. They form the basis of all our forward-looking activities.

Enjoy reading our latest issue of #FutureForward.

Yours truly,


Alexander Otto
CEO of the ECE Group

VIBRANT MARKETPLACES OF THE FUTURE

ECE Marketplaces creates high-traffic shopping destinations that meet the needs and expectations of today's and tomorrow's customers.



• 14



CONTENT

EDITORIAL	3
HOT TOPIC: ESG	6
THE ECE GROUP	12
ECE MARKETPLACES	14
We aspire to be best in class!	16
Together through the Corona Crisis	18
Inspiring places for inspiring experiences	20
Placemaking	24
Connected commerce	28
Omnichannel marketing	32
Maintaining asset value, increasing asset value	34
New additions to the center portfolio	36
CITIES IN THE 21 ST CENTURY	38
KIDS IMAGINE THE CITY OF THE FUTURE	42
ECE WORK & LIVE	44
Digital, functional, and unifying	46
Residential	48
Office	56
Logistics	64
Hotel	68
ECE REAL ESTATE PARTNERS	74
ECE AS AN EMPLOYER	78
CORPORATE CITIZENSHIP	84
PERFORMANCE BASED ON GRI STANDARDS	88
PUBLISHING INFORMATION	104

• 44 PLACEMAKING IN ALL ASSET CLASSES

ECE Work & Live develops sustainable and highly functional properties – from residential to hotels and offices to logistics.

60 NEW OFFICE SPACES IN MESSECITY

The everyday working life of many people with office jobs has changed significantly during the coronavirus pandemic.

20 INSPIRING PLACES FOR INSPIRING EXPERIENCES

Creating attractive shopping locations is ECE's core competency.



OFF TO VENICE!

The fund management company ECE Real Estate Partners is expanding its activities and launching its first hotel fund, the ECE European Lodging Recovery Fund.

• 74

ESG: A DUTY INSTEAD OF A TRENDING TOPIC

Although the global economy is in the midst of the biggest crisis of the post-war period due to the coronavirus pandemic, the issue of ESG has continued to gain momentum in Europe. According to German Chancellor Angela Merkel, “it is about nothing more and nothing less than the transformation of our entire way of life and doing business.”



WRITTEN BY: Maria Hill, Director
Sustainability & Corporate Communications
at ECE Group Services

Just how essential the issue is for Europe can be seen, among other ways, in the EU recently adopting even more ambitious climate targets. These now call for carbon emissions in Europe to be cut by 55 percent by 2030 compared with 1990 levels, not just 40 percent.

Green Deal und sustainable finance – ESG picking up steam

In order to achieve the climate targets and, in doing so, create a carbon-neutral future, the European Commission has made 750 billion euros available as part of the “Green Deal.” Part of this agreement is also the Sustainable Finance Act, which aims to channel funds in the direction of sustainability. In this context, the focus

is also on the real estate industry, which is responsible for around one third of Europe’s total carbon emissions. The European Union answers the question of what constitutes sustainable real estate in what it refers to as the “taxonomy.” This contains numerous criteria that are used to designate a property as taxonomy-compliant under the Sustainable Finance Act.

ECE participates in DGNB study to understand and correctly apply the taxonomy

ECE already began studying the taxonomy back in 2018 when Brussels issued the first drafts. The most important aspects for ECE included understanding the criteria and also providing pragmatic feedback to the decision-makers in Brussels via the German Sustainable Building Council (DGNB) and the German Property Federation (ZIA). At the same time, it is essential that ECE also takes these requirements into account in its own sustainability strategy and in its development and purchasing decisions.

For this reason, ECE participated in the DGNB study on the taxonomy with five properties last year in order to expand its expertise in this area. The study revealed that a certified property and sound data management, as well as excellent energy performance indicators, are the essential ingredients to achieving good results. The criteria can be met – although certainly not for all properties – after all, the focus here is on the best in class.



Sustainability strategy a key component

Despite the various challenges during the pandemic, sustainability remains a key issue for ECE. The company’s sustainability strategy, which it systematically updated and refined last year, forms the basis for its activities. In this context, ECE has identified relevant sustainability drivers specific to the company. These include political regulations, investor requirements, and the expectations of other external stakeholders, such as tenants or visitors. Ensuring that the properties retain their value by meeting the future climate change mitigation requirements plays a key role in this context. The company’s sustainability strategy represents an important component in this regard.

The process began with a survey of stakeholders which formed the basis for the new sustainability strategy. Over the course of the development process, we identified six strategic fields of activity: energy, resources, sustainable mobility, well-being, employees, and sustainable trends. In accordance with the six strategic fields of activity, ECE has defined specific sustainability goals in the three core areas Marketplaces, Work and Live, and ECE/Employees, which it reviews on an ongoing basis and reports on in a transparent manner. >

- E-bike station at the Adigeo in Verona.
Wooden roof structure at the STILL logistics center in Hamburg.



ECE SUSTAINABILITY STRATEGY

Short-term, medium-term, and long-term goals have been defined for each area of activity



ENERGY

Professional monitoring
Increases in energy efficiency
Renewable energy



RESOURCES

Professional monitoring
Waste and water management
Promotion of circular economy approaches



SUSTAINABLE MOBILITY

Electric vehicles
Development/ use of sustainable mobility options



WELL-BEING

Accessibility
Indoor air quality



OUR EMPLOYEES

Health management
Diversity management
Social commitment



SUSTAINABLE TRENDS

Driving forward innovation projects in a targeted manner, to learn from them

- Green roofs on the "Campus Hamburg" office building



2025

THE YEAR IN WHICH ALL ECE CENTERS IN EUROPE WILL BE EQUIPPED WITH EV CHARGING STATIONS

Marketplaces: Expanding green leases

In the shopping center sector, the targets include a significant reduction in carbon emissions of 40 percent by 2030 (compared to the 2019 baseline), the exclusive use of green electricity at all shopping centers, and on-going improvements to energy monitoring. In addition to tracking and monitoring sustainability indicators via the "SoFi" tool, ECE Marketplaces is now looking to expand monitoring via an energy management platform. Furthermore, when operating the buildings, we try to minimize their environmental impact and regularly review models and approaches to waste prevention and recycling. It is also working to minimize the use of "gray energy" – such as through the use of wood or recycled concrete, for example.

Furthermore, all of the shopping centers should be equipped with charging infrastructure for electric vehicles and offer more sustainable transportation options. In addition, building users will be integrated into ECE's climate change mitigation measures even more closely by means of lease contracts that comply with the Green Lease standard. The goal is for 90 percent of lease contracts to comply with this standard by 2025.

Work & Live integrates ESG criteria into "Code of Conduct for Residential Development"

In all new development projects carried out by ECE Work & Live, the team conducts an individual assessment of a climate-friendly energy concept as well as LED lighting concepts and the installation of photovoltaic systems. Standardized green roofs and facades are also reviewed on an individual basis. Furthermore, in addition to establishing a charging infrastructure for electric vehicles, the use of sustainable building materials and wooden structures play an important role. Decisions on the use of individual elements are made on the basis of their financial, environmental, and social benefits.

Consuming resources in a conscious and responsible manner is another important means of achieving climate targets. This includes the economical use of building sites and land recycling, the durability and universal usability of buildings, and their easy conversion or, if necessary, demolition. This is particularly evident in the concepts for the construction of much-needed housing on developed areas at shopping centers – like at Stern-Center in Potsdam. In addition, ECE Work & Live is developing a concept for the use of office space under pandemic conditions.

The ESG criteria for the asset classes Residential, Logistics, Hotel, and Office are currently being reviewed once again and adapted to the growing requirements. In this process, ECE is closely examining the requirements related to achieving climate neutrality by 2045, as well as the criteria defined in the taxonomy.

By issuing a "Code of Conduct for Residential Development," ECE is demonstrating its all-embracing dedication to this asset class. This is a voluntary commitment that applies to all residential development projects and sustainable portfolio management as well as acquisitions under the responsibility of the ECE Group. In it, ECE commits to "fair conduct in our interactions with tenants and the inclusion of ESG criteria as essential guidelines in our development activities," among other things. >

Targets for headquarters and employees

Similarly, ECE intends to achieve a 40 percent reduction in carbon emissions at its campus compared to the 2019 baseline, increase energy efficiency, and expand the share of energy procured from renewable sources. In the future, all ECE suppliers will need to comply with revised environmental and social standards. ECE also aims to develop a diversity strategy, provide ergonomic workstations to its employees, expand health days for the workforce, and promote employees' social engagement.

Pilot project: energy efficiency refurbishment roadmap for shopping centers

In Germany, the Constitutional Court recently declared the Federal Climate Change Act – the first law in Europe to combat climate change that sets statutory climate targets for sectors and imposes penalties for failure to achieve them – to not be ambitious enough and therefore unconstitutional. As such, it is much more important not to focus on a few “best-in-class” properties, but to move the entire portfolio onto a path toward climate neutrality, and to do so by 2045.

Together with the University of Dresden, ECE has drawn up an energy efficiency refurbishment roadmap for shopping centers in a pilot project based on Alster-Einkaufszentrum (AEZ) in Hamburg. Shopping centers are complex property types and therefore require extremely detailed knowledge when it comes to achieving meaningful results. ECE's engineers are highly familiar with this type of property. The project revealed that shopping centers can become carbon neutral by 2045 – and ECE knows how to do it. This will require the acceptance of certified externally sourced energy, however. Without it – as studies, among other sources, have shown – many properties cannot become carbon neutral. Nevertheless, with an intelligently planned ESG strategy, centers can become more efficient within their maintenance cycles and also increase the amount of renewable energy generated directly at the property through the use of solar panels.

100%
USE OF GREEN POWER AT THE
SHOPPING CENTERS IN GERMANY AND
AT COMPANY HEADQUARTERS

**SUSTAINABILITY
ADVISORY BOARD**

True progress is only possible when consideration is also given to outside ideas and opinions. That is why ECE presents all its new projects to a Sustainability Advisory Board it established in 2011. This reviews and assesses all new construction projects in terms of sustainability and environmental impact. The members of this board are Hamburg's former mayor Ole von Beust, polar researcher Arved Fuchs, the former deputy minister of North Rhine-Westphalia Dr. Michael Vesper, Prof. Dr. Kunibert Lennerts from the Karlsruhe Institute of Technology, real estate expert Bärbel Schomberg, and as chairman, ZIA President Dr. Andreas Mattner.

>100

DGNB, LEED, and BREEAM
certifications for ECE properties

>10,000

green lease contracts for
sustainable lease areas

141,000 t

of carbon emissions saved through
the use of green energy

**Renewable energy as a cornerstone of the
sustainability strategy**

ECE already put renewable energy at the top of the list of considerations when developing new properties more than a decade ago. The potential ability to use geothermal and solar power systems, among other technologies, was investigated in each project. Unfortunately, geothermal could rarely be used due to geological conditions, and in the case of solar panels, legal regulations were always the greatest obstacle, even for existing properties. In particular, the detrimental effect on a shopping center's trade tax liability proved to be a significant barrier in this respect. ECE has therefore lobbied hard for change in Berlin – and things have started to move. As a result, ECE is currently working on a strategy to further integrate solar power systems into its portfolio – not least in order to achieve ECE's target of a 40-percent reduction in carbon emissions by 2030. ECE will also install a biogas-fueled combined heat and power plant by 2023 for its campus in Hamburg and the

AEZ shopping center. This is expected to reduce emissions by an additional 1,400 tons of CO₂ per year.

Solution-oriented dialogue with policymakers

In order to achieve our climate targets and help shape measures taken across society, ECE is engaged in a dialogue with politicians through various associations. In doing so, ECE always takes a solution-oriented approach. Whether its Germany's legislation to establish a building-integrated charging and wiring infrastructure for EVs, carbon pricing, or the Sustainable Finance Act, the question is always how the right political objectives can be implemented well in the real world.

**The bottom line: no time to rest on our laurels –
ECE continues to refine its strategy**

The real estate industry has already made a major contribution in the field of sustainability. The low-hanging fruit has already been picked, so to speak. Now it's about taking the next big step. //

THE ECE GROUP

FAST, FRESH, FORCEFUL

ECE has repositioned itself for the challenges of the future. Founded in 1965 as developer focused exclusively on shopping centers, the company has grown into an integrated group in the real estate and investment business. It offers asset management, project development expertise, investment management, and other end-to-end real estate services under one roof – while remaining an owner-operated family business.

**CLAUDIA PLATH,
CFO, ECE GROUP**

“OUR OBJECTIVE IS TO HAVE CLEAR RESPONSIBILITIES WITHIN THE GROUP, BUT ALSO TO MANAGE THE GROUP FROM AN OVERALL PERSPECTIVE. THAT’S HOW WE WANT TO TAKE ADVANTAGE OF THE SYNERGIES IN THE GROUP.”

With its new organizational structure, ECE has completed its transformation from what was once exclusively a shopping center developer to a broadly positioned real estate and investment group. “In doing so, we are leveraging the strengths and synergies of the umbrella brand while at the same time positioning our specialized individual companies in their own competitive environment on the market,” says Alexander Otto, summing up the strategic direction.

In its new structure, the ECE Group, under the leadership of Alexander Otto (CEO) and Claudia Plath (CFO), is responsible for the strategy, management, and financing of the group as a whole. The two units ECE Marketplaces (shopping centers) and ECE Work & Live (office, logistics, residential, and hotel) offer their services and expertise on the market as independent companies. In addition, the investment company ECE Real Estate Partners operates alongside them as an independent, regulated alternative investment fund manager (AIFM). All of the services within the group are performed by ECE Group Services.

ECE GROUP

ECE
MARKETPLACES

ECE
WORK & LIVE

ECE
REAL ESTATE
PARTNERS

ECE GROUP SERVICES



How does this benefit customers?

The new organizational structure gives the individual companies more responsibility and enables them to respond to customer needs and market requirements even faster. In addition, ECE is creating the conditions necessary to continue the further digitalization of its activities – from omnichannel commerce and the Digital Mall to BIM and reporting. Investors and retail partners benefit from more information, creative ideas, quick decisions, and clear processes. “In this time of transformation and change, we ultimately want to be the best partner and service provider,” says Otto, describing the goal.

The companies of the ECE Group

The new company ECE Marketplaces is led by Joanna Fisher as CEO, Steffen E. Friedlein is in charge of Leasing Services within this unit as Managing Director. Henrie W. Kötter heads up the new ECE Work & Live unit as CEO, while ECE Real Estate Partners remains under the leadership of Managing Partners Dr. Volker Kraft and Markus Schmitt-Habersack. The new ECE Group Services unit, headed by Managing Directors Robert Heinemann and Arndt Schwerdtfeger, acts as the service provider within the group. It provides all of the services for the other ECE units, from design and project management services to commercial property management and legal advice. In addition, it is also responsible for the group’s ongoing digital transformation. //

ECE MARKETPLACES

VIBRANT MARKETPLACES OF THE FUTURE

ECE Marketplaces creates high-traffic shopping destinations that meet the needs and expectations of today's and tomorrow's customers. This includes trendy food and entertainment concepts as well as innovative services such as the Digital Mall and connected commerce.

WE ASPIRE TO BE BEST IN CLASS!

CEO Joanna Fisher heads up the ECE Group's line of business specializing in retail with the objective of making ECE Marketplaces Europe's best shopping center manager. In this process, sustainability and ESG criteria, among other factors, play an important role.

She could hardly have taken on her position at a more challenging time – the structural change in the retail sector and the longest coronavirus lockdown in Europe are demanding a great deal from all the partners involved, investors and tenants alike. But operating in this challenging environment is precisely what excites Joanna Fisher and encourages her now more than ever before to work with her industry-savvy teams to transform her vision of the shopping centers of the future into reality. In this interview with #FutureForward, she reveals her formula for achieving this goal.

Ms. Fisher, you have set yourself the goal of developing and establishing your company as the “best-in-class real estate manager” for the shopping center asset class. Why can ECE Marketplaces succeed in accomplishing this?

Joanna Fisher: Managing shopping centers and continuously adapting them has been in of our company's DNA since ECE was founded. We are now continuing these core activities through the independent company ECE Marketplaces. As a result of our concentrated expertise in all of the services related to the shopping

center asset class, we can respond even more clearly to this product's requirements as well as those of our investors. Our core services include asset and property management, leasing, parking and facility management, as well as financing, construction, architecture, and omnichannel services. Our focus is on the continuous enhancement of retail real estate with the aim of keeping it relevant and up-to-date – including with a view to sustainability and ESG.

And how are you going about this?

To us, shopping centers are more than just places to shop – as places where people meet, places to enjoy memorable experiences, and service providers for the surrounding community, they function as urban, vibrant marketplaces. We believe our mission is to find and make the corresponding offerings and services available. We position what customers demand. That is why we work together with our investor and retail partners to develop and implement innovative solutions that strengthen the competitiveness of brick-and-mortar retail. In doing so, we focus on actively marketing vacant space and enhancing the tenant mix over the long term with new, popular concepts from the retail and non-retail sectors. In

addition, we are expanding our centers into omnichannel platforms, thereby systematically connecting the online and offline worlds and offering our retail partners another attractive way to reach their customers.

What form do these measures take specifically – can you give us a few examples?

We always aim to inspire and excite our visitors over and over again. They should also feel completely at home at our centers and be happy to spend time there. We achieve this by implementing on-trend retail, dining, and entertainment offerings, including unique usage concepts that we realize ourselves – such as our “Esports Arcade” at Limbecker Platz in Essen. Or innovative space management – why not spend the night in a tent in the middle of Europa Passage and enjoy the starry sky over Hamburg? But it also includes complementing our shopping center space with “Retail+” concepts such as residential, office, and hotel space. For example, we were able to attract the “Ruby Coco” hotel as a tenant for our Kö Galerie shopping center in Düsseldorf. And residential space is currently being built at Stern-Center in Potsdam. We are also entering into strategic partnerships, such as our most

“MANAGING SHOPPING CENTERS AND CONTINUOUSLY ADAPTING THEM HAS BEEN IN OUR COMPANY'S DNA SINCE ECE WAS FOUNDED.”

**JOANNA FISHER,
CEO, ECE MARKETPLACES**

recent collaboration with the Condé Nast publishing house, and this October we will be hosting the GLAMOUR Shopping Week at our centers for the second time.

How are you positioning the company to be “best in class”?

We clearly feel that the expectations of our stakeholders are increasing – both among our retail partners and our investors. I'm convinced that only a few companies will be able to meet these demands for consulting

expertise, information and reporting quality, or compliance, to mention just a few topics, over the medium term. We are investing massively in our IT and in our employees in order to be able to set benchmarks here. This was the only way, for example, that we were always able to quickly update our investors during the crisis and renegotiate thousands of lease contracts. But I can also say quite clearly that we are nowhere near where we want to be here. My goal is for us to become even

faster and to provide our stakeholders with the information they need, when and how they need it. This increasingly includes non-financial KPIs, especially around ESG. After all, reliable data is the key to every future investment decision. //



TOGETHER WE ACHIEVED A LOT!

Bit by bit, things are getting back to normal – the incidence rates are at an all-time low nationwide and retailers have been able to reopen. Now the focus is finally back on the future.

ECE centers welcome visitors back

True happiness begins with a reunion. As a result of the coronavirus, experiences outside our own homes were few and far between in recent months. In order to welcome the visitors back to the centers, ECE Marketplaces got them in the mood for the reopening of their shopping centers with all their services by launching a cross-media campaign.

The campaign's tagline was "Simply a better shopping experience" – highlighting what makes brick-and-mortar retail so special compared to online shopping, because shopping at ECE's centers means being able to touch and truly experience the products.

Political engagement by retail partners and ECE: much achieved through concerted efforts

On the path to finally being able to reopen, ECE and its partners from the retail sector and associations fought hard at the political level and in public for relaxations and the reopening, as well as for a significant improvement to the financial assistance being provided to retailers. To this end, ECE joined forces with 34 retailers, companies, and the retail and real estate associations HDE, GCSP, and ZIA at the beginning of the year to form the "Das Leben gehört ins Zentrum" ("Life Belongs Downtown") initiative. In addition to a responsible opening strategy, the initiative also advocated for the expansion and improvement of urgently needed financial assistance for retailers, and successfully so – the German government recently extended its Emergency Assistance Program III until September 30, 2021, and increased from a maximum of 12 million euros to up to 52 million euros.

Support and relief for retail partners

ECE also accomplished a great deal in recent months in terms of the relationship between tenants, landlords, and owners, and a new spirit of partnership and mutual understanding has been achieved. At issue was the fact that the lockdowns left retailers without much-needed revenue for months, including to cover running costs.



