

#FUTURE FORWARD

ECE

2023/24

With Passion
and Vision

CREATING SPACE.
INSPIRING PEOPLE.

"The combination of passion and foresight is needed in project developments and our portfolio, but also in the company itself."

That particularly applies to retail real estate. The challenges posed by e-commerce, coronavirus, and changing consumer behavior are enormous. But we are convinced that brick-and-mortar retail has a future in the right, well-managed locations. That is why we are taking advantage of the current situation to seize selected opportunities. Examples include the acquisition of Deutsche EuroShop AG together with Oaktree and the purchase of PEP in Munich together with Generali. We also continue to invest in AI solutions and a Consumer Ecosystem to leverage the opportunities for our customers presented by the digitization of retail real estate.

The combination of passion and foresight is needed in project developments and our portfolio, but also in the company itself. Almost 25 years ago, we established the Lebendige Stadt (Living City) foundation; more than 20 years ago, we were a founding member of what is now the Institute for Corporate Governance in the German Real Estate Industry (ICG); 15 years ago, we set up our sustainability team; and last year, as part of the ICG's Social Impact Investing Initiative, we played a key role in developing assessment criteria for a future "social taxonomy."

With that in mind, we view ESG not only as a great challenge for us, but also a great opportunity. We see it as our task not only to accompany the 31-billion-euro portfolio we manage on the path to climate neutrality, but also to make a significant contribution in the field of ESG. Because in this case, too, in addition to passion, it is particularly important to have foresight.

We wish you an interesting read and look forward to working with you as partners.

Alexander Otto *Claudia Plath*

Alexander Otto
CEO ECE Group

Claudia Plath
CFO ECE Group

Dear Readers,

Passion is one of the core values of ECE. Without the enthusiasm of our employees for ideas, projects, and daily excellence, ECE would not work.

But it is only in times of crisis that it becomes clear whether a company is managed not only with passion, but also with vision.

After many successful years, the real estate industry is now entering a new, very challenging phase. Even in the boom times, we always weighed up very carefully where to invest and which projects to implement. As a result, we are now still in a position to launch demanding, large-scale projects.

International growth is also creating opportunities for us, especially in the current environment. Whether it is in the UK, Denmark, Poland, or Italy, a new construction or a refurbishment, in the

residential, logistics, or hotel sector: we continue to see the potential of first-class real estate and want to exploit it. At the same time, our expertise is also increasingly in demand in America and China.

What sets us apart from many others is that we are active in a wide range of asset classes, we have the necessary expertise in-house to see an idea through to its realization, as a family business with equity capital of over one billion euros we are independent and able to act quickly – and we think with a long-term perspective.

And we do not only do so for our own benefit, but also for others. Meanwhile, ECE Real Estate Partners has 10 billion assets under management. This confirmation and trust from many well-known international investors is both an obligation and an incentive for us.

CONTENTS

- 04 A WELL-FUNDED FAMILY BUSINESS**
- 06 TIDE Hamburg
- 10 Kirchseeon, near Munich
- 12 Rome Residential Project
- 14 Build-to-Rent
- 16 MesseCity Cologne
- 18 Logistics
- 20 GreenWorkPark, near Berlin
- 22 Hotel in Rome
- 24 Hotel in Venice
- 26 ECE Real Estate Partners Success Story
- 28 FUTURE SHOPPING CENTERS**
- 32 The Playce Berlin
- 34 Perfect Match!
- 36 Food Oases
- 38 Food Retail and Shopping Centers
- 40 More Than Shopping
- 42 A Platform for Top Brands
- 44 Digital Strategy
- 46 360° Spectrum of Expertise
- 48 Success in China
- 50 ESG@ECE**
- 54 ESG Strategy for Shopping Centers
- 56 Energy Refurbishment Roadmap
- 58 Energy Savings
- 59 Green Lease 2.0
- 60 ESG Codes
- 64 ECE AS AN EMPLOYER**
- 68 GIVING SOMETHING BACK**
- 70 PERFORMANCE BASED ON GRI STANDARDS**
- 89 Publishing Information

A WELL-FUNDED FAMILY BUSINESS

SENDING A STRONG SIGNAL IN TURBULENT TIMES

Passion for real estate: ECE is a family business with great financial strength. Where others give up, ECE implements sustainable and user-oriented real estate projects worth billions of euros. An equity ratio of more than 65%, which is far above the average, ensures independence and flexibility – even in difficult times.

Whether it is the further development of shopping destinations, the TIDE mixed-use district in Hamburg, hotel projects in Rome and Venice, the MesseCity in Cologne, a site expansion in Kirchseeon, near Munich, or logistics centers in Hamburg and Poland – there is no standstill in ECE’s developments. With expertise, strength, and a long-term perspective, the group is active as an internationally operating real estate and investment group in all asset classes, takes advantage of opportunities, and makes anti-cyclical investment in selected projects.

ECE uses a variety of options for the financing of major commercial projects. These include the financial strength of its own group as well as cooperation with large institutional investors such as well-known insurance companies, real estate corporations, pension funds, and real estate funds, among others, via its own fund management companies ECE Real Estate Partners and ECE Living. In addition, ECE has a long-standing cooperation with financing partners such as major mortgage banks.

In 2022, the owners of ECE, the Otto family, together with Oaktree Capital Management, acquired a majority stake in Deutsche EuroShop AG. Through their investments in the globally active Otto Group and various real estate companies in North and South America, the Otto family is globally networked, has know-how and expertise in a wide range of markets, and is a sought-after contact partner for retail and real estate matters in Europe, America, and beyond. //

“Especially in these challenging times for the real estate industry, we want to send a positive signal with the start of our TIDE project by creating modern, high-quality apartments for different users and a vibrant urban neighborhood with a real cultural highlight.”

ALEXANDER OTTO, CEO ECE GROUP

1 billion
€
IN EQUITY

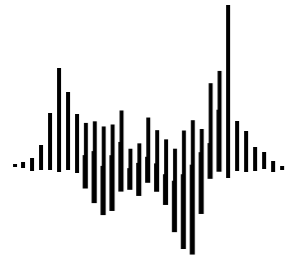
65%
EQUITY RATIO

A WELL-FUNDED FAMILY BUSINESS

- The groundbreaking ceremony for the 600-million-euro TIDE project in Hamburg’s HafenCity: (from left) Lars Hinrichs (founder of Xing and the UBS Digital Art Museum), Caren Brockmann (Director of the UBS Digital Art Museum), Theresa Twachtmann (Managing Executive of HafenCity Hamburg GmbH), Sven Lorenz (Managing Director of Studierendenwerk Hamburg), Katharina Fegebank (Deputy Mayor of Hamburg), Dr. Andreas Dressel (Hamburg Finance Senator), Alexander Otto (CEO ECE Group), Dr. Michael Börner-Kleindienst (Managing Partner at Harmonia Immobilien), Henrie W. Kötter (CEO ECE Work & Live), and Simon Querndt (HoD of Office & Residential at ECE Work & Live).

TIDE HAMBURG

GO-AHEAD FOR 600-MILLION-EURO PROJECT



TIDE

Sending a strong message: construction of the new mixed-use building ensemble TIDE in Hamburg's HafenCity is underway. The groundbreaking ceremony of the major project was carried out on April 26, 2023, by the project partners together with Hamburg's Deputy Mayor Katharina Fegebank, Hamburg's Finance Senator Dr. Andreas Dressel, and main investor and ECE CEO Alexander Otto.

600 HIGH-QUALITY RENTAL AND OWNER-OCCUPIED APARTMENTS

The mixed-use ensemble between the Elbe River and Baakenhafen harbor comprises several buildings with around 600 high-quality rental and owner-occupied apartments. Other components include a student dormitory with affordable housing for around 370 students and trainees, and the UBS Digital Art Museum as a cultural and touristic highlight. In addition, there will be a daycare center for children as well as commercial and restaurant space. >

"ECE always keeps the city's return on investment in mind during a project. It considers how to benefit the public interest and the community and what the effects beyond the scope of the project itself can be. That differentiates ECE from many other private real estate investors."

DR. ANDREAS DRESSSEL,
HAMBURG FINANCE SENATOR

6,500 m²
UBS DIGITAL ART MUSEUM

85,000 m²
GROSS FLOOR AREA

15,000 m²
PROPERTY AREA

COMPLETION OF 1ST STAGE
OF CONSTRUCTION:
mid-2026

600

HIGH-QUALITY RENTAL AND
OWNER-OCCUPIED APARTMENTS

DORMITORY FOR

370

STUDENTS AND TRAINEES

PROJEKTPARTNER:

- ECE
- UBS DIGITAL ART MUSEUM
- HAMBURG STUDIERENDENWERK
- HARMONIA IMMOBILIEN



Large window fronts, loggias, conservatories, and green balconies provide an unobstructed view of the water of the Baakenhafen and the Elbe.



“With great financial strength and extensive know-how, we continue to develop attractive projects across all asset classes together with our partners and cities, even in these turbulent times. In doing so, we always have the needs of the users in mind.”

HENRIE W. KÖTTER, CEO ECE WORK & LIVE

UBS DIGITAL ART MUSEUM AS A CULTURAL HIGHLIGHT

The cultural highlight of the new building ensemble with international appeal will be the UBS Digital Art Museum – Europe’s first museum for digital art of this size, based on the Japanese model. Hamburg’s digital pioneer and initiator Lars Hinrichs and his team were able to bring one of the world’s largest asset managers, UBS, on board as a strong partner and namesake for the project. In future, visitors will be able to lose themselves in the immersive artworks of the international artist collective teamLab for the first time in Europe on an area of around 6,500 m², in rooms up to ten meters high – without the usual distance between art and observer. //



from left: Henrie W. Kötter (CEO at ECE Work & Live) and Arndt Schwerdtfeger (Chief Technical Officer at ECE Work & Live).



A cultural highlight of TIDE: the UBS Digital Art Museum.

At the same time as the groundbreaking ceremony, sales of the condominiums in TIDE for the BEAT and PULSE towers began. The apartments offer good-sized living areas and bright, naturally lit spaces with floor-to-ceiling window elements, as well as exclusive design with various high-quality furnishing lines. Large window fronts, loggias, conservatories, and green balconies provide an unobstructed view of the water of the Baakenhafen and the Elbe.

HAFENCITY ECO-LABEL

In addition to direct public transport connections via the Elbbrücken subway and suburban railway interchange, the modern mobility services include numerous e-charging stations for cars and bicycles and an extensive car-sharing service. Thanks to the implementation of high energy standards, the use of renewable energies, a reduced-CO₂ construction method, the use of recyclable building components, and planning designed for barrier-free access, TIDE offers the highest level of user comfort and meets the sustainability standards of the platinum HafenCity eco-label.

A WELL-FUNDED FAMILY BUSINESS

A WELL-FUNDED FAMILY BUSINESS

KIRCHSEEON, NEAR MUNICH

PARTICIPATION AS A FACTOR FOR SUCCESS

In Kirchseeon, near Munich, ECE is working out the framework conditions for the vibrant expansion of the center of the village in a transparent and participatory process together with residents.

On the derelict site of a former railroad sleeper factory in the middle of the village, ECE is planning a multifunctional district with various forms of housing for around 3,000 people – supplemented by a variety of culinary options, retail, local amenities, commercial units, a clubhouse, a school, and a daycare center.

1,300

RESIDENTIAL UNITS FOR ALL GENERATIONS

A former water tower will be integrated into the overall concept.



- 2 new daycare centers
- 1 new school
- 1 community center
- 1 new underpass at the station
- 2 listed buildings are being renovated



16.5 ha

PROJECT AREA



DIRECT CONNECTION TO THE MUNICH SUBURBAN RAILWAY LINE



EXCLUSIVE RESIDENTIAL COMPLEX IN ROME

A GREEN OASIS IN A TRENDY METROPOLIS

A WELL-FUNDED FAMILY BUSINESS

- *Urban and green at the same time: spread over six buildings, up to 160 condominiums will be built in the west of Rome.*

45,000 m²

PLOT OF LAND

160

APARTMENTS



A WELL-FUNDED FAMILY BUSINESS

In the west of Rome, one of the most sought-after major European cities to live in, ECE Work & Live has acquired an attractive plot of land of around 45,000 m² in a joint venture with two established local partners. The plan is to develop an exclusive residential complex in a park-like location with six buildings and around 160 condominiums with a modern design featuring spacious balconies and terraces as well as up to four bedrooms. The project will benefit from the high demand for attractive new construction projects, which continues even in the current environment.

HIGH QUALITY OF LIFE

Whether it is couples, families, or singles – the new residential complex will be the ideal place for all those who love the unique flair of Rome and do not want to miss out on the

advantages of the historic city, but still want to live in a spacious environment with peace and quiet, enjoying the countryside and nature. Accordingly, the vibrant city center can be reached in 15 minutes by car, and the Mediterranean Sea in 24 minutes. In addition to the excellent location and good connections to public transportation, schools, a university, and stores for daily needs, the common areas of the residential complex also ensure a particularly high quality of life. These include a residents' lounge, a co-working area, and a gym, as well as inviting outdoor areas for residents to spend their free time, featuring large green spaces, a swimming pool, private fitness areas, and a special area for children. Construction is scheduled to start in 2024. //

15 min.

TO THE CITY CENTER BY CAR

24 min.

TO THE MEDITERRANEAN SEA BY CAR



BUILD-TO-RENT TREND

SUSTAINABLE RESIDENTIAL INVESTMENTS FROM ECE LIVING

Whether it is a fitness center, co-working space, or residents' lounge – the shared use of living, working, and leisure spaces is a sustainable trend that ECE Living addresses with suitable build-to-rent real estate solutions. The focus of its investments is on new residential districts in attractive locations within European cities such as Copenhagen and Birmingham, with compact, efficiently designed rental apartments and attractive communal areas tailored to the target group of young, urban professionals.

Birmingham

UPGRADE FOR ARENA CENTRAL

ECE Living is planning an extensive design update and an expansion of the common areas for the Arena Central build-to-rent property in Birmingham, which consists of two buildings up to 23 stories high. For this purpose, the existing spaces, including the entrance area, will be designed in a more modern and inviting way. In addition, an enlargement of the gym in a new location as well as spacious co-working areas and a residents' lounge and screening room are planned. The concept is rounded off by the planned inclusion of a café. Despite continuous full occupancy, the level of comfort and convenience for the tenants of the 324 residential units is to be significantly increased once again.



Build-to-Rent in Canada

CREATIVE DESIGN FOR TORONTO

As an ongoing project in Canada shows, it is not only in Europe that the expertise of ECE architects and designers is in demand when it comes to residential real estate. ECE's in-house creative agency Creative Design was commissioned by the Canadian real estate company Park Property Management Inc., a holding of the Otto family, to create design concepts for the common areas of six newly planned build-to-rent residential properties in and around Toronto.



The design experts have already created design concepts tailored to the respective property for four new-construction projects. Depending on the real estate, these include both communal indoor areas such as lounges, private dining areas, and fitness studios, as well as attractive outdoor terraces. //

Kopenhagen

APARTMENT COMPLEX WITH MORE COMFORT

In the build-to-rent apartment complex Njalsgade in Copenhagen's Bryggen Bastion district, which was acquired in 2022, ECE Living designed a new common area for the tenants of the property's 111 apartments at the beginning of 2023. The combination of residents' lounge, residents' kitchen, and co-working space also works perfectly as an event space.



● Example: The common areas of ECE Living's Build-to-Rent residential property in Manchester.

A WELL-FUNDED FAMILY BUSINESS

3 QUESTIONS FOR

JAN-HENDRIK WALLOCH

Managing Partner ECE Living

In 2022, ECE Living launched the ECE Better Living Europe Fund, which actively responds to social transformation processes and changing needs by specializing in contemporary, tenant-oriented residential offerings in growing major European cities.

#1

What makes the ECE Better Living Europe Fund special?

The fund is characterized in particular by its clearly defined investment focus: it invests in new build-to-rent residential properties well-thought out and practical floor plans and a tailored range of attractive amenities. The focus is clearly on the tenants' needs. Investments are only made in demographically and economically high-growth European metropolitan regions that have been identified in an in-depth analysis based on the ECE Smart Cities model. Housing is and will remain expensive

for the foreseeable future in major cities such as these, so an efficiently designed housing product can offer an attractive rental offer for tenants.

#2

How has the fund performed so far and what are the next steps?

Thanks to a trustful cooperation with the investors and the very good operating performance of the first investment properties – known as the seed assets – we have succeeded in establishing an attractive pan-European residential real estate fund with the ECE Better Living

Europe Fund during a challenging period. Due to almost constant full occupancy in the first quarters, we were able to justify the investor confidence placed in the product and in us with above-target payouts. Immediately after launch, three properties were acquired in central locations in Manchester, Leeds, and Copenhagen with a total of almost 1,100 apartments. Purchases in Germany and Poland are planned next. In addition, we are also looking to Southern Europe, as the dynamically growing major cities in both Spain and Italy offer attractive market opportunities.

#3

Which investors is the fund aimed at?

The ECE Better Living Europe Fund is aimed at institutional investors, such as insurance companies and various forms of pension funds, that particularly focus on payouts that grow over the long term and stable investment properties – an ideal field for build-to-rent residential real estate.

MESSECITY COLOGNE

WORKPLACE OF THE FUTURE IN A TOP LOCATION



135,000 m²

AREA

Where will work take place in the future? If you believe physical collaboration, communication, and interaction among employees bring added value, you need the right real estate for them. After all, only centrally located real estate with excellent connections that is perfectly suited to modern working environments will convince tomorrow's talents to stop working from home. And meeting the highest ESG standards in the process goes without saying.

MesseCity in Cologne is a perfect example of a modern office and working environment of the future. In a prime location between Koelnmesse trade fair center and Deutz train station, the new district offers an attractive mix of state-of-the-art offices, hotels, restaurants, retail, and leisure facilities.

The primary tenant is Zurich Gruppe Deutschland, which moved into its new headquarters with 2,800 employees in fall 2019. They are perfectly complemented by a Motel One, an Adina Apartment Hotel as well as the restaurants L'Osteria and The Ash.



The Central and Rossio office complexes will now be built in the eastern construction phase by 2025. Central has already been allocated to the auditing company KPMG. The Rossio office building in the eastern part of MesseCity will complete the development of the district.

AVAILABLE SPACE IN ROSSIO

There is currently 30,000 m² of office space still available in Rossio. The space in the five-to-ten-story building can be combined as needed, with areas ranging from 800 to 3,400 m² of total space per floor. In addition, an underground parking garage and attractive roof terraces are available. The project partners for MesseCity Cologne are ECE and STRABAG Real Estate. //

"We are eagerly looking forward to the completion of our new KPMG office in MesseCity. The location has excellent accessibility, is prestigious, offers a flexible infrastructure for our modern working environments, and will delight our current and future employees."

DR. LADISLAVA KLEIN, KPMG AG,
REGIONAL BOARD MEMBER WEST – COLOGNE

- The Rossio office building in the eastern part of MesseCity will complete the development of the district.

A WELL-FUNDED FAMILY BUSINESS

A WELL-FUNDED FAMILY BUSINESS



OPENING NEW LOGISTICS LOCATIONS

TAKING DYNAMIC STEPS ONTO THE INTERNATIONAL STAGE

The latest projects in our Logistics division demonstrate that with its real estate developments highly focused on flexibility and sustainability, ECE is ideally prepared to meet the requirements of tenants, investors, cities, and municipalities – and is now continuing its logistics success story on the international stage for the first time, starting in Poland.

3 QUESTIONS FOR

DR. JAN RÖTTGERS

Director Logistics & International at ECE Work & Live

#1

How is the logistics market developing?

Demand for quality, ESG-compliant, and efficient logistics space is very stable in many markets. But the environment is significantly more challenging than in previous years.

#2

What are the biggest challenges?

High construction costs and changes in the financing and investment market are also making logistics developments much more challenging at the moment. Added to this are the high demands for environmental and social compatibility in our projects, which we have imposed on ourselves with our ESG Code (see p. 60). In times like these, ECE's decades of experience and our equity strength are more important than ever.

#3

What are the next steps?

We are convinced that there will be stable demand for modern logistics centers in the major European economies where we have long been active with other products. We are now launching our first developments outside Germany in Poland, a dynamic market with high potential.

