



Sustainability Report 2016/2017

CREATING LIVING ENVIRONMENTS TOGETHER

IDEAS  **INNOVATIONS**
SUSTAINABLE SOLUTIONS 

About this report

For ECE, sustainability is an important element of the corporate philosophy and is continuously integrated into daily activities. This also means keeping ECE's stakeholders transparently informed about the progress in its sustainability activities. This sustainability report therefore serves as an important instrument of communication. To meet the requirements of the stakeholders, the report is divided into two parts: A magazine section, which presents the main points of the activities during the report period, and a supplementary performance report that has been created in accordance with the current Global Reporting Initiative (GRI) standards. The ECE sustainability report has been issued every two years since 2008. This report covers the years 2016 and 2017.

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Solid basis

A portrait of ECE



The development and refinement of high-quality commercial real estate – the business model of ECE makes an elementary contribution to a livable society. As a European market leader in the management of shopping centers, the company combines profitability and energy efficiency with integrated urban development. In addition to shopping malls, the company develops, designs and realizes office buildings, logistics centers, hotels and residential developments.

With about 3,600 employees in Europe, the company develops and supports a wide range of complex building types – with a focus on long-term, sustainable real-estate development. Starting in the 1970s, ECE expanded beyond its main business area of shopping centers to become involved with other types of property. These include: company head offices, logistics properties such as goods distribution centers, transport properties such as railway stations, residential projects and hotels.

Refurbishment of existing retail properties

The European market for the construction of shopping centers is increasingly saturated – with fewer new developments as a result. There is, however, a great need for modernization of existing shopping centers. ECE is exploiting this market potential and increasingly extending and modernizing existing properties. From construction alterations through to marketing relaunches, the company covers the complete spectrum of holistic refurbishment, drawing on know-how accumulated over many decades.

Global scope of activities

Established in 1965, ECE first developed retail properties in Germany only. Its first shopping center abroad was opened in 2001. Today ECE operates a total of 199 centers. These include 51 centers outside Germany and more than 50 retail parks within Germany that are operated by MEC METRO-ECE Centermanagement GmbH & Co. KG as joint ventures with the Metro Group. ECE is active in a total of twelve countries.

Innovation with a pioneering spirit

Future-oriented solutions have made ECE the European market leader for inner-city shopping centers. Be it the opening of the first fully-covered shopping center, the sustainable revitalization of real estate, the development of energy-saving LED lamps or the introduction of the Future Labs as a test laboratory for new services, ECE puts innovation at the center, which stimulates the entire industry.



3,600

employees total



3,100

hotel rooms created or under construction



12
countries

€33.4 billion
in assets under management



2,900

apartments managed or planned



1 million m²

office space developed



199

shopping centers managed



21,000
shops

7.2 million m²
sales area of shopping centers

4.3 million
visitors daily

905,000 m²

developed or planned logistics spaces



Living well together

Creating urban quality of life

What constitutes a good life? That is a personal question that everyone is bound to answer differently. Nevertheless, there are a number of factors that provide the foundation, for many people, of a high quality of life. These include social ties to other people, a healthy state of well-being, but also material prosperity. ECE plays its part in enabling good human interaction by providing meeting areas that turn properties into places that give a sense of well-being.

Trade has brought life to cities since time immemorial. It brings people and businesses together and so stimulates urban development. **But how does the hustle and bustle of city centers and shopping malls affect our quality of life?** ECE is addressing this question intensively, together with tenants, customers and municipalities. This is because the personal sense of well-being depends on the particular needs of each individual. The themes here may be varied, but one thing is for certain: the demands on the quality of products and services are growing. In the shopping centers, this paradigm-shift can be seen, for example, in the provision of food services. Almost one visitor in two chooses a shopping center based on the culinary options it offers. Improved quality of life and enjoyment here go hand in hand.

Skyline Plaza, Frankfurt

What does quality of life actually mean?

The term 'quality of life' first appeared in the USA in the 1960s, and in the following decade reached the German-speaking world. Only since 1980, however, has it had a fixed place in the Duden (the leading dictionary of German spelling and language). This describes quality of life as follows: "Quality of life characterized by particular agreeable features – such as a clean environment, humane working conditions and generous leisure opportunities – that lead to a sense of individual well-being." Good quality of life is therefore the heart of the term 'sustainability' and combines ecological, social and economic objectives in a single concept.



The Living environment shopping center

What does a high quality of life mean to visitors to shopping centers, and what specific features attract them? To provide reliable answers here and in order to develop tailor-made services, ECE carried out a survey of over 1,000 customers of shopping centers across Germany in March 2016. The responses were used in the redeveloping of the centers. ECE can thus respond to the wishes and demands of its customers and create a shopping experience that meets their needs.