- Partners involved in the "Life Belongs Downtown" initiative used a float to draw attention to the economic damage caused by Germany's coronavirus policies in Berlin's government district on May 19.

As a result, ECE also worked tirelessly internally to relieve the financial burden on its retail partners and to help them through this difficult period.

It held numerous constructive discussions with both tenants and center investors and was able to develop viable solutions for both sides over the course of the first lockdown in more than 90% of cases. And ECE once again helped many retail partners secure a 50/50 rent-sharing assistance offer during the recently ended second lockdown, setting an industry benchmark in the process.

Into the future together and as partners

These jointly achieved goals and the assistance provided in a spirit of partnership over the past few months have shown how important trusting business relationships are, and how much can be accomplished when everyone involved pulls together. This understanding of partnership is therefore also the basis for a successful future together for retailers and shopping centers – and for the challenges that lie ahead. //

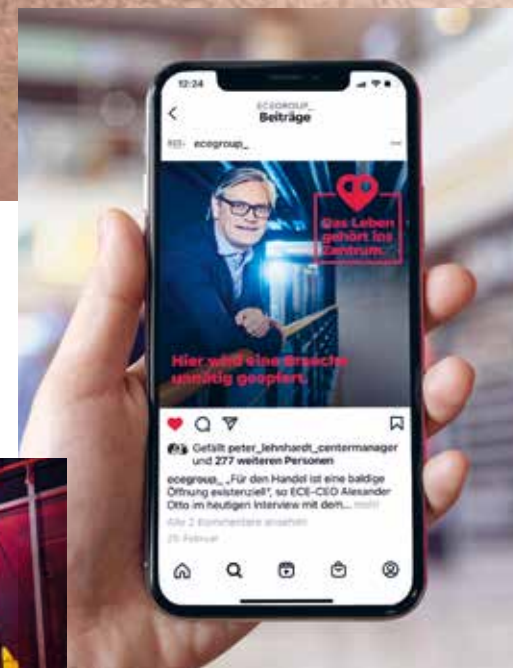
68%

WANT TO ONCE AGAIN SHOP LESS ONLINE WHEN STORES ARE BACK OPEN

90%

OF THOSE SURVEYED SAID THEY WERE LOOKING FORWARD TO THE REOPENING OF THE STORES

- As a symbol of protest against the retail sector being bled dry, the storefronts and facades of around 100 German ECE shopping centers were illuminated in red on March 1. The event generated powerful images and a great deal of media coverage.



- The posts related to the "Das Leben gehört ins Zentrum" ("Life Belongs Downtown") campaign generated a total of more than 3.5 million impressions on social media

EMOTION | ENTERTAINMENT | EXCITEMENT

INSPIRING PLACES FOR INSPIRING EXPERIENCES

@ECE MARKETPLACES

• 600,000 m²

OF SHOP SPACE LEASED BY ECE IN 2020

**"THE GOAL OF OUR LEASING
ACTIVITIES IS TO CREATE UNIQUE
DESTINATIONS AND TO INSPIRE
AND EXCITE OUR CENTER VISITORS
TIME AND TIME AGAIN."**

**STEFFEN ERIC FRIEDLEIN,
MANAGING DIRECTOR
LEASING SERVICES**



Shopping is all about the experience – the ability to look at, touch, and try out the products! And this is only possible at brick-and-mortar retail outlets. Current surveys show that customers continue to want real shopping experiences at local stores – despite rising e-commerce revenues. That is why ECE is transforming its centers into state-of-the-art platforms for the shopping experiences of the future. In this process, it is focusing on a combination of retail, placemaking, and connected commerce.

@ECE MARKETPLACES

#1

Retail: the foundation for shopping experiences

Creating attractive shopping locations is ECE's core competency. This is about more than just leasing space to innovative retail concepts, local retailers, international chain stores, and temporary pop-ups – the goal is to create unique dynamic marketplaces that delight visitors.

With a carefully selected tenant mix, new retail concepts, and innovative space management, ECE's leasing specialists are creating a variety of offers that inspire visitors time and time again. The company is always on the lookout for trends that visitors want, both nationally and internationally, and creates unique shopping destinations that reflect the zeitgeist by acquiring innovative concepts. This doesn't necessarily have to be a permanent store, because ECE Mall Marketing, for example, offers brands the opportunity to present themselves and their products temporarily in the mall corridors. >





- *Shopping meets gaming: At Limbecker Platz in Essen, ECE is developing the first gaming space in a shopping center together with URBN Esport GmbH. The opening is scheduled for this fall. If the pilot is successful, the partners plan to roll out the "Esports Arcade" to other centers.*

- *Getting together, enjoying a memorable experience together, and shopping together – ECE Marketplaces' centers are more than just places to shop*



#2

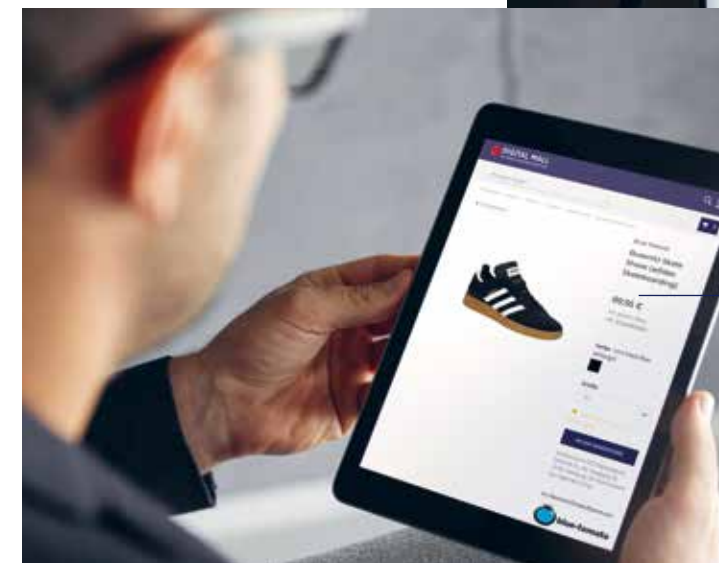
Placemaking: adding to the shopping experience

ECE's vision of the shopping center is that of an urban marketplace. As such, ECE aims to create destinations where people can socialize, enjoy themselves, and share common experiences. This creation process is known as "placemaking." In addition to shopping, service, and dining options, entertainment, leisure, health, and wellness also play an important role. In this context, the focus is always on the visitors and aligned with the needs and desires of the local community. In close partnership with our stakeholders, this process thus transforms the centers into real "places for people."

#3

Online and offline shopping perfectly connected

Visitors to ECE shopping centers should be able to experience and enjoy shopping exactly how they want, and do so across all contact points – online and offline. More and more people prepare for making purchases from local stores online. In order to give brick-and-mortar retail outlets in shopping centers greater online visibility and thus boost sales, ECE has developed the Digital Mall. Designed as an online product search, it allows customers to receive merchandise through multiple channels – via the shopping center's app and website, consumers can check the availability of their desired product, reserve the item immediately, and pick it up at the center. The number of participating partners is growing steadily, with 800 stores currently connected to the Digital Mall offering a total of three million immediately available products. //



3 million

IMMEDIATELY AVAILABLE
PRODUCTS AND 800 CON-
NECTED STORES IN THE
DIGITAL MALL



SHOWCASING WHAT CAN'T BE DIGITIZED

ECE Marketplaces creates urban destinations with the wow factor. In this interview, Jonathan Doughty, Global Head of Foodservice, Leisure & Placemaking at ECE Marketplaces, and Marc Blum, Director Creative Design at ECE Group Services, reveal the key to placemaking and the role tenants play in the process.

What is placemaking? And how does it work?

Jonathan Doughty: Placemaking is like the yeast in bread. It's the ingredient that makes all the difference. It's similar to when you have a great recipe. You can buy the highest-quality ingredients, but if you mix them wrong, you'll end up with something that tastes awful. I think placemaking is an attitude. It's a discipline that helps us make the most of what we build and create – to make it feel human, to make it appealing, to make it a place where we want to be.

That sounds good. But how do you do it with buildings like shopping centers?

Marc Blum: It has a lot to do with creating unforgettable memories. We long for places that offer a sense of community, where we enjoy getting together and having a great time. To create authentic destinations where people can enjoy memorable experiences, you need the right ingredients: the right materials, colors, green spaces, and more. And what tenants bring to the space is important, of course. It's about creating these very special moments. This also includes surprises. It can't be a place where you know exactly what's happening around every corner.

Jonathan Doughty: It's about arousing emotions – with all of the options available. But don't forget to add a dash of humor, too! This way you end up with something unique that attracts people. The best restaurants in the world rarely serve the best food. They're the best restaurants because they have a great atmosphere and create an experience, emotions, and connection. We can't forget that designing places means making them appeal to real people. After all, that's where the energy comes from! ➤



JONATHAN DOUGHTY,
GLOBAL HEAD OF FOODSERVICE,
LEISURE & PLACEMAKING AT ECE
MARKETPLACES, AND MARC BLUM,
DIRECTOR CREATIVE DESIGN
AT ECE GROUP SERVICES

Placemaking also means offering center visitors venues for unique community experiences

Marc Blum: Telling a persuasive story is also extremely important in this context. We try to tell a compelling and authentic story that fits the location and its people. These should be places that people are proud of. Pride in one's own neighborhood or shopping center is a very important aspect of placemaking. ECE's real estate – from retail to mixed-use – is mostly located in the heart of cities. They can all become important pieces of the puzzle in the city of tomorrow. That's why we have to listen carefully to understand the wants and needs of the local market and the local residents. Every place needs this special, unique touch.

How can existing shopping centers be integrated into this large urban puzzle?

Jonathan Doughty: Potsdamer Platz in Berlin is a prime example. The complex, which was built in the 1990s, no longer met the requirements and expectations of its users. And yet all of the components were there: offices, recreational facilities, stores. But it simply no longer worked. So it was time for a reboot, observing the placemaking rules. Together with Brookfield, we are now completely reinventing the space. We're transforming it into a destination with many exciting new tenants. We were able to acquire "Mercato Metropolitano," the trendy food concept from London, for the

new Potsdamer Platz, for example. Mattel will also open its first European "Mission: Play!" type of family entertainment center here. In addition, we have other exciting concepts that will completely redefine this location in the heart of Berlin. But Potsdamer Platz is just one example. We have many more at ECE. Take, for example, the repositioning of MyZeil in Frankfurt – with outstanding culinary offerings, an "Astor Film Lounge," and a plaza on the fourth floor of the center. At the Main-Taunus-Zentrum shopping center, we're planning a large outdoor food hall. Exciting urban destinations that delight their visitors from morning to night.

What impact do the Internet and digitization have?

Jonathan Doughty: Digitization is an enabler. It makes it possible to purchase things you need quickly. But it can't replace the real-life buying experience. I mean, you can easily order your favorite food online and eat it at home in front of the TV. But it's no substitute for a wonderful meal at the restaurant. For those who don't want an experience, it's fantastic. If I'm looking for a new iPhone and know exactly which one I want, I go online and find six websites where I can buy it. Then I simply select the cheapest one and press the button – done! But if I'm looking for a real experience, I'd rather go to the store in person.

Marc Blum: A sense of community, social interaction, sensory experiences, smelling, tasting, seeing, touching – the Internet can't provide any of this. That brings us back to the beginning of our conversation – we need to create destinations that people long to visit. In the online age, the goal is to showcase what can't be digitized. To me, as an architect, this is great

news. We need to our entire vocabulary, all of our tools, and systematically implement the placemaking strategies. We need to mix and measure out all the ingredients properly to create wonderful places for people.

Jonathan Doughty: And the tenant is a key ingredient in this recipe. We can have amazing places. But ultimately, it's also about attracting precisely the right tenants for each location. At ECE, we have experienced teams that look for and find exactly the tenants we need. //

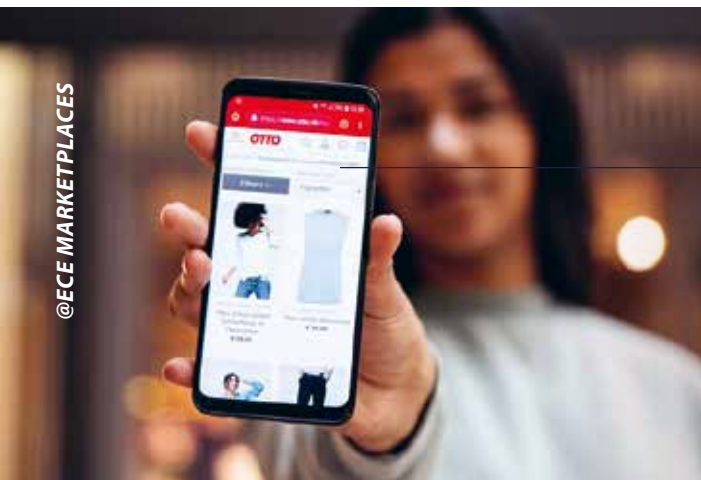


"WE NEED TO MIX AND MEASURE OUT ALL THE INGREDIENTS PROPERLY TO CREATE WONDERFUL PLACES FOR PEOPLE."



THE FUTURE BELONGS TO CONNECTED COMMERCE

With its “connected commerce” strategy, i.e., connecting online and offline channels, ECE Marketplaces continues to drive the expansion of its shopping centers into omnichannel platforms. To achieve this, it is focusing on strategic partnerships with companies such as OTTO – and services such as “ship from store.”



@ECE MARKETPLACES

• **2.6 million**
DAILY VISITS TO
OTTO.DE

The Digital Mall already combines the flexibility and convenience of online shopping with the benefits of brick-and-mortar retail. In addition to the ability to check availability online and immediately pick up the products, it also offers customers the opportunity to receive personalized advice at the store and test the products before they buy them. This turns the Internet into a guide that leads customers to local retailers, explains Sebastian Baumann, who is responsible for Digital Business & Innovations at ECE Marketplaces: “When conducting research, customers decide whether to purchase the product online or offline. If, in the process, they can see the availability of their desired products at the local shopping center, it greatly improves the chances of them deciding to buy them there.”

It is precisely for this purpose and in order to further expand its “connected commerce” activities that ECE, together with otto.de, has founded the data platform Stocksquare as a joint venture. Stocksquare connects brick-and-mortar retailers with online marketplaces such as the Digital Mall and the online platform otto.de. As part of its “connected commerce” activities, the largest network of retail stores is now linked to Germany’s second-largest online retailer. ECE’s retail partners can display the merchandise available across their entire network of stores on otto.de and allow visitors to reserve products. As a result, they benefit from the additional online visibility that comes with an average of 2.6 million unique visits to otto.de every day.

Another component of this strategy is the company’s strategic partnership with Google. As part of this collaboration, brick-and-mortar retailers connected to the Digital Mall can additionally display their locally available products on Google Search via the “See What’s In Store” feature. In this context, the Stocksquare data platform also acts as the interface and basis for the collaboration with Google. >



@ECE MARKETPLACES



78%

OF RETAILERS CAN IMAGINE SELLING THEIR GOODS VIA "SHIP FROM STORE" ON THE OTTO.DE MARKETPLACE

+ 500%

JACK WOLFSKIN SAW REVENUES INCREASE BY THIS FIGURE ON AVERAGE DURING THE TESTING STAGE

+ 700

NUMBER OF ADDITIONAL ARTICLES SOLD BY LASCANA DURING THE TEST RUN PER DAY



"THE HIGHLY SUCCESSFUL TESTS SHOW THE POTENTIAL REVENUE THAT CAN BE GENERATED BY CONNECTING ONLINE MARKETPLACES WITH STORES AT LOCAL SHOPPING CENTERS."

"Ship from store"

In addition to displaying availability and offering the ability to reserve items on online marketplaces, there has been an increased focus on "ship from store," which is the delivery of an item from a nearby store to the customer's home, during the months of the lockdown. "The coronavirus pandemic really gave connected commerce a boost," says Baumann. In the future, "ship from store" could be another interesting way for many brick-and-mortar retailers to increase the reach and visibility of their own product range and thus their sales potential. Tests during the pilot stage at the Alster-tal-Einkaufszentrum (AEZ) shopping center in Hamburg show: "With knowledge of locally available inventories

and a center's own logistics system, we can offer brick-and-mortar retailers significant additional value during the implementation of their omnichannel strategy through 'ship from store.' In this context, the shopping centers act as local warehouses and delivery hubs," explains Baumann.

Limango, a platform owned and operated by the Otto Group, served as the partner for the delivery tests conducted at AEZ. As part of the test runs, customers had the ability to purchase products on sale at the Jack Wolfskin and Lascana stores at AEZ online on Limango. de for one day each and have them delivered from the

store. Jack Wolfskin alone was able to increase its average daily revenue by 500 percent, while Lascana sold 700 additional items and generated revenues of 20,000 euros. "The highly successful tests show the potential revenue that can be generated by connecting online marketplaces with stores at local shopping centers," Baumann says. This brings ECE one step closer to its vision of the shopping center as an omnichannel hub. "We also have plans to soon offer 'ship from store' on other online platforms such as otto.de in cooperation with Stocksquare," says Baumann, already looking ahead to the future. //



**SEBASTIAN BAUMANN,
HEAD OF DEPARTMENT DIGITAL
BUSINESS & INNOVATIONS,
ECE MARKETPLACES**

FOCUS ON CUSTOMERS

Interview with Michael Triebold, Director Digital Business, Marketing & Research, ECE Marketplaces, on the opportunities of omnichannel marketing.

7 million

B2C FOLLOWERS ACROSS ALL SOCIAL MEDIA PROFILES

@ECE MARKETPLACES

Mr. Triebold, what does the digital future of marketing look like?

Michael Triebold: Making the best use of marketing resources is now more important than ever. The focus here is on efficiency and effectiveness. Digitization is the key to reaching the right customers at the right time through targeted advertising. To this end, we are currently planning the ideal digital infrastructure to enable this personalized experience for our centers' customers. At the same time, however, it's also necessary to make changes to the content of the existing system, because centralization and automation are essential to implementing digital marketing at scale.

Is digital marketing alone enough?

No, of course we also have to keep local requirements in mind. Events, for example, which customers love, must continue to be an integral part of the marketing mix in order to not only address the right customers at the right time, but also to generate loyalty to their centers through emotional offers. The optimal customer journey combines digital and traditional channels. And digitization should help us allocate funds in the best possible way and track effectiveness.

What role does the Digital Mall play in this? Does it only serve as a digital storefront?

No, the Digital Mall is actually much more than a digital storefront for our centers. It's the nucleus for everything that is yet to come and thus the very first step towards a greater goal. It hasn't yet unleashed its true power. In addition to evolving from a storefront to a transactional platform, the Digital Mall is also, above all, the foundation for offering omnichannel marketing for the centers with real customer impact.

Can you give us an example?

Say someone is looking for a product online. We need to be there on all the relevant digital channels and use the Digital Mall to say, "you can pick it up right here at the center, or you can reserve it, or have it delivered to your home. You decide. But no matter what, we're here for you – regardless of which option you choose." We are currently laying the groundwork to make this technologically possible and to build the corresponding ecosystem.

So customers can look forward to attractive new services?

Digital access and convenience are becoming increasingly important. Customers expect this more and more. This is where we need to clearly stand out from the competition, particularly online, and play to our brick-and-mortar strengths. Our centers offer much more than just shopping. The aim is to make the entire range of products and services easily and digitally accessible. In this context, we're thinking in all directions, like the ability to book hair appointments, restaurant reservations, or parking spaces from one central location – simply everything that makes accessing and spending time at the center more convenient. Customer loyalty programs with additional special benefits for our most loyal customers is also on our agenda. It's always cheaper to create loyal repeat customers than to have to keep acquiring new ones.

What are the benefits of digital marketing for investors?

Digital marketing offers the advantage of being transparent and measurable. If we implement our plans as envisioned, we will be able to provide our investors with precise information on what is happening at the centers and the success of

our respective measures in detail. This will allow us to continuously improve and be in the best position to ensure that our marketing efforts deliver maximum value. //

"IT'S ALWAYS CHEAPER TO CREATE LOYAL REPEAT CUSTOMERS THAN TO HAVE TO KEEP ACQUIRING NEW ONES."

@ECE MARKETPLACES



**MICHAEL TRIEBOLD,
DIRECTOR DIGITAL BUSINESS,
MARKETING & RESEARCH,
ECE MARKETPLACES**



MAINTAINING ASSET VALUE, INCREASING ASSET VALUE

Together with the owners, ECE Marketplaces is continuously working on keeping the shopping destinations up to date in terms of visitor experience and service. This ensures that the centers remain attractive for customers and tenants – and retain their value for investors.