Successful handover:

DSV SOLUTIONS GMBH STARTS OPERATIONS IN HEILBRONN

The first logistics property developed by ECE in accordance with the "Effizienzhaus 40" standard has been completed. The long-term tenant is DSV Solutions GmbH, to which the building with an area of around 59,000 m² was handed over in full in May 2023.



TWO PROJECTS IN POLAND

Complete in-house development:

LOGISTICS CENTER KATY WROCŁAWSKIE, WROCŁAW

The first project in Poland is a 100% in-house development by ECE Work & Live. The 80,000 m² site near Wrocław is ideally connected in one of the strongest economic areas in Poland and is scheduled for completion by the end of 2024 with many ESG features and BREEAM certification.



A joint effort:

TERESIN LOGISTICS CENTER, WARSAW

In an established logistics location near Warsaw, ECE Work & Live is bringing local expertise on board for the planning, development, and construction management of the 50,000 m² logistics space with Polish developer Waimea. Here, too, the planned completion date is 2024.

40

LOGISTICS CENTERS COMPLETED

TOTAL AREA OF

2.1 Million m²

Complex brownfield revitalization:

LOGISTICS CENTER HAMBURG-BILLBROOK

In the immediate vicinity of Hamburg's city center, our first logistics center built entirely in accordance with the ECE's ESG Code is being constructed on a 45,000 m² site. Read more on page 60.



GREENWORKPARK NEAR BERLIN

SPACE FOR PIONEERS

Close to the Tesla Gigafactory in Grünheide near Berlin, ECE is planning the GreenWorkPark Grünheide on a former military site. This commercially oriented neighborhood development focuses on the use of renewable energies, the integration of green and forest areas, and supporting the use of bicycles and public transport. The basis for the successful conversion is a sustainable and community-oriented development approach.

Thanks to its central location in the Berlin-Brandenburg metropolitan region and good road and rail connections, the GreenWorkPark is an ideal location for logistics and production companies, as well as small and medium-sized enterprises and start-ups.

The master plan also envisages complementary uses from the fields of education, local amenities, and services, such as a municipal school and a university campus that promotes networking between companies and scientific institutions. The mix of uses,

excellent connectivity, and sustainable development approach make the GreenWorkPark attractive to companies and future employees alike.

OPEN AND TRANSPARENT COMMUNICATION

Of decisive importance for the further progress of the current development plan process and the successful completion of the overall project is the active participation of the public, the community and the local authorities. In order to involve the public in the planning process from the very beginning, several information events have already taken place since summer 2021. In this way, individual expertise, opinions and needs were taken into account in the development of the master plan. The constructive and regular exchange with the municipality of Grünheide also ensured effective coordination in the planning and implementation of the process. //

● *Companies in transition: Networking, digitization and sustainability create space for pioneers.*

- Industry, Production
- Light Industrial
- Office/Campus/Research & Development
- Local supply
- Educational Campus
- Residential



IMMEDIATE PROXIMITY TO THE A10, DIRECT TRAIN CONNECTION TO BERLIN (30 MIN)



IN THE CONCEPT PHASE, PLANNING PERMISSION ONGOING

500,000 m²

PLAN AREA

- *ECE is planning the GreenWorkPark near the Tesla Gigafactory.*



BUSINESS & LEISURE

SUSTAINABLE HOTEL CONCEPTS IN PRIME LOCATIONS

With more than 3,500 hotel rooms realized or planned, ECE is one of the top hotel developers. Whether it is business hotels in central locations in major and secondary cities with at least 500,000 overnight stays per year, or leisure hotels – ECE develops creative, tailor-made, and sustainable hotel concepts, always with an eye on the trends in the hotel market, the current requirements of the respective target group, and ESG criteria.

FOCUS ON EXISTING PROPERTIES AND INTERNATIONALIZATION

In addition to new developments, the further development and conversion of existing properties is playing an increasingly important role – including from a sustainability perspective. Current examples are the hotel development in Rome by ECE Work & Live (see on the right page) and the hotel repositioning in Venice by ECE Real Estate Partners (see p. 24). Thanks to an extensive network both in the hotel management scene and within the ECE Group, ECE is increasingly expanding its activities to other European countries. As in the other asset classes, partners receive all the services from a single source – from the first sketch to the handover of the keys.

● *Conversion of an existing property: In Rome, the ECE Work & Live converts an office building into a Ruby Hotel.*

ON APPROX.

7,000 m²

OF FORMER OFFICE SPACE

165

HOTEL ROOMS ARE BEING CREATED



Rome FIRST HOTEL DEVELOPMENT IN ITALY

In the heart of Rome: for the first time, ECE Work & Live is developing and realizing a Ruby-brand hotel in Italy, thus further expanding its development activities in this asset class on the international market. The plans provide for the conversion of a listed property from the early 19th century, which was used as an office building until recently, into a Ruby hotel with around 165 rooms.

The property is centrally located on Via Nazionale in the center of Rome and thus not far from the main train station Roma Termini in the immediate vicinity of many tourist attractions. Initial demolition work for the project has already begun. Construction is scheduled to start in the fall of 2023, with opening scheduled for spring 2025. The investment volume is around 60 million euros. //

“With our Lean Luxury concept, we aim to serve the rapidly growing demand in Rome for affordable luxury. We are delighted to be able to realize this project together with our long-standing partner ECE.”

CATHERINE HILT, GROUP SENIOR MANAGER FOR DEVELOPMENT AT RUBY

VENICE

STARTING SIGNAL FOR HOTEL REPOSITIONING



40 million € | **168**
FOR CONVERSIONS | ROOMS



GREAT SUCCESS FOR ECE REAL ESTATE PARTNERS:

The operator for the 140-million-euro Bonvecchiati hotel project in Venice has now been determined. The Palladium Hotel Group has signed a 20-year contract for the operation of the hotel by the boutique lifestyle brand Only YOU Hotels. The Bonvecchiati hotel ensemble was acquired by ECE European Lodging Recovery Fund in a joint venture with hotel developers Soravia and denkmalneue and is currently undergoing extensive renovation and repositioning.

Part of the renovation concept is to connect the Hotel Bonvecchiati and the Palace Bonvecchiati Hotel through an innovative design, to establish a central lobby, and to upgrade the shared courtyard, which will be the exclusive entrance to the future five-star hotel. With 168 rooms, it will be the largest high-end lifestyle hotel in the San Marco district – just a short walk from all the main attractions such as St. Mark’s Square, the Rialto Bridge, and the La Fenice Opera House.

The hotel will feature a spacious terrace overlooking the canal and a private jetty. Guests can enjoy the hustle and bustle of the popular Calle Goldoni and Calle dei Fabbri, linger in the two restaurants, visit several bars, the “Breakery” café, and the inviting lounge, or relax in the idyllic courtyard. The hotel is scheduled for completion by 2025.



The exceptional combination of a prime location, innovative architectural concept, and an area of approximately 10,000 m² attracted the interest of many international hotel operators. The decisive factors for signing the 20-year lease agreement with the Palladium Hotel Group and its boutique lifestyle brand Only YOU Hotels were the combination of a high-quality lifestyle concept and curated culinary offerings, as well as the international expertise and strong financial power of the Palladium Hotel Group. //

“The institutional lease agreement now signed fits perfectly with the value-added strategy of the ECE hotel fund. It is a hybrid lease agreement with an indexed, guaranteed minimum rent as well as a variable turnover rent. Fund investors therefore benefit from both inflation protection and upside potential after a capex of 40 million euros.”

ASCAN KÓKAI, PRINCIPAL AT ECE REAL ESTATE PARTNERS

A WELL-FUNDED FAMILY BUSINESS

ECE REAL ESTATE PARTNERS SUCCESS STORY

FROM A BOUTIQUE TO A BROAD-BASED REAL ESTATE INVESTMENT MANAGER

Since its foundation as ECE's fund management platform in 2010, ECE Real Estate Partners has successfully established itself on the market as an experienced and respected investment manager with continuous growth and consistent further development and professionalization – a real success story.

➤ **Strong and continuous growth in assets under management:** from an initial equity volume of 775 million euros in the first shopping center fund to more than 5.5 billion euros in market value assets under management today, or even more than 10 billion euros if the majority stake in Deutsche EuroShop held by CURA/Otto Family Office and the US private equity establishment Oaktree and managed by ECE Real Estate Partners is included.

➤ **Ongoing expansion and extension of the product portfolio:** with the launch of a total of five different funds, the ongoing purchase of further attractive shopping centers, and the expansion of the product portfolio to include investments in hotel properties (more on page 24).

➤ **Continuous expansion and broadening of the investor base:** to date, ECE Real Estate Partners has already raised more than 3 billion euros in equity capital from well-known leading international investors and has a global investor base that is approximately 50% German and 25% each from Europe and other areas, including Asia.

➤ **Consistent professionalization and institutionalization of activities:** in order to meet the constantly increasing regulatory requirements, ECE Real Estate Partners became one of the first fund managers to be licensed as an Alternative Investment Fund Manager (AIFM) in 2014.

● The Adigeo in Verona.



● The Parque Principado shopping center in Oviedo, Spain.

7 COUNTRIES | 4 SHOPPING CENTER FUNDS | 1 HOTEL FUND

5.5 billion € OF MANAGED FUND ASSETS



3 QUESTIONS FOR

DR. VOLKER KRAFT
Managing Partner ECE Real Estate Partners

#1
Since its foundation in 2010, the investment activities of ECE Real Estate Partners have become more and more extensive. What have been some of the particular highlights of the last few years?

The last few years have been characterized by strong growth for us. Following our first closed-end shopping center funds, we launched an open-end fund with an unlimited term in 2019, and in 2020 we launched our first preferred equity fund and issued a bond with an investment grade rating for the first time. In 2021, we expanded our product portfolio to include hotel properties and finally, in 2022, we assisted in the acquisition of the listed company Deutsche EuroShop AG by CURA and Oaktree. We are in the process of transforming ourselves from an investment boutique to a broad-based real estate manager – and we intend to continue growing.

#2
What has changed most since then?
With a team of 20 employees based in Luxembourg, we now provide all services related to fund management, risk management, compliance, accounting, legal, and marketing in-house. The regulatory environment has become increasingly complex over the past decade, forcing many smaller fund managers out of the market as they can no longer meet the more stringent requirements. That trend will intensify with the emerging regulatory environment around all ESG issues. However, as part of the ECE Group, we are ideally positioned to meet these challenges and to succeed as a professional investment manager in this area, too.

#3
But there were also challenges to overcome, right?
Yes, for example, we were one of the first fund managers to venture into the market after the global financial crisis. And of course the coronavirus lockdowns did not leave our center portfolio unscathed either. But our properties did very well even during the crisis, and showed stable performance. In the long term, the pandemic has massively accelerated the polarization in the market: strong, well-positioned shopping centers are performing very stably and will continue to be successful, even in a difficult market environment. PEP in Munich, which we have just acquired with our partner Generali, is an excellent example of one of the winners of this structural transformation.

FUTURE SHOPPING CENTERS

QUALITY IS KEY

Changes in consumer behavior, the coronavirus pandemic, inflation, energy cost increases, and ESG requirements are creating major challenges for retail real estate in particular. With that in mind, in the next few years the wheat will increasingly be separated from the chaff: which locations have a bright future as retail properties? And which ones will have to be fundamentally changed and converted?

More than ever, a first-class location, excellent management, and continuous development are decisive for the future of a commercial property. That means: always staying up-to-date with the latest state of the art, optimizing, modernizing, or even repositioning, and doing so in the ideal way for the location and customer structure.

That is ECE's exact approach. The company is currently developing the portfolio of shopping centers it manages in a sustainable, future-ready way with construction and planning investments of more than 400 million euros. At all times, the strategic goals of the investors, the changing demands of center guests, and ESG criteria are kept in mind. Value retention and value increases through further development are the recipe for success. >

3.4 million

VISITORS DAILY IN THE ECE SHOPPING CENTERS

> 400 million €

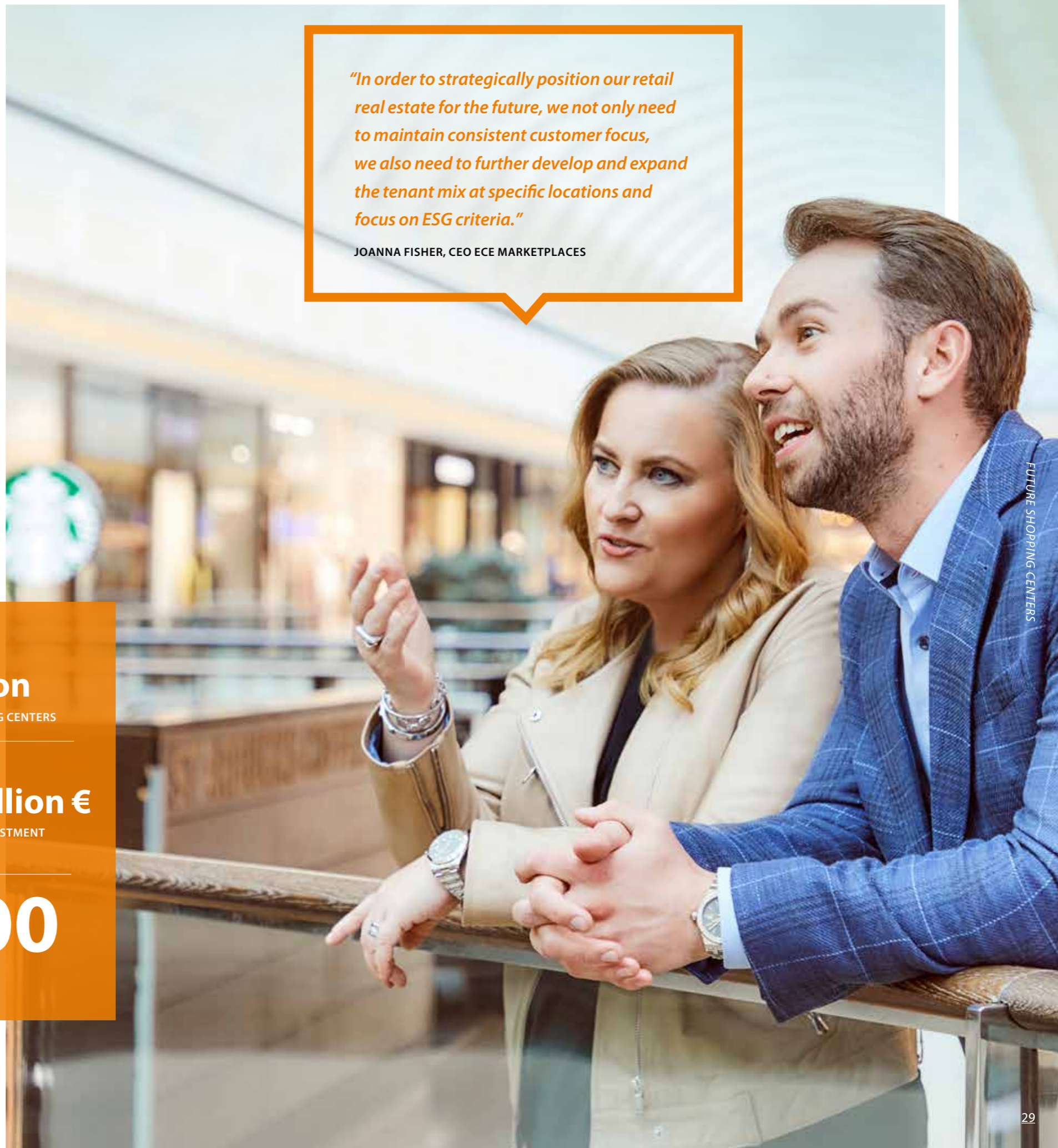
CONSTRUCTION AND PLANNING INVESTMENT IN THE CENTER PORTFOLIO

around 200

SHOPPING CENTERS MANAGED

"In order to strategically position our retail real estate for the future, we not only need to maintain consistent customer focus, we also need to further develop and expand the tenant mix at specific locations and focus on ESG criteria."

JOANNA FISHER, CEO ECE MARKETPLACES



FUTURE SHOPPING CENTERS

FUTURE SHOPPING CENTERS

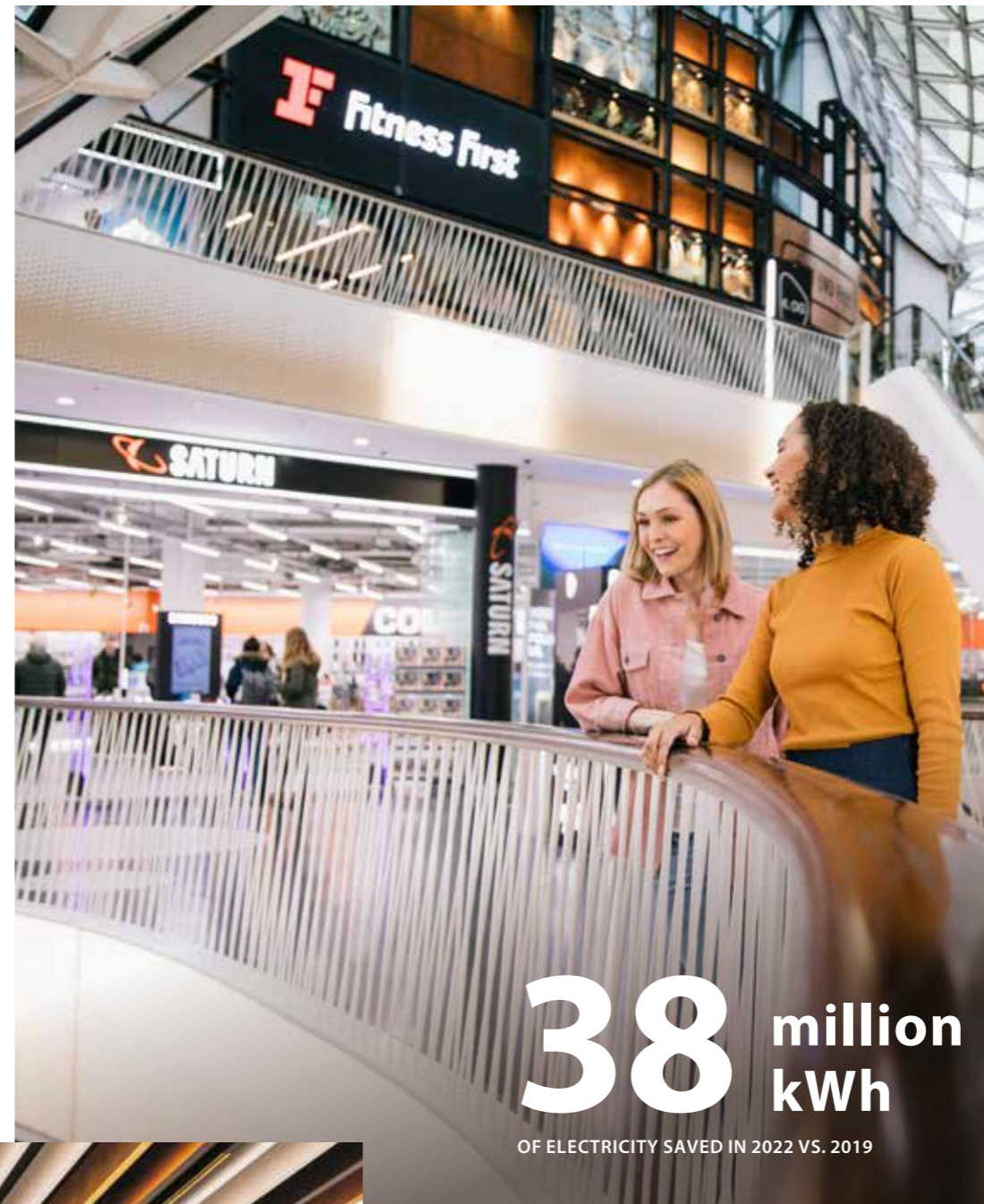


- Start-ups and single-outlet retailers also consider pop-up stores, for example, as the ideal platform for presenting their concepts.

GOOD, PROFESSIONALLY MANAGED SHOPPING CENTERS HAVE A FUTURE

A clear signal to the market is the most recent transaction by the company's own fund management company, ECE Real Estate Partners: together with Generali Real Estate, it has acquired the PEP shopping center in Munich as part of a 50/50 joint venture – one of the top 5 shopping locations in Germany, which has been managed by ECE for over 30 years and was extensively modernized and expanded between 2016 and 2018.