Places conducive to well-being

The correct lighting enables the architecture of the shopping center to come into its own and provides an **attractive interior atmosphere**. Windows, glass fronts and glass domes provide plenty of daylight. The addition of dimmable LED lamps allows the brightness and color of light to be adapted to the daylight. For many customers the desire for **relaxation** in the middle of the busy shopping environment is significant. Comfortable lounge areas and children's play areas invite them to linger. WLAN and mobile phone charging points offer good accessibility. Going shopping together, under ideal conditions, has thus become standard.



64%

of customers rate ECE Food Courts as excellent or good



Food services as a component of quality

Visits to restaurants and the associated **experience** play an ever-greater role in our society. Food services are also very important for shopping centers, because a **good and varied offering** also contributes to increasing the duration and quality of stay. In many shopping centers ECE has built new food areas, and it generally intends to expand the percentage of food services share significantly. This culinary experience is increasingly becoming an important differentiating factor from online shopping.

Tailored shopping

Increasingly frequently, an **enjoyable shopping experience** starts at home. Features such as 'Digital Mall' – which allow customers to find out online about products available at the mall – are currently being tested. At Alstertal-Einkaufszentrum in Hamburg, customers can already use Digital Mall to check online whether the product they want from a particular brand is currently available at the mall in their chosen size and color. By bridging the gap between online and offline, ECE is fulfilling the wishes of many customers to experience a holistic, omni-channel **shopping experience**. The added value over digital shopping of offering a lively shopping experience that includes personal interactions is entirely preserved.



What does quality of life mean for ECE?

Its work focuses not only on customer well-being but also fundamentally on quality of life for employees, holistic urban development, and protecting the environment and resources. Our Sustainability Advisory Board helps ECE improve the quality of life of society within its sphere of activity.

Why is a Sustainability Advisory Board necessary?

Only by allowing in initiatives that come from external sources is it possible to develop further. Back in 2011 ECE was the first real estate company to appoint an external Sustainability Advisory Board. This board provides constructive criticism in the form of ongoing dialogue with ECE's management and sustainability team.



Prof. Dr. Kunibert Lennerts
Karlsruhe Institute of Technology

Real estate

“Constructing and optimizing buildings on the basis of ecological criteria is essential for the sustainable development of the real estate sector. Longevity and environmentally sensitive construction create the basis for a good quality of stay.”

Arved Fuchs, polar researcher and recipient of the NatureLife Environment Prize 2017 

Resources

“Protecting climate and resources is closely intertwined with the quality of life of every individual – ultimately, the responsible use of resources today will create the conditions for good quality of life tomorrow.”



Interaction

"A few years ago, shopping malls were places just for shopping. Today, though, they provide meeting places. This is why ECE is looking beyond the limits of the mall and promoting lively urban development."

Ole von Beust

Former First Mayor of the Free and Hanseatic City of Hamburg



Working environment

"To attract qualified employees and to retain them, a good quality of life is essential in both working and private life. With its family-friendly working environment and its provision of sports and wellness facilities, ECE furnishes the prerequisites for this."

Andreas Wentz

Former chairman of the board of directors, Philips Deutschland GmbH



Sustainability strategy

"Sustainable action is a fixed part of ECE's company philosophy. The primary objective here is to promote and maintain quality of life across all generations."

Bärbel Schomberg

Real estate expert





1.7 million kWh
p.a. saved through
ventilation improvements
in 21 centers



99%
'Blue Angel'-
certified paper



14 million kWh
p.a. electricity saved
through use of LEDs in
41 shopping centers and
25 parking garages

Resources

Climate change not only poses a major challenge to businesses, it affects the quality of life of every individual – today and tomorrow. Real estate plays a key role here. About one third of CO₂ emissions in Germany come from buildings. As a developer and operator of inner-city shopping malls and commercial property across Europe, ECE is assuming a pioneering role – and combining energy efficiency and the protection of resources with an atmosphere of well-being. Smart LED concepts not only show off the shopping center in its best light, they also practically halve energy consumption.

Light in focus

Light is more than mere lighting. It influences our mood and our sense of well-being. It highlights the architecture of the building and creates a pleasant atmosphere. At the same time, however, light makes an important contribution to climate protection – for artificial light is responsible for a significant proportion of the energy consumption of a shopping center. Mariana Theiling is a member of a team of ECE lighting designers who develop smart lighting solutions for shopping centers.



Mariana Theiling

Mariana is an interior architect specializing in lighting systems who has been creating atmospheric lighting solutions in ECE shopping centers since 2001.

What must the lighting in a shopping center do?