A systematic focus on service has always been in ECE's DNA. The company uses a wide range of measures to constantly strengthen customer satisfaction with its services. This ranges from the "At Your Service" program aimed at optimizing individual touchpoints along the customer journey to completely repositioning shopping centers, such as Potsdamer Platz in Berlin.

The ability to adapt is the key to success. "In addition to a varied retail mix, customers today expect a perfect shopping experience to include a high level of service, attractive dining options, and a pleasant, relaxing

atmosphere in the center," says Ulrich Schmitz, Senior Director at ECE Marketplaces. That's why finding the right mix for each individual center and its respective audience will remain a priority in the future.

Attractive dining concepts and restaurants that keep centers lively after shopping hours, as well as adding leisure, entertainment, health, and wellness offerings, will play a more important role in the tenant structure in the future. Newly developed concepts such as an esports arena at Limbecker Platz in Essen or the Gravity amusement park at NOVA in Leipzig/Halle are an indication of where things are headed. //

84%

OF ALL VISITORS TO THE ELBE-EINKAUFSZENTRUM SHOPPING CENTER SAY SERVICE OFFERINGS ARE IMPORTANT TO THEM



ROM AND REGENSBURG: IMPRESSIVE NEW ADDITIONS TO THE CENTER PORTFOLIO

With one of the largest shopping centers in the Rome region, the “Romaest,” and the “Regensburg Arcaden” center, ECE has two impressive new additions to its center portfolio to report.



@ECE MARKETPLACES

100,000 m²

TOTAL FLOOR SPACE OF THE ROMAEST SHOPPING CENTER, WITH 210 STORES



@ECE MARKETPLACES

37,000 m²

AND 90 STORES IN A PERFECT LOCATION
NEXT TO REGENSBURG HAUPTBAHNHOF
TRAIN STATION

When it comes to “Romaest,” ECE will be responsible for the entire asset and property management of the property from one source in the future. Previously, this was contracted out to two different service providers, CBRE Global Investors and Savills. The client and owner of the center is GIC, the long-term sovereign wealth fund of Singapore, which has already invested in other centers managed by ECE Marketplaces through ECE Real Estate Partners’ shopping center funds.

“We are delighted about the trust that our partner, GIC, has placed in us with this contract,” said Joanna Fisher, CEO of ECE Marketplaces. “Particularly in this challenging time for retail, this serves as a special indication and a sign that we jointly believe in the future of brick-and-mortar retail. We have a lot of ideas on how we can further develop Romaest and make it even more successful in the future.”

At the beginning of the year, Commerz Real had already entrusted ECE with the management and leasing of Regensburg-Arcaden – with its 37,000 m², 90 stores, and perfect location directly adjacent to Regensburg Hauptbahnhof train station. //

CITIES IN THE 21ST CENTURY:

GREEN, COMPACT, A BIT MEDIEVAL



CONTRIBUTOR: Prof. Tobias Just, PhD
IREBS Universität Regensburg

The history of humankind has been closely connected with the history of cities for thousands of years. Few developments have been as permanent and steady as the trend toward urbanization. Although people sometimes refer to the present day as the age of cities, the process of urbanization began much earlier – during the Neolithic period, to be precise. As early as 5,000 years ago, up to 80,000 people lived in Uruk, the world's largest city at the time, and Rome had already reached a million inhabitants 3,000 years later.

Countless cities flourished and once again disappeared over the ages – even Uruk, Thebes, Carthage, or Angkor, i.e. the metropolises of their respective epochs, are no longer filled with traders or producers today, but instead only a handful of highly specialized archaeologists. Nevertheless, not only did the idea of the city remain alive and transcend these rises and falls, but most cities survived catastrophes much more severe than the current coronavirus pandemic: wars, natural disasters, countless epidemics, and, last but not least, blatant mismanagement. So in 2021, when there is a renewed search for the elements that constitute a resilient city, we can state in advance that the concept of the city itself seems to be extremely resilient. This is apparently because a city's advantages permanently outshine its disadvantages. What makes cities so appealing to people?

Throughout the past millennia, it's always been about a cocktail made up of three key ingredients: protection, economic opportunities, and sociocultural amenities. Each era had its own mixture of this trio – cultic gatherings, i.e. a sense of community, may have originally predominated, but soon the idea of protection became the decisive factor for the people. But cities could only become truly magnificent when they offered economic development opportunities based on an educational and scientific system open to a relatively large number

of citizens. The fact that cities can simultaneously deliver benefits in these three areas is – to put it very simply – due to two laws of economics.

CITIES MAKE IT POSSIBLE TO LEVERAGE ECONOMIES OF SCALE AND REDUCE TRANSACTION COSTS.

It is much more cost effective to protect 1,000 people within a city than in 300 highly dispersed homesteads. It is easier to exchange goods and services in a central marketplace than in scattered homes. Many educational and cultural offerings are only viable once a city has reached a minimum population size – a university, an opera house, or a theater, for example. Larger cities enable specialization advantages in labor and service markets, information can be distributed more quickly, and for centuries, shopping downtown was the most efficient way to obtain both necessities and things that were not so essential. In short, we can produce and consume the array of goods and services preferred by many today most economically in cities. >

There are also two other points worth making. First, the aforementioned goods and services do not merely consist of private goods, i.e., goods that can be produced in a market economy. People that live in cities also enjoy the benefits of public safety, reliable health care, and an accessible, and therefore public, education



“IN CITIES THAT FOSTER WELL-BEING, EVERYTHING YOU NEED IS WITHIN WALKING DISTANCE, THERE’S PLENTY OF ROOM FOR PEOPLE TO INTERACT, AND EVERY NOW AND THEN, THERE’S SPACE FOR A ‘WOW’ MOMENT”



● Skyline Plaza in Frankfurt am Main.

And this leads us directly to the last ingredient in the cocktail of needs: the sense of community. Apparently many people, especially young people, are drawn to the urban core. The disadvantages of the density are more than compensated by its advantages. To keep it that way, cities need space for distractions, for surprises, and for social interaction. Just as Apple built its campuses to keep employees on them as long as possible so they can interact productively, we should envision cities that foster well-being and enable this creative interaction. In cities that foster well-being, everything you need is within walking distance, there’s plenty of room for people to interact, and every now and then, there’s space for a “wow” moment. Much of this does not involve coming up with new ideas – European cities have had these characteristics for centuries – but many things need to be reimagined and consequently rebuilt. If this is successful, in the 21st century we will increasingly live in green, compact cities that somewhat resemble their medieval counterparts. They could be the most wonderful cities ever. //

education and experience. Because many more people are now involved in the development of new goods and services than ever before, economic development is perceived as uncertain. This uncertainty calls for fast and creative solutions, and such solutions are found more effectively in teams than alone in your study. Ultimately, then, these shifts in the demands of the working world have led to the erosion of the need to be physically present. At the same time, the need to work together in well-functioning teams grew. In the industrial age, buildings often had to first and foremost facilitate efficient work processes. The focus was on optimization so that things could be done right with a clear objective.

IN THE FUTURE, THE FOCUS WILL BE ON BUILDINGS THAT ALLOW PEOPLE TO WORK MOST EFFECTIVELY, WHERE THEY CAN IDENTIFY THE RIGHT THINGS TO DO AND MAKE PROGRESS, EVEN IF THE OBJECTIVES ARE SOMEWHAT UNCLEAR.

This requires more interactivity within teams, more inspiration, more surprises – in short: more room for creativity. Applied to the retail sector, this similarly means moving away from simply supplying to the surprising, the inspiring, the interpersonal, the creative – not everywhere, but more and more frequently. The better this succeeds, the more the traditional products will be purchased almost incidentally for the sake of simplicity. In medieval times, the jugglers came to the marketplaces because that’s where the potential audience was. This is now being turned on its head; the merchants have to go where the jugglers and jesters are drawing the crowds.



● Popular meeting place in the heart of the city: Jungfernstieg in Hamburg.

system. Second, although we generally only live in a single city, our lives today are governed by veritable networks of cities. No city is completely self-sufficient, and we enjoy visiting other cities for inspiration. But what is changing now in the wake of the pandemic? To put it in a nutshell, cities are changing not because of the coronavirus, but along with it. Ultimately, it isn’t the pandemic that’s forcing us to change, but the technological and societal changes that were already evident prior to the pandemic. The pandemic “merely” increased the pressure and willingness to change because we were forced to try things that were also possible before – online shopping has been around for a quarter of a century, as has video conferencing. The term “telecommuting” dates back to the 1970s. The pandemic ultimately caused us to participate in a massive social experiment. The experiences we gathered in the process were in many respects stressful, sometimes tragic. But there were also plenty of positive experiences. These will lead to path dependencies that will shape the way we work, shop, and live together in the future. And from this, we can determine a new combination for the trio of needs inherent to ideal cities – driven not only by digitalization, but also by the fact that we live in the richest Europe ever and by the limits imposed on

our activities by the threat of climate change. I would like to expound on this below using one example from each of the three needs:

THE NEED FOR PROTECTION CAUSED PEOPLE TO FIRST BUILD THICK WALLS AND FORTIFICATIONS AROUND THEIR CITIES AND LATER INSTALL SAFE TRANSPORTATION AND UTILITY INFRASTRUCTURES AND ADOPT EXTENSIVE OCCUPATIONAL SAFETY AND FIRE PROTECTION GUIDELINES.

In the coming decades, urban topologies will need to be more closely aligned with whether the measures help save energy. This applies to buildings, building complexes, and transportation services. In the working world, industrialization made tremendous economies of scale in manufacturing possible, while at the same time requiring many simple operations to be performed at a common manufacturing site. Control and supervision were necessary because the work was often hard or monotonous or both combined. Now, many such activities are performed by robots and controlled by algorithms. The purely mechanical nature of the work was initially supplanted by more skilled activities that could be trained through individual

KIDS IMAGINE THE CITY OF THE FUTURE

The nationwide Girls' & Boys' Day event was held at ECE in digital form this year due to the pandemic. A total of 25 students from grades 5 to 10 drew and painted their creative ideas on the subject of "Kids Town of the Future." ECE architects created colorful posters from their visionary designs – this is what the child-friendly city of the future should look like!

The kids also learned about ECE's social media activities, developed their own digital solutions under expert guidance, and posed exciting questions to Alexander Otto at a virtual press conference.

Whether tech-savvy or creative – by taking part in the "Girls' Day" and "Boy's Day" events, the family-owned company gives young people their first exciting insights into working life. In this way, ECE inspires children year after year to learn about the numerous different professions in the real estate industry through a wide variety of interactive activities. //

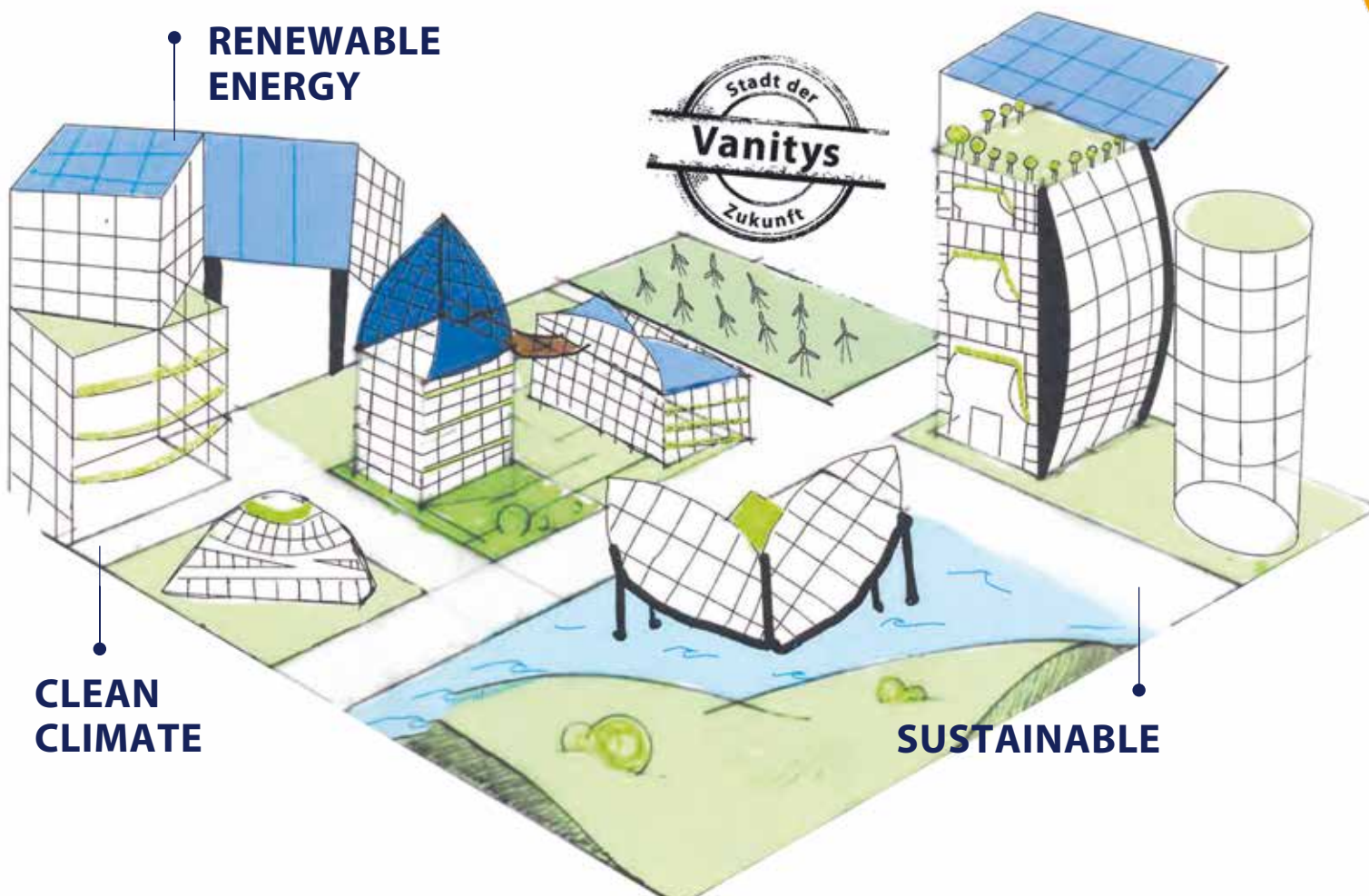


URBAN



@ KIDS CITY OF THE FUTURE

RENEWABLE ENERGY



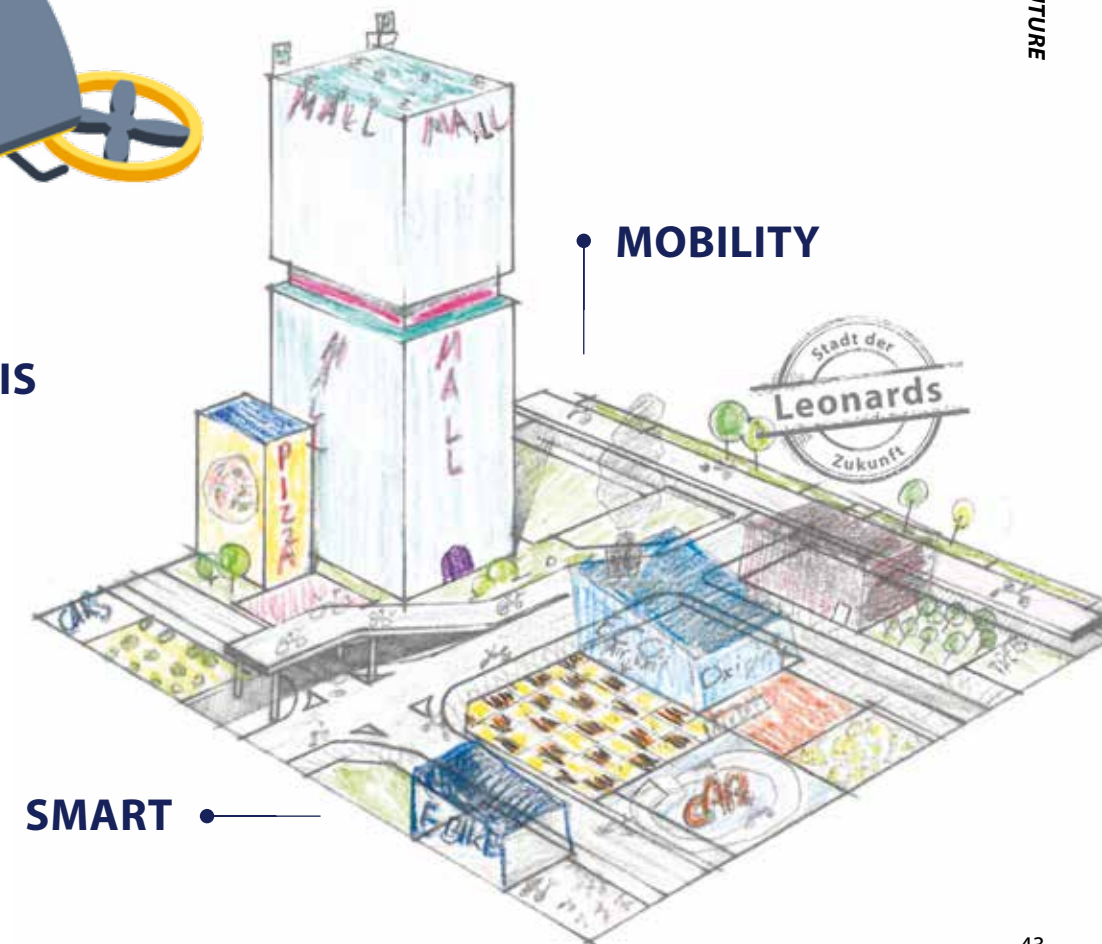
CLEAN CLIMATE

SUSTAINABLE



DRONE TAXIS

MOBILITY



SMART

@ KIDS CITY OF THE FUTURE

ECE WORK & LIVE PLACEMAKING IN ALL ASSET CLASSES

With its slogan “Creating Space, Inspiring People,” ECE Work & Live creates sustainable and highly functional properties from a technological standpoint. In doing so, it leverages its placemaking expertise for all asset classes – from residential to hotels and office environments to logistics.

RESIDENTIAL OFFICE LOGISTICS HOTEL

- A groundbreaking example of inclusive urban planning and mobility management: the new “Mitte Altona” neighborhood in Hamburg.

SPACES WITH A BRIGHT FUTURE:

DIGITAL, FUNCTIONAL, AND UNIFYING

Creating a vibrant urban space requires real estate development with foresight and the necessary awareness of the existing urban fabric. This includes sophisticated individual properties, complex mixed-use solutions, and even entire neighborhood concepts that combine living, working, retail, and recreation. Not a problem for ECE Work & Live – it delivers sustainable, functional, and creative solutions for the urban life of tomorrow.

From the perspective of real estate developers, the finished building is the final result – from the user's perspective, it's the beginning. That's why we view design and construction as only the first important step. "Ultimately, our aim is to create a permanently attractive space," says Henrie W. Kötter, CEO of ECE Work & Live, explaining the basis of its success. Unlike other developers, ECE Work & Live's operating expertise and experience in the retail sector enable it to systematically approach its properties from the user's point of view right from the start: "As ECE, we've learned to recognize new trends early on and thus to anticipate the needs of tomorrow's customers today."

In this way, ECE Work & Live consolidates the entire real estate know-how of developers, architects, urban planners, and many other specialists from around the group, which has grown over more than five decades, and has become a mainstay of the core business. In the last five years alone, ECE Work & Live has managed a transaction volume of around 1.6 billion euros. In the process, it offers all of its real estate-related services from a single source via the group – from the search for land to planning and project management to the leasing, sale, and asset management of the buildings.

"Our plans for the residential project at Stern-Center in Potsdam or our major project at MesseCity in Cologne are good examples of how the combination of different uses is often an excellent place to begin trendsetting real estate development projects," says Kötter. "A well-balanced mix of housing, office space, retail, recreation, and community amenities create dynamic, livable spaces and neighborhoods that inspire and excite people."

With clever solutions for the complex challenges of our time, ECE Work & Live is able to meet almost every requirement when it comes to the use of different asset classes and also ensure that the value of the respective asset increases over the long term. As Kötter says: "To create a lucrative investment and transform spaces and real estate into desirable locations, we base our activities on three fundamental elements: the constantly evolving needs of users, the digital infrastructure of the building, and sustainable construction."