The Otto family also demonstrated its confidence in the future potential of this asset class together with the US financial investor Oaktree when they acquired a majority stake in the Deutsche Euro-Shop shopping center of Shoppingcenter-AG in 2022. A clear commitment to the future of brick-and-mortar retail.



NONRETAIL AND MIXED USE

Thanks to their adaptability, shopping centers, unlike department stores or highstreet properties, are able to react flexibly to new trends and requirements. They provide large international retailers with space for growth and expansion. But start-ups and brands also consider pop-up stores and center stands as the ideal platform for the presentation of their concepts.

Equally important, however, are service and quality of visit, as well as complementary offers ranging from catering and food to entertainment, leisure and sports, nonretail, and mixed use. Additional offerings create new reasons to visit and bring in new target groups. The trick is to find the right mix of usage modules for each location. In many places, this also includes a good range of local amenities.

How this works at completely different locations is demonstrated by ongoing ECE projects in Berlin (page 32), Vienna, Remscheid (page 34), Frankfurt am Main and Odense (page 35). //

FUTURE SHOPPING CENTERS

FUTURE SHOPPING CENTERS

“PEP in Munich stands out as a winner in the increasingly polarizing shopping center landscape. It is therefore an excellent fit for our ECE Progressive Income Growth Fund, which comprises a two-billion-euro portfolio of outstanding shopping centers in Europe.”

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



- PEP in Munich is one of the top 5 shopping locations in Germany.

2,240

RETAIL LEASES CONCLUDED IN 2022

7 million m²

SALES AREA ACROSS ALL ECE SHOPPING CENTERS

20,000

SHOPS ACROSS ALL ECE SHOPPING CENTERS

> 553,000 m²

RETAIL SPACE LEASED IN 2022

THE PLAYCE BERLIN

HIGH-STREET FLAIR IN THE HEART OF BERLIN

On the site of the former Potsdamer Platz Arkaden, ECE and Brookfield Properties have created the completely new "The Playce." The new hotspot in the heart of Berlin presents shopping, culture, and culinary delights on an international level, surrounded by modern center architecture with impressive two-story facades, which offers large-scale presentation possibilities for tenants. The opening of the building to the outside creates a flowing transition to the surrounding Potsdamer Platz district.

ATTRACTIVE TENANT MIX

Spread over 46,000 m² in 6 building complexes, The Playce presents offers and flagship stores from international brands in the fields of fashion, lifestyle, food, and entertainment.



FUTURE SHOPPING CENTERS



Among the highlights is the first NBA Store in Germany – at almost 1,000 m², it is also the largest in Europe. Another highlight in the new tenant mix: the first European family entertainment center "Mission: Play!" from US toy brand Mattel. On an area of over 4,000 m², visitors will be able to discover and enjoy the well-known Mattel brands such as Barbie, Hot Wheels, and Mega Bloks up close in specially designed areas.

* There are two independent companies with the name Peek & Cloppenburg in Germany with their headquarters in Düsseldorf and Hamburg. This information relates to Peek & Cloppenburg KG, Düsseldorf.



4,400 m²

CATERING AND EVENT SPACE OVER 2 FLOORS

 **22**
RESTAURANTS

 **4**
BARS

The fact that sustainability is becoming increasingly important is demonstrated by Peek & Cloppenburg Düsseldorf* with its P&C Conscious Fashion Store. The company's first store for more conscious fashion combines trends with more sustainable retail across 3 floors and an area of 3,000 m². True to the motto: "Not perfect, but better every day."

MANIFESTO – EUROPE'S BIGGEST FOOD HUB

Culinary highlights are available in the Manifesto Market. In a total of 22 restaurants and 4 bars on 4,400 m², spread over 2 floors, Europe's largest food hub offers trendy design, a great ambience, and a wide range of international dishes. The unique concept by Martin Barry, founder and CEO of Manifesto Markets, brings together culinary experiences and cultural and lifestyle events, as well as education and entertainment, to transform places into unforgettable destinations. //



● Manifesto – Europe's biggest Food Hub over 2 floors with 22 restaurants und 4 Bars.



WHERE RETAIL COMES TOGETHER

A special feature for the B2B sector is the **Retail Garage**, a joint project from Mittelstand-Digital Zentrums Handel, HDE, and EHI, which highlights innovations in the retail sector, especially in the area of digitization.

THE RIGHT CONCEPT FOR EVERY LOCATION

PERFECT MATCH!



3,000 m²
OUTDOOR SPACE

G3 Shopping Resort near Vienna #SPORTS & STORES

Just outside Vienna, the G3 Shopping Resort Gerasdorf will open its new world of sports and outdoor adventure in June 2023: it offers an indoor space of 5,000 m² and a 3,000 m² outdoor area to try out and experience products. Features include a pump track for bikes, skates, boards, and scooters, a climbing wall, a Shoe Trail, bike test tracks, and motor skills and play areas for children. With retailers such as Snipes, Moreboards, and Intersport with its "Home of Bikes" concept, ECE has enhanced the retail offering of the G3 with its more than 130 stores. In addition, an exclusive G3 sports and outdoor multibrand store offers retailers and manufacturers the opportunity to present their brands and products without the need for personnel or furnishings. The ECE Progressive Income Growth Fund invested around 12 million euros in the further development of the center.

FUTURE SHOPPING CENTERS

Allee-Center Remscheid #STRENGTHENING THE REGION

The example of the Allee-Center Remscheid – one of the first inner-city shopping centers in Germany when it opened in 1986 – shows that it is not always necessary to come up with extraordinary concepts to increase the value of a center. The majority of the 25 million euros that asset manager DWS is currently investing in the shopping center on behalf of one of its real estate funds is being used for restructuring and modernization. New stores such as Edeka and Aldi Nord are strengthening the local amenities. Also new: TK Maxx. The investment in the location is setting the course for the future of the Allee-Center, the city center, and the entire region.



Skyline Plaza #MODERN, DIVERSE, URBAN

Opened in 2013, Skyline Plaza has benefited from the completion of Frankfurt's Europaviertel in recent years; the subway connection will follow by the end of 2025. ECE is currently working with the owners on an expansion of the sector and tenant mix under the motto "the SKYLINE – the ONEXPECTED."

The focus is on the second floor. The plan is for the successful Skygarden to be complemented by other focal points such as casual dining, mobility, sports, home, and family, as well as a "discovery area." A direct connection to the Skygarden via a glass elevator from the first floor is planned. The new concept is scheduled for completion by mid-2026.

26,000
VISITORS DAILY



Rosengårdcentret Odense #DENMARK'S BEST MARKETPLACE

Excellent performance: Rosengårdcentret in Odense, Denmark, offers its guests a perfect shopping experience with 160 stores on 100,000 m² of leasable space. The attractive mix of retail and entertainment is also perfectly rounded off by the new "food avenue." More than 6.5 million people visit the shopping center on the island of Funen every year. Over 21.5 million euros have been invested in the refurbishment of Rosengårdcentret, which opened in 1971. Tenants include Zara, Intersport, and H&M. The Swedish textile group not only recently renewed its contract, but, with Monki and Weekday, also opened two more stores at Rosengårdcentret.

FUTURE SHOPPING CENTERS

SHOPPING & INDULGENCE

FOOD OASES AS CROWD-PULLERS

Shopping and food are a perfect combination. Nowadays, attractive and trendy culinary offerings play an important role in a successful visit to a shopping center. With that in mind, new and exciting food concepts in centers are a worthwhile future investment.

The positive effect that a tailored culinary and experience concept can have is demonstrated by the successful development of the footfall figures of the FOODTOPIA level in the MyZeil shopping center in Frankfurt, which have increased considerably since its opening in 2019. One of FOODTOPIA's goals was to create a new attraction in the shopping center and thus sustainably revive the fourth floor – which has been successfully achieved.

 In May 2023, MyZeil also won the Design Award for FOODTOPIA at the Europe Council of Shopping Places Awards.

15%



INCREASE IN TURNOVER OF THE CULINARY SECTOR IN ECE SHOPPING CENTERS IN GERMANY IN Q1/2023 VS. Q1/2019

81%



USE CULINARY OFFERINGS WHEN VISITING A SHOPPING CENTER*

78%



SEE THE CULINARY DIVERSITY AS AN ADVANTAGE OF SHOPPING CENTERS COMPARED TO OTHER RETAIL NEARBY**

Main-Taunus-Zentrum

CULINARY HOTSPOT WITH THE BEST VIEWS

A "Foodgarden" rather than a department store: to replace the demolished Karstadt building, the Main-Taunus-Zentrum (MTZ) in Sulzbach near Frankfurt am Main, which is one of Germany's largest and biggest-selling shopping centers, is gaining a new attraction. The new Foodgarden, situated in the heart of the open-air shopping center on a 7,000 m² area, will offer a vibrant and urban center with a diverse range of high-quality restaurants and food outlets.

REGIONAL AND INTERNATIONAL CUISINE

The plan includes five free-standing restaurant buildings with a combination of covered and open terraces, attractively landscaped outdoor areas, and elegant architecture. These establishments will offer a mix of regional and international cuisine, along with additional delicatessen offers, enhancing the high-quality retail mix at MTZ and further improving and extending the quality and duration of visit, respectively. The strategic development of the shopping center is being supported by Deutsche EuroShop and a closed-end real estate fund, with an investment of approximately 20 million euros by the owners. //

7,000 m²

FOODGARDEN WITH A VARIED RANGE



"In 2013, we opened our second ever branch in the Main-Taunus-Zentrum and have experienced continuous growth since then. ECE has been a strong and reliable business partner over the years, particularly during our initial phase as a start-up, when they provided us with invaluable advice and support."

MASOUD KAZEMIAN, FOUNDER AND MANAGING DIRECTOR OF CHIDOBA – MEXICAN GRILL



* In-person survey of 50,687 visitors to German ECE shopping centers between August and November 2022.

** Germany-wide online survey from March 14–28, 2023, with 597 shopping center visitors surveyed.

IMPRESSIVE GROWTH

FOOD RETAIL AND ECE SHOPPING CENTER SHARE SUCCESS

Whether supermarkets or discounters, food retailers play a vital role in meeting daily needs and attracting additional customers to shopping centers. Furthermore, during the pandemic, they were one of the decisive factors that allowed shopping centers to remain open. And their importance as a key component in the sector mix has not diminished: sales in the food sector in ECE shopping centers during Q1 2023 increased by 8.2% compared to Q1 2019.

STRONGLY POSITIONED FOR LONG-TERM EXPANSION OF LOCAL AMENITIES

Particularly in neighborhood centers, which play an important role in supplying the surrounding population, supermarkets and discounters meet everyday requirements with their range of products.

"With its crucial function of supplying essential goods, food retail serves as a fundamental building block of our shopping centers that we are continuously strengthening. With our team of experts, we are in an ideal position and are establishing valuable cooperation with significant existing tenants, including Aldi, Edeka, and Rewe, who serve as major anchor tenants with large-area retail units."

HELLMUTH RATHGEBER, DIRECTOR OF CENTRAL TENANT MANAGEMENT AT ECE MARKETPLACES

+8.2%

SALES GROWTH IN THE FOOD SECTOR IN ECE SHOPPING CENTERS IN GERMANY IN Q1/2023 VS. Q1/2019



These examples demonstrate the progress being made:



STRATEGIC PARTNERSHIP WITH ALDI BEARS FRUIT:

The partnership with Aldi was further intensified in 2022. Aldi Nord opened two stores in Berlin in the halls at Borsigturm and in the Linden-Center. In 2023, Aldi Süd is opening a store in the Isenburg Center near Frankfurt am Main.

30% MORE SPACE FOR REWE IN THE SOUTH OF HAMBURG:

One of the most recent leasing successes involves the extension of Rewe Nord's lease at the Phoenix-Center in Hamburg-Harburg for a further ten years. Moreover, Rewe Nord's total lease area in the Phoenix-Center will be expanded by approximately 470 m², reaching a total of around 2,150 m².

EDEKA MAKES SEVEN-FIGURE INVESTMENT IN THE OEZ:

The anchor tenant Edeka has given a strong vote of confidence to the Olympia-Einkaufszentrum (OEZ) by extending and renewing the lease agreement for the 3,000 m² space ahead of time, securing a long-term commitment. Edeka's seven-figure investment in the modernization of the store further demonstrates their commitment to the location.



MORE THAN SHOPPING

NONRETAIL AS A PERFECT SUPPLEMENT

Brick-and-mortar retail remains the core of shopping centers. Equally important are the presence of restaurants and the availability of leisure, entertainment, and sports facilities. However, for a long time ECE has also been working on establishing supplementary nonretail options, such as in the areas of health, work, or living, that can be perfectly combined with shopping. By incorporating these nonretail offerings tailored to the location, shopping centers can create new incentives for visitors and attract new target groups. This dynamic creates a win-win situation for both investors and new and existing tenants.



MEDICAL/WELLNESS

From doctors' and physiotherapists' practices to blood donation centers and wellness facilities. Ongoing construction projects include a health center in the Linden-Center Berlin and a MyWellness location at the Waterfront in Bremen.



CO-LIVING

From regular apartments to serviced apartments and hotels. One attractive example are the serviced apartments from Limehome in the Zwickau Arcaden.



EDUCATION / GOVERNMENT

From community services to daycare centers, and student aids to music schools. One notable example is the Fröbel organization, whose daycare facilities in several ECE shopping centers have been well received.



CO-WORKING

From large office complexes to smaller office units and co-working spaces. The Europa Passage in Hamburg, for example, is home to a WeWork location.



THE HEALTH MEGATREND

Health is a megatrend that is also playing a role in the real estate sector. Healthcare properties such as medical practices, clinics, and medical health centers are booming and, together with long lease terms and constant rent levels, represent attractive investments. ECE has been leasing to numerous local medical practices for 20 years. Now, the team is expanding its cooperation with nationally active tenants in the medical and wellness sector, such as CSL Plasma or MyWellness, to also successfully establish them in store spaces within centers.



> 400

TENANTS FROM THE MEDICAL SECTOR

> 10

TENANTS WITH GERMANY-WIDE EXPANSION PLANS

> 20,000 m²

OF MEDICALLY USED SPACE UNDER MANAGEMENT

75%

OF RESPONDENTS FIND THE APPROACH OF CONNECTING MEDICAL FACILITIES TO SHOPPING CENTERS GOOD*

THREE STEPS TO LEASE:

- #1 QUICK CHECK
on the suitability of the available space
- #2 FEASIBILITY AND MARKET STUDY
for the preparation of a cost estimate and identification of suitable space for the nonretail provider
- #3 IMPLEMENTATION
with renovation, marketing, and leasing of the space



* Population-representative, Germany-wide online survey from February 6–13, 2023 with 1,292 respondents.

A PLATFORM FOR TOP BRANDS

SHOPPING CENTERS: FLEXIBLE SPACES FULL OF OPPORTUNITIES

Shopping centers offer a special environment for shopping and experiences. Numerous well-known brands put their faith in the attractive mix of an affluent clientele, high visitor footfall, and the mutually stimulating combination of retail, culinary offerings, and entertainment. This is confirmed by the 3.4 million visitors each day to the 200 ECE shopping centers in top locations in Germany and abroad.

Under one roof, top-quality shopping is combined with flexible opportunities for strong sales. In addition to sales-promoting, weather-independent conditions such as a bright, clean ambience, uniform opening hours, service offerings, and perfect infrastructure, shopping centers offer their tenants numerous other advantages. These include digital

and analog advertising options at the point of sale, omnichannel offerings, target-group-specific marketing along the customer journey, and in-house research activities.

**A VERY SIGNIFICANT PLUS POINT:
A FLEXIBLE SHELL FOR SCALABLE CORPORATE SUCCESS**

- > Permanent options for enlarging or optimizing store space are available, both for individual locations and expansion projects.
- > These expansion options are made possible by the international network of 200 centers with a single point of contact: ECE.

WHAT VISITORS APPRECIATE ABOUT SHOPPING CENTERS:*

94 %

EVERYTHING UNDER ONE ROOF

94 %

SHORT DISTANCES BETWEEN STORES

NO PLACE IN GERMANY IS MORE THAN

45 min.

AWAY FROM THE NEAREST ECE SHOPPING CENTER

91 %

WEATHER-INDEPENDENT

89 %

GOOD PARKING FACILITIES

93 %

LARGE SELECTION OF STORES

* Compared to other nearby brick-and-mortar retail. Population-representative online survey in all ECE countries among 4,756 shopping center visitors from March 14–28, 2023.

FUTURE SHOPPING CENTERS

FUTURE SHOPPING CENTERS

CURRENT SUCCESS STORIES



LIDS A sporty start in Europe

Lids, the largest licensed sports retailer in North America, concluded ten lease agreements in 2022 for stores in ECE shopping centers, including the first NBA store in Germany, which opened in November 2022 at "The Playce" in Berlin. A strong market entry in Germany in partnership with ECE.



RITUALS International expansion

The Dutch cosmetics and lifestyle brand Rituals, with over 70 stores in ECE shopping centers across Germany, Austria, the Czech Republic, and Poland, recently opened its latest store in the Silesia City Center in Katowice, Poland.



CALZEDONIA Shopping center network as a platform

In 2022, the Italian clothing group Calzedonia concluded no fewer than nine new leases with ECE for its brands Calzedonia and Intimissimi.



DEPOT Testing of new product line in pop-up space

The well-known chain store Depot has used the option of a pop-up space to test a new product line. Long-term partners are just some of those benefiting from this exciting way to enter the center environment.



REWE A whole shopping center as advertising space

Inside, outside, above, below – our shopping centers are not only excellent sales platforms, but also advertising platforms for brands to capture attention. Rewe, for example, used the extensive advertising space to celebrate the opening of its newly designed store in the Elbe shopping center with large posters, banners, and floor and escalator stickers.



LE BURGER German market entry with ECE

The Viennese burger producer Le Burger, already represented in Austria at the ECE Center DEZ in Innsbruck, among other locations, has chosen the ECE-managed Olympia-Einkaufszentrum in Munich for its first restaurant in Germany, offering customers a new culinary highlight from Austria to enhance their shopping experience.



ZARA From the high street to shopping centers

In both Essen and Regensburg, the Inditex brand Zara is expanding and moving from the high street to store spaces twice as large in the Limbecker Platz Essen and Regensburg Arcaden. In addition, Zara opened its largest and most modern flagship store in Parque Principado, Spain, on an enlarged space in March 2023.

DIGITAL STRATEGY

FOCUS ON THE CUSTOMER

Advancing digitization, higher standards of data protection, the consequences of the pandemic, war in Europe, consumer reticence, insolvencies, and consolidations – various issues are forcing retail to adapt its strategies on an ongoing basis. In an interview with #Future-Forward, Sebastian Baumann, Head of Digital Business & Innovations at ECE Marketplaces, explains what changes he is seeing in retail and what influence this has on ECE's digital strategy.

Mr. Baumann, for several years ECE has been pursuing the approach of positioning its shopping centers as omnichannel hubs. Is this strategy sustainable and future-proof in a world of online and offline retail?

Absolutely. As omnichannel hubs, our shopping centers play a central role in customers' shopping journeys. They combine the best of both worlds: easy access, short distances, fast availability, and a

wide selection, along with additional services such as food and entertainment. Each shopping center is like a large depot in and of itself. By viewing the shopping centers as micro-hubs, we not only increase sales for retailers and offer faster delivery times to customers, but also contribute to reducing CO₂ emissions by minimizing distances. Through strong partnerships, we aim to further support omnichannel commerce in our shopping centers.

What changes in online retail are you seeing?

Online marketplaces have exhibited strong growth in recent years. Brick-and-mortar retailers have been focusing on marketplaces to expand their offline business through additional online sales. However, since the end of last year, we have witnessed significant changes: marketplaces are striving to become profitable and have increased their fees drastically. As a result, it has become increasingly challenging for retailers to operate profitably on these platforms. Additionally, many retailers have shifted their focus back to physical stores since the end of the pandemic.

So is omnichannel becoming less important?

I don't see it that way. On the one hand, there are still a considerable number of retailers who can offer specific product ranges profitably on marketplaces. On the other hand, many retailers have invested in their own infrastructure in the meantime and can operate independently of marketplaces. Omnichannel is here to stay.

CONSUMER ECOSYSTEM

Linking all touchpoints in the customer journey



● Sebastian Baumann
Head of Digital Business & Innovations
at ECE Marketplaces.

What does that mean for ECE's digital strategy?