Light provides orientation, creates highlights and plays an important role in setting the mood. Natural daylight in particular plays a key role in creating a pleasing atmosphere. That's why we design our shopping malls to have an attractive blend of natural and artificial light, without creating glare on the shop facades or causing negative impacts on the indoor climate. Each center should be able to tell its own story, through its architecture and lighting. To enable this, ECE develops creative concepts known as stories, which we try to bring to life with individual lighting solutions. Dynamic light scenes play an important role here.

Intelligent, low-power and low-maintenance lighting is becoming increasingly important for the sustainability certification of shopping centers, and this in turn is important for investors.

How can energy efficiency and an atmosphere of well-being be combined?

Modern LED technology offers us a very wide range of control over the light in our shopping centers. From warm light at 2000 Kelvin through to daylight at 6000 Kelvin, a variety of light scenes can be created. Depending on cloud coverage and the amount of natural light entering the building, the LEDs adapt to the outdoor conditions – thus ensuring a constant, pleasant and bright lighting

mood while saving energy. To access optimal lighting technology, we cooperate with renowned lighting manufacturers to develop specially tailored lighting systems for our centers. For precise solutions we first test the lighting effect in our lighting studio on, say, a range of materials, before deploying such lighting in the shopping centers themselves.



What might the lighting concept of the future look like?

To be able to control the lights by radio or Bluetooth without the need for extra control cables is our goal for the near future. Radio-controlled lights have the great advantage of being easy to integrate into existing shopping centers without the need and expense of removing ceilings to lay cables. It is also possible to retrieve information on the operation and maintenance of individual lamps using an intelligent, networked lighting system. Pilot projects are starting at Alstertal-Einkaufszentrum and Schlosspark Center Schwerin.

Energy-efficient shopping centers

Protecting the climate with air and light

Around 4.3 million people visit ECE shopping centers each day. While there, they all want to feel good. Going shopping in a pleasant atmosphere, eating well or just having a wander – these are all ingredients for an enjoyable time. The basic conditions for this seem simple: good air and attractive light. But to ensure this requires a lot of energy. After all, ventilation, air conditioning systems and artificial light consume most of the energy needed in shopping centers. It is therefore only logical for ECE to apply itself here and implement innovative solutions for greater energy efficiency.

Promenaden, Leipzig main railway station

Superb facility management

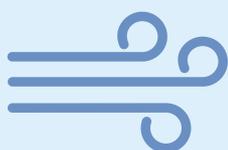
Sophisticated facility management (FM) is an important tool for better climate protection. Finely-tuned lighting and ventilation systems and their associated technical innovations contribute significantly to higher energy efficiency in the shopping centers. In each center a technical manager is responsible for developing and implementing technical efficiency measures. To create incentives and promote innovation, in 2016 ECE established the FM Awards. Around 40 applications were received at the company head office – a selection of outstanding innovations are shown on this double-spread page.





Reducing waste

Reducing resource consumption by recycling usable waste further protects the climate. The Megalò Chieti in Italy has installed a number of composting systems for this purpose. Green and brown waste are processed here, yielding an average of a tonne of fertilizer material per year. This not only reduces waste, but also provides a measure of self-sufficiency in high-quality fertilizer, which better combines water and air. This concept won the center the 2017 FM Award for Sustainability & Efficiency.



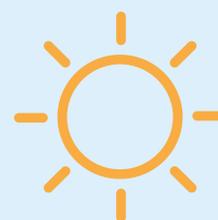
On-demand ventilation

Providing ventilation on demand represents a further key function for greater energy efficiency in the shopping centers. In many centers, ventilation and air extraction systems are already automatically controlled based on visitor numbers. Frequency-controlled motors provide the volume of air required and so the perfect indoor climate. At the same time, energy demand is reduced. Smart ventilation of this type is deployed at Rheinpark-Center in Neuss, which put this concept forward for the FM Award in 2016.



Illuminated climate protection

For its basic lighting and facade lighting, ECE uses light-emitting diodes (LEDs) wherever possible. In addition to controllable color dynamics and dimmability, the small lighting elements offer an impressive energy footprint: they save up to 50% of energy compared to conventional lighting. Coupled with the careful use of natural light, LEDs contribute significantly to the reduction of energy and CO₂ – while providing an attractive lighting mood. A total of five shopping centers applied for the FM Award based on this measure.



Living diversity

Biodiversity in the direct environment of our shopping center properties is attracting increasing attention. In some centers, projects for protecting biodiversity have been initiated. Marktplatz-Center Neubrandenburg, for example, applied for the FM Award with a project for protecting local bird species. In cooperation with the German Federation for the Environment and Nature Conservation (BUND), nesting boxes were mounted on the grassed-over roof of the center, providing ideal nesting conditions for local species of birds.