In accordance with the idea of "giving existing properties a new lease on life," the further development or conversion of existing real estate will also play an increasingly important role in the future, as will the efficient use of increasingly scarce building land. The future of urban development – and of the real estate

industry – therefore lies in mixed-use neighborhoods with everything residents need within walking distance – sustainable, local, and diverse. As such, mixed-use concepts are key. In order to solve the "last mile" issue, logistics will also become even more important in cities in the future. "ECE's properties will therefore become critical pieces of the puzzle in the cities of tomorrow due to their central locations," Kötter is certain.

In all its activities, ECE Work & Live is always aware of its responsibility – both to investors as well as users and the environment. "Foresight in terms of sustainability and ESG has earned us numerous certificates in accordance with German Sustainable Building Council standards and BREEAM. This makes us a leader in this field throughout Germany, and we are constantly opening up new asset classes and areas of business." //

• **€1.6 billion**

TRANSACTION VOLUME IN
THE LAST FIVE YEARS

**HENRIE W. KÖTTER,
CEO, ECE WORK & LIVE**

"Foresight in terms of sustainability and ESG has earned us numerous certificates in accordance with German Sustainable Building Council standards and BREEAM. This makes us a leader in this field throughout Germany, and we are constantly opening up new asset classes and areas of business."

RESIDENTIALS

PLACES
TO LIVE

> 6,000

APARTMENTS BUILT, PLANNED,
AND UNDER MANAGEMENT

Attractive housing is both a sought-after and rare commodity. Through its residential division, ECE Work & Live develops efficient, flexible, and eco-friendly housing solutions across Europe in all segments – from subsidized apartments to condominiums.

In line with the “Leipzig Charter,” which emphasizes the importance of housing for the revitalization of downtown areas, ECE Work & Live creates sustainable living space for all population groups. In doing so, it focuses on intelligent and affordable solutions that adapt to today’s lifestyles, offer their occupants additional value, and at the same time reduce society’s environmental footprint.

For example, ECE is currently planning a major residential project at Stern-Center in Potsdam that envisions the construction of around 850 new apartments there on areas of the parking lot directly adjacent to the shopping center that are no longer needed. The development will feature four modern high-rise buildings with varying facade designs. The high-quality and contemporary architectural concept offers considerable flexibility for different apartment sizes and layouts in order to address different target demographics in a rapidly changing market.

ECE also has similar residential construction plans for the densification and enhancement of urban space at other shopping center locations. For investors, they create attractive added value and at the same time improve the catchment area of the shopping centers. ECE’s sister companies in the United States and Canada – such as Park Properties in Toronto – also offer inspiration and valuable expertise for activities in the residential sector. //

KATJA FREESE,
DIRECTOR
OFFICE & RESIDENTIAL,
ECE WORK & LIVE

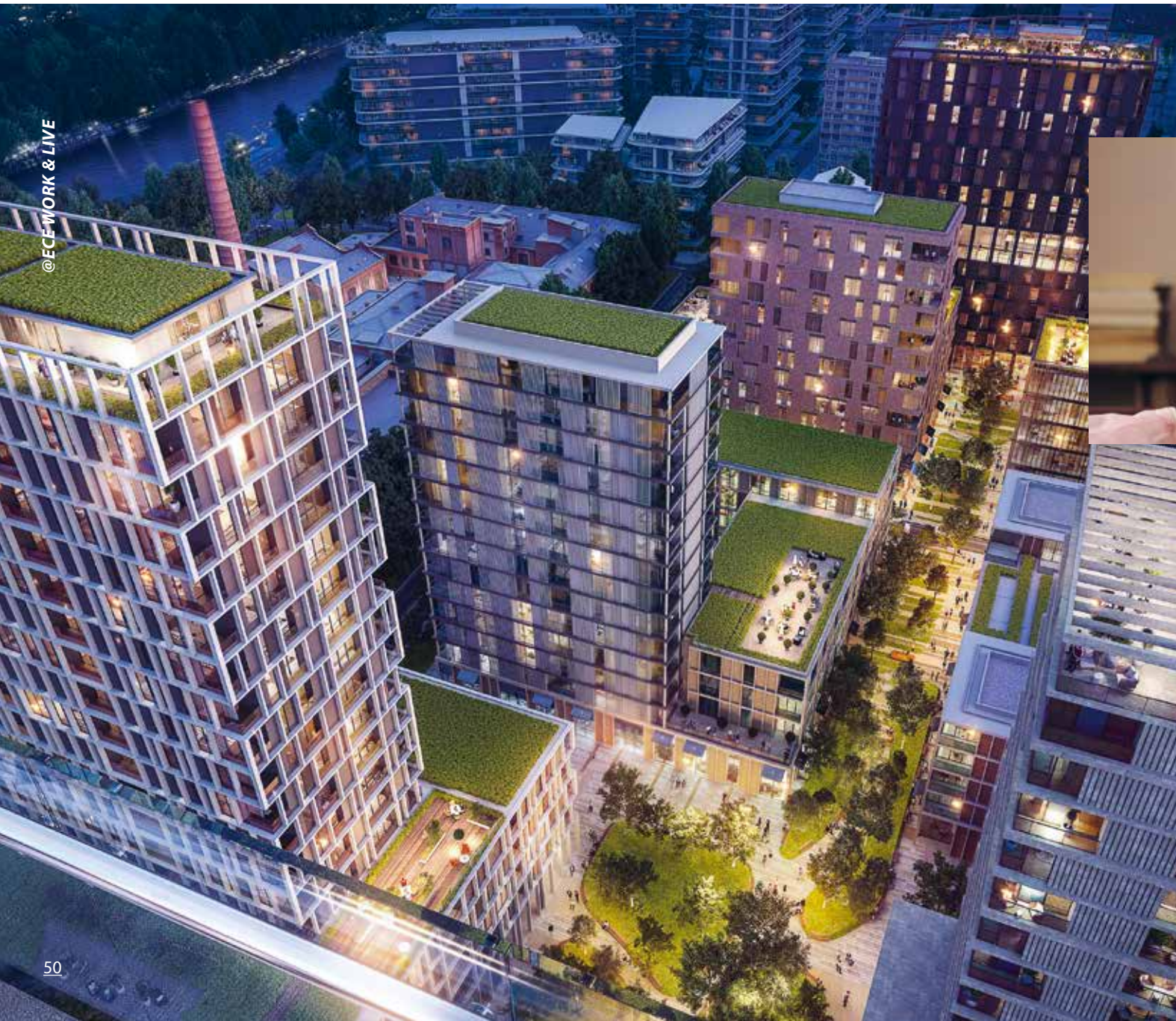


MORE THAN JUST AN APARTMENT

The sharing economy trend is also becoming increasingly important in housing. People are increasingly no longer interested in limiting their own living space to 60, 80, or 100 m², but rather in enjoying a sense of community at the exact same location but outside their own four walls.

Build-to-rent reflects this trend – compact yet ultra-efficient apartments that satisfy basic living needs, plus communal spaces in the same building to occasionally get together, exercise, and work. This asset class has been a key component of ECE's development activities since 2019.

In an interview with #FutureForward, Jan-Hendrik Walloch, Director Living, ECE Work & Live, and Maria Mateo Navarro, architect and Head of Department Creative Design, ECE Group Services, explain the specifics of developing and operating build-to-rent concepts and why this is a sustainable investment product. >



"THE SHARING ECONOMY IS A PART OF OUR USERS' EVERYDAY LIVES – ECE'S BTR APPROACH GIVES THEM THE SPACE THEY NEED."

Build-to-rent has gone from underdog to one of the hottest real estate sectors around in recent years. ECE has also made a strategic move into this market. How did this come to pass and what's your initial assessment so far?

Jan-Hendrik Walloch: The residential sector is both an extremely interesting market and an attractive institutional investment product. As ECE, we want to position ourselves even more clearly as a residential developer and investment manager. To this end, we analyzed which markets in Europe are truly promising, and that's how we came upon the UK. This is a market that has really blossomed in recent years, particularly in the "second-ary cities" – i.e. the metropolitan

areas outside London – and where many exciting projects are being developed, many of which we analyzed. We ultimately acquired the portfolio from our partner of choice, Dandara, in Birmingham, Manchester, and Leeds. And now, only a short time later, the portfolio's performance has already exceeded our initial expectations – despite COVID-19, for example, the first phase of our property in Leeds is almost fully leased.

What's so special about this product and why is it attractive for ECE Work & Live?

Maria Mateo Navarro: Build-to-rent properties appeal to certain target demographics that have very specific housing and lifestyle expectations – they tend to prefer smaller apartments that are nevertheless

highly functional, they don't want to be tied to a specific location for a long period of time, they value their well-being and service, and, last but not least, they like to socialize with other people. As such, these concepts are not just about the residential component, i.e., designing and bringing to market apartments that are as efficient as possible and fully furnished. Instead, creating an attractive suite of amenities that reflects tenants' lifestyles and offers additional convenience options – such as package drop boxes and bike storage – is just as important. The same goes for communal spaces within residential complexes, such as gyms, thoughtfully conceived and designed lounges and coworking spaces, private dining areas, or outdoor areas. It is precisely these additional benefits



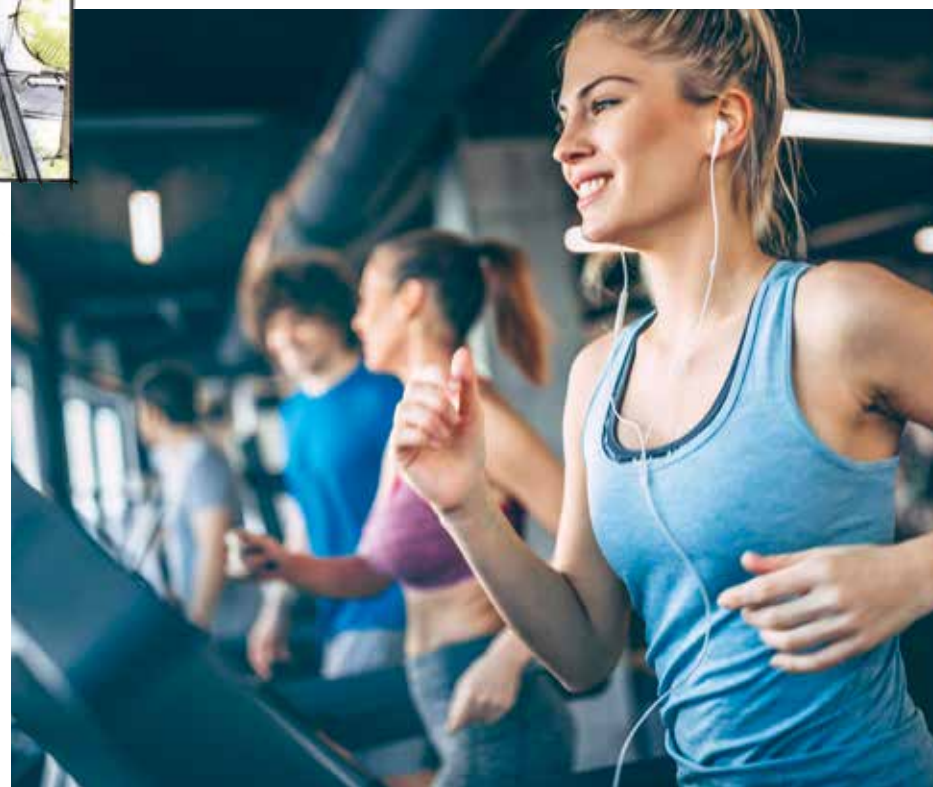
ATTRACTIVE AMENITIES, SUCH AS:

- > Free Wi-Fi
- > Rooftop terrace
- > BBQ area
- > Private screening room
- > Residents' lounges
- > Flexible workspaces
- > Conference rooms
- > Residents' gym
- > Residents' app



JAN-HENDRIK WALLOCH,
MANAGING PARTNER,
ECE LIVING

**"EFFICIENT FLOOR PLANS
AND ATTRACTIVE AMENITIES
ARE THE KEYS TO OFFERING
EXCEPTIONAL VALUE."**



that makes build-to-rent concepts quite different from conventional residential development. In the end, residents are not just renting an apartment, they also view the whole building as their place to live.

Walloch: As a developer with over five decades of shopping center experience, we are skilled at systematically approaching projects with a certain level of complexity from the end user's perspective during planning and implementation. Build-to-rent properties – i.e., rental housing that reflects the zeitgeist – should likewise be considered from the user's point of view in order to efficiently address and reflect the needs of tenants in the design of the buildings. >

In many residential properties, even newer ones – whether rental or owner-occupied – this is not consistently the case, rendering many spaces within the apartments quite difficult to use effectively, but they still have to be paid for, of course. In our build-to-rent projects, we take exactly the opposite approach – the focus is clearly on the tenant and their needs. As such, our goal is to provide them with a living space they can fully utilize that, together with the other convenience options, fits their lifestyle habits and, in addition, makes a positive contribution to their environmental footprint. This makes the build-to-rent concept a sustainable solution that is well received, enjoys steady demand, and allows investors to positively differentiate themselves in the market. In this context, the

concept works in all dynamic metropolitan areas, as we have found that the target demographic of, in particular, young professionals, has a very similar mindset across different major European cities.

How does ECE approach architectural design in build-to-rent projects? And what role do demographics play?

Mateo Navarro: As the Creative Design team, we are primarily concerned with future trends and products: new work, new living. Build-to-rent is a new form of rental housing. Since the amenities reflect the lifestyle aspect and are an essential part of how we define the product, we give them a lot of thought – they have to be deliberately selected, authentic, urban, timeless, and modern, and serve as placemakers. In the end, the

product has to look like it fits that exact location and is the nonstop place to be for the residents.

Walloch: The essential aspect is that we are creating a product that we intend to keep in the portfolio for the long term. And the nucleus of any good investment decision is finding the right location. That's why we first have to consider which locations are truly suitable candidates for the long term. We then began adding the other points on top of this foundation. The right location should be urban, but does not necessarily have to be downtown. It needs to be well connected, for example to the public transit system. And to briefly touch on the demographic factor, while we are currently seeing how strong the demand particularly is from the under-30s segment in the UK, the built-to-rent

product also appeals to older people, for example the empty nesters who want a bit more of the urban lifestyle again after having moved to the suburbs to raise their families.

What does ECE Work & Live want to achieve with build-to-rent projects in the coming years? Are further acquisitions planned?

Walloch: I'm extremely pleased that we are firmly establishing this product within the ECE development landscape and in doing so, have added another integral building block to our portfolio. We would also like to launch the concept as an institutional investment product and gradually accumulate a larger portfolio of locations in attractive metropolitan areas across Europe. I can't wait to present our upcoming projects to the market. //



“BUILD-TO-RENT PROPERTIES APPEAL TO CERTAIN TARGET DEMOGRAPHICS THAT HAVE VERY SPECIFIC HOUSING AND LIFESTYLE EXPECTATIONS.”



MARIA MATEO NAVARRO,
ARCHITECT AND HEAD OF
DEPARTMENT CREATIVE DESIGN
AT ECE GROUP SERVICES

OFFICE

SPACE TO WORK



CAMPUS HAMBURG: BEST-IN-CLASS CONNECTIVITY

The future is intelligent – for its outstanding digital connectivity, the Campus Hamburg office complex was certified Platinum by WiredScore. As a result, the ECE office building project has received the highest rating for best-in-class building connectivity. The assessment covered the five key aspects of digital connectivity: resilience, future readiness, mobile and Wi-Fi connectivity, choice of providers, and user experience. This certification places Campus Hamburg among famous buildings such as the Empire State Building in New York or The Shard in London. WiredScore is a global digital connectivity certification system for real estate. //

In collaboration with its customers, ECE develops modern and sustainable office concepts. The spectrum ranges from prestigious corporate headquarters to buildings with multi-tenant use, such as the Hamburg Campus office complex. In addition to the efficient use of space and energy, the issues of health, safety, and well-being also play an important role for tenants and investors alike.

26,000 m²

OFFERS SPACE FOR 1,700
WORKSTATIONS

THROUGH THE WORKDAY THE SMART WAY

The coronavirus pandemic has made getting to and working at the office much more complicated. You need to keep a certain distance from others and avoid direct contact. Remote work is a good temporary solution, but we will soon see a return to the office – and with it, meetings with coworkers and business partners. Intelligent buildings will ensure that everything runs smoothly in the future – whether during a pandemic or not. Join us on a journey through the workday of the future.

@HOME

The office of the future is highly intelligent and connected. The building app provides an overview of office occupancy as early as the morning coffee break. This makes it easy to book a workstation.

@ARRIVAL

The search for a parking space during rush hour will hopefully soon be a thing of the past, as it will be possible to reserve a parking space online before arriving. Access to the building is also fully automated via an app. If necessary, a QR code provides an overview of the building and navigates you unerringly to the next meeting.

@WORK

Permanent desks could soon be a thing of the past. Instead, you either take the things you need for work with you to your workspace in a locker that you can book yourself or take them to the conference room you've reserved. Intelligent disinfection and ventilation systems make the way there safe, and well-designed lighting and elevator controls ensure that energy is used efficiently.

A company's identity and collaborative culture are always also expressed through the buildings in which work is performed. As a developer of office properties, ECE therefore believes it has a duty to realize buildings in close cooperation with its customers that meet this demand and at the same time fulfill all the requirements of modern working environments.

With its experience and expertise, ECE not only creates customized solutions, but also develops innovative ideas that raise the quality of the workplace to a new level and respond to current developments and changing underlying conditions, e.g. within the framework of Germany's Act on the Prevention and Control of Infectious Diseases in Humans.

Over the course of developing the Campus Hamburg office property currently under construction, ECE experts intensively explored the subject of smart offices and developed a forward-looking concept of how the technology of a smart office can be meaningfully supplemented by pandemic safety and health protection – with the aim of constructing a cutting-edge building. The cornerstone of a smart building is building

@BREAK

Breaks are an important part of every workday, and this time needs to be used just as effectively as periods of work in order to help people recharge their batteries. So it makes sense that people don't want to be forced to join a long line of hungry guests. By displaying how many people are in the cafeteria in real time, workers can schedule breaks accordingly.

automation, which focuses on building and energy management through the use of control and monitoring technology.

Through the use of IoT, the building and all its functions directly interact with the user to enhance their experience. At the same time, the property's objectified usage and consumption data is recorded, displayed, and made usable in the cloud through extensive evaluation and analysis options.

The objective of the innovative concept is to improve the well-being of employees and guests, enhance health and safety, optimize the use of space, reduce ancillary costs, and increase overall sustainability by reducing consumption.

Against the backdrop of the coronavirus pandemic, particular consideration was given to measures that will continue to help protect employees and visitors from disease, minimize transmission routes, and prevent infections in the future.

Along the customer journey, from early planning at home to arriving at the building to the time spent at the office, including breaks, and finally to the time of departure, the study investigated which analog, digital, and psychological components can be used to optimize the visit to an office building. //

@DEPARTURE

You've completed your work and it's time to go home – and the next day, you return to a freshly cleaned and disinfected workstation. To ensure that this is the case, the system detects which desks and rooms have been used and sends a notification to the cleaning staff – completely automatically.



NEW OFFICE SPACES IN MESSECITY

The everyday working life of many people with office jobs has changed significantly during the coronavirus pandemic. The vast majority of people have set up a workstation within their own four walls and work from home every day. Collaborating with coworkers takes place via videoconferencing instead of in face-to-face meetings. But what will it be like after the pandemic? Will we go back to working from the office five days a week? Will office space be used less in the future due to more people working from home, and will there be less demand for new office space?

It's conceivable that many companies will introduce a mixed model, with employees working from the office a few days a week and working from home the other days. For companies, this will result in a new workplace culture that will have an impact on future office environments in buildings. And this trend will also play an important role in the construction of new office properties.

ECE is currently developing several new office complexes, including the second phase of construction at MesseCity in Cologne. A total of six office and hotel properties with space for food and beverage concepts, service providers, and retail outlets are currently under construction in the business district on the Rhine being developed by STRABAG RE and ECE located in the direct vicinity of the Koelnmesse exhibition center. The Zurich Insurance Group is the largest tenant in the already completed section of the development, and the company moved into its new headquarters in the popular Deutz district at the end of 2019. The flexibly designed office buildings offer the company's approximately 2,800 employees modern workspaces and an attractive environment.



● The new Zurich corporate headquarters: a pleasant working atmosphere with a direct view of the Cologne Cathedral.