We have achieved our initial goal of making brick-and-mortar retail suitable for marketplaces – the pandemic certainly acted as a positive catalyst for that. Our focus now shifts to our second goal: how can we understand our visitors as well as online retailers understand their customers? And how can our tenant partners benefit from that?

How will that work?

We are currently working on an overarching B2C digitization strategy – our "Consumer Ecosystem." The aim is to digitize our customer relationships and collect as much customer data as possible while complying with data protection laws. This will allow us to gain a bet-

ter understanding of our customers, provide them with personalized content and offers, and foster long-term engagement with the shopping center. The Consumer Ecosystem includes various modules to enhance customer loyalty to the shopping center, such as a consumer app with loyalty and parking functionalities, as well as new personalization features on our websites. The Digital Mall will be an integral part of this strategy and will provide customer orientation and valuable insights about customers.

What does the future hold for the Digital Mall?

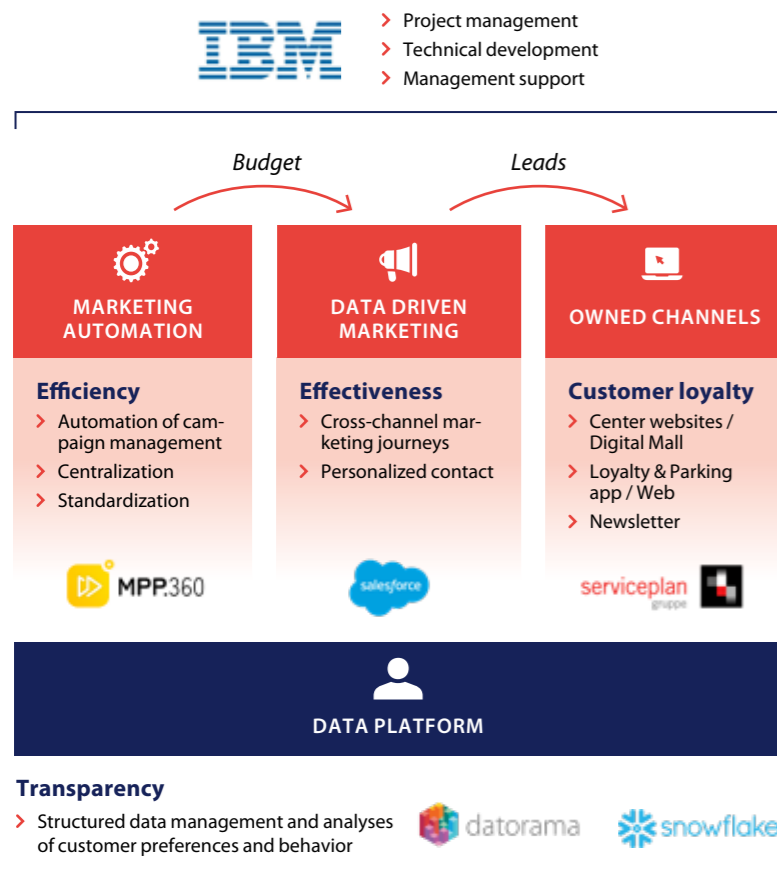
The Digital Mall was an initial step in making retailer product ranges visible online. With nearly 100 participating retailers and over 3 million products, it has been successful.

Our user analyses have shown that customers are particularly interested in curated content pages, such as fashion tips, and special promotions.

With that in mind, we will focus the Digital Mall on these two areas in future: curated content related to retailers in our shopping centers and regular special product-price promotions for our most important customer groups throughout the year.

B2C MARKETING WITH STRONG PARTNERS

Optimal use of marketing budgets through data-driven processes



360° SPECTRUM OF EXPERTISE

MUCH MORE THAN "CORE BUSINESS"

ECE offers all relevant real estate services from a single source. In doing so, it can draw on a wealth of experience. Many of its services go far beyond its core business. They are the decisive piece of the puzzle in the mosaic of competencies for sustainable success.



Mall Marketing

Promotional space, advertising banners, or pop-up areas: the mall marketing experts at ECE translate retailer strategies into effective advertising at the point of sale.

Compliance

ECE is a founding member of the Institute for Corporate Governance in the German Real Estate Industry and is one of the 19 certified companies. In 2023, the third recertification was successfully completed. With the anonymous BKMS notification system, ECE already meets the future legal requirements.

Parking and mobility

ECE is one of the largest parking garage operators in Germany and takes care of all management of the parking sites.

122 parking garages **177,500** parking spaces



Sanctions list check

Through the introduction of a specialized SAP tool, ECE is able to fully screen business partners for existing EU sanctions. Since the beginning of the sanctions against Russia, two existing business relationships have been identified and ended.



Architects and engineers

Whether it is development studies, master plans, (energetic) refurbishments, reuse concepts, or project management: the architects and engineers at ECE know how to create and maintain value.

Research

Market research, data analysis, and geo-research: the in-house Research department makes it possible to take decisions on the basis of valid data.

Junior staff training

The systematic training of junior staff at ECE has enjoyed an excellent reputation for decades, and ECE was once again recognized as one of the top ten employers in the real estate industry in 2022. That same year, ECE employed approximately 100 young talents, including around 20 apprentices, trainees, and coop-ed students. As an example, in the Real Estate Management trainee program, young people spend four months each in asset management, center management, and leasing before choosing a six-month specialization phase.



Work with associations

ECE is actively engaged in real estate and trade associations to advocate for the interests of its investors and tenant partners in ongoing decision-making processes. Recent focal points have included the management of the coronavirus and energy crises, as well as compliance with ESG regulations. Joanna Fisher, the CEO of ECE Marketplaces, serves as the Chair of the European Council of Shopping Places (ECSP), while former ECE managing director Dr. Andreas Mattner holds the position of President of the ZIA.



Real estate financing

Whether it is short-term development financing or long-term portfolio financing: ECE is networked with the major real estate financiers worldwide and provides support for an annual closing volume of around one billion euros.



Insurance

Tailor-made insurance packages and close cooperation with leading insurance companies have become increasingly important in light of changing risks and rising premiums. ECE Versicherungsservice, established in 2009, offers suitably specialized services. In collaboration with Chubb, ECE has been testing IoT solutions for the prevention of water damage since 2021. Additionally, ECE is currently developing a tool for assessing climate and location risks together with Swiss Re.

Central purchasing

ECE procures standard services such as escalator and elevator maintenance, security, and cleaning, as well as Christmas decorations, electricity, and gas, centrally and thus at more favorable conditions. Securing electricity prices early on has been particularly beneficial in relieving ancillary costs. Additionally, ECE leverages synergies in advertising campaigns, photo shoots, and promotions, in order to make particularly efficient use of available resources.

10 YEARS OF SUCCESS IN CHINA

DESIGN AND CONCEPTS FOR A GROWING MARKET

29

PROJECTS IN CHINA
IN 12 CITIES



FUTURE SHOPPING CENTERS

ECE has had an architecture team in the “Middle Kingdom” for 10 years, and has already successfully implemented 29 projects in 12 cities. In 2019, ECE established its own subsidiary in Shanghai.

In addition to facade design and interior design, the Asia design team also focuses on storytelling: Chinese shopping centers tell cultural stories from the respective region. Thanks to a broad range of entertainment and edutainment, they also become “points of experience.”

In addition, ECE is also active in Asia as a neighborhood planner and provides comprehensive real estate planning, urban planning, and architectural services – for everything from individual shopping centers and their surroundings to master planning for entire city districts, always starting from retail functions as the hub of all uses.

- Currently under development: the Jufeng Road project – the largest commercial project in downtown Shanghai.

3 QUESTIONS FOR

XIN LU

Director Asia Business at
ECE Group Services

#1

What was ECE’s first major milestone in China?

After smaller consulting activities, our first major project was when one of the largest Chinese project developers, Vanke, commissioned us with the development of the important Qibao Vanke Plaza shopping center in Shanghai in 2014. Our service covered not only the design of the full architecture, but also the development of the interior design. The opening of the center in 2016 was a huge success, with 25 % higher average rent than expected. With this project, which became the benchmark for Vanke, we became well-known in China and were able to secure many new contracts.

#2

How do Chinese shopping centers differ from European ones?

In China, the focus was on a particularly broad sector and tenant mix from a very early stage. Restaurants and entertainment, for example, played an important role right from the start, as did omnichannel and digitization. Since families are very important in China, shopping centers also have extensive play and entertainment facilities for children. In addition, there are many new, innovative ideas that ensure high levels of visitors – in terms of the culinary options, for example.



- Nanxiang Incity Mega: The first shopping center in China to feature a botanical garden.

#3

What projects are you currently working on?

We are currently planning the architecture and design for a new shopping center in Shanghai, together with an office building and apartments, for the investor GIC from Singapore. With a total area of 220,000 m², this will be the largest commercial project in downtown Shanghai. We are also providing extensive urban planning services for new neighborhoods, such as the West Bund Quarter near the center of Shanghai, and the new Optical Valley district in Wuhan. In addition, of course, we are also looking at how the retail real estate market is developing in other Asian countries, in order to offer our service portfolio beyond China.

FUTURE SHOPPING CENTERS

Approx. **40%**

OF ECE PROPERTY CONTRACTS
HAVE A GREEN LEASE AGREEMENT

129

CERTIFICATES ACCORDING TO DGNB, LEED,
AND BREEAM FOR ECE PROPERTIES

ROUGHLY

126,500 t

CO₂ SAVINGS THROUGH GREEN ELECTRICITY
IN GERMANY IN 2022



ESG: CONCRETE SOLUTIONS AND HIGH STANDARDS

ACHIEVING AMBITIOUS GOALS FASTER

“EPBD, CSRD, SFDR – the real estate industry has to face numerous EU requirements. We want to play an active role in shaping these so that the measures lead wisely, sensibly, and efficiently to a transformation into a sustainable economy.”

MARIA HILL, DIRECTOR CORPORATE SUSTAINABILITY & CORPORATE COMMUNICATIONS, ECE GROUP SERVICES

Real estate plays a decisive role on the path to climate neutrality, as about one-third of CO₂ emissions are caused by the operation of buildings. With that in mind, ECE has developed demanding standards and concrete solutions to achieve the climate targets in all business areas.

The EU has anchored a climate-neutral Europe by 2050 in the EU Climate Law and developed the Green Deal for this purpose, which includes the Sustainable Finance Act with numerous specifications for the real estate industry. In addition to the Disclosure Regulation, which obliges investors and banks to report transparently on their sustainability activities, specific environmental criteria for sustainable real estate are formulated there. In the coming years, the Corporate Sustainability Reporting Directive (CSRD) will also require more than 15,000 companies in Europe to publish nonfinancial KPIs in their management reports. Green capex, opex, and sales must be determined, and with the taxonomy, Brussels is providing characteristics that make the sustainability of real estate transparent and comparable.

The amendment of the Energy Performance of Buildings Directive (EPBD), which will have a major impact on standards for new buildings as well as on existing buildings, is also highly relevant for the real estate industry. The EU wants to set a minimum energy standard for existing buildings. In the future, this standard will be reflected in the energy certificate, which will give the document a whole new relevance. It will also define specifications for e-charging stations and bicycle parking spaces.

SOLUTIONS FOR ALL ASSET CLASSES

To overcome these challenges and achieve the climate targets, ECE has developed clear strategies and concrete, implementable solutions for its investors. >

FROM STRATEGY TO TARGET



HOLISTIC SUSTAINABILITY STRATEGY

As part of a holistic approach, the ECE Group sees the areas of social justice and corporate governance as being just as important to its sustainability strategy as environmental protection is. The focus of social sustainability is on the health and well-being of employees (more on p. 62), as well as their fair and equal treatment regardless of gender, religion, or age. The basis for responsible corporate governance is the ECE Code of Conduct, with binding standards of behavior for all employees when it comes to interacting with each other, as well as for cooperation with business partners. //

3 QUESTIONS FOR



TERESA DREÖ-TEMPSCH
Market Director at Berlin Hyp

Transparency is becoming increasingly relevant due to the taxonomy, disclosure regulations and reporting requirements of the CSRD. To meet these requirements, ECE works in partnership with banks such as Berlin Hyp.

#1 Berlin Hyp has been ECE's financing partner for many years in numerous projects. What distinguishes the cooperation?

Definitely our partnership on equal footing! I think we particularly appreciate each other's reliability and professionalism. We have been working closely together for years and take each other's wishes and needs into serious consideration so that we achieve optimal results for both parties.

#2 Sustainability is also a top priority at Berlin Hyp. What role do the EU's Green Deal requirements play in this?

Berlin Hyp sees the sustainable orientation of its business portfolio as the greatest lever for achieving climate and sustainability goals. To this end, we are making our own business activities more sustainable and supporting our customers in their transformation to more energy-efficient, sustainable buildings. All financing requests are reviewed with regard to their ESG performance, and the range of sustainable consulting and products offered is continuously being expanded.

#3 To what extent will taxonomy requirements change collaboration in the future?

To identify taxonomy-compliant assets, data is required that may have to be collected for the first time. This results in many ambiguities in practice. In addition, the taxonomy will continue to evolve. For long-term investments in real estate, this means working toward a "moving target." The development of practicable solutions will require intensive exchange between the customer and financier, but also close cooperation within the industry and in joint initiatives.

ESG BOARD

ECE is supported by the ESG Board, consisting of representatives from science, business, and politics, who critically discuss all new projects with regard to ecological, social, and economic impacts. Their findings and suggestions from the exchange with the decision-makers of the ECE Group are incorporated into the subsequent decision-making process.



● ESG Board: (from left) Arved Fuchs (polar explorer), Alexander Otto (CEO of ECE), Bärbel Schomberg (real estate expert), Ole von Beust (former First Mayor of Hamburg), Dr. Andreas Mattner (Chairman of the ESG Board and ZIA President), and Prof. Kunibert Lennerts (Karlsruhe Institute of Technology).

RETAIL REAL ESTATE

With its Energy Renovation Roadmap (ERR, more on p. 56), ECE shows how even complex highly frequented properties such as shopping centers can become climate-neutral by 2045. Its broad ESG product portfolio also includes the energy pre-check and taxonomy check, the climate impact risk analysis, and green building certifications, as well as an ESG analysis and strategy development for a tailor-made implementation of measures for the different fund strategies. In addition, ECE contributes to significant CO₂ savings in shopping centers with 100% use of green electricity in Germany, its photovoltaic strategy, sustainable mobility concepts, and green lease contracts (more on p. 59).

RESIDENTIAL, OFFICE, HOTEL, AND LOGISTICS REAL ESTATE

All new construction projects from ECE Work & Live in the residential, office, hotel, and logistics asset classes are also subject to individual measures for the construction and operation of climate-friendly buildings. The clear specifications and standards in the areas of environment, social, and governance are anchored in specific codes such as the ESG Logistics and Residential codes (more on p. 60). The aim of the ECE standards is to go beyond the legal requirements

and minimize CO₂ emissions during development and subsequent operation. In this context, the ECE standards, which are currently also being anchored in a code for the hotel and office asset classes, are subject to constant review and further development in order to continue to meet market requirements in the future despite the dynamic developments in technology and regulations.

ACTIVE CO-DESIGN OF INDUSTRY STANDARDS

ECE is also committed to helping shape industry standards and supports, among other things, studies by the Institute for Corporate Governance in the German Real Estate Industry e.V. (ICG) on Social Impact Investing. Together with the ZIA, the company is campaigning for a smart, implementable, and efficient realignment of the Building Energy Act and a reform of the energy certificates. It is important that suitable framework conditions are in place to achieve the climate targets. For example, subsidies for energy-efficient renovations must be further expanded and should be based not on efficiency classes but on CO₂ saved. In addition, procedures and approval processes need to be made less bureaucratic.



“What might a customized ESG strategy for my asset look like?”

“How can the property become carbon-neutral by 2045?”

“How can I improve the energy performance certificate for the property?”

“What measures and targets can be named for the CSRD requirements and what are the costs and CO₂ reductions?”

ESG STRATEGY FOR SHOPPING CENTERS THE RIGHT SOLUTION FOR EVERY REQUIREMENT

As the ESG strategies of investors are very different, ECE does not offer a single solution for everyone, but rather provides support with different ESG products. Together with the customers, the experts develop a tailor-made strategy with coordinated measures for the complex asset class of retail real estate, while always keeping the political requirements on the path to climate neutrality in mind.

ESG@ECE

ESG@ECE



ECE'S ESG PRODUCT CATALOG

For the individual path to climate neutrality

- #1**
ENERGETIC PRE-CHECK

Systematic inspection and analysis of the building's energy use and consumption
- #2**
ESG ANALYSIS AND STRATEGY DEVELOPMENT

Development of a tailor-made ESG strategy for the property or portfolio
- #3**
ENERGY RENOVATION ROADMAP

Energetic analysis and establishment of a decarbonization path with measures to improve the building and the property's energy supply in order to achieve carbon neutrality by 2045
- #4**
PV STRATEGY

Technical feasibility analysis and project management, as well as advice on possible operator models
- #5**
TAXONOMY CHECK

Review of taxonomy compliance based on SFDR
- #6**
CERTIFICATION

Management of the certification and recertification process and consulting to improve the certification results (DGNB, BREEAM, LEED, HafenCity eco-label)
- #7**
CLIMATE IMPACT RISK ANALYSIS

Risk assessment of resilience to climate change and derivation of risk mitigation measures

AWARD-WINNING SUSTAINABILITY

THE ROADMAP TO CLIMATE-NEUTRAL SHOPPING CENTERS

Can shopping centers really become climate-neutral by 2045? Yes, they can! How this can be achieved is demonstrated by ECE Marketplaces with its Energy Renovation Roadmap (ERR), which received the MAPIC Award 2022 in the category "Best Sustainable Retail Initiative" immediately after its introduction.

In a pilot project, ECE developed its first ERR for the Alstertal-Einkaufszentrum (AEZ) in Hamburg in 2022. For this purpose, a 3D energy model was created for the AEZ and the performance was analyzed – taking into account the climate, the tenants, the technical systems in operation, and the visitors. The result: climate neutrality can be achieved by 2045 through targeted measures. In addition to

the sustainability targets, value-enhancing ancillary cost savings of more than 30% can also be achieved by the end of the period under consideration. A detailed roadmap was presented to the owner. An annual target/reality comparison ensures that the AEZ remains on track.

Energy Renovation Roadmaps have since also been completed for the Allee-Center in Essen and the Franken-Center in Nuremberg. Plans are currently being developed for eight other centers. In this context, it is important to remember that each center is different and must be considered in detail as a completely individual entity. //



IMPRESSIVE BENEFITS:

- ✓ Efficient roadmap for phased achievement of climate neutrality, including investment costs
- ✓ Modeling of the current and target energetic situation
- ✓ Validation of the investments with regard to funding opportunities and feasibility
- ✓ Sustainable safeguarding of value preservation (avoidance of stranded assets)
- ✓ Investment validation with regard to potential apportionment and compliance with long-term planning

3 QUESTIONS FOR

THOMAS ZIESING

Head of Environmental Engineering and Grants at ECE Group Services

#1 What is the main advantage of the Energy Renovation Roadmap (ERR)?

The major advantage is that we take a 360° view of the entire property. The ERR enables the highest possible prediction accuracy of the occurring energy demand in the case of defined changes to framework parameters, comfort parameters, or technical solutions. To this end, interactions between the individual technical systems, users, customers, and meteorological influences are carefully considered by means of complex data processing and simulation. We present all measures and their positive effects in the CRREM path. CRREM stands for Carbon Risk Real Estate Monitor.

In my view, this gives the ERR the necessary depth of analysis to draw up longer-term refurbishment roadmaps that allow the necessary investment costs to be optimized at the ideal time.

#2 To what extent is energetic refurbishment also worthwhile from an economic point of view?

The recommended refurbishment measures are aimed either at reducing the energy demand or at possible climate-friendly energy production on-site. In any case, this will reduce energy consumption and the associated energy purchase costs. In each property, there are more cost-effective and more cost-intensive measures to achieve climate neutrality available. Knowledge of the possibilities of different measures makes it possible to determine the optimal time for investment and thus an ideal investment

decision. In addition, the property can be effectively protected against possible devaluations (stranded asset) by means of an ERR.

#3 What important insights have you already been able to gain from the first Energy Renovation Roadmaps that have been drawn up?

For me, the most important insight is that achieving climate neutrality for complex highly frequented real estate such as shopping centers is possible – on the one hand, by drastically reducing the energy demand of the property and, on the other hand, by reducing the CO₂ emission factors of the sources for energy procurement.

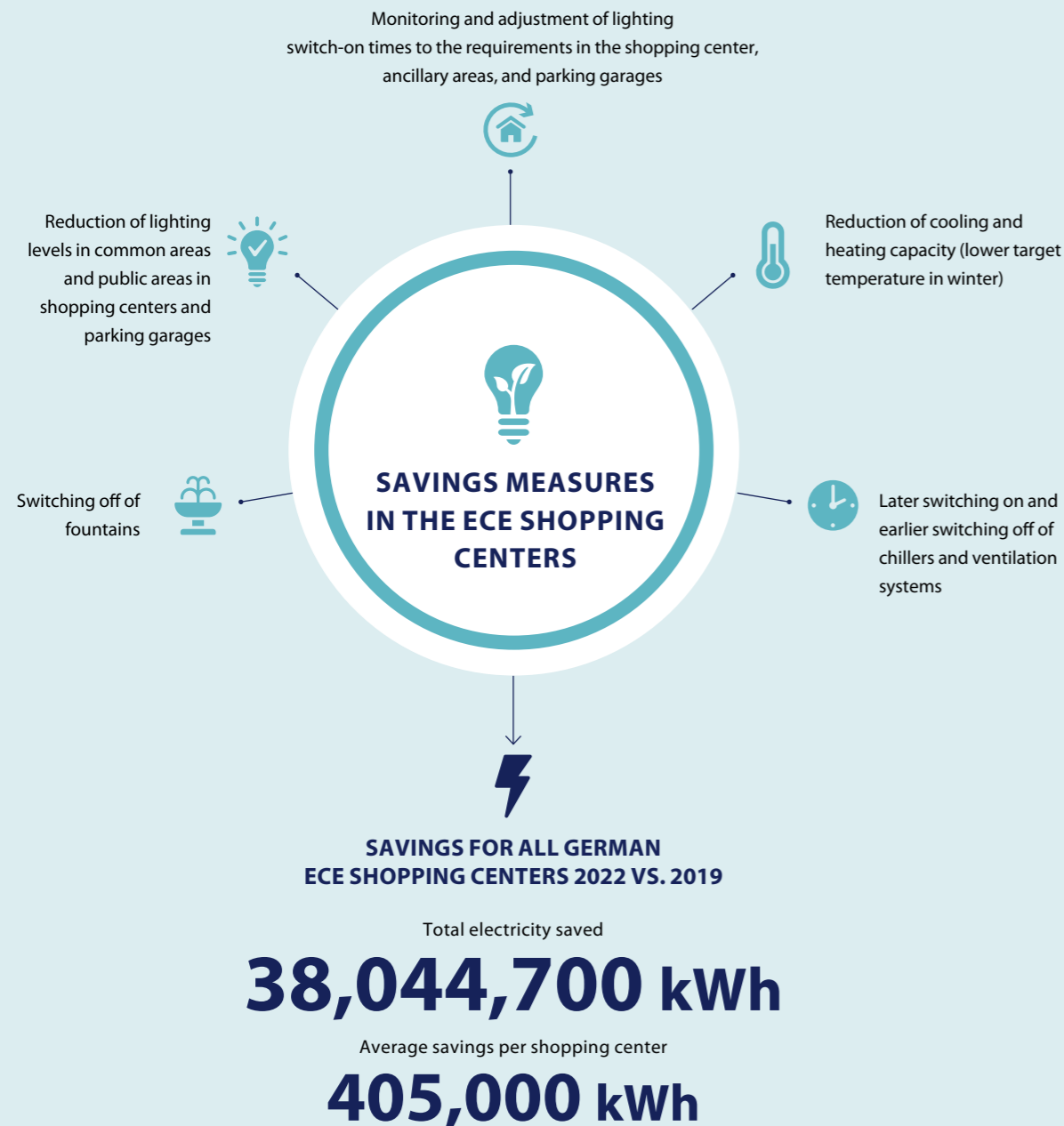


REDUCE CONSUMPTION, SAVE COSTS USING ENERGY CLEVERLY

Even in times of crisis, ECE is a reliable partner that acts quickly and in a solution-oriented manner. For example, the family-owned company reacted immediately to the energy crisis and took numerous additional energy-saving measures at short notice in the spring of 2022 in order to further reduce electricity consumption in its shopping centers, ensuring safe center operation while also saving costs.

And this was a success: together with the measures already taken, such as the use of green electricity and LEDs, as well as modern technical building equipment, energy consumption in the shopping centers has been significantly reduced. In addition, rising energy costs have been largely cushioned thanks to professionalized energy procurement processes and clever purchasing strategies.

ESG@ECE



GREEN LEASE 2.0 RENTAL AGREEMENTS POOLING FORCES FOR MORE SUSTAINABILITY

Around 40% of ECE's current leases already include a green lease agreement. The core elements of the sustainability agreement introduced in 2016, which were essentially voluntary commitments by the tenants, include the use of LED lighting and green electricity, as well as efficient use of resources.

In order to comply with the binding regulations of the European Commission, ECE has now revised and updated its sustainability agreements.

With immediate effect, the new green lease 2.0 agreements are an integral part of the lease agreement, in order to jointly come another step closer to the goal of a CO₂-neutral building stock.

AROUND
40%
OF ECE'S CURRENT LEASES
INCLUDE A GREEN LEASE
AGREEMENT



THE MAIN CHANGES



DATA TRANSPARENCY

Disclosure of tenant consumption data in order to measure the shopping center's carbon footprint and derive appropriate sustainability measures.



LED LIGHTING

Consistent use of LED lighting or comparable energy-saving light sources, including in the rental areas.



GREEN ELECTRICITY

Exclusive use of green electricity both in the general areas of the shopping centers and in the rental area, gradually introduced in all countries.

ESG@ECE WORK & LIVE

FUTURE-ORIENTED TARGETS FOR ALL ASSET CLASSES

The ESG Residential and Logistics Code is a voluntary commitment by ECE to the sustainable development and implementation of residential and logistics properties – from an ecological, social, and corporate perspective. In this way, the company is setting standards by which it is happy to be measured. ESG codes are currently also being developed for the hotel and office asset classes.

THE TARGETS

- ✓ Exceeding the legal minimum standards
- ✓ Minimizing CO₂ emissions
- ✓ Acting as a reliable partner in the market

ESG RESIDENTIAL CODE

THE CORNERSTONES

- › Real estate with maximum CO₂ emissions of 20 kg/m², with a climate-friendly energy supply
- › Aim to be 10% above the highest legal building standard of the respective country
- › Reduce “gray emissions” as far as possible, aiming for a value of 300 g CO₂/m²

MEASURES OF THE ESG RESIDENTIAL CODE

ENVIRONMENTAL

- › Taxonomy-compliant buildings
- › Climate-friendly energy supply
- › Low PEB and CO₂ emissions
- › Use of locally generated renewable energy for electricity generation
- › Avoidance of “gray emissions” (embodied carbon)
- › Energy monitoring as governance for sustainable building operations
- › Consideration of climate change risks
- › Preservation or expansion of local biodiversity

SOCIAL

- › Development of intergenerational housing
- › Integration of modern and attractive mobility concepts

GOVERNANCE

- › Certified real estate as proof of building sustainability
- › Integration of compliance standards and green leases



ESG@ECE

ESG@ECE

MEASURES OF THE ESG LOGISTICS CODE

Using the logistics project in Hamburg-Billbrook as an example

- Compliance with the “Effizienzhaus 40 standard”
- Facade greening
- Photovoltaic system on the roof
- Use of wooden trusses for the building structure
- Base layer of the new building made of recycled building materials
- Sustainable mobility concept with charging infrastructure for cars and e-bikes
- Use of gray water for irrigation of green areas
- Heat supply via heat pumps without fossil energy sources, supplied with solar power
- Green roofs on office buildings
- Building design and construction technology take circular economy aspects into account

ESG LOGISTICS CODE

THE CORNERSTONES

-  The “Effizienzhaus 40” (EH 40) standard is the basis of all planning: it exceeds the legal requirements and lays the foundation for climate neutrality
-  DGNB Gold as a minimum for all logistics developments: with the Gold standard, many other sustainability criteria are already fulfilled in the planning phase (from species protection to social criteria and life cycle considerations)
-  Planning based on the taxonomy requirements



ON THE ROAD TO MORE SUSTAINABILITY EVERY STEP COUNTS

SAVINGS CAMPAIGN AT THE COMPANY CAMPUS

Whether it was by turning off the hot water in the restrooms, reducing the lighting in the corridors, or lowering the heating temperature – numerous short-term savings measures at the ECE company campus made it possible to make a saving of as much as 10% in the consumption of electricity and district heating between September 2022 and February 2023.

-10% ⚡

CONSUMPTION SAVINGS FOR
ELECTRICITY AND DISTRICT HEATING

E-CHARGING STATIONS

Customer-friendly fast charging at more and more locations: 30 German ECE shopping centers now have e-charging stations for visitors. That is a total of around 300 e-charging stations, almost 30% of which are fast-charging stations. The aim is to equip all centers in Germany with convenient e-charging solutions by 2024.



SUSTAINABILITY FORUM

For intensive interaction with tenants, ECE has been organizing the Sustainability Forum since 2014, and it will take place every six months in the future. The focus is on joint workshops, expert presentations, and the exchange of knowledge on all ESG-relevant topics.



SUSTAINABLE HOSITPALITY ALLIANCE

By recently joining the Sustainable Hospitality Alliance, ECE Work & Live has underlined its commitment to implementing hotel projects that are in line with its sustainability strategy. As the first developer in this network, ECE Work & Live will contribute its extensive know-how to drive forward measures for greater sustainability in the hospitality industry together with the other members. In addition, the company is looking to incorporate the insights and experiences of the other partners into the optimization of its own projects.

PV INSTALLATIONS

Why only buy green electricity when you can produce it yourself? As part of the ECE initiative for the systematic expansion of solar energy systems on the roofs of shopping centers, the first six photovoltaic systems will already be put into operation in 2023. The aim is to install PV systems on around 50 ECE centers by the end of 2024. These can save an estimated 16 million kilowatt-hours of energy per year that would otherwise have to be produced and purchased elsewhere.

Another advantage is that the electricity generated from the solar energy is fed directly and free of charge for the tenants into the centers' power grid and used to supply the common areas. This saves tenants an average of 20 ct/m² of rental space every month.



Avg. 20 Cent

SAVINGS IN ANCILLARY COSTS
PER M² PER MONTH

16 million kWh

OF CO₂-FREE ELECTRICITY PRODUCTION
PER YEAR FROM 50 PLANNED PV
INSTALLATIONS ON ECE CENTERS

APPROX.

396,500 m³

LESS WATER CONSUMED IN SHOPPING CENTERS
(2022 VS. 2019)

6,000 t

LESS CO₂ IN HEAT CONSUMPTION IN
2022 COMPARED TO THE PREVIOUS YEAR

100%

GREEN ELECTRICITY IN GERMAN
SHOPPING CENTERS



ECE AS AN EMPLOYER

SPACE FOR SMART MINDS

ECE AS AN EMPLOYER

Enabling talented individuals to make a good start and supporting employees according to their individual strengths: that is what ECE stands for as an employer. Because it is only with the right framework conditions and the opportunity to grow with challenging and exciting tasks that you can sustainably keep the best talents on board and use them in the best possible way in times of a shortage of skilled workers and advancing demographic change and digitization.

APPEALING TO THE RIGHT APPLICANTS AS AN ATTRACTIVE EMPLOYER

ECE is a sought-after employer in the real estate industry among students, career starters, and experienced experts and managers. For years, the company has been included in the "Top Ten Ranking of the Most Popular Employers" in Immobilien magazine and awarded as a Top Employer Germany for an attractive and supportive employee environment by the Top Employers Institute. In 2023, the company was certified for the tenth time

in succession as part of the "berufundfamilie" audit for its sustainable implementation of a family-oriented HR policy.

On kununu, the leading employer rating platform in German-speaking countries, ECE has been awarded the "kununu Top Company" seal. The award, which is only granted to particularly recommendable employers on the basis of independent, authentic employee reviews, confirms the level of employee satisfaction, which is higher at ECE than on average in the real estate industry.

96 %

OF ECE EMPLOYEES LEARN BEST THROUGH DIRECT EXCHANGE OF EXPERIENCE IN SPECIFIC PROJECTS

90 %

OF TRAINEES, COOP-ED STUDENTS, AND APPRENTICES ARE TAKEN ON BY ECE

32.7 %

WOMEN IN MANAGEMENT POSITIONS AT DIRECTOR LEVEL 2022 COMPARED TO 22.4 % IN 2021

This top positioning is reflected in the recruiting figures: despite a shortage of skilled workers, the real estate service provider manages to successfully fill open positions within an average of 88 days, compared to a current benchmark value of 121 days on the labor market in general.

Once they have joined ECE, employees are developed according to their personal strengths. Interdisciplinary career paths, on-the-job development, and knowledge sharing in special networks enable highly individualized career paths and the best possible performance within the company.

Diversity is particularly important for ECE, because diverse teams not only lead to greater employee satisfaction, but also make companies more successful. With that in mind, the family-owned company focuses on equal opportunities, tolerance, and talent promotion. According to an internal survey, about 80% of the employees feel recognized and valued, regardless of their personal background.

The real estate service provider is also committed to enabling equal opportunities at the start of careers, too, with its Young Talents@ECE program. The company works together with renowned universities so that young talents become aware of ECE and can already familiarize themselves with the company during their studies. In this way, the company leaves a lasting impression as a potential employer with various activities such as center tours, exchange formats at the headquarters, participation in university fairs and junior networks, and interesting internship offers. ECE offers students and graduates, for example at IREBS, part of the University of Regensburg, HAWK Holzminden, HSBA (Hamburg School of Business Administration), and Nordakademie Elmshorn, the opportunity to gain practical experience and make a strong start to their career. >



ECE AS AN EMPLOYER

PROVIDING THE RIGHT FRAMEWORK

“Space to develop” –this is the value promise ECE uses to present itself as an employer. Because the company stands for creating spaces that inspire people. In the same vein, the real estate service provider also gives its employees space to shape their own career within the company. ECE initiated the internal “Space for ...” campaign in order to clearly highlight the diverse, life-phase-oriented options it offers employees. With the voices of staff members, the company

communicates in videos, intranet news, and on posters and digital pillars the diverse benefits that promote employees’ further development, as well as supporting the compatibility of work and private life.

Divided into different spaces, ECE offers the appropriate conditions for different phases of life:

“Space for New Work” with trust-based working hours, flexible working hours, hybrid work depending on the focus of tasks, and different working time models.

“Space for Family” with the consulting and placement services offered by pme Familienservice, the childcare subsidy, children’s vacation programs, and sabbatical opportunities.

“Space for Development and Networking” with a personal development plan, versatile e-learning, various networks for learning from each other, and training courses on a wide range of topics from soft skills and IT to languages and leadership.

“Space for Health” with the free fitness studio “Unser Sportplatz” at the Hamburg campus, discounts at selected fitness studios nationwide, the “JobRad” bicycle leasing program, regular well-being surveys, and targeted campaigns such as the Activity Challenge, which encourages employees to exercise more by collecting steps as a team.

In this way, the company offers “space to develop” with individual encouragement and support, so that employees can design the best solutions for their current challenges – for a successful career with a sustainable employer. //



“Ready to go!” - team photos for the ECE Activity Challenge, in which 78 teams covered a total of 16,400 kilometers in just under four weeks.



ECE AS AN EMPLOYER

ECE AS AN EMPLOYER



Funding project of the ECE "Lebendige Stadt" corporate foundation: the new Jewish Campus in Berlin.

CORPORATE RESPONSIBILITY

CORPORATE RESPONSIBILITY

GIVING SOMETHING BACK

Supporting and initiating: just like ECE as a corporate citizen, the foundations affiliated with it also assume social responsibility. As financial project sponsors, they make an important contribution to society, and as project initiators, they provide valuable social impetus. In the process, they benefit from the know-how and expertise of ECE and Alexander Otto, who is personally involved in the work of all the foundations.

JEWISH CAMPUS IN BERLIN

In Berlin, the ECE "Lebendige Stadt" corporate foundation has provided 1.63 million euros to fund the construction of the Jewish Campus. The new meeting place for education, sports, and culture is open to all currents of Judaism and all Berliners. In a time of growing anti-Semitism, the Jewish community is thus sending an important message of openness and dialog with other religions, ethnic groups, cultures, and generations. Long before the completion of the campus, it was recognized by the Central Real Estate Committee as a particularly innovative project.

ENERGY AUDIT FOR SPORTS CLUBS

The sharp rise in costs in the wake of the energy crisis is also causing existential difficulties for numerous sports clubs. That is why the Alexander Otto Sports Foundation is funding energy audits for three Hamburg sports clubs to identify energy-saving and cost-cutting potential. The audits focus on "quick wins" that can reduce costs without major effort, as well as on future investments, for example in photovoltaics or combined heat and power plants. The intention is for other clubs to also learn from the audits.



WHEELCHAIR TRAINING AT SCHOOLS

At the Louise Schroeder School in Hamburg, the Alexander Otto Sports Foundation facilitates a program for wheelchair-bound students. Participants learn driving techniques to improve their ability to control their wheelchairs in everyday situations. The program is to be extended to other schools.

AID FOR EARTHQUAKE VICTIMS

The earthquake in the border region of Syria and Turkey claimed more than 50,000 lives. Many more were injured and lost their homes. ECE has donated 100,000 euros to support the work of local relief organizations. ECE has a strong bond with local people there through its foreign subsidiary in Turkey.

MODERNIZATION OF THE STATE MUSEUM IN SCHWERIN

The renovation of the State Museum in Schwerin, made possible by a donation of 7.5 million euros from the Dorit & Alexander Otto Foundation, has begun. An ECE team that was already involved in the modernization of the Hamburg Kunsthalle is advising the state of Mecklenburg-West Pomerania on the planning and managing the construction work. After the reopening, the foundation will allow free admission for two years.



The start of modernization of the Schwerin State Museum (from left): Bettina Martin (Minister of Culture), Manuela Schwesig (Prime Minister), Alexander Otto (patron), Marlene Wetzels (ECE architect), Dr. Rico Badenschier (Mayor of Schwerin).

EMPOWERMENT OF WOMEN IN SPORTS

The Alexander Otto Sports Foundation has initiated a pilot project to increase the proportion of women in leadership positions in organized sports: the foundation is supporting a strategic process at the Hamburg Handball Association aimed at attracting more women from top to bottom. The process is being documented by the foundation and made available to clubs and associations nationwide as an instruction manual.

MEASURES AGAINST INNER-CITY DESOLATION

Online retail, decline in purchasing power, mobility: many city centers are facing major challenges. With that in mind, the ECE "Lebendige Stadt" corporate foundation discussed specific options with its committee members at its round table for how cities can counteract impending desolation. A pilot study is planned that will examine the "customer journey" of city visitors in an exemplary and target-group-specific manner for a city center. In addition, the foundation is supporting three small towns in the design of street greenery to create more biodiversity and identity as part of a nationwide call for proposals.

CORPORATE RESPONSIBILITY

PERFORMANCE BASED ON GRI STANDARDS

THE ESG PERFORMANCE IN FIGURES

> GRI 2-29

The focus of the sustainability strategy adopted by the ECE Group in 2020 is on long-term orientation and the assumption of lasting responsibility. In addition to project development, the group of companies is also active as an investment manager, lessor, and operator of real estate locations. The sustainability strategy therefore affects both the planning and management of real estate and includes users as well as investors. As an integrative element of urban planning, ECE wants to contribute solutions to support cities in achieving their climate targets.

To this end, ECE has clear sustainability structures in place. The core is formed by a strategic sustainability team consisting of ten sustainability coordinators and the Sustainability Lead. The latter reports to the Director of Sustainability & Corporate Communications, who in turn is the interface to the ECE management. The Sustainability team and the Director of Sustainability & Corporate Communications strategically manage all ECE's sustainability activities and maintain an overview of the social, economic, and political environment. In addition, they promote the exchange of knowledge within the company. They continuously document ESG (Environment, Social, Governance) progress and report to the management. Together with the Environmental Engineering and Grants department, sustainable services are also developed for ECE customers, for example the energy refurbishment roadmap for the shopping center portfolio, the Energy Check, the Taxonomy Check, and the ESG Check. Since 2011, ECE has also been accompanied by an external sustainability advisory board, known as the ESG Board. ECE is in ongoing dialog with its stakeholders regarding the continuous further development of the sustainability strategy. In this context, the focus is on tenant partners, investors, financiers, and visitors to the shopping centers, as well as cities and municipalities.