900

MODERN OFFICE
WORKSTATIONS IN THE
"CENTRAAL" OFFICE
BUILDING

Top Location for New KPMG Office

Construction of the fifth building section began in the spring of 2021. The 15-story high-rise office building named CENTRAAL has been leased by the auditing firm KPMG. For the company's Cologne branch, an innovative office design is being implemented there that was created by KPMG itself.

Well before the pandemic, the auditing company had already put its office concept to the test a few years ago. In the process, it became apparent that the company wasn't using its existing office space efficiently. The reason for this was that the workstations were permanently assigned to individual employees depending on their job description and status. In addition, many employees were often on the road due to their jobs, and the offices assigned to them were poorly utilized. In response to this, KPMG developed a comprehensive modern workplace concept for its offices and has already implemented it at several locations. ➤



The modern office concept involves eliminating any ties between a workstation and a single employee and offering different types of workstations based on the nature of the job. This has reduced the number of traditional offices, because they are only suitable for a certain type of work. On the other hand, more space with other functions is needed for other purposes, such as conference rooms and communication areas with the appropriate equipment and technology. The concept also places greater emphasis on areas that foster social interaction. Instead of functional break rooms, the office space features lounge areas for informal get-togethers, shared meals, or simply to sit and chat with coworkers.

"It gives employees the ability to switch workstations as their activities change, or to choose the type of space they need during the workday. After all, it's not the workplace that shapes the way we work, but the other way around," explains Stefan Kiehn, who, as Head of Corporate Real Estate Management at KPMG AG, is responsible for implementing the new office environment.

Different types of workstations with different requirements make planning and construction a highly complex process. This means that when it comes to the quality of the office property, it isn't just flexible space planning that plays a role. In addition, the building's technical equipment must also be of the highest quality and meet the latest standards. For KPMG, for example, ceiling cooling systems are installed as standard equipment on every floor to ensure that the temperature of the rooms is kept in line with demand. This requires a special floor height that provides sufficient installation space.

By choosing the CENTRAAL office building, KPMG has opted for one of most attractive locations in Cologne for its offices. The property in MesseCity not only stands out for its excellent accessibility and prestigious location, but also meets the consulting company's individual needs with its flexible space planning and high-quality building technology. //



- A variety of spaces for a wide range of needs – focused work, inspiration, and collaboration in a special atmosphere.

**STEFAN KIEHN,
HEAD OF CORPORATE REAL ESTATE
MANAGEMENT AT KPMG AG**

"Innovative office concepts also play an important role in attracting young professionals. This is because employees' expectations of their workplace have changed dramatically – traditional aspects such as office size or a company car play less of a role than work-life balance and personal freedom."



1.3 million m²

LOGISTICS SPACE BUILT
AND PLANNED



@ECE WORK & LIVE

LOGISTICS

IN HIGH DEMAND – CUTTING-EDGE LOGIS- TICS PROPERTIES

The market for logistics real estate is booming. The ongoing trend towards e-commerce, in particular, is helping to ensure that this asset class continues to develop favorably. Distribution centers and transshipment properties have seen especially strong demand, promising increases in both value and security. For this reason, an increasing number of national and international investors are turning to this asset class. From the stakeholders' point of view, two factors determine whether or not to invest in such a property: profitability and sustainability.

● ECE implemented its newly developed “future-proof logistics property” building type – a flexible, high-quality, and sustainable concept – for the first time during construction of the new Berlin-South Logistics Center.



Thanks to its many years of experience as a developer of logistics space, ECE has extensive expertise in this field and is a competent partner that offers a comprehensive range of services. The focus here is on holistic solutions for cutting-edge logistics centers in which profitability and sustainability are equally important. In this context, the company utilizes intelligent concepts and innovative methods that protect the environment and conserve resources in equal measure and guarantee compliance with the highest standards when implementing logistics projects. This ensures that all of the buildings are commercially viable and can be used

effectively by third parties. ECE develops state-of-the-art logistics spaces in prime locations that can be used 24/7. The properties stand out thanks to their variable sizes and flexible lease periods and are suitable for both single and multi-tenant use. The buildings are designed to be highly flexible so that they can easily be adapted to new usage scenarios in the event of tenant changes. In addition, functional, high-quality architecture ensures that processes run smoothly and efficiently. Thanks to these flexible concepts, ECE can meet the different requirements of institutional investors and large family offices alike. //

FLEXIBLE, HIGH-QUALITY, SUSTAINABLE

New buildings need to be designed to meet sustainability standards ten years from now. This is why ECE has always systematically focused on resource-friendly construction and energy-efficient operation, as was the case with its most recently completed project in Königs-Wusterhausen near Berlin.

SUSTAINABILITY CRITERIA

- > Ideal utilization of the plot of land due to nearly rectangular layout of the space
- > High area efficiency without any unnecessary interference with the natural environment
- > Building materials meet the most stringent sustainability requirements
- > Quality assurance integrated into the construction process
- > Maximum use of daylight thanks to generously sized skylights and sidelights for an economical use of artificial light
- > Use of existing systems for natural ventilation
- > Rainwater is returned to the natural cycle by means of modern infiltration technology
- > Hall roofs are equipped for the possible installation of solar panel systems

“THE ULTIMATE GOAL DURING DEVELOPMENT IS TO BUILD A MARKETABLE AND SUSTAINABLE PROPERTY OF THE ABSOLUTE HIGHEST QUALITY.”



- Currently in the planning stage – a flexible logistics property in the Stuttgart-Heilbronn region with a total of 57,000 m² of rental space that can be used 24/7.



DR. JAN RÖTTGERS,
DIRECTOR LOGISTICS & INTERNATIONAL
AT ECE WORK & LIVE

HOTEL

ASSET CLASS WITH A FUTURE?!

TOP 3

HOTEL DEVELOPER IN THE DACH REGION

DEVELOPER WITH EXTENSIVE
EQUITY RESOURCES

> 3,100

HOTEL ROOMS BUILT AND PLANNED

DEVELOPMENT EXPERTISE, INVEST-
MENT EXPERIENCE, AND ACCESS TO
OPERATOR KNOW-HOW

ECE has already successfully completed numerous exciting hotel projects at top locations, including the Motel One at Vienna Central Station, the 25hours Hotel in Düsseldorf, or the Steigenberger Airport Hotel at the new capital city airport BER. With a track record of more than 3,100 hotel rooms – completed or planned – ECE is one of the top 3 developers in this asset class in the German-speaking region. The group combines development expertise with investment experience and has access to operator know-how.



TORSTEN KUTTIG,
DIRECTOR
DEVELOPMENT HOTEL,
ECE WORK & LIVE

Hotels are an exciting asset class – and hotel property development fits our range of services perfectly,” explains Torsten Kuttig, Director Development Hotel at ECE Work & Live. ECE offers all of the relevant real estate services from a single source and intends to increasingly develop and implement projects in the pan-European region in the future. The main focus is on innovative and trendsetting hotel concepts. As such, ECE recently expanded its strategic involvement in this asset class through the Otto family acquiring a 25 percent stake in the Ruby hotel group – particularly with regard to expertise in the operational side of the hotel business (see interview with Ruby founder Michael Struck).

It is true that the hotel industry is currently in a slump due to the coronavirus pandemic. Nevertheless, ECE is firmly convinced of the future opportunities in this sector. The hotel industry will not only recover, but also continue to grow, Kuttig believes. He particularly sees potential in hotels that are lean, modern, and well positioned digitally: “Once the pandemic has ended, intelligent hotel concepts in the low-price segment in central urban locations will be in particular demand.”

On the whole, according to Kuttig’s assessment, in the future it will be a matter of paying even closer attention to the location and the special features of the hotel’s surroundings, as well as to the overall concept’s product/market fit and the operator’s financial and social sustainability. In addition, the pandemic could provide

an opportunity for the national vacation hotel industry, in particular, to position itself as an attractive alternative to the usual international vacation destinations.

Meanwhile, as part of a major urban district development at the new MesseCity Cologne, ECE completed and handed over a new seven-story hotel building together with its project partner STRABAG Real Estate. This building houses two hotels: a Motel One with more than 300 rooms and an Adina Apartment Hotel with around 170 studios and apartments. The owner of the hotel building is a public real estate fund managed by DWS. //



CASUALLY TO THE TOP

Casual, lean, and highly efficient – the Munich-based Ruby Group is breaking new ground in the hotel market with its “Lean Luxury” philosophy. With a streamlined structure and a focus on the essentials, the brand, founded in 2013, offers a modern, affordable take on the luxury hotel experience. The Otto family has held a 25 percent stake in Ruby since 2019. In an interview with #FutureForward, founder and CEO Michael Struck reveals how Ruby is also growing during the pandemic, why ECE is a role model for him, and why his guests don’t care about golden faucets.

@ECE WORK & LIVE



“In our key growth markets, ECE can play an important role for us as a strong and experienced development and investment partner.”

Mr. Struck, the coronavirus hit the hotel industry hard. How has the pandemic affected Ruby?

The lockdowns have indeed cost Ruby a lot of money. Fortunately, we are well financed. Nevertheless, it’s certainly a difficult time. On top of that, acquiring financing for hotel property development projects has become considerably more difficult. This is a challenge for our development partners, and we are supporting them as best we can. Fortunately, thanks to the way Ruby is positioned and our existing partners, we’ve actually managed to accelerate growth so far. Many challenges are not new to us. As a young, new player, we always had to be very persuasive – including in talks with our development partners’ banks. And for many on the team, this crisis has also been a process with which they have continued to grow.

So will Ruby recover quickly?

We already experienced a very fast and above-average recovery at our hotels after the first lockdown. We had over 50 percent occupancy again at times, while the market was still averaging 25 to 30 percent. That demonstrates the strength of our concept. We offer a low initial price point on the market and a fantastic price-performance ratio to go with it. That helped us a lot. We are counting on the fact that we will also now recover extremely quickly as soon as the restrictions gradually ease.

Are you anticipating a post-pandemic boom?

I think we’ll have to differentiate. The recovery will vary depending on the stage and hotel operator. As long as we’re still dealing with a medical crisis and we haven’t yet achieved herd immunity, the demand profile of the first wave of the recovery will remain in place – with advantages for locations with a higher percentage of leisure travel and national guests. The exciting question is what will happen during the economic crisis that then follows.

What are you expecting?

In this regard, we can refer to historical experience. For example, after the financial crisis, budget and mid-scale hotels recovered much more quickly and even became stronger as a result of the crisis, because demand shifted from the upper segments – for both business and leisure travel. Hotels in central locations of major



cities recovered quickly and for the long term. When a market weakens and guests have choices, they choose the more central location, which saves them a great deal of time and gives them many more options. Our strategy focuses precisely on these central locations and offers starting prices of less than 100 euros in Germany and Austria, less than 120 pounds in the UK, and less than 200 Swiss francs in Switzerland, i.e. below the standard price thresholds that increasingly become budget limits in times of crisis.

Will the pandemic cause any fundamental changes in the hotel industry?

I believe that companies will reduce nonessential business travel. However, it is important to know that 70 percent of all business trips are day trips anyway. In other words, they never appeared in our hotel revenues at all. In addition, it is likely that a large percentage of employees will continue to work from home. This may mean that people no longer necessarily live where they work. Many employees will travel and need to stay somewhere overnight on the days they have to be physically present at the office. This may generate additional demand for hotel rooms.

Are you continuing with your strategy of expanding into major European cities? Or are you even considering locations further afield?

We were already strongly focused on the United States before the crisis. We intend to grow there and also at other non-European locations as soon as the recovery in demand and financing situation make it reasonable to do so. At the moment, of course, hotel property development is hampered in all of these markets. Moreover, we can’t allow the pace of growth to overwhelm our structures and processes. But I do see a huge opportunity for Ruby in the medium to long term, as our “affordable luxury” segment is still one without a single dominant player. We aim to be one of the leading brands in this segment over the long term, and to achieve the economies of scale that go hand in hand with market leadership.

What role does the acquisition of existing hotels play in your growth?

Up until now, we’ve achieved strong growth through the conversion of existing space – be it office or retail space that we converted into hotels together with our partners. Operating existing hotels has not been a significant driver of our growth to date. But that’s currently changing. Existing hotels are now coming more and more into focus and are a way to get past the financing bottleneck in the hotel development market – because existing owners and their banks naturally have a common interest in bringing a crisis-proof and strong operator on board. >

@ECE WORK & LIVE

What makes Ruby attractive to investors right now?

The first question that needs to be asked is how crisis-resistant is a concept? Our initial price point and price-performance ratio are two aspects very much in our favor. Many investors see this as well. In addition, Ruby designs and builds in a more modular fashion, we use space more efficiently. This reduces all floor space-driven overheads. We use human resources more efficiently than our competitors because we have fewer permanent employees on the clock. Our business model is highly digitalized and centralized, which means that we can handle all of the processes behind the scenes more efficiently. All of this means that, from an investor's perspective, we offer a completely different risk profile than our hotel competitors.

The Otto family holds a 25 percent stake in Ruby. What do you find so appealing about this partnership?

Ruby is a passion for my team and me that we would like to pursue for life, if we can. That's why the long-term perspective is so important to me, as I feel it is to the Otto family. This is the only way we can achieve our vision of becoming the global leader in the segment. And this is the only way we can stand in front of our employees and rekindle this passion in them again and again. So the long-term view is absolutely essential. The owner-operated family business is the second aspect. This has to do with responsibility. It has to do with

identification. It has to do with making decisions quickly. We operate on the principle of moving into new markets quickly, trying out new product features and new locations, and then testing. And if something doesn't work, we test something else. In other words, an iterative strategy process that requires quick decision-making as well as entrepreneurial courage – and discipline. Synergies on the real estate side are the third factor. In our key growth markets, ECE can play an important role for us as a strong and experienced development and investment partner.

What particularly sets your "Lean Luxury" philosophy apart? Who is your target demographic?

Ruby is designed for travelers who define luxury by the extent to which it enriches them internally. Our target demographic isn't so much looking for status attributes like a golden faucet, a marble lobby, or ballroom-sized rooms. Feeling inspired is more important to them. That the atmosphere reflects as much individualism as they feel about themselves. A place with soul and character, with tangible local roots, centrally located, as a gateway to the most exciting places in the city. In addition, we offer extremely comfortable beds for a great night's sleep, highly ergonomic rooms, and streamlined booking, arrival, and departure processes. And we do this at a lean price point by eliminating everything – from the point of view of our target clientele – that is superfluous or unimportant, by planning and building efficiently in terms of space, and by organizing our human resources extremely efficiently behind the scenes – above all through centralization and automation.

How important is sustainability in this context?

Sustainability is second nature to us – as it is to our guests. Our food is almost completely organic. We prefer local products and suppliers, and avoid waste and plastic as far as possible, such as by using reusable containers, for example. From a technical standpoint, this ranges from heat recovery to intelligent indoor climate and shading control to water-saving technologies.

**In some locations, such as Hamburg, you also offer coworking spaces. What's the idea behind this?**

Our hotels have had libraries in them from the very beginning. Over time, we noticed that an increasing number of guests liked being able to work undisturbed in this atmosphere. We analyzed the coworking market and found that we could occupy an interesting niche with Ruby – workspaces with individuality and a boutique hotel atmosphere featuring a layout and equipment that is perfectly geared to the requirements of the creative elite. Operating these coworking spaces results in synergies with our core hotel business, and the same is true for development. By combining these two uses – hotel and workspaces – we qualify for more projects and can use space even more efficiently overall.

Do you see the leisure property segment as a promising future opportunity?

Yes, that was always part of the plan. In fact, we are currently exploring the possibility of getting started even earlier than previously envisioned. As a result of recreational products coming back faster in the recovery phase after the first lockdown, the investment market has opened up to the idea of resort hotels. And there is indeed an interesting niche for us here. There are namely only a few affordable luxury providers in the leisure sector. Another advantage for us is that so far, there are only a few resort hotel operators that are suitable for the investment market.

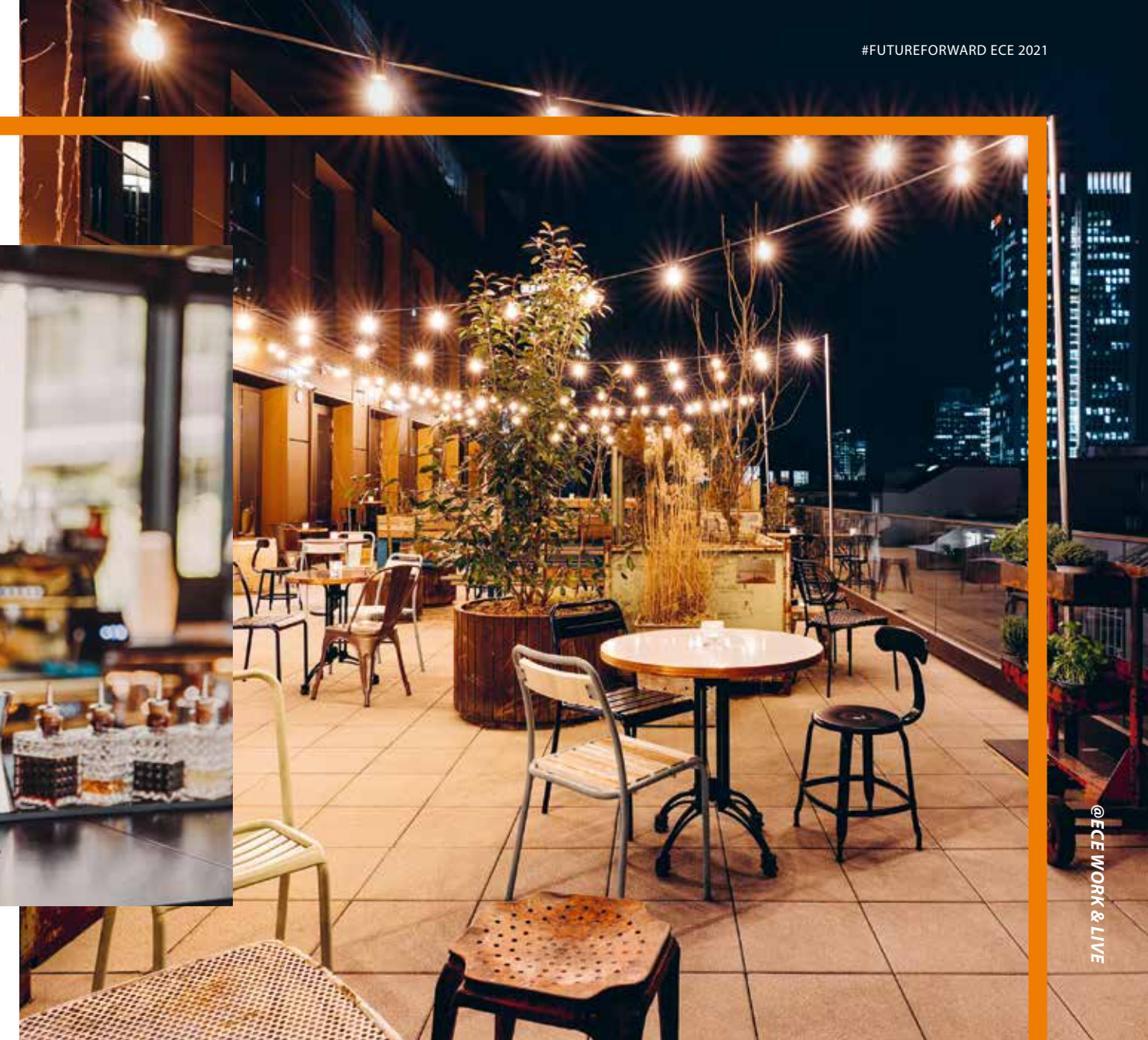
What are the most important things you expect as a hotel guest?

A hotel has to adapt to me and my needs, I don't want to adapt to the hotel. This starts with the booking process. Then the next step: is the check-in process in fast and efficient? Are all the controls in the room intuitive – lighting, air conditioning, the bathroom? A comfortable bed is extremely important to me. And I love hotels that are unique.

Where do you see Ruby at the end of the twenty-twenties?

As the leader in the affordable luxury segment. As one of the most sought-after employers in our industry. And as a highly profitable company. //

- The "Ruby Louise" in Frankfurt, Germany, with its large rooftop terrace.



"RUBY IS A PASSION FOR MY TEAM AND ME THAT WE WOULD LIKE TO PURSUE FOR LIFE, IF WE CAN."

ECE REAL ESTATE PARTNERS

CONTINUING TO GROW WITH KNOWLEDGE AND EXPERTISE

- The first property in ECE Real Estate Partners' new hotel fund is the Bonvecchiati building complex in the heart of Venice.