BECOMING MORE SUSTAINABLE TOGETHER
> GRI 2-29

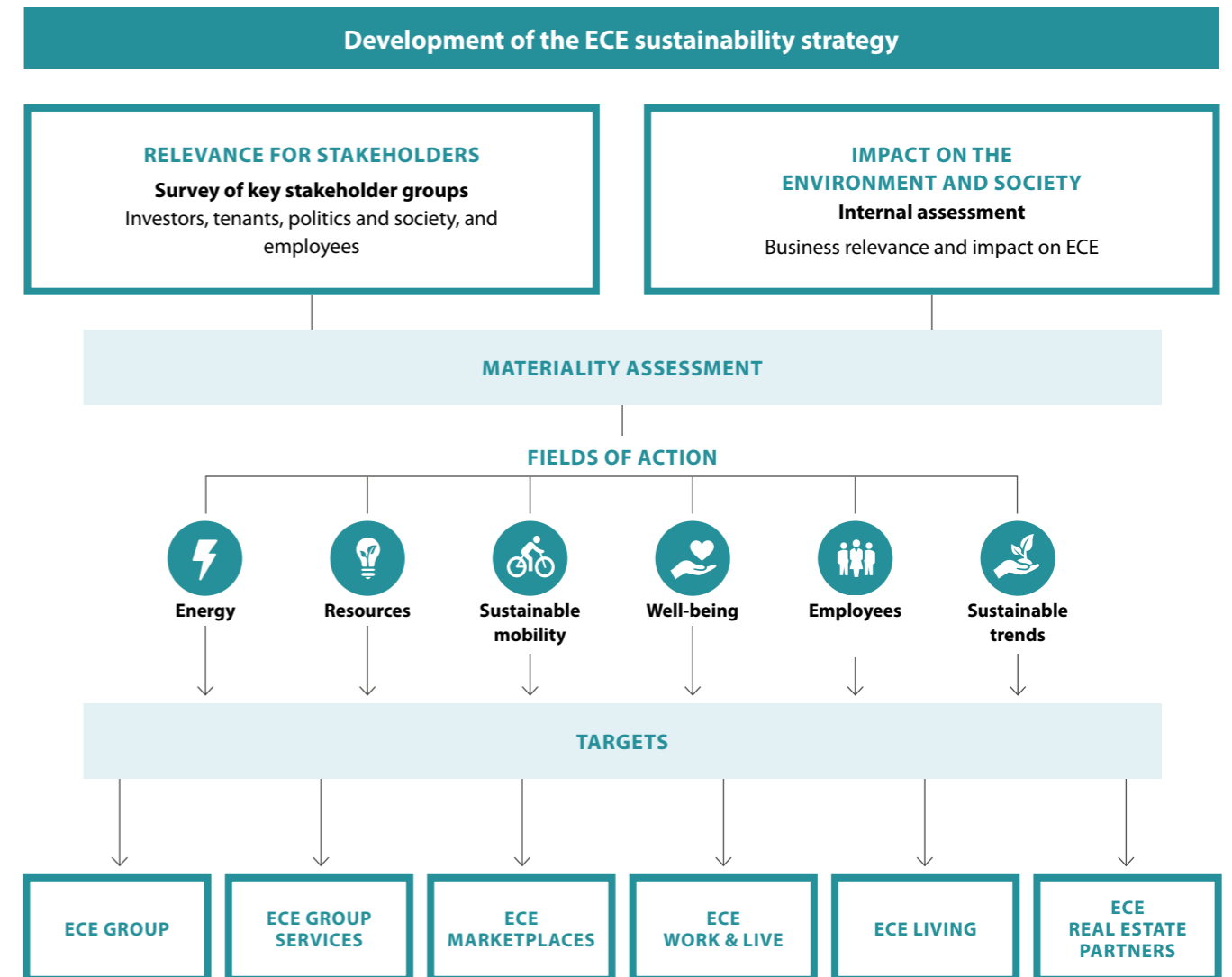
ECE promotes regular exchange with its stakeholders in various formats. Employees are regularly informed about sustainability activities, for example on a dedicated page on the intranet. Since 2014, ECE has also offered a format for interaction with tenants in the shape of the Sustainability Forum which will take place every six months in the future in order to make mutual exchange more frequent, as sustainability topics are becoming increasingly diverse and complex. The Sustainability Forum will focus on joint workshops, expert presentations, and knowledge exchange on all ESG-relevant topics. Visitors to the shopping centers can find out more about what they offer in terms of sustainability on the centers' websites. In addition to general information on climate and environmental protection, the shopping centers provide specific information on sustainable offers for center guests. These include, for example, the possibility of charging e-vehicles or charity campaigns for people in need. ECE's sustainability management includes regular involvement of stakeholders. In 2019, ECE conducted a materiality analysis in which tenants, investors, and visitors to the shopping centers shared their views on sustainability.

> GRI 3-1

SUSTAINABILITY STRATEGY

The ECE Group takes a holistic approach and sees the subjects of ecology, social affairs, and the economy as equally important elements of its group-wide sustainability strategy. In the course of a revision in 2020, ECE identified its relevant company-specific sustainability drivers. These include political regulations, investor requirements, and the expectations of other external stakeholders, such as tenants and visitors. Maintaining the value of properties by meeting current and future climate protection

requirements plays a central role. The sustainability strategy, the targets of which were revised and adapted to market requirements again in 2022, forms an essential part of this.



GRI PERFORMANCE

GRI PERFORMANCE

SUSTAINABILITY STRATEGY

THE STRATEGIC FIELDS OF ACTION IN DETAIL

GRI PERFORMANCE



> GRI 3-1, 3-2

ESG TARGETS

ECE has defined specific ESG targets in line with the six strategic fields of action. A selection of these is listed below.

ENVIRONMENTAL

- CO₂ reduction of 40% compared to base year 2019
- Use of green electricity in all shopping centers by 2025
- Green Building certification of at least 75% of buildings by 2025
- Availability of more sustainable transportation options at all shopping centers
- Technical setup for photovoltaic systems in new developments of logistics properties
- Rollout of PV systems on 50 shopping centers
- Use of ESG codes for sustainable development in all asset classes



SOCIAL

- Equipping of all shopping centers with charging infrastructure for e-vehicles by 2024
- Continuous further development of the comprehensive diversity strategy
- Provision of ergonomic workplaces for all employees
- Expansion of health days for the entire workforce
- Promoting of the social involvement of employees

GOVERNANCE

- Greater involvement of building users in shopping centers in climate protection efforts through lease agreements with a new green lease standard
- 90% of long-term leases to be concluded with a green lease standard by 2030

GRI PERFORMANCE

MATERIALITY

Sustainability topics relevant for ECE were defined and evaluated from a stakeholder perspective on the basis of a multistage materiality and impact analysis. In total, 30 investors and 80 tenant partners of ECE provided an assessment and weighting of the topics as part of the analysis process carried out in 2019/2020. The focus here was on the potential impact of the topics, taking into account ECE's business activities. In addition, internal ECE experts were involved in order to assess, in particular, the impact of the topics on people and nature. For reporting in accordance with the GRI standards, six topics were assessed as material on the basis of this analysis. Other topics that are important, but with a lower impact, are also listed.

MATERIAL TOPICS (in alphabetical order)

- Building quality, quality of visitor experience, quality of location, and mobility
- Corruption
- Emissions
- Energy efficiency
- Renewable energy

OTHER TOPICS (in alphabetical order)

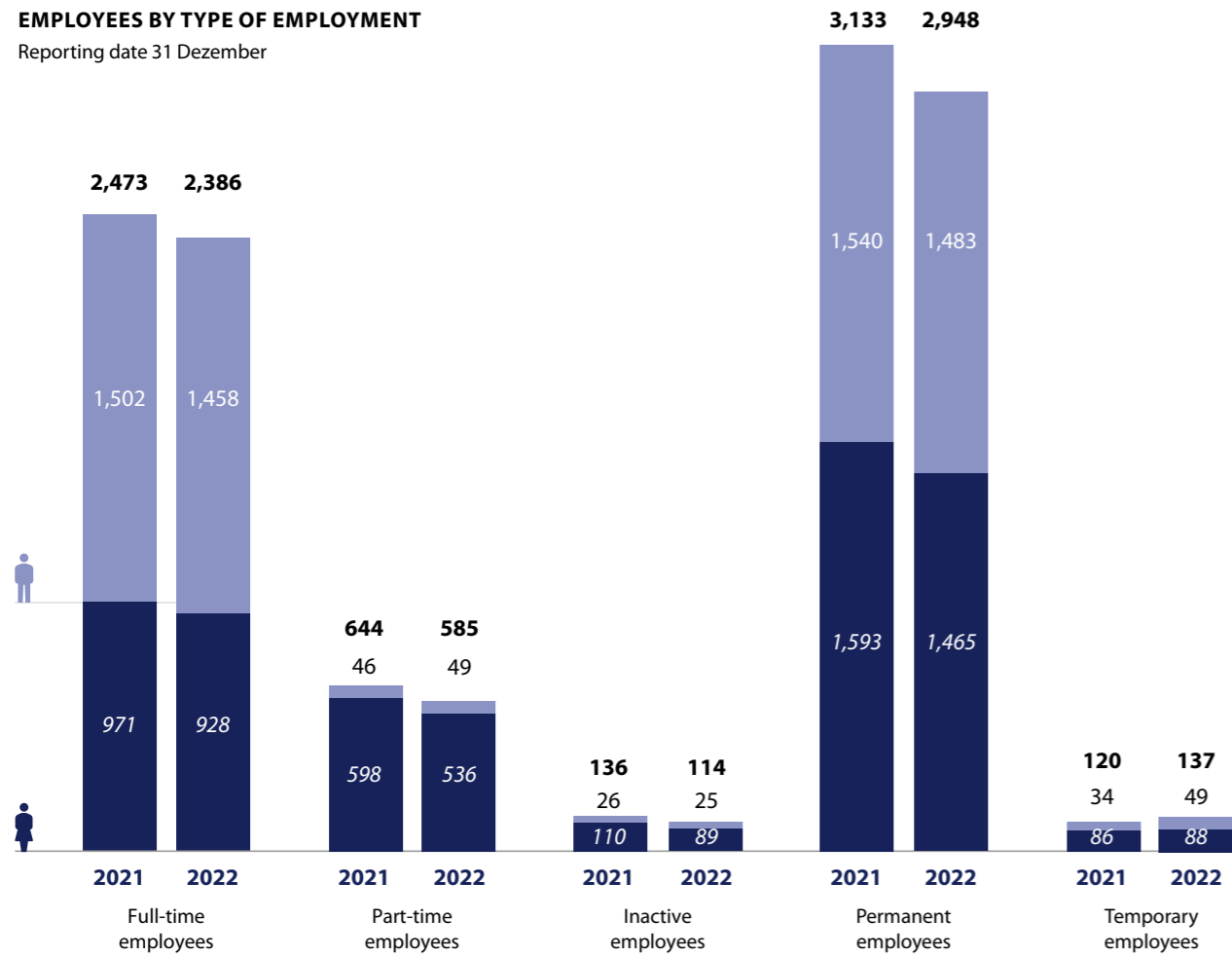
- Diversity and equal opportunity
- Health, safety, and well-being
- Local community engagement
- Social and environmental standards in the supply chain
- Use of materials/resources
- Waste efficiency

Once a year, the main issues from the previous reporting period are reviewed by an internal panel of experts to take into account changes in impact.

EMPLOYEES* 2021-2022

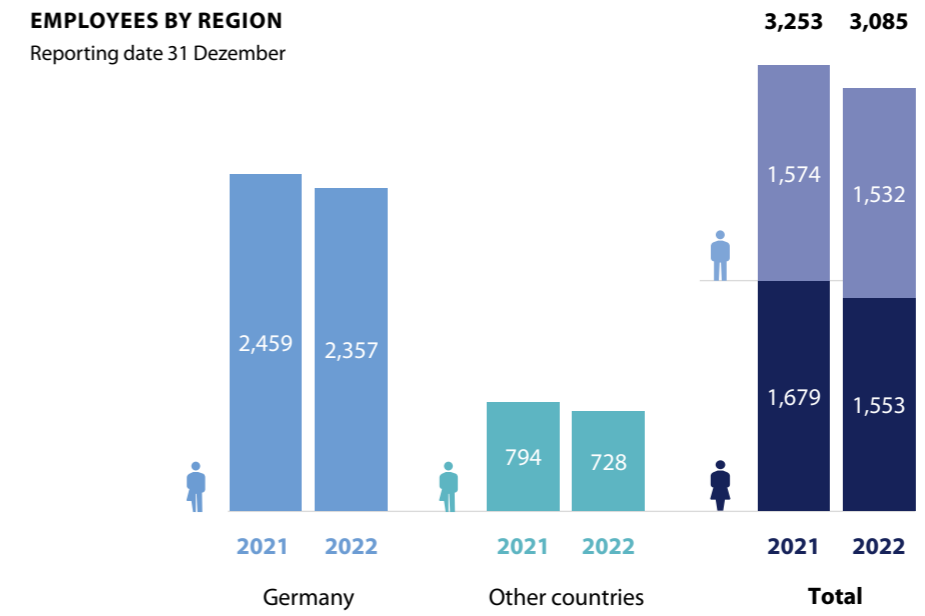
EMPLOYEES BY TYPE OF EMPLOYMENT

Reporting date 31 Dezember



EMPLOYEES BY REGION

Reporting date 31 Dezember



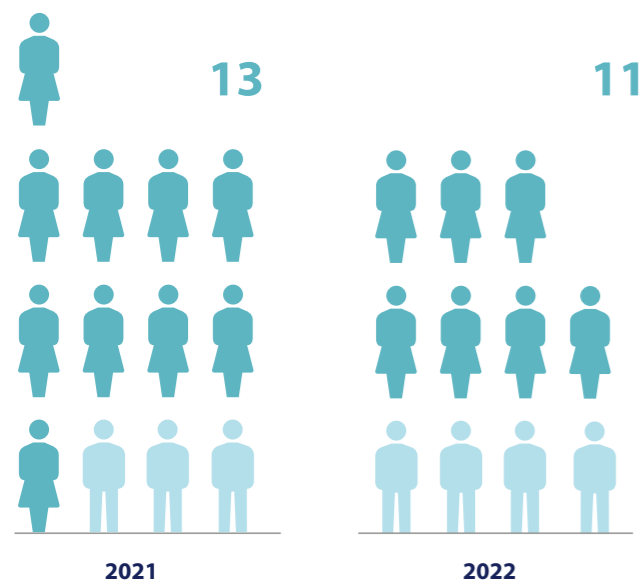
ADDITIONS AND DEPARTURES OF EMPLOYEES BY REGION AND GENDER

Annual review



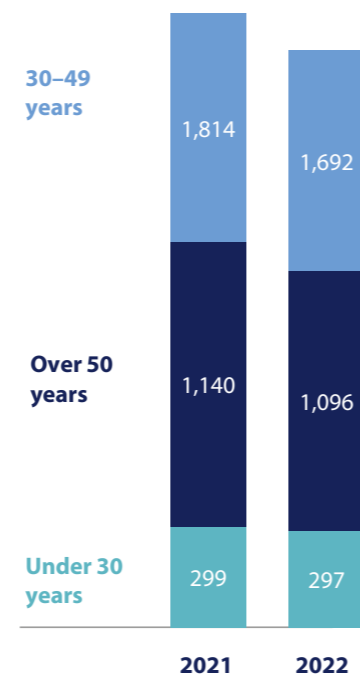
NUMBER OF TRAINEES

Reporting date 31 Dezember



AGE STRUCTURE OF EMPLOYEES

Reporting date 31 Dezember



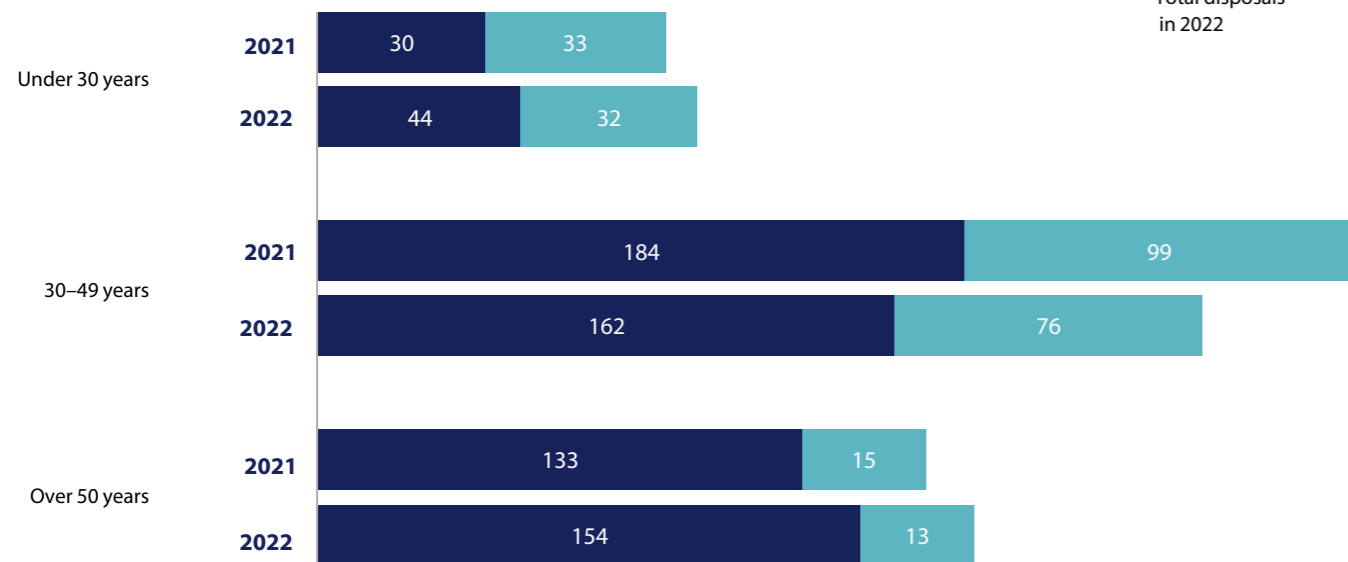
* No diverse employees currently recorded in the company.

EMPLOYEES* 2021-2022

DEPARTURES BY AGE STRUCTURE

Annual review

- Germany
- Other countries



494

Total disposals in 2021

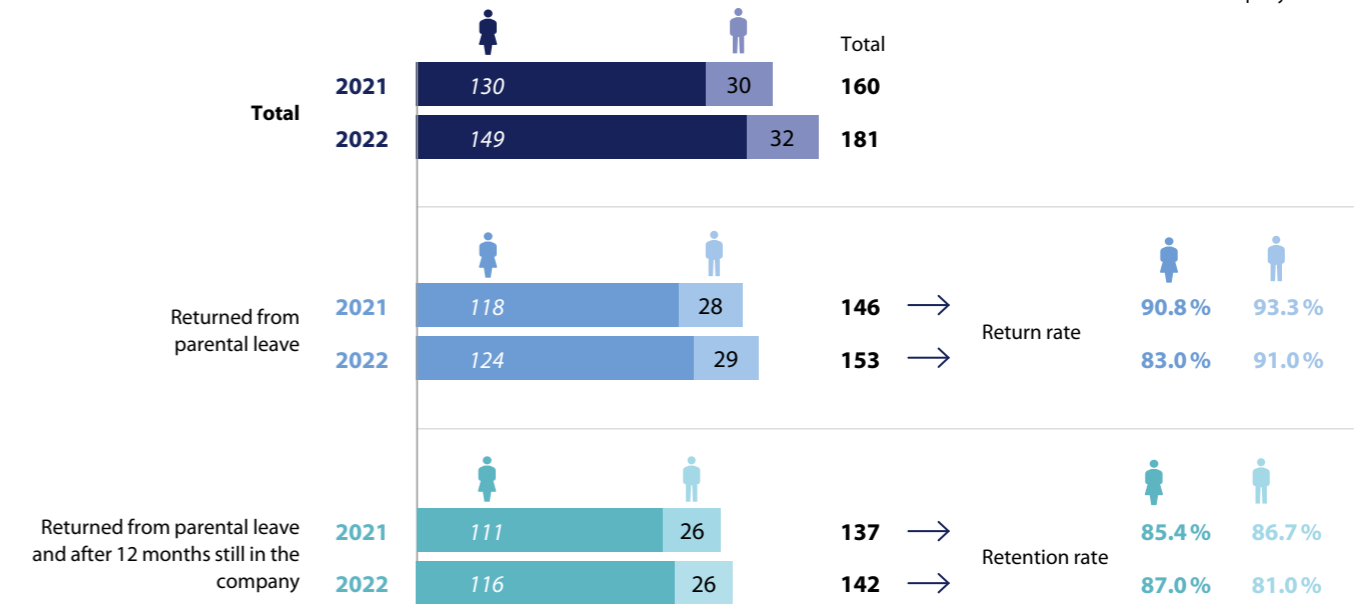
481

Total disposals in 2022

PARENTAL LEAVE

Annual review

* No diverse employees currently recorded in the company.

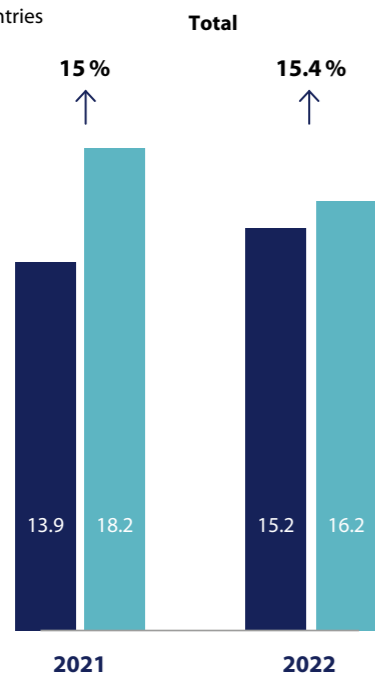


GRI PERFORMANCE

TURNOVER RATE

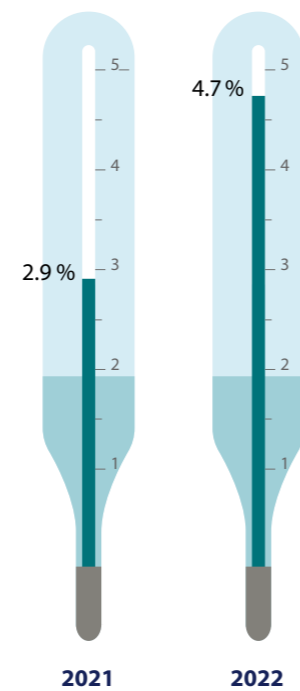
Annual review

- Germany
- Other countries



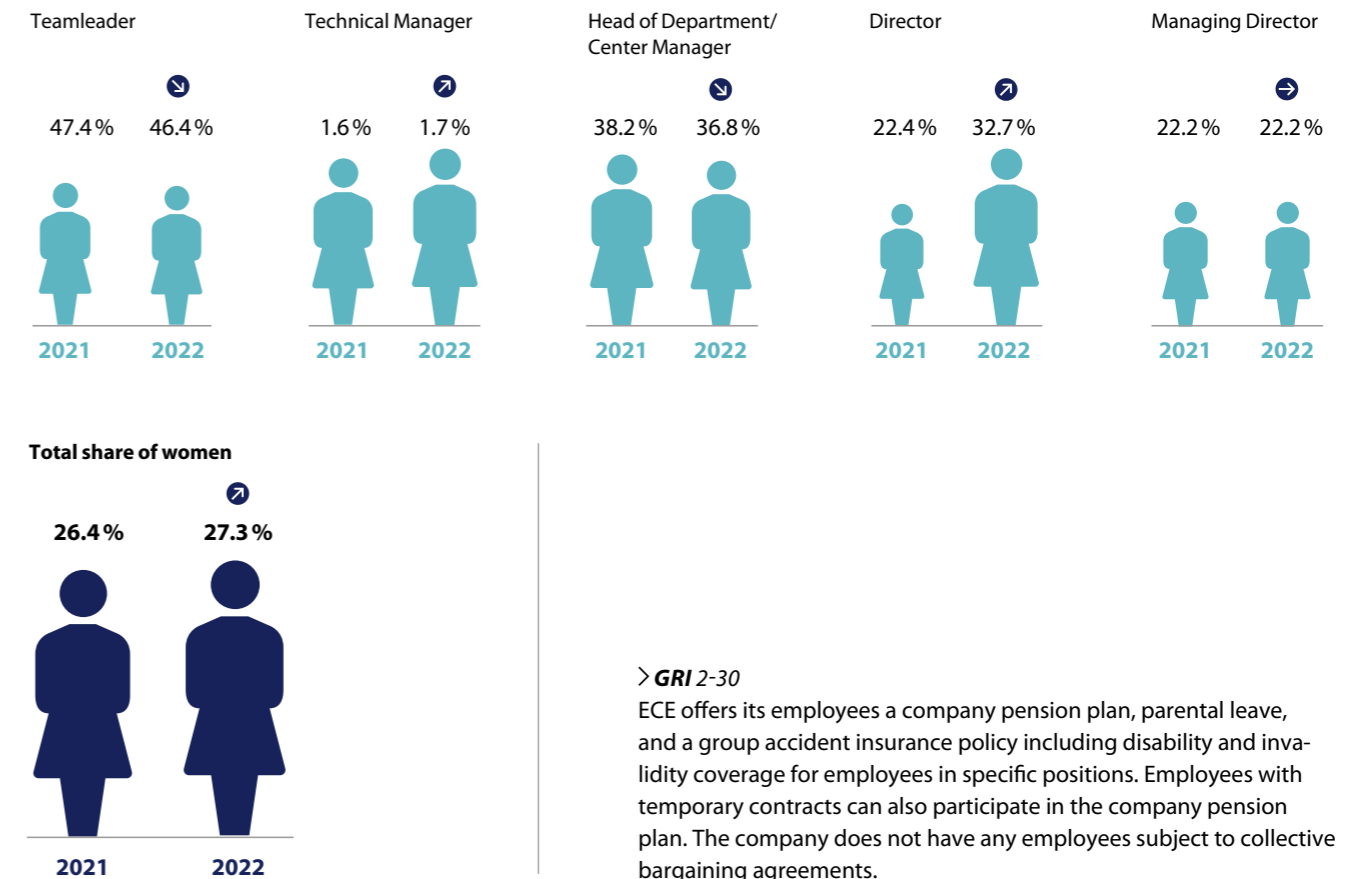
ILLNESS RATE

Annual review



WOMEN IN MANAGEMENT POSITIONS

Reporting date December 31



> **GRI 2-30**

ECE offers its employees a company pension plan, parental leave, 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.

GRI PERFORMANCE

ENERGY AND RESOURCES 2021–2022

INCREASE IN ENERGY EFFICIENCY

ECE has implemented numerous measures to improve energy efficiency, such as the use of modern LED light sources and intelligent lighting and ventilation concepts. The aim is for LED concepts to be implemented on a mandatory basis when lighting systems are modernized. The basis for efficiency measures is a comprehensive and continuously developed energy monitoring system that makes energy consumption transparent. With the help of this system, ECE manages energy consumption efficiently and reduces emissions.

Saving energy has been an important field of action for the company for many years. ECE has continued to implement extensive measures to drive the sustainability strategy forward and contribute to the achievement of climate targets in the process. The shopping centers in Germany, Austria, and Hungary, three centers in Italy and two in Turkey, as well as the ECE corporate headquarters, purchase certified electricity from renewable energy sources. In addition, the purchase of certified green electricity is to be extended to all European shopping centers by 2025. ECE uses state-of-the-art lighting technologies to reduce the significant energy demand for artificial lighting and to save electricity. ECE's engineers work closely with the technical managers in the centers to achieve this. In this way, the results of analyses and the development of innovative concepts can be combined with on-site experience and tested in practice.

In addition, ECE is pushing the use of climate-friendly solar energy for its shopping centers and is implementing an extensive initiative to systematically install photovoltaic systems on the roofs of the shopping centers it operates. Over the next 2–3 years, around 50 ECE shopping centers in Germany are to be equipped with these systems. The aims are to protect the climate and environment through the use of electricity generated without emissions and to reduce ancillary costs for tenants in the centers. In total, the newly installed PV systems can save an estimated 16 million kWh of energy and thus around 7,500 metric tons of CO2 per year that would otherwise have to be produced elsewhere.

CLIMATE PROTECTION COMPLIANT WITH THE ENERGETIC REFURBISHMENT ROADMAP

In addition, ECE offers its Energy Renovation Roadmap (ERR) to investors in or owners of shopping centers. The ERR highlights which activities and measures would be necessary to make a property under review climate-neutral by 2045. This also includes the identification of the status quo in terms of the future climate effects. Costs associated with refurbishment are also part of the roadmap. The intention is to provide clarity for investors or owners and to show them specific paths of action.

FURTHER DEVELOPMENT OF THE GREEN LEASE STANDARD

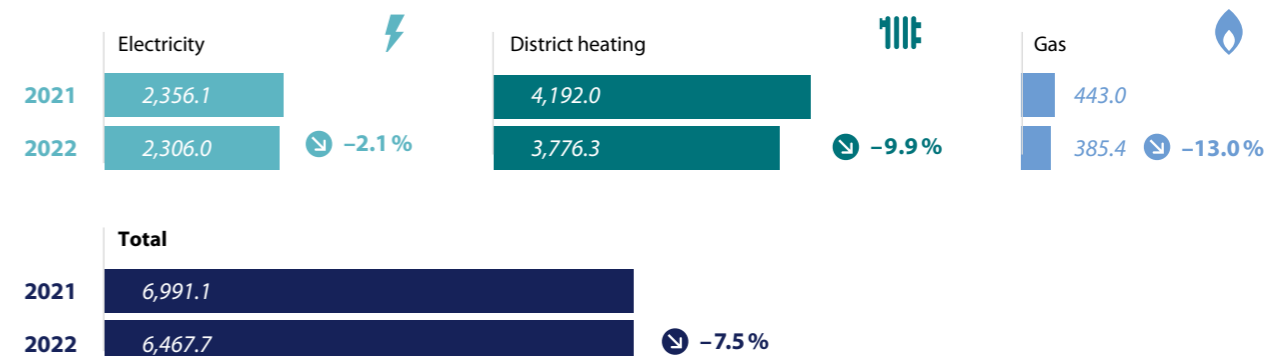
ECE has been driving forward further sustainability measures in rentals for years with the Green Lease Standard. At the end of 2022, the new Green Lease 2.0 Standard was introduced with further specifications for tenants. These include additions such as the obligation to consistently switch to LED lighting or the use of green electricity for rental areas. The successive rollout of this new standard is being implemented on an ongoing basis as a fixed component of new lease agreements and contract extensions.

ENERGY CONSUMPTION > GRI 2-4, 302-1

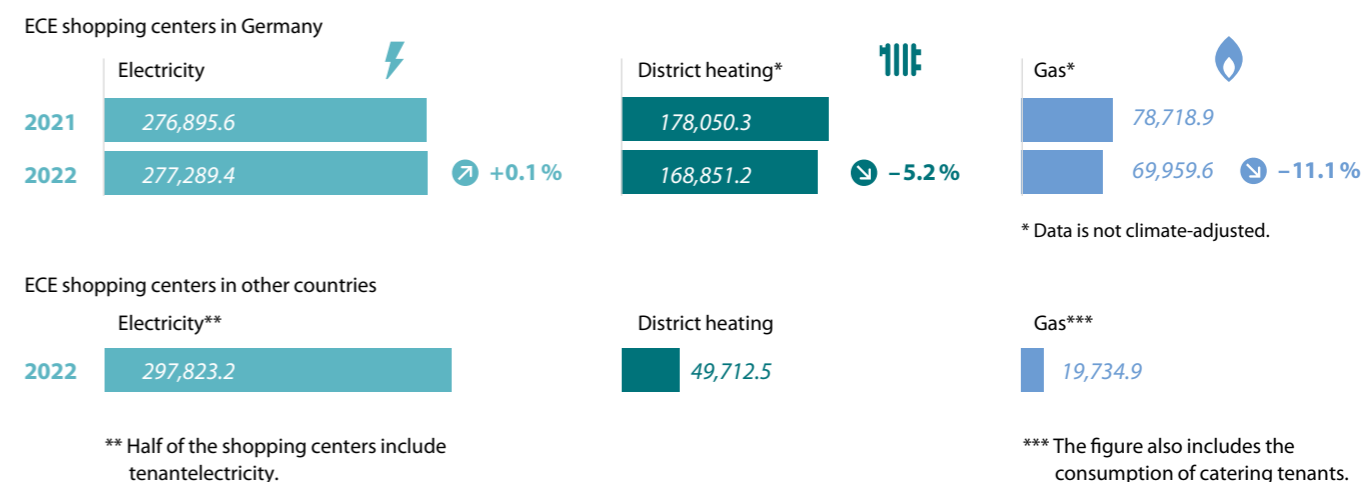
ECE records environment-related consumption in its shopping centers and at its corporate headquarters. ECE included all 94 shopping centers in Germany in the 2022 calculation. In the case of the shopping centers supplied with district heating or cooling, data was recorded for a total of 73 shopping centers. 19 centers were taken into account for gas consumption and data for water consumption from 91 shopping centers was included. For the first time, the energy consumption data for the international shopping centers was also recorded and reported. Electricity consumption was aggregated for a total of 36 shopping centers. The heat required was determined for the first time for this report for a total of 34 shopping centers. 20 of these were supplied with district heating or cooling, and 14 with gas.

A comparison of the two lockdown-free years 2019 and 2022 makes clear that ECE has achieved significant savings in energy and thus CO2. Overall electricity consumption was reduced from 315,334 MWh to 277,289 MWh. This corresponds to a CO2 saving of around 26,370 metric tons.

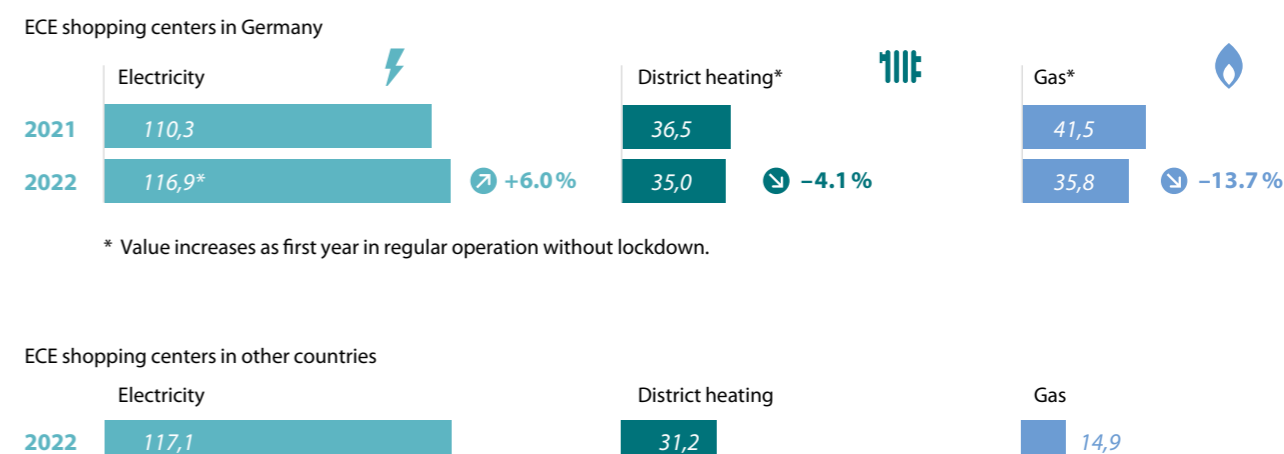
ENERGY CONSUMPTION DATA OF THE ECE HEADQUARTERS IN MWH



ENERGY CONSUMPTION DATA IN MWH



SPECIFIC ENERGY CONSUMPTION IN KWH/M²



ENERGY AND RESOURCES 2021-2022

GREENHOUSE GAS EMISSIONS

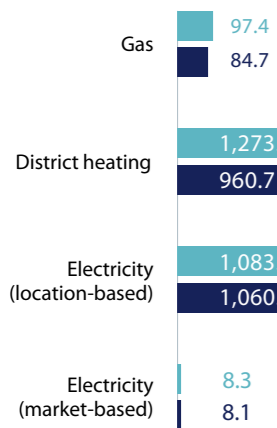
Since 2008, ECE has been purchasing electricity from renewable energy sources from certified suppliers. In addition to all shopping centers in Germany, Austria, and Hungary, this applies to three shopping centers in Italy and two in Turkey, as well as the corporate headquarters in Hamburg. Reference values for the energy composition in Germany were used to calculate the site-based greenhouse gas emissions (emission factors for gas, district heating, and electricity). Due to the use of green electricity in most of the shopping centers, the market-based values for green electricity are also shown. These show very low emission factors because only a small proportion of CO2 emissions are caused by the generation of electricity from hydropower.

- Scope 1** Gas
- Scope 2** District heating
Electricity (location-based)
Electricity (market-based)

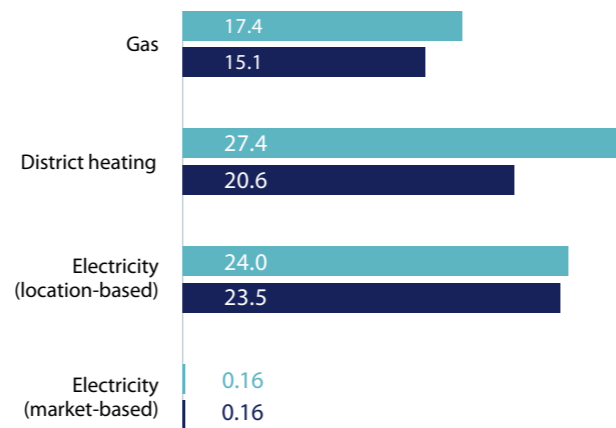
Calculation based on national CO2 emission factors.

2021 ■
2022 ■

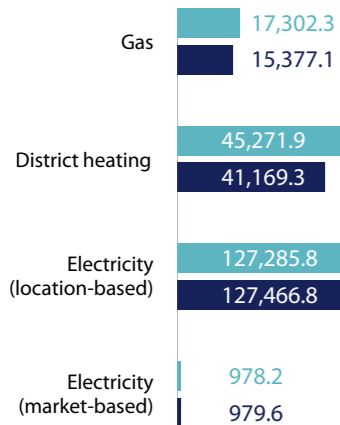
T CO2 EQUIVALENT OF THE HEADQUARTERS



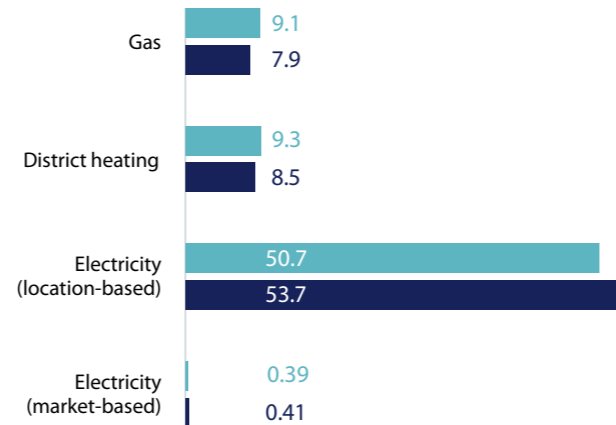
KG CO2 EQUIVALENT PER M2 OF THE HEADQUARTERS



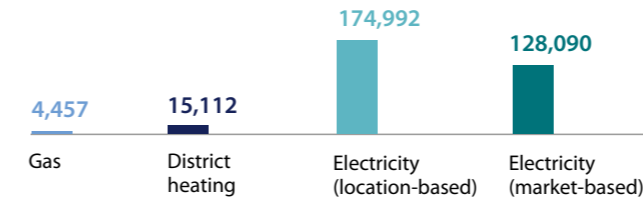
T CO2 EQUIVALENT OF THE SHOPPING CENTERS IN GERMANY



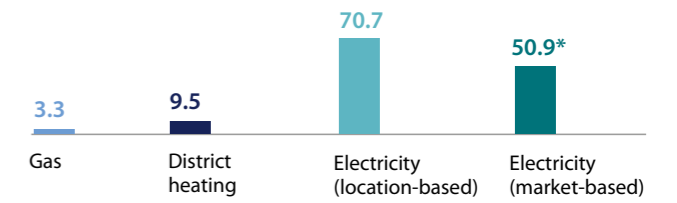
KG CO2 EQUIVALENT PER M2 OF THE SHOPPING CENTERS IN GERMANY



T CO2 EQUIVALENT OF SHOPPING CENTERS IN OTHER COUNTRIES 2022



KG CO2 EQUIVALENT PER M2 OF SHOPPING CENTER IN OTHER COUNTRIES 2020

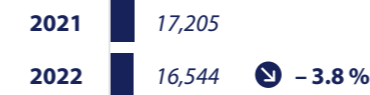


* A large number of the shopping centers are not yet supplied with green electricity.