Seizing investment opportunities during the crisis – the fund management company ECE Real Estate Partners is expanding its activities and launching its first hotel fund, the ECE European Lodging Recovery Fund. The company also sees excellent growth opportunities in the shopping center sector with its value-add strategy and is planning further acquisitions.

Off to Venice! The first property in ECE Real Estate Partners' new hotel fund is the Bonvecchiati building complex in the heart of the lagoon city. The property was acquired as a joint venture together with Soravia and Denkmalneu, two experienced real estate developers. "The ensemble consists of two hotels, a residential property, and complementary retail space – just 150 meters from St. Mark's Square, directly on the main thoroughfare to the Rialto Bridge, with its own jetty for water taxis," explains Dr. Volker Kraft, Managing Partner of ECE Real Estate Partners.

The hotel had been family owned and privately operated for decades. "We acquired this ensemble with the intention of refurbishing it over the next two or three years and developing the two hotels into one hotel," Kraft says. Spanning more than 10,000 square meters, it is one of the largest hotel complexes in Venice. This makes the hotel space especially interesting for international brands and operators, he says, since Venice, with its rather fragmented structure, has few options for a hotel with nearly 200 rooms. Its positioning in the high-end lifestyle segment is intended to act as a unique selling point in the local market.

"Development expertise, an excellent investment track record, and access to operator know-how – these are the building blocks that will allow us to continue our successful history of investing in shopping centers in the hotel segment as well," says Kraft, referring to ECE's unique experience, including in the field of hotel real estate. The 100-million-euro investment in Venice is a prime example of the new hotel fund's strategy, which focuses on outstanding locations in Europe and pursues an active value enhancement strategy. The aim is to accumulate a portfolio of eight to ten hotels. >



DR. VOLKER KRAFT,
MANAGING PARTNER OF
ECE REAL ESTATE PARTNERS

But the success story is also set to continue in the shopping center sector. With a portfolio of 24 shopping centers in prime locations in seven European countries, the company has come through the crisis well, explains Markus Schmitt-Habersack, also Managing Partner of ECE Real Estate Partners. "We worked with our tenants in a spirit of partnership and accepted temporary rent reductions during the periods in which the centers were closed." With more than 2,500 leases in the portfolio, there were only twelve vacancies due to bankruptcies. "Demand for prime locations remains high. In difficult times, people always take refuge in quality. With our value-add portfolio, we are benefiting from this to an extreme degree," says Schmitt-Habersack.



ECE REAL ESTATE PARTNERS

ECE Real Estate Partners is licensed as an alternative investment manager (AIFM) and, for more than ten years, has been successfully investing funds from international institutional investors such as insurance companies, sovereign-wealth funds, and pension funds in shopping centers with attractive market positions and upside potential in terms of value. With a managed portfolio of over 5 billion euros, ECE Real Estate Partners is Europe's leading institutional fund management company specializing in shopping centers. As part of the ECE Group, ECE Real Estate Partners can rely on the comprehensive network and extensive retail and hotel expertise of the group. //

- The "Parque Principado" shopping center in Oviedo, Spain, is part of the ECE European Prime Shopping Center Fund II.

And what about structural change in the retail sector? At the moment, the discussion about change processes in the retail sector is being reduced to online commerce and digitalization far too much, Kraft believes. Much more important drivers of this change are consolidation processes among merchants and internationalization in the retailer environment. And last but not least, changing consumer habits. "People shop differently today than they did ten or twenty years ago. We have a tremendous opportunity to participate in this structural change at our shopping centers. And if we're really smart, we will anticipate it and preempt it in some ways," Kraft says.

For example, food and beverage outlets used to account for three percent of a center's floor space, whereas today they account for ten to 15 percent, explains Schmitt-Habersack. The share of space occupied by fashion retailers will decline in the future, while health, sports, hardware, electronics, and entertainment will grow. According to Kraft, "change processes are taking place that we can incorporate into our shopping centers extremely well. We believe that the future of retail is the seamless integration of online and brick-and-mortar commerce. In this respect, we are perfectly positioned via ECE with the Digital Mall and at the forefront of development. Shopping centers will continue to play a vital role in the omnichannel world of the future." //

"DEMAND FOR PRIME LOCATIONS REMAINS HIGH. IN DIFFICULT TIMES, PEOPLE ALWAYS TAKE REFUGE IN QUALITY."

• **24**
SHOPPING CENTERS
AT PRIME LOCATIONS



MARKUS SCHMITT-HABERSACK,
MANAGING PARTNER OF
ECE REAL ESTATE PARTNERS



ECE AS AN EMPLOYER

CLEVER CONCEPTS FOR CLEVER MINDS

@DIE ECE ALS ARBEITGEBER

@DIE ECE ALS ARBEITGEBER

MODERN WORKING ENVIRONMENTS

After a year of a pandemic and working predominantly from home, the requirements when it comes to future working hours and work locations are changing. ECE is continuing on this path together with its employees in order to find the right solutions for individual needs.

The company has already offered employees the option of working flexible hours and the ability to work remotely for many years now. As a result of the current situation, the desire for multi-local work is growing even stronger.

LESSONS LEARNED FROM WORKING AT HOME

Higher levels of concentration and greater productivity, efficiency, no need to commute, an improved work-life balance, and a more flexible daily schedule – the benefits of remote work are becoming even clearer after a year of intensive experience. As an employer, ECE has been relying on the self-responsibility of its employees for years. Equipped with mobile devices, cloud solutions, and MS Office 365, they are able to work from any location. Remote work has been possible at ECE since 2018, and has been systematically expanded and enhanced since then.

However, after a year of working almost exclusively from home, disadvantages have also become apparent – many employees miss the opportunity to engage directly with coworkers, customers, or service providers, to collaborate on creative solutions, to network, and to experience and develop our corporate culture. Completely eliminating the office is not an option. Now the job is to leverage the best of both forms of work for our collective success. In the future, ECE wants to establish an activity-based, hybrid work model that combines in-person and remote work.

ON THE ROAD TO SUCCESSFUL WORK MODELS

To ECE, one thing is clear: work is too multifaceted for there to be a one-size-fits-all solution to a successful work model. The respective tasks will continue to determine how people work in the future. Similarly, the living situations and skills of ECE employees are equally diverse.

“Whether they designate two specific days on campus, work predominantly remotely, or use the collaboration spaces at the office more intensively, our employees



will agree on a shared set of rules as a team,” says Claudia Theisel, Director People & Office Management at ECE Group Services. “We’re analyzing the different needs based on the range of duties, i.e., what does the team do, what do individual employees do, and how can we achieve the goal of completing the job in question in the best possible way? The goal also determines the most suitable work model.”

Developing solutions together and discussing the future form of collaboration as a team is how the company is identifying the successful work models of the future. Even if different requirements and a variety of job profiles exist at the different companies, the shared self-image of ECE as a group acts as the common bond. An overarching framework will continue to exist, as ECE had already put its Mobile Working Policy in place – which allowed employees to work remotely for up to four days a week – prior to the coronavirus pandemic. The company is now adapting this framework according to the requirements of the job and the needs of the employees.

But a firmly defined framework will continue to be in place in the future. Provided that an employee’s job involves typical work at a PC, he or she can work remotely for a minimum of 20 percent and a maximum of 80 percent of his or her working hours. That being said, everyone will need to decide for themselves where the focus will lie. Aside from that, ECE is taking an iterative approach – teams are encouraged to try different ways of doing things, to be flexible, to identify successful models individually, and to implement them for their team. The results are what counts. ➤

80%

THE PERCENTAGE OF
WORKING HOURS EACH
EMPLOYEE CAN WORK
REMOTELY

@ ECE AS AN EMPLOYER

Theisel explains the approach as follows: "Similar to a toolbox from which everyone can pick the most suitable tool for them, we can provide recommendations and analyze how employees use implement them. To me, the important thing is to have as few rules as possible and really only the ones that are absolutely necessary. We are setting the rough guidelines based on applicable labor law and our existing policies. The teams are responsible for structuring things within this framework. In this process, the focus is always on one overarching question: What do we need to do to ensure that ECE can operate successfully and what kind of environment can we create to best support this? Each employee will then have to ask themselves: what do I need today to accomplish the tasks I intend to do, and what's the best place to work for this purpose?"

THE OFFICE OF THE FUTURE

The year of working from home has impressively shown that the office remains the perfect environment for purposeful collaboration. Networking with colleagues, initiating creative processes together, learning from each other in workshops, and exchanging ideas and opinions – that's what many employees particularly missed while cooped up in their home office.

According to a study by the Technical University of Darmstadt, the office will remain the main place where people work on a daily basis over the long term, and modern offices continue to be viewed as an asset to help attract the best skilled workers. ECE continues to see the office as the place where productive interactions take place and the corporate culture is cultivated and refined. This results in the requirements that future office space design must meet. With modern and flexible concepts that support both remote working and on-site collaboration, ECE intends to continue creating modern working environments. The company offered collaboration spaces and team spaces even before the coronavirus pandemic, and the numerous conference rooms can be used in a number of different ways.

"In the future, we'll be making even more intensive use of our multi-space areas and social spaces. We want to reinforce this benefit of the office by adding team and project areas. At the same time, this affects the infrastructure on site – when I come to the office, I do so primarily to interact with coworkers, so I don't need my own desk. If I need some peace and quiet at the office to get something done, I can take advan-



**CLAUDIA THEISEL,
DIRECTOR PEOPLE & OFFICE
MANAGEMENT,
ECE GROUP SERVICES.**

tage of desk sharing, where I have a large monitor at my disposal, for example. In the future, employees will be able to flexibly book not only conference rooms, but also an office workstation. This is relevant for all those colleagues who work predominantly remotely and only occasionally at the office. Even before the pandemic, a CBRE study found that at most companies, no more than 65 percent of employees were on site at any one time. The sharing ratio in many companies' current plans often stands at 2.3 – meaning 2.3 employees share a single desk. At ECE, we're basing our plans on 60 percent occupancy over the medium term," says Theisel, commenting on the company's current infrastructure planning.

ACHIEVING SUCCESS WITH THE RIGHT TALENT

It isn't just the way the workplace and working hours will be organized in future that make it clear that flexibility, agility, and a willingness to break new ground play an essential role in the success of a company. As an employer, ECE will continue to focus on employees with this mindset in the future – when recruiting, the company pays particular attention to how willing applicants are to embrace change and how quickly they can adapt to changing requirements. Being open to repeatedly learning and trying out new things, developing creative solutions, and collaborating as part of a team are the skills that the company has been emphasizing for years and are more important today than ever before.

ECE is popular with applicants that have the right mindset because the company's business model epitomizes a high degree of transformational readiness. Through its transformation from a shopping center developer to a real estate developer and real estate manager, the company is demonstrating how flexible and agile it is in keeping with the times.

Theisel's conclusion: "We appeal to people who find playing an active role in shaping transformations exciting. We embody agility, which appeals to applicants. And at the same time, we're a solid family-owned company that has operated successfully on the market for many years. This is a good mix, which is what the applicants also tell us: a foundation of values and a long-term approach, along with exciting challenges and many changes. Crises particularly represent opportunities to emerge from them stronger than before. I find it both fascinating and highly motivating to see the flexibility and creativity that our employees demonstrate in adapting to any situation. This is precisely the spirit that we convey to our new employees and that they, in turn, appreciate in us." //



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A RESPONSIBILITY TO SOCIETY

Cities, municipalities, and society as a whole are facing major challenges that require answers and solutions. Demographics, digitalization, climate change, the mobility revolution, and the coronavirus pandemic are leading to profound changes that must be both engineered and communicated. As a corporate citizen, ECE believes that its responsibility to society lies in contributing its expertise, experience, and ideas to this comprehensive forward-looking process above and beyond its core business activities.

@ECE CORPORATE RESPONSIBILITY



THE FUTURE OF DOWNTOWN AREAS: DESIGNING THE POST-PANDEMIC CITY

Along with many others, ECE is concerned about the condition of downtown areas, which have always been important not only for the economic well-being of a community, but also for social interaction. Initial vacancies and trading-down effects are clearly evident. Policymakers and the media are discussing concepts for what downtown areas should look like in the future. As a corporate citizen, ECE believes it has a responsibility to play a role in this process. This is why the ECE-funded "Lebendige Stadt" Foundation ("Vibrant City") has launched two model projects in Bochum and Potsdam in which it is analyzing the participatory processes and their results upon which the future concepts are based. Who needs to be involved, at what point in the process, in what way, and to what extent? These are precisely the questions that many cities are now facing.

In addition, students in both cities were invited to participate in a hackathon to develop practical ideas for the future of downtown areas. These activities are focused on the reuse and repurposing of vacant buildings, enhancing the quality of public spaces, and digitalizing the downtown area. The lessons learned and results will be made available to other cities in the form of a handout in the fall of 2021. In addition, the results will be presented to the German Federal Ministry of the Interior, Building, and Community's Advisory Council on Downtown Areas, which is collecting best-practice examples for designing downtown areas.

In addition to these two projects, ECE's corporate foundation has produced two action papers related to downtown areas that have attracted widespread attention nationwide. In them, decision-makers are called upon to act boldly and with flexibility during the pandemic, and the papers also offer suggestions for short-term measures to save downtown communities as well as how to design the post-pandemic city.

In this context, the Dorit & Alexander Otto Foundation led the way with its "Culture Sticks Together" aid campaign to help creative artists during the coronavirus pandemic and to prevent cultural offerings from disappearing from downtown areas. As a result of the campaign, around 400 struggling artists in Hamburg received short-term financial aid to the tune of one million euros in total. The funding has made it possible for the artists to continue their work even in the face of the effects of the lockdown, which threatened their livelihood, and has thus helped maintain the diversity of Hamburg's cultural landscape. The projects submitted spanned a wide variety of genres, including film, photography, visual and performing arts, literature, music, dance, and theater. In this way, the creative artists succeeded in making arts and culture easily accessible to many people, particularly in public urban spaces, in the middle of the pandemic. //

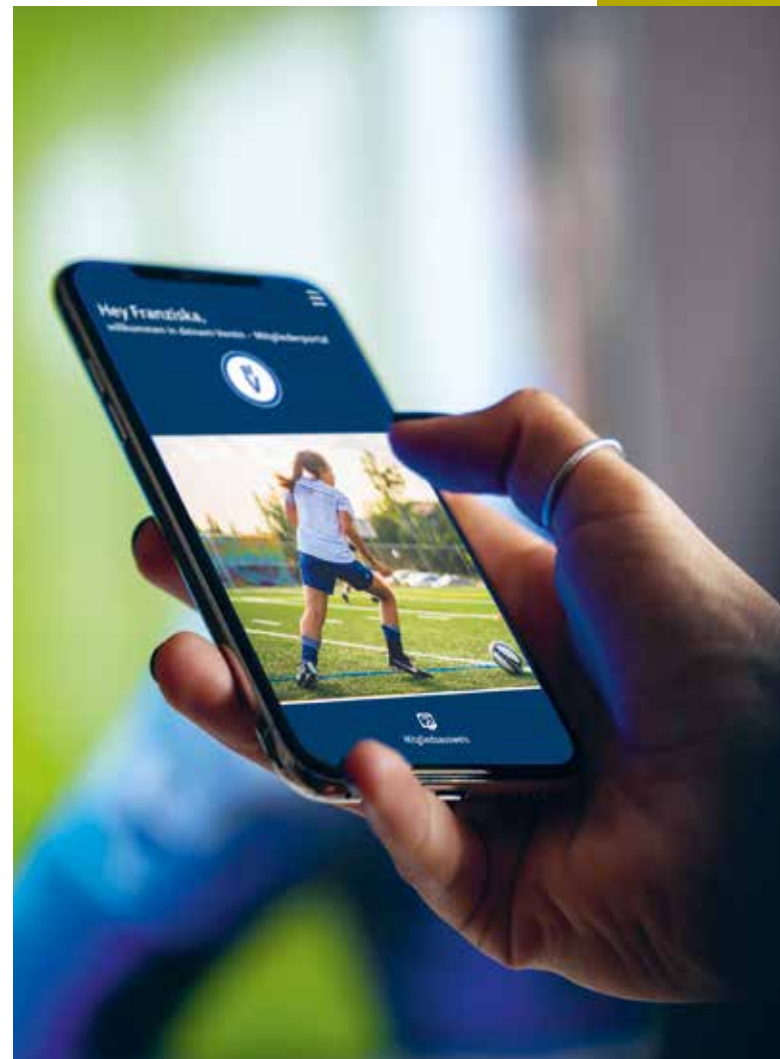


@ECE CORPORATE RESPONSIBILITY

OBJECTIVIZATION OF PARKING SPACE STATUTES

There are a number of factors that impact the quality of livable urban spaces. Our mobility behavior is one of the most important, with motor vehicle density playing a key role in this regard. This is why municipal parking space statutes stipulate exactly how many spaces are allowed in newly built neighborhoods. This often provokes a heated political debate in many places – while some believe that eliminating parking space requirements will reduce the number of underground parking spaces and thus reduce construction costs and car ownership, others fear that it will increase parking demand in public spaces. The “Lebendige Stadt” Foundation

therefore commissioned a study from the Technical University of Hamburg and financed it together with Hamburger Hochbahn AG in order to help de-emotionalize the political discussion and objectivize parking ratio guidelines. Two different model cities, Hamburg and Osnabrück, were chosen for the empirical study, which ultimately produced car ownership maps previously unavailable in this level of detail showing actual vehicle parking space requirements down to the neighborhood level. Using a regression model that takes into account specific factors such as neighborhood and household type, household income, population density, parking density, building density, number of neighborhood grocery stores, and public transportation quality, it is possible to calculate exactly how many parking spaces are needed in a given area. This makes the parking space requirements specified in statutes highly objective. The foundation presented the results of the study in a handout for policymakers. //

**DIGITALIZATION: ONLINE MEMBERSHIP PORTALS FOR SPORTS CLUBS**

Digitalization is also requiring major changes from society – and decisive action from policymakers. If nothing else, the coronavirus pandemic has exposed the deficits and dire need to catch up in many areas, such as retail, schools and universities, and healthcare. With its Digital Mall, connected commerce in collaboration with the Otto Group, and a partnership with Google, ECE has already broken new ground in connecting the online and offline worlds. In order to share the lessons learned from the digitalization process with society, Alexander Otto and his sports foundation have initiated a comprehensive digitalization program for sports clubs. The goal is to accelerate the digitalization of club sports, because digitalization will also determine the future viability of these organizations as well. A total of 15 clubs in Hamburg participated in the program and received special training in a series of workshops to prepare them for the rollout of digital member portals. The

The practical handbook can be downloaded here: [AOS-Digitales-Mitgliederportal.pdf](#) ([alexander-otto-sportstiftung.de](#))

clubs recognized that doing so would streamline their administrative processes, freeing up more resources for actual club activities. Using such portals, members can manage their personal data themselves, send messages to each other, and book courses and courts online. Information about course cancellations is sent out via text message, and these systems also digitize locking systems and bookkeeping.

The foundation deliberately selected very different clubs in terms of membership size and club structure in order to generate numerous different templates, which are clearly described in a practical handbook. This is intended to help other clubs and associations embark on the road to digitalization on their own and thereby get themselves fit for the future //



PERFORMANCE BASED ON GRI STANDARDS

> **GRI 102-40, 102-42**

ECE's sustainability strategy focuses on a long-term approach and ongoing accountability, as the company is active not only in project development but also as a landlord and property manager, meaning it assumes responsibility for the long term. This has an impact on real estate planning and management and encompasses visitors, tenants, and investors, as well as other effects of the company's business activities. As an integrative part of urban planning, ECE wants to provide solutions to help cities achieve their goals of reducing CO₂ emissions.

To this end, ECE has clearly defined sustainability management structures, the core of which is a sustainability team consisting of 10 sustainability coordinators and the Sustainability Team Leader. The latter reports directly to the Director Sustainability & Corporate Communications, who in turn acts as the point of contact for the ECE board. The Sustainability Team and the Director Sustainability & Corporate Communications strategically manage all of ECE's sustainability activities and monitor the social, economic, and political environment. In addition, they promote knowledge sharing within the company, coordinate sustainability projects throughout the group, and continuously document progress to the board. Furthermore, an external sustainability advisory board has been monitoring ECE's sustainability activities since 2010. ECE maintains an ongoing dialog with its stakeholders to ensure that its sustainability strategy continues to evolve and improve. The focus here is on tenant partners, investors, and visitors to the centers.