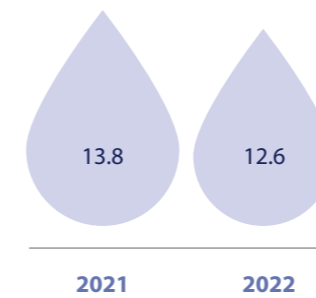
WATER WITHDRAWAL

HEADQUARTERS

Water withdrawal, absolute



Specific water withdrawal (m³/employee)

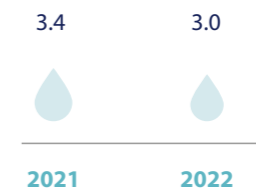


SHOPPING CENTERS

Water withdrawal, absolute (m³)*



Specific water withdrawal (liters/visitor)

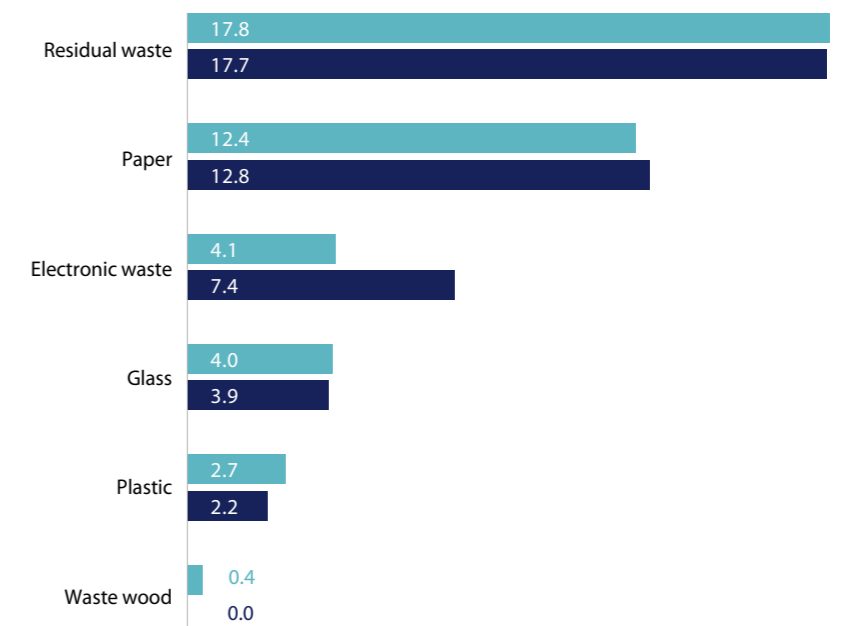


* 2022 was the first year without a lockdown, so absolute water withdrawal rose again.

WASTE GENERATED

ECE's headquarters and shopping centers accrue waste as part of ECE's business activities, including from tenants and from ongoing operations. The various types of commercial waste primarily include scrap wood, nonrecyclable waste, glass, electrical waste, plastic, and paper. ECE's primary goal is to reduce waste. The company considers proper recycling to be an important priority for conserving resources when waste cannot be prevented. Waste is disposed of through certified waste disposal companies. The following waste was produced at the ECE headquarters (in metric tons).

2021 ■
2022 ■



GRI PERFORMANCE

GRI PERFORMANCE

RESPONSIBLE CORPORATE GOVERNANCE 2021–2022

ECE's corporate values provide the basic orientation framework for employees' interaction with each other and for cooperation with investors, tenants, and other business partners. The ECE Code of Conduct defines binding standards of behavior for all employees. Clear compliance requirements for management and employees that apply throughout the company help ensure compliance with laws and regulations, reduce risks, and improve the company's performance.

These include, among others:

- Guidelines for donations and sponsorships
- Guidelines for handling gifts
- Guidelines for reviewing business partners
- Guidelines related to antitrust law

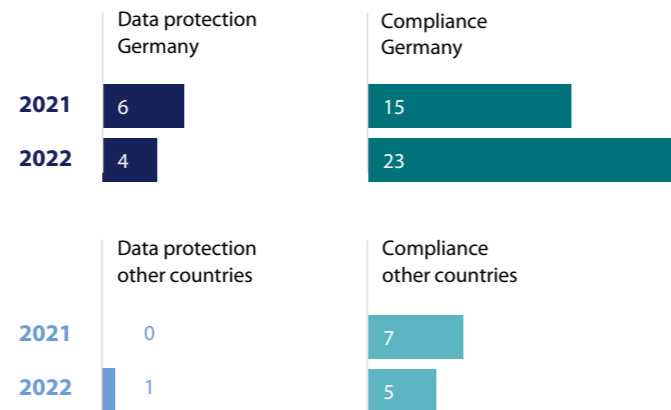
Employees and external parties can report any violations of the standards set out in the Code of Conduct and ECE's compliance regulations by calling the ECE compliance help line. ECE employees also have access to ECE's electronic whistleblowing system, which they can use to report any violations of the law or internal company policies – including anonymously, if they so desire.

Sustainability and compliance are both firmly anchored in ECE's corporate values, and are regularly addressed in management and employee training courses. ECE has 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 and other compliance regulations. This interactive online training course features case studies and raises employees' awareness of compliance risks in ECE's day-to-day business.

Compliance is 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.

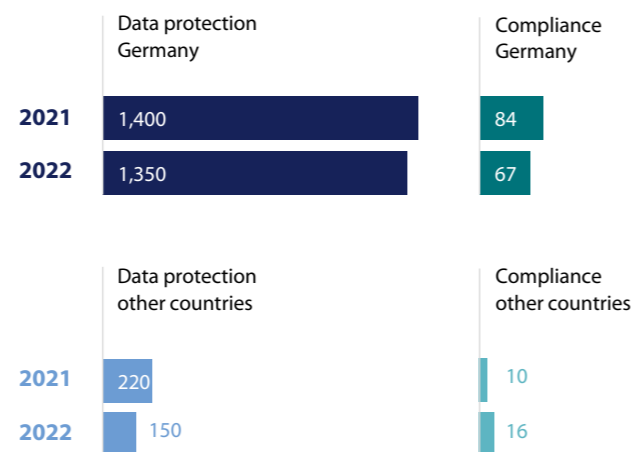
ECE has introduced a compliance management system in order to implement the legal requirements and regulations, which was first audited and certified by the Institute for Corporate Governance in the German Real Estate Industry (ICG) in 2014. Follow-up audits, including subsequent certification by the ICG, took place in March 2016, November 2019, and March 2023.

NUMBER OF SUSPECTED CASES* OR INCIDENTS**



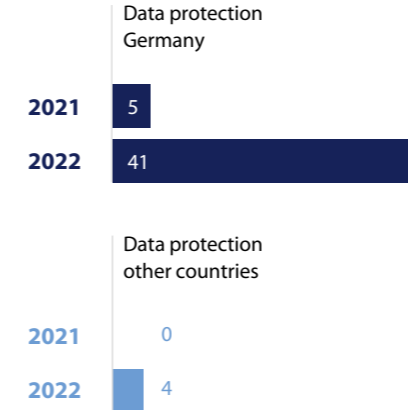
* Suspected compliance case: any act or omission by employees or third parties acting for or on behalf of ECE or whose acts or omissions may affect ECE in any other way that could be the basis of irregular conduct.
 ** Data protection incident: identified breach of data protection law and/or internal data protection requirements.

REQUESTS*



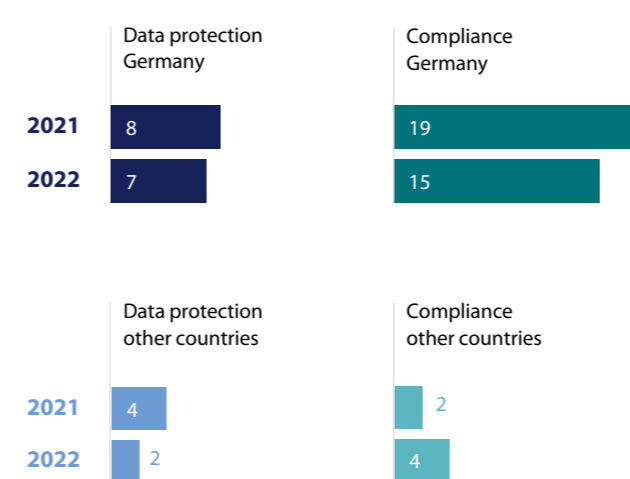
* Requests focus on legal, contractual and shopping center-specific topics, since 2018 in particular in the context of asserting data subject rights under the General Data Protection Regulation; in addition, questions on the permissibility of gifts/invitations and on topics relating to conflicts of interest (compliance).

ASSERTION OF DATA SUBJECTS' RIGHTS UNDER THE GENERAL DATA PROTECTION REGULATION*



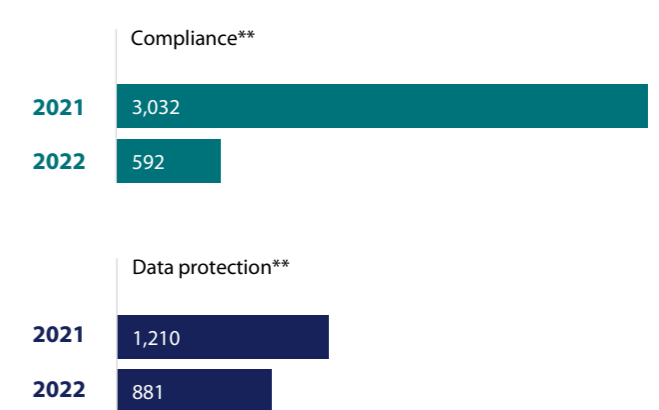
* Includes requests for erasure pursuant to Art. 17 EU GDPR, objections to data processing pursuant to Art. 21 EU GDPR, and requests for information pursuant to Art. 15 EU GDPR.

CLASSROOM TRAINING*



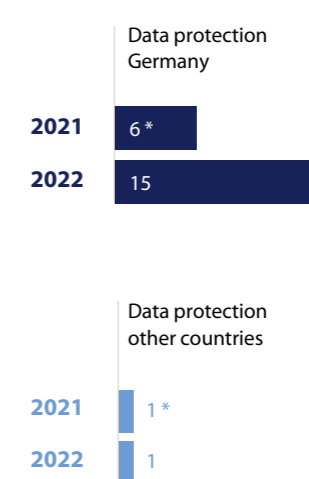
* Classroom training is provided for specific groups of employees (specialist departments), usually on risk potential aspects and/or if there is a specific need (for example, if the number of suspected compliance cases in a specialist department increases) and, if necessary, at the request of specialist departments.

ONLINE TRAINING*



* Online training is provided to all new employees (including campus aides).
 ** A new online compliance training course was rolled out across the Group in June 2021.

NUMBER OF DATA PROTECTION AND IT SECURITY SHOPPING CENTER AUDITS



* Due to the pandemic, no audits were conducted from January to May 2021. Starting in June 2021, ECE conducted six remote audits and one on-site audit. Audit operations resumed on a regular basis in 2022.

WELL-BEING AND 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 ECE shopping centers.

Besides the economical use of building plots and land recycling, ECE's sustainability goals include high durability and universal usability of buildings and their simple 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 a particularly important role.

DIGITIZATION OF REAL ESTATE

Together with our customers, we develop modern and sustainable real estate concepts for all asset classes. In the process, we are also continuously driving forward the consistent digitization of real estate and building operations in order to meet the increasingly demanding climate and sustainability targets. For example, the digital connectivity of buildings is the basis for energy-efficient and networked building technology. It is also a prerequisite for objective and consistent reporting on consumption, usage intensity, and availability. It creates transparency that enables all users of a building to make the right decisions and thus contribute to sustainability.

EXPANSION OF E-CHARGING POINTS

For years, ECE has been implementing a holistic concept to add forward-looking mobility concepts to the cityscape. In addition to connections to the local public transport system (ÖPNV), bicycle parking facilities and a steadily increasing number of e-charging points in the parking garages of the shopping centers also play an essential role. ECE currently offers visitors more than 300 charging points at its shopping centers and has set itself an ambitious target in this area: by the end of 2024, all shopping centers in Germany are to be equipped with convenient e-charging solutions for visitors. In 2022, the e-charging infrastructure coverage in Germany was 45%, and 51% internationally.

CERTIFICATION OF SUSTAINABILITY ASPECTS

ECE uses internationally recognized certification systems to present information on the quality of its buildings with respect to sustainability aspects in a comprehensible way. This includes certification by the German Sustainable Building Council (DGNB), which is awarded to both new and existing buildings. 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, Bronze, Silver, Gold, or Platinum certification is awarded. In addition to DGNB certification, ECE also uses BREEAM certification for existing buildings and 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 to Good, Very Good, Excellent, and Outstanding.

ECE assesses the potential for improvement in terms of sustainability when constructing every new building and carrying out every major refurbishment. If possible, it has the positive performance of its buildings confirmed via recognized certifications. At the end of the reporting period, 98 of ECE's shopping centers and 31 of its properties in the hotel, office, logistics, and residential asset classes had been awarded full or preliminary certification from the DGNB or had been awarded BREEAM or LEED certification. Four properties in Hamburg have also been awarded the HafenCity eco-label. These certifications guarantee that in addition to energy efficiency and other environmental aspects, sociocultural aspects have also been taken into account.

CERTIFICATES 2022

ECE MARKETPLACES*



ECE REAL ESTATE PARTNERS



ECE WORK & LIVE



* Exclusive of the real estate of ECE Real Estate Partners.

GRI INDEX



For the Content Index - Essentials Service, GRI Services has verified, that the GRI Index is presented clearly and in a manner consistent with the Standards, and that the references for statements 2-1 to 2-5, 3-1, and 3-2 are consistent with the corresponding sections in the body of the report.

GRI standards and disclosures	Page number	Explanation
The organization and its reporting practices		
GRI 1 Foundation 2021		ECE Group GmbH & Co. KG has reported the information specified in this GRI Index for the period from January 1, 2022 to December 31, 2022 with reference to the GRI Standards
GRI 2 General Disclosures 2021		
GRI 2-1 Organizational details	90	
GRI 2-2 Entities included in the corporation's sustainability reporting	71 + 90	Corporate units that are part of the sustainability strategy
GRI 2-3 Reporting period, frequency and contact point	88 + 89	
GRI 2-4 Restatements of information	88	
GRI 2-5 External assurance	88	
Activities and workers		
GRI 2-6 Activities, value chain and other business relationships	4–49, 70, 90	
GRI 2-7 Employees	74 f.	
GRI 2-8 Workers who are not employees		The ECE Group employs temporary staff (temporary and interim employees) in the low-double-digit range and does not keep separate statistics on this
Governance		
GRI 2-9 Governance structure and composition	52 f.	
GRI 2-10 Nomination and selection of the highest governance body		The ECE Group is an owner-managed family company owned by the Otto family
GRI 2-11 Chair of the highest governance body		The company is managed by Alexander Otto as CEO of the ECE Group
GRI 2-12 Role of the highest governance body in overseeing the management of impacts	52 f.	
GRI 2-13 Delegation of responsibility for managing impacts	52 f., 70	
GRI 2-14 Role of the highest governance body in sustainability reporting	52	The ECE Sustainability department is responsible, among other things, for the sustainability reporting. The ESG Board, the CEO, and the CFO approve the report.
GRI 2-15 Conflicts of interest		Does not apply to the ECE Group as a GmbH & Co.
GRI 2-16 Communication of critical concerns	46, 82	
GRI 2-17 Collective knowledge of the highest governance body	53	
GRI 2-18 Evaluation of the performance of the highest governance body		As an owner-managed family company, ECE treats this topic confidentially
GRI 2-19 Remuneration policies		As an owner-managed family company, ECE treats this topic confidentially

GRI standards and disclosures	Page number	Explanation
Governance		
GRI 2-20 Process to determine remuneration		As an owner-managed family company, ECE treats this topic confidentially
GRI 2-21 Annual total compensation ratio		ECE Group GmbH & Co. KG does not consider this remuneration indicator to be meaningful for assessing the fairness and balance of remuneration structures. Therefore, we do not collect this data
Strategies, policies and practices		
GRI 2-22 Statement on sustainable development strategy	2 f., 54–63	
GRI 2-23 Policy commitments	82 f.	Details are regulated by the ECE Code of Conduct and the Compliance Standards for Business Partners of the ECE Group.
GRI 2-24 Embedding policy commitments	82 f.	
GRI 2-25 Processes to remediate negative impacts	46, 82	ECE uses the anonymous BKMS Whistleblower system
GRI 2-26 Mechanisms for seeking advice and raising concerns	46, 82	ECE uses the anonymous BKMS Whistleblower system
GRI 2-27 Compliance with laws and regulations	82	No significant fines or non-monetary sanctions were imposed on the ECE Group in the reporting period
GRI 2-28 Membership associations	47	
Stakeholder engagement		
GRI 2-29 Approach to stakeholder engagement	70 f.	
GRI 2-30 Collective bargaining agreements	77	
GRI 3 Material topics 2021		
GRI 3-1 Process to determine material topics	71–73	
GRI 3-2 List of material topics	73	
Corruption		
GRI 3 Material topics 2021		
GRI 3-3 Management of the material topics	82 f.	
GRI 205 Anti-corruption 2016	82 f.	
GRI 205-1 Operations assessed for risks related to corruption		Compliance risk analyses are carried out in the departments every 2 years
GRI 205-2 Communication and training about anti-corruption policies and procedures	82 f.	
GRI 205-3 Confirmed incidents of corruption and actions taken		There was an incident in 2021 with an external business partner; Action: termination of the business relationship
Energy Efficiency & Renewable Energy		
GRI 3 Material topics 2021		
GRI 3-3 Management of the material topics	54–61, 72 f., 78–80	
GRI 302 Energy 2016	54–61, 72 f., 78–80	
GRI 302-1 Energy consumption within the organization	78–80	
GRI 302-3 Energy intensity	79	
GRI 303 Water and wastewater 2018		
GRI 303-3 Water withdrawal	63, 78, 81	

GRI PERFORMANCE

GRI PERFORMANCE

GRI standards and disclosures		Page number	Explanation
Climate emissions			
GRI 3 Material topics 2021			
GRI 3-3	Management of material topics	50–57, 60 f., 72 f., 78	
GRI 305	Emissions 2016	50–57, 60 f., 72 f., 78	
GRI 305-1	Direct (Scope 1) GHG emissions	80 f.	
GRI 305-2	Energy indirect (Scope 2) GHG emissions	80 f.	
GRI 305-4	GHG emissions intensity	80 f.	
GRI 306 Waste 2020			
GRI 306-1	Waste generation and significant waste-related impacts	81	
GRI 306-2	Management of significant waste-related impacts	81	
GRI 306-3	Waste generated	81	
GRI 401 Employment 2016 64 f., 77			
GRI 401-1	New employee hires and employee turnover	76	
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	77	
GRI 401-3	Parental leave	77	
GRI 403 Occupational health and safety 2018 66 f., 72 f.			
GRI 403-1	Occupational health and safety management system	66 f.	
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	66 f.	
GRI 403-6	Promotion of worker health	66 f.	
GRI 404 Training and education 2016 64 f.			
GRI 404-1	Average hours of training per year per employee	83	The ECE Group only records the number of male and female training participants
GRI 405 Diversity and equal opportunity 2016 72			
GRI 405-1	Diversity of governance bodies and employees	74–76	
Building quality, quality of visitor experience, quality of location, and mobility			
GRI 3 Material topics 2021			
GRI 3-3	Management of material topics	84 f.	
GRI 416	Customer health and safety 2016	84 f.	
GRI 416-1	Assessment of the health and safety impacts of product and service categories	84 f.	

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