BECOMING MORE SUSTAINABLE TOGETHER > **GRI 102-43**

ECE promotes an ongoing dialog with its stakeholders through a variety of different formats. Information on sustainability activities is provided to employees on a regular basis, for example on a dedicated page on the intranet. In addition, ECE has been sharing information on sustainability with tenants via two different formats since 2013: at the Technical Retail Meeting's annual events, where the focus is on technical aspects of sustainability such as energy efficiency and certification criteria, and at the sustainability forum, which focuses on joint workshops and knowledge sharing. Visitors can learn about the individual shopping centers' sustainability activities on their websites, and "Umdenkzettel" posters hanging in the centers call attention to the topic and what ECE is doing to become a more sustainable company.

Sustainability management at ECE includes regularly integrating stakeholders into the process. This is why ECE once again collected data on the relevant stakeholders' views on sustainability through a survey of tenants, visitors, and investors in 2019.

> **GRI 102-44, 102-46, 102-47, 102-49**

SUSTAINABILITY STRATEGY

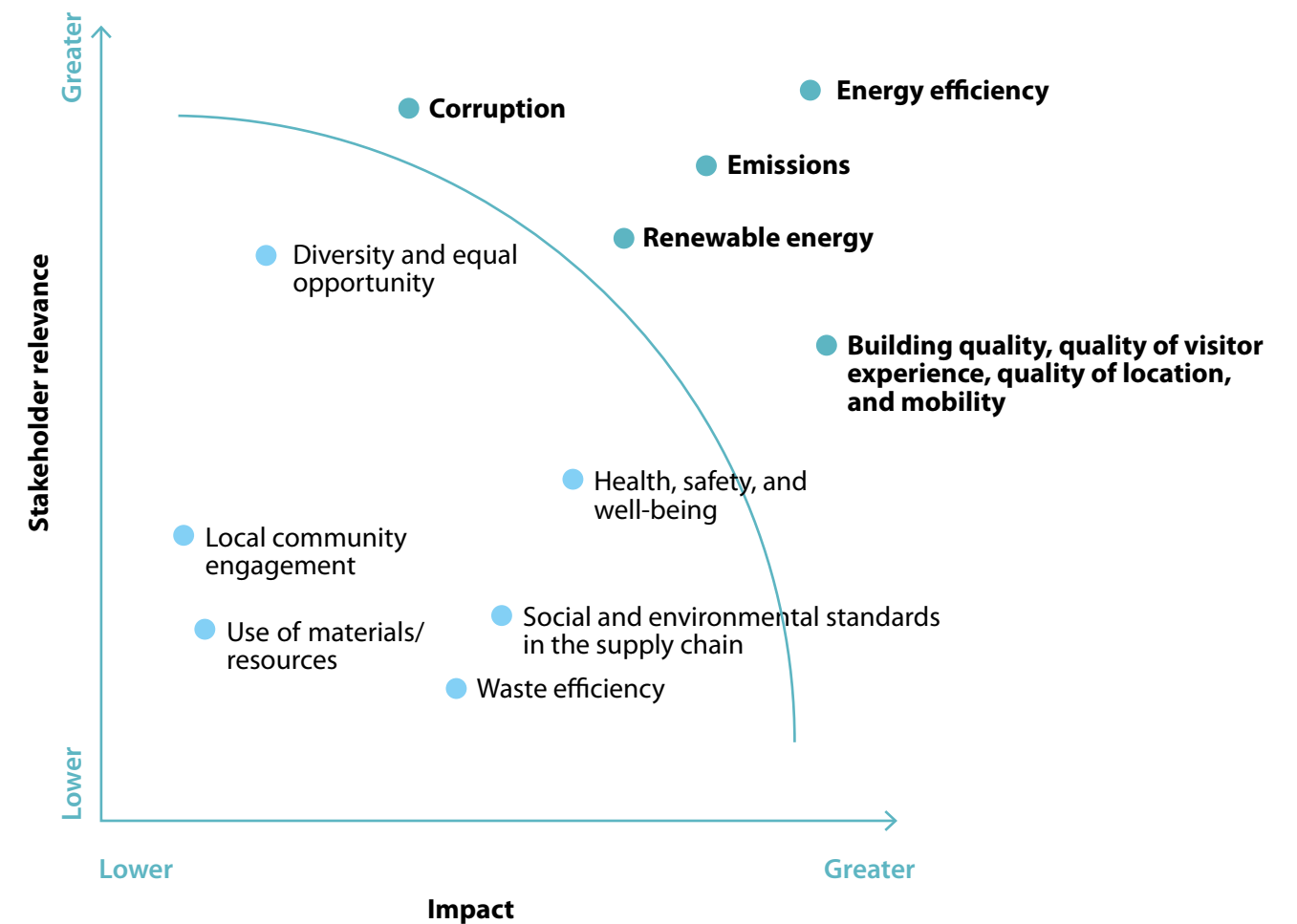
In 2020, ECE revised its sustainability strategy and identified relevant sustainability drivers specific to the company. These include political regulations, investor requirements, and the expectations of other external stakeholders, such as tenants or visitors. Ensuring that the properties retain their value by meeting the relevant climate change mitigation requirements in the present and, in particular, in the future, plays a key role in this context. The company's sustainability strategy represents an important component in this regard.

MATERIALITY

The sustainability strategy is based on a materiality assessment conducted in 2019. In the process, the relevance of key stakeholder groups was taken into account and the business relevance and impact on the environment and society were assessed in accordance with the requirements of the GRI Standards (Impact of ECE).

For the purpose of reporting in accordance with the GRI Standards, the following topics were determined to be material based on the materiality assessment: anti-corruption and compliance, customer health and safety as well as their impact on the local community, energy efficiency, renewable energy, and emissions.

IMPACT OF ECE

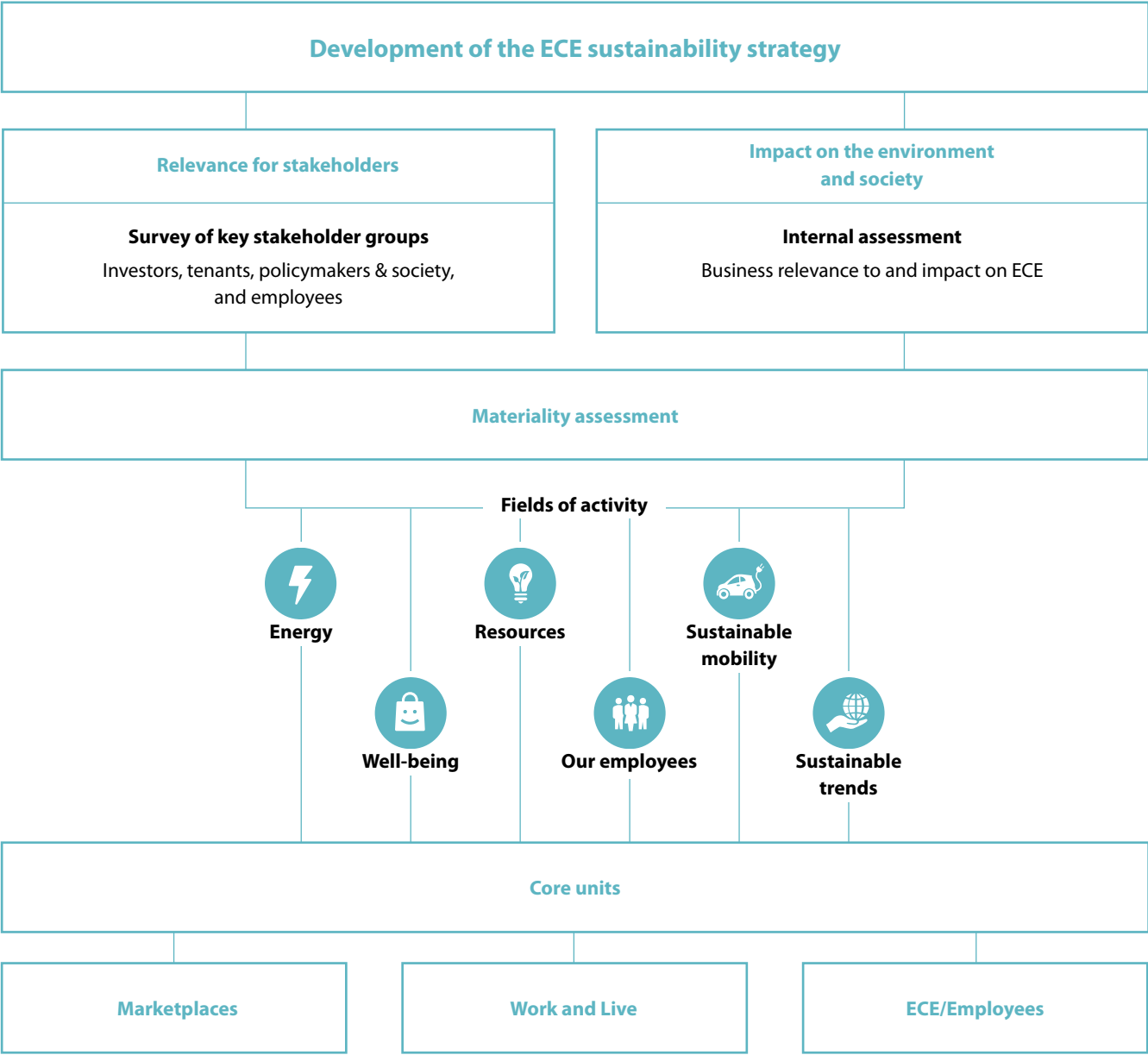


STRATEGIC ACTION AREAS

ECE’s sustainability strategy is intended to provide long-term guidance and takes into account the expectations of external and internal stakeholder groups (investors, tenants, policymakers, society at large, as well as the company’s own employees).

Development of the strategy took ECE’s “Marketplaces” as well as “Work and Live” business units into account, as well as overarching issues relevant to the “ECE Group and its employees.”

Six strategic fields of activity apply to these core areas: energy, resources, sustainable mobility, well-being, employees, and sustainable trends.



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TOPICS WITHIN THE FIELDS OF ACTIVITY

Within the sustainability strategy’s six strategic fields of activity, ECE has identified various sustainability topics, see the table below.

Energy	Resources	Sustainable mobility	Well-being	Our employees	Sustainable trends
Monitoring energy consumption	consumption	Monitoring sustainable mobility services	Improving the visitor experience	Health management	Flagship projects
Measures to increase energy efficiency	Reduction measures	Promoting sustainable mobility options for visitors to the centers	Barrier-free property design	Health management	Current trends
Use of energy from renewable sources	Promoting circular economy approaches (e.g. plastics)		Improving indoor air quality	Promoting social engagement	

GOALS

In accordance with the six strategic fields of activity, ECE has defined specific sustainability goals in the three core areas Marketplaces, Work and Live, and ECE/Employees. A selection of these goals is listed below.

MARKETPLACES

Among other goals, this includes a significant reduction in carbon emissions by 40% compared to the 2019 baseline, the use of green electricity at all of ECE’s shopping centers, and the energy certification of the buildings. Furthermore, all of the shopping centers should be equipped with charging infrastructure for electric vehicles and offer more sustainable transportation options. In addition, building users will be integrated into ECE’s climate change mitigation measures even more closely by means of lease contracts that comply with the Green Lease standard.

ECE/EMPLOYEES

Similarly, ECE intends to achieve a 40% reduction in carbon emissions at its campus compared to the 2019 baseline, increase energy efficiency, and expand the share of energy procured from renewable sources. In the future, all ECE suppliers will need to comply with revised environmental and social standards. ECE also aims to develop a diversity strategy, provide ergonomic workstations to its employees, expand health days for the workforce, and promote employees’ social engagement.

WORK AND LIVE

In addition to a climate-friendly energy concept, LED lighting concepts, and the assessment of preliminary designs for solar power systems in new construction projects, it will also become standard practice to evaluate the feasibility of green roofs and facades. Furthermore, in addition to installing a charging infrastructure for electric vehicles, the use of sustainable building materials and wooden structures also play an important role.

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OUR EMPLOYEES

EMPLOYEES BY TYPE OF EMPLOYMENT (AS OF DECEMBER 31)

Number of ECE employees	2019	2020
Full-time, total	2,571	2,537
Full-time, women	1,025	1,009
Full-time, men	1,546	1,528
Part-time, total	719	653
Part-time, women	664	612
Part-time, men	55	41
Inactive, total	131	138
Inactive, women	106	110
Inactive, men	25	28
Permanent contract, total	3,219	3,222
Permanent contract, women	1,654	1,652
Permanent contract, men	1,565	1,570
Temporary contract, total	202	106
Temporary contract, women	141	79
Temporary contract, men	61	27

Number of ECE trainees	2019	2020
Women	21	11
Men	8	1
Total	29	12

EMPLOYEES BY REGION (AS OF DECEMBER 31)

Number of ECE employees	2019	2020
National	2,584	2,512
International	837	816
At headquarters	1,363	1,315
Total workforce	3,421	3,328
Women	1,795	1,731
Men	1,626	1,597

EMPLOYEE AGE STRUCTURE (AS OF DECEMBER 31)

Number of ECE employees	2019	2020
Over 50 years of age	1,049	1,092
30–49 years of age	1,986	1,913
Under 30 years of age	386	323

NEW EMPLOYEES BY REGION AND GENDER (ANNUALIZED)

ECE hired a total of **246** new employees in **2020** (2019: 411), while **348** left the company (2019: 457). The turnover rate stood at **10.1** percent (2019: 13.1 percent).

➤ **GRI 102-41**

ECE offers its employees a company pension plan and a group accident insurance policy including disability and invalidity coverage for employees in specific positions. Employees with temporary contracts can also participate in the company pension plan. The company does not have any employees subject to collective bargaining agreements.

Number of ECE employees	2019	2020
New hires, women, national	140	94
New hires, men, national	135	98
New hires, women, international	84	37
New hires, men, international	52	17
New hires, women, headquarters	85	39
New hires, men, headquarters	67	51
New hires, women, total	224	131
New hires, men, total	187	115

EMPLOYEE DEPARTURES BY REGION AND GENDER (ANNUALIZED)

Number of ECE employees	2019	2020
Departures, women, national	144	155
Departures, men, national	133	120
Departures, women, international	88	42
Departures, men, international	92	31
Departures, women, headquarters	73	90
Departures, men, headquarters	61	27
Departures, women, total	232	197
Departures, men, total	225	151

DEPARTURES BY AGE STRUCTURE (ANNUALIZED)

Number of ECE employees	2019	2020
Departures, national	277	275
Over 50 years of age	83	94
30–49 years of age	156	130
Under 30 years of age	38	49
Departures, international	180	73
Over 50 years of age	11	8
30–49 years of age	130	41
Under 30 years of age	39	24
Departures, headquarters	133	117
Over 50 years of age	30	38
30–49 years of age	84	56
Under 30 years of age	20	23

TURNOVER RATE (ANNUALIZED)

Rate [%]	2019	2020
Employee turnover, national	10.7%	10.5%
Employee turnover, international	20.4%	8.9%
Employee turnover, total	13.1%	10.1%

SICK LEAVE RATE (ANNUALIZED)

Rate [%]	2019	2020
Sick leave rate, national	3.6%	2.8%

PARENTAL LEAVE (ANNUALIZED)

Number of ECE employees	2019	2020
On parental leave, total	220	198
– Women	170	165
– Men	50	33
Returned from parental leave	203	185
– Women	157	153
– Men	46	32
Return rate, women	92.4%	92.7%
Return rate, men	92.0%	97.0%
Returned from parental leave and were still with the company after 12 months	197	170
– Women	154	140
– Men	43	30
Retention rate (women)	90.6%	84.8%
Retention rate (men)	86.0%	90.9%

WOMEN IN MANAGEMENT POSITIONS (AS OF DECEMBER 31)

Rate [%]	2019	2020
Women in management positions, total	27.1%	26.5%
Team leader	55.6%	53.7%
Technical Manager	0.8%	1.5%
HoD/CM	39.6%	37.4%
Director/Senior Director	16.4%	21.8%
Managing Director	28.6%	28.6%

ENERGY & RESOURCES

Climate change not only poses major challenges for companies, it also affects every individual's quality of life – now and in the future. Real estate plays a key role in this regard. Buildings account for approximately one third of CO₂ emissions nationwide.

As an integrative part of urban planning, ECE wants to provide solutions to help cities achieve their climate change mitigation goals. In this context, energy efficiency plays an important role. After all, properties consume energy for heating and lighting as well as for ventilation and cooling. The ECE relies on numerous measures to increase energy efficiency. These include the use of modern lighting systems and intelligent lighting and ventilation concepts. The company's efficiency measures are backed up by comprehensive and continuously enhanced energy controlling activities, which makes energy consumption transparent. With the help of this system, ECE manages energy consumption efficiently and reduces emissions. Saving energy has been one of the company's key areas of activity for many years. ECE has introduced extensive measures to promote environmental management, contributing to the achievement of climate targets in the process. The company's shopping centers in Germany and its headquarters purchase certified electricity from renewable energy sources. In addition, the company plans to expand the sourcing of certified green power to its international locations.

To reduce the significant amount of energy required for artificial lighting and to save electricity, ECE relies on state-of-the-art lighting technologies. In this context, ECE engineers work closely with the Technical Managers at the centers. This makes it possible to combine the results of analyses and the development of innovative concepts with on-site experience and test them in the real world. As part of a pilot project, energy experts from ECE are working with the Technical University of Dresden and an engineering firm to develop an energy-related climate change mitigation roadmap. The objective is to identify energy-saving potential in order to determine whether and how the climate policy requirements applicable to shopping centers can be achieved by 2045.

Using the green lease framework, ECE is pushing ahead with additional sustainability measures in the lease areas. The *Sustainable Building Products in Tenant Fit-Out* handbook shows retail partners in the building how to install environmentally friendly materials and resource-friendly technology. In addition, ECE promotes forward-looking mobility concepts in urban areas by making spaces in its parking garages available for charging stations that shoppers can use to charge their electric vehicles.

ENERGY CONSUMPTION

ECE tracks the energy consumption of its shopping centers and the company headquarters. A total of 94 shopping centers in Germany were included in the calculation of energy and emission data as well as water consumption. Due to the extraordinary year 2020, the consumption at both ECE headquarters and the shopping centers may deviate more sharply in a year-over-year comparison. This is due to the fact that large parts of the ECE

headquarters staff regularly work remotely as well as the implementation of short-time work schedules. The temporary closure of shopping centers during the pandemic may also result in deviations from the previous year's consumption figures.

CONSUMPTION DATA, ECE HEAD-QUARTERS, IN MWH	W2019	2020	DIFFERENCE TO PRIOR YEAR IN %
Electricity	2,822.71*	2,351.51	-16.7
District heating	4,224.90	3,379.92	-20
Natural gas	494.46	313.83	-36.5
Total	7,542.07	6,045.26	-19.9

The decrease in consumption is mainly due to the special circumstances caused by the pandemic. In the case of district heating, optimizations were also achieved through demand-based heating control.

*The 2019 value was adjusted retroactively.

CONSUMPTION DATA, ECE CENTERS, IN MWH	2019	2020	DIFFERENCE TO PRIOR YEAR IN %
Electricity	315,334.15	288,287.97	-8.6
District heating	161,584.86	152,496.29	-5.6
Natural gas	65,170.309	69,509.173	+6.7

The figures are not adjusted for climate conditions. The decrease in consumption (electricity, district heating) is mainly due to the special circumstances caused by the pandemic. The increase in natural gas consumption is due to the inclusion of four new centers supplied with natural gas.

SPECIFIC CONSUMPTION, ECE CENTERS, IN KWH/M²	2019*	2020	DIFFERENCE TO PRIOR YEAR IN %
Electricity	116.67	96.56	-17.2
District heating	34.31	31.36	-8.6
Natural gas	41.85	37.46	-10.5

* The 2019 values were adjusted retroactively.

Large-scale modernization measures and the installation of energy-efficient LED lighting are helping continuously reduce the amount of electricity consumed. All of ECE's shopping centers in Germany were powered by green electricity in 2020.

GREENHOUSE GAS EMISSIONS

ECE has been purchasing electricity generated from renewable sources from certified suppliers since 2008. This applies throughout Germany to both the company's shopping centers and its headquarters in Hamburg. Reference values based on the German energy mix were used to calculate location-based greenhouse gas emissions (emission factors for gas, district heating, and electricity). The use of green power produces 0 kg of CO₂. The market-based values for green electricity, which include the emissions generated by electricity production via hydropower, are shown separately.

T CO₂ EQUIVALENT, HEADQUARTERS	2019	2020	DIFFERENCE TO PRIOR YEAR IN %
Scope 1			
Natural gas	108.68	68.98	-36.5
Scope 2			
Electricity (market-based)	9.81*	8.17	-16.7
Electricity (location-based)	1,388.68	1,147.19	-17.4
District heating	1,242.94	1024.61	-17.6

* The 2019 values were adjusted retroactively.

KG CO₂ EQUIVALENT/M², HEADQUARTERS	2019	2020	DIFFERENCE TO PRIOR YEAR IN %
Scope 1			
Natural gas	19.38	12.30	-36.5
Scope 2			
Electricity (market-based)	0.19	0.16	-16.7
Electricity (location-based)	26.62	21.99	-17.4
District heating	26.70	22.01	-17.6

* The 2019 values were adjusted retroactively.

T CO₂ EQUIVALENT, CENTERS	2019	2020	DIFFERENCE TO PRIOR YEAR IN %
Scope 1			
Natural gas	14,324.38	15,278.06	+6.7
Scope 2			
Electricity (market-based)	1,099.65	1,001.57	-8.9
Electricity (location-based)	153,835.89	140,641.40	-8.6
District heating	47,498.70	46,228.66	-2.7

Calculation based on national CO₂ emission factors

KG CO₂ EQUIVALENT/M², CENTERS	2019	2020	DIFFERENCE TO PRIOR YEAR IN %
Scope 1			
Natural gas	9.20	8.23	-10.5
Scope 2			
Electricity (market-based)	0.41	0.34	-17.1
Electricity (location-based)	56.92	47.11	-17.2
District heating	10.09	9.51	-5.7

In 2020, all 94 centers were included in the calculation of green electricity figures. In 2019, 88 national centers were taken into account.

WATER CONSUMPTION

ECE has implemented various measures to reduce water consumption both at its shopping centers and at its company headquarters – from water-efficient faucets to waterless urinals for new developments.

HEADQUARTERS	2019	2020	DIFFERENCE TO PRIOR YEAR IN %
Water consumption, absolute (m ³)	20,063	14,503	-27.7
Specific water consumption (liters/employee)	14.90	10.82	-27.3

CENTERS*	2019	2020	DIFFERENCE TO PRIOR YEAR IN %
Water consumption, absolute (m ³)	2,087,100	1,733,078	-17.0
Specific water consumption (liters/visitor)**	2.0	3.8	+47.4

* The figures encompass a total of 88 centers. In the case of the remaining six centers, either consumption figures or visitor figures are not available. For 18 centers, either the 2019 values were used or consumption was extrapolated based on partial calculations.

** Specific water consumption (liters/visitor) increased in relative terms due to the low number of visitors in 2020 as a result of the pandemic. The absolute values, on the other hand, decreased.

ANNUAL OVERVIEW OF RECYCLED WASTE

ECE tracks its generation of the waste types scrap wood, plastic, glass, nonrecyclable waste, organic waste, paper, and electronic waste. ECE had already disposed of 267 printers and 1,675 monitors in 2019 as part of its digitalization efforts, resulting in an increase in electronic waste. In 2019, refurbishments at the company's headquarters and renovations on campus were also responsible for the further increase in waste generated in the previous year. To reduce the environmental impact of its use of copy paper, ECE completely switched to Blue Angel-certified printing paper in 2017.

TYPE OF WASTE (IN TONS)	2019	2020
Scrap wood	4.50	1.40
Nonrecyclable waste	22.28	19.17
Glass	3.56	3.57
Electronic waste	9.68	1.02
Plastic	14.85	4.26
Paper	12.79	9.07

RESPONSIBLE CORPORATE GOVERNANCE

ECE's corporate values serve as the basic framework that guides the way employees interact with each other and with investors, tenants, and other business partners. The ECE Code of Conduct sets out binding standards of conduct for all ECE employees. Clear compliance requirements for management and employees that apply throughout the company help ensure compliance with laws and regulations, reduce risks, and increase the company's performance. These include, among others:

- Guidelines for donations and sponsorships
- Guidelines for handling grants
- Guidelines for reviewing business partners
- Corporate policy related to antitrust law

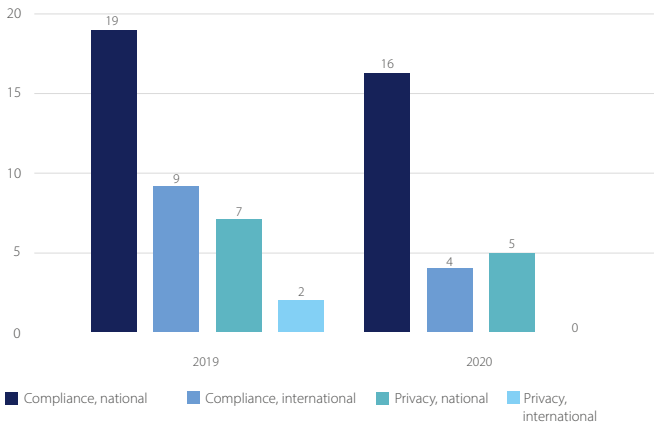
Any violations of the standards laid down in the ECE Code of Conduct can be reported by employees and external parties via a compliance hotline. ECE employees also have access to ECE's electronic whistleblowing system, which they can use to report any violations of the law or internal company policies – including anonymously, if they so desire.

Sustainability and compliance are both an integral part of ECE's corporate values, and are regularly addressed in management and employee training seminars. ECE developed interactive in-person training sessions to convey in-depth knowledge of the compliance policies to senior management and specialist departments with increased compliance risk, and these sessions have been held regularly for selected employees in Germany and abroad since 2013. In addition, every employee in Germany and abroad is required to complete an online training course on the rules laid out in the Code of Conduct. This interactive online training session features case studies and raises employees' awareness of compliance risks during ECE's day-to-day business.

Compliance is also a key element of the annual employee interviews that are conducted with all ECE employees. Guiding questions are used to discuss aspects of daily work relevant to compliance.

ECE introduced a compliance management system in order to implement the legal requirements and regulations, and this system was audited and certified by the Corporate Governance in der deutschen Immobilienwirtschaft (ICG) in 2014. The second and third audits, including subsequent certification by ICG, took place in March 2016 and November 2019.

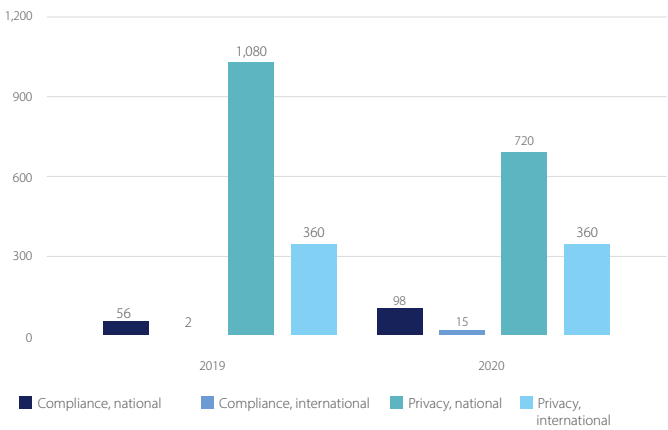
NUMBER OF SUSPECTED CASES* OR INCIDENTS**



*Suspected compliance case: any indication of possible unlawful behavior on the part of ECE employees or (external) third parties acting on ECE's behalf or instructed by ECE employees.

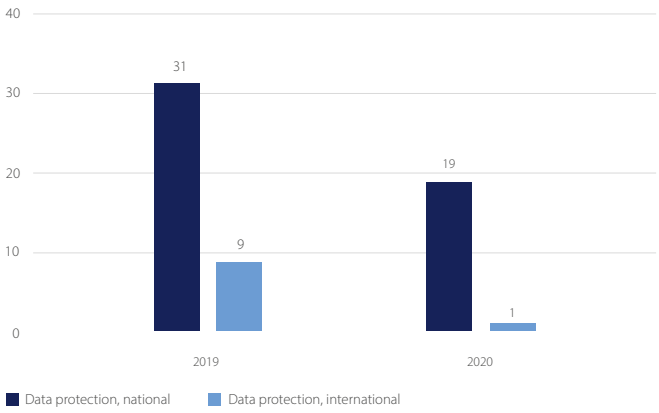
**Data protection incident: detected violations of data protection law and/or internal data protection regulations.

INQUIRIES*



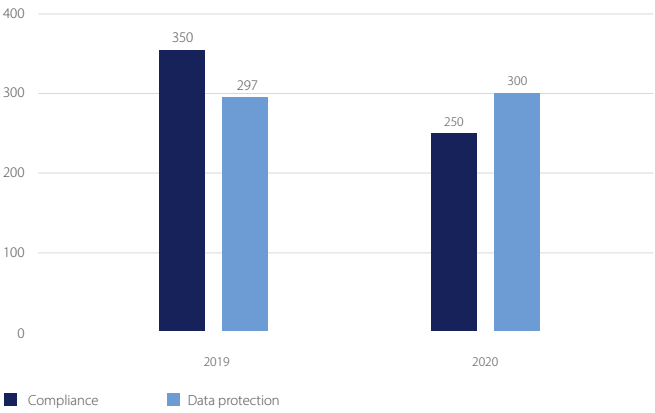
*The focus of inquiries is on legal, contractual, and other matters specific to individual shopping centers. Since 2018, particularly in the context of asserting data subject rights under the General Data Protection Regulation. Furthermore, questions regarding the lawfulness of gifts/invitations and topics relating to conflicts of interest (compliance).

ASSERTION OF DATA SUBJECT RIGHTS UNDER THE GENERAL DATA PROTECTION REGULATION*



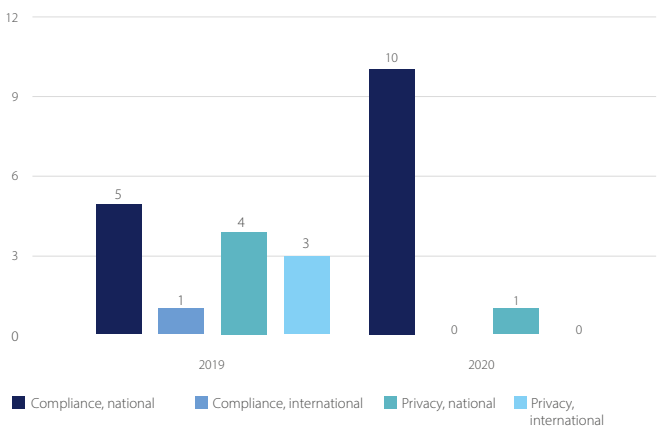
* Includes requests for deletion of personal data in accordance with article 17 of the GDPR, objections to data processing in accordance with article 21 of the GDPR, and requests for information in accordance with article 15 of the GDPR.

ONLINE TRAINING SEMINARS*



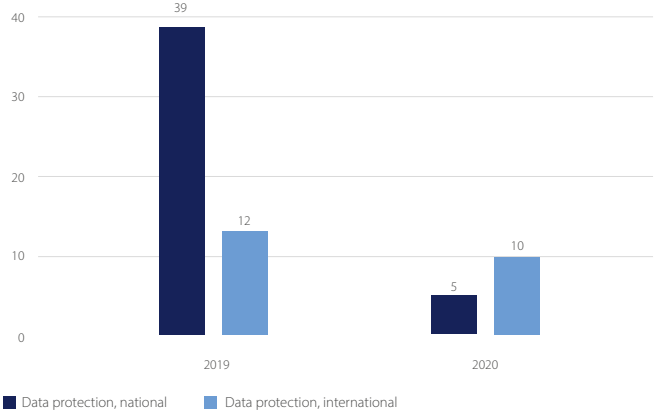
*All new employees (including temporary campus staff) are trained online. Due to the development of a new training platform, these figures may deviate from comparison values from previous years.

IN-PERSON TRAINING SEMINARS*



*In-person training seminars are only held for certain groups of employees (sections), usually based on risk potential aspects and/or in the event of a specific need (e.g. an increase in the number of suspected compliance cases in a section) and, if necessary, at the specific request of a section.

NUMBER OF DATA PRIVACY AND IT SECURITY AUDITS AT CENTERS



Remote audits could only be carried out in the second half of 2020 due to the pandemic.

WELL-BEING & SUSTAINABLE MOBILITY

From improving the overall visitor experience and indoor air quality to barrier-free building design and promoting sustainable mobility, sustainability aspects play an important role in the visitor experience at the centers.

Besides the economical use of building sites and land recycling, ECE's sustainability goals include the high durability and universal usability of buildings as well as their easy conversion and, if necessary, demolition. In addition, the use of environmentally friendly and non-hazardous substances and materials, comprehensive materials management, and the efficient use of energy also play an extremely important role.

At ECE, integrating sustainability aspects into every phase of the construction process is a key element of this strategy. After planning and building its shopping centers, the company remains active during their operation and assumes responsibility for the location. ECE pays particular attention to sustainability aspects during the construction and operation of new shopping centers as well as the modernization and expansion – i.e. the refurbishment – of its existing shopping centers.

ECE has published four handbooks on the sustainability aspects of shopping centers that have been adopted by the industry, and these serve as the basis for a comprehensive approach to sustainability. ECE actively involves tenants in this process and provides practical recommendations for ways to protect the environment and combat climate change. The handbooks, which were developed based on the results of workshops at the sustainability forum, include specific recommendations and checklists. The *Sustainable Shopping Centers* handbook serves as a guideline for the development of shopping centers from the planning stage onwards and outlines all of the sustainability measures that

are necessary during the development of a project. *Sustainable Operation of Shopping Centers* supplements the previous handbook and covers the work of Center Managers and Technical Managers. The *Electric Transportation* handbook provides information on the potential ways to integrate services related to charging stations for electric vehicles at the site, which the company plans to install at all of its shopping centers in 2025. The *Building Products for Tenant Fit-Out* handbook serves as a practical guide to designing stores in order to create environmentally and climate-friendly buildings.

Visitors can find information on sustainability, e.g. green electricity, sustainable mobility, intelligent lighting systems, or sustainable construction certificates, on the shopping centers' websites. Measures specific to individual centers, such as biodiversity conservation initiatives, are also presented on the websites.

ECE relies on internationally recognized certification systems to transparently present information on the quality of its buildings with respect to sustainability aspects. This includes certification by the German Sustainable Building Council (DGNB), which is awarded to both new buildings and buildings already in use. The certification system adopts a holistic approach, which covers not only environmental, but also social, economic, and technical criteria. Depending on the degree to which the building fulfills the DGNB's criteria, certification is awarded in bronze, silver, gold, or platinum. In addition to DGNB certification, ECE also relies on BREEAM certification for existing buildings and for buildings in other European countries. BREEAM is a certification system for buildings that is widely used on an international scale. In the BREEAM system, projects receive ratings that range from Pass, Good, Very Good, Excellent, to Outstanding.

IMPACT ON HEALTH AND SAFETY

When constructing every new building and carrying out every major refurbishment, ECE assesses the potential for improvement in terms of sustainability. If possible, it has the positive performance of its buildings confirmed via recognized certifications. At the end of the reporting period, 87 of ECE's shopping centers, plus the basic

certificate not applicable to any particular location, had been awarded a main or pre-certificate from the German Sustainable Building Council (DGNB) or had been awarded BREEAM certification. These certifications guarantee that in addition to energy efficiency and other environmental aspects, sociocultural aspects have also been taken into account.

CERTIFICATES RECEIVED IN 2020

Shopping



Special properties and districts



GRI CONTENT INDEX



This report was submitted to the GRI for review by the GRI Materiality Disclosures Service. The GRI Services team has confirmed that the materiality disclosures (GRI 102-40 – 102-49) are correctly positioned in the report.

Disclosure	Page number	Comment/omission
GRI 101: Foundation 2016		
GRI 102: General Disclosures 2016		
GRI 102-1: Name of the organization	p. 104	ECE Group GmbH & Co. KG
GRI 102-2: Activities, brands, products, and services	pp. 12 – 13	
GRI 102-3: Location of headquarters		Hamburg
GRI 102-4: Location of operations		Subsidiaries
GRI 102-5: Ownership and legal form		GmbH & Co.KG
GRI 102-6: Markets served		Subsidiaries and joint ventures
GRI 102-7: Scale of the organization	pp. 48, 65, 68	Success you can measure
GRI 102-8: Information on employees and other workers	p. 92	
GRI 102-9: Supply chain	pp. 91, 94	
GRI 102-10: Significant changes to the organization and its supply chain		None
GRI 102-11: Precautionary principle or approach	pp. 94, 96	
GRI 102-12: External initiatives	p. 98	
GRI 102-13: Membership of associations		Memberships
GRI 102-14: Statement from senior decision-maker	p. 3	
GRI 102-15: Key impacts, risks, and opportunities	pp. 6 – 11	
GRI 102-16: Values, principles, standards, and norms of behavior	p. 96	
GRI 102-17: Mechanisms for advice and concerns about ethics	p. 96	
GRI 102-18: Governance structure		Management Board and Supervisory Board
GRI 102-40: List the stakeholder groups	p. 88	
GRI 102-41: Governance structure	p. 92	
GRI 102-42: Identifying and selecting stakeholders	p. 88	
GRI 102-43: Approach to stakeholder engagement	p. 88	
GRI 102-44: Key topics and concerns raised	p. 89	
GRI 102-45: Entities included in the consolidated financial statements		Subsidiaries and joint ventures
GRI 102-46: Defining report content and topic Boundaries	p. 89	
GRI 102-47: List of material topics	p. 89	
GRI 102-48: Restatements of information		Emissions are reported for individual sites and markets. Retroactive adjustments were made.

Disclosure	Page number	Comment/omission
GRI 102-49: Changes in reporting	p. 89	
GRI 102-50: Reporting period		2019 – 2020
GRI 102-51: Date of most recent report		September 2020
GRI 102-52: Reporting cycle		Annual
GRI 102-53: Contact point for questions regarding the report	p. 104	
GRI 102-54: Claims of reporting in accordance with the GRI Standards		This report was prepared in accordance with the GRI Standards using the “Core” option.
GRI 102-55: GRI Content Index	pp. 100 – 103	
GRI 102-56: External assurance		None

Material topics

GRI 205: Anti-Corruption 2016

GRI 103: Management Approach 2016 (including 103-1, 103-2, 103-3)	p. 96
GRI 205-2: Communication and training about anti-corruption policies and procedures	pp. 96 – 97

GRI 302: Energy 2016

GRI 103: Management Approach 2016 (including 103-1, 103-2, 103-3)	p. 94
GRI 302-1: Energy consumption within the organization	p. 94

GRI 305: Emissions 2016

GRI 103: Management Approach 2016 (including 103-1, 103-2, 103-3)	p. 94
GRI 305-1: Direct (Scope 1) GHG emissions	pp. 94 – 95
GRI 305-2: Energy indirect (Scope 2) GHG emissions	pp. 94 – 95
GRI 305-4: GHG emissions intensity	p. 95
GRI 305-5: Reduction of GHG emissions	p. 95

GRI 306: Effluents and Waste 2016

GRI 103: Management Approach 2016 (including 103-1, 103-2, 103-3)	p. 95
GRI 306-2: Waste by type and disposal method	p. 95

Disclosure	Page number	Comment/omission
Material topics		
GRI 401: Employment 2016		
GRI 103: Management Approach 2016 (including 103-1, 103-2, 103-3)	pp. 7, 10, 80 – 83	
GRI 401-1: New employee hires and employee turnover	pp. 92 – 93	
GRI 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	p. 92	
GRI 401-3: Parental leave	p. 93	
GRI 405: Diversity and equal opportunity 2016		
GRI 103: Management Approach 2016 (including 103-1, 103-2, 103-3)	pp. 10, 42, 89, 91	
GRI 405-1: Diversity of governance bodies and employees	pp. 3, 12–13, 92	
GRI 413: Local Communities 2016		
GRI 103: Management Approach 2016 (including 103-1, 103-2, 103-3)	pp 49, 84–87	
GRI 413-1: Operations with local community engagement, impact assessments, and development programs	pp. 49, 84 – 87	
GRI 416: Customer Health and Safety 2016		
GRI 103: Management Approach 2016 (including 103-1, 103-2, 103-3)	P. 18–19	
GRI 416-1: Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	pp. 18 – 19	

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43, 55,
61 (bottom left), 82, 84, 85
KPMG: page 62 (small image), 63
Lukas Roth for ECE/SRE: page 60
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Pexels: page 51, 58 (center), 59 (left)
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