Resources conservation at home

Shopping consciously and cutting consumption



ECE headquarters, Hamburg

Awareness in the use of resources plays an important role for ECE not only in its shopping malls but, just as importantly, at home. The company also aims for a good eco-balance at its European head office in Hamburg.

Standards are set in terms of renewable energy sources, recycled paper and sustainability criteria for purchases – which have an effect both internally and outside.

Optimizing ventilation

ECE is modernizing the ventilation systems in its shopping centers. So far, 21 centers have been converted to more efficient technology. All new builds and refurbishments are checked for modernization measures. This ventilation modernization has enabled savings of some 1.7 million kWh.

Conscious use of paper

From purchase to disposal – for sustainable use of paper, ECE has adopted a holistic approach. As a supporter of the “CEOs for recycled paper” initiative, the company has switched to Blue Angel-certified recycled paper for most of the paper it uses at its headquarters and its German shopping centers. At the same time, ECE sensitized its employees to sustainability issues with a widely rolled-out campaign on the campus. This has resulted in paper savings of about five per cent (for more information on the “Be a Sustainable!” Campaign see the Working Environment section, page 19).

Consistent use of green electricity

ECE uses renewable energy to further protect the climate. Since 2008 the company has purchased green electricity for its head office and for almost all its German shopping centers from certified suppliers, and that green electricity has also been certified by independent associations. In addition, ECE generates solar power from its own photovoltaic systems, which it feeds into the public electricity network.

Sustainable purchasing

Resource protection begins with purchasing. In 2016, ECE modified its procurement processes for its Hamburg headquarters with the aim of making the purchase of work materials and energy more sustainable. As a result, the campus now follows the procurement policy of the shopping centers, which already includes sustainability criteria set out in the handbook “Sustainable operation of shopping centers” since 2012.

Clean air in Hamburg

ECE believes in climate-saving mobility and is playing a part in improving the air quality in Hamburg. By entering into the Partnership for Air Quality and Low-Emission Mobility initiated by the City of Hamburg, ECE has underlined its commitment to maintaining air quality in the city.



99% of German shopping centers and the company head office use exclusively renewable energy.



A reduction of **9%** of CO₂ emissions from power consumption has been achieved.¹



5 tons of CO₂ p.a. have been saved by ECE so far, thanks to modern ventilation systems in 21 centers.

¹ Based on operation with German electricity mix.

Best-Practice Centers



Elbe-Einkaufszentrum

Location: Hamburg, opened: 1966, managed by ECE since 1989

Elbe-Einkaufszentrum has an efficient lighting and energy concept with dynamic control. Atriums provide plenty of natural daylight. Latest-generation, energy-efficient illuminants and load-controlled escalators are in use – here, energy consumption is automatically adapted to the load on the escalator at any given time. The adjacent parking garage with electrical charging station allows low-emission travel to the center.



Energy-efficiency measures

- **Load-controlled escalators**
- **Electrical charging station**
- Atriums



MyZeil

Location: Frankfurt, opened: 2009, managed by ECE since 2014

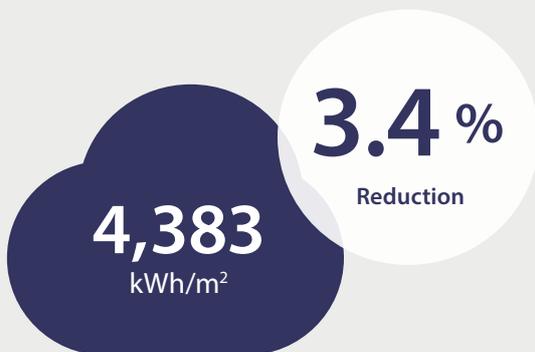
The architectural highlight of MyZeil is its spectacularly curved glass roof, along with the longest self-supporting indoor escalator in Europe at a length of 42 meters. A modernized building control system and the use of geothermal energy ensures high levels of energy efficiency and saves resources and the climate. The current restructuring by ECE adds another food area – “Foodtopia” – to MyZeil. Various bars, restaurants, and a movie theater are intended to encourage a high quality of stay.



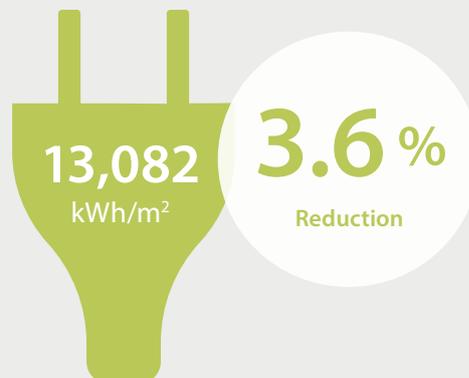
Energy-efficiency measures

- Modernized building control system
- Food area flooded with light
- **Geothermal heating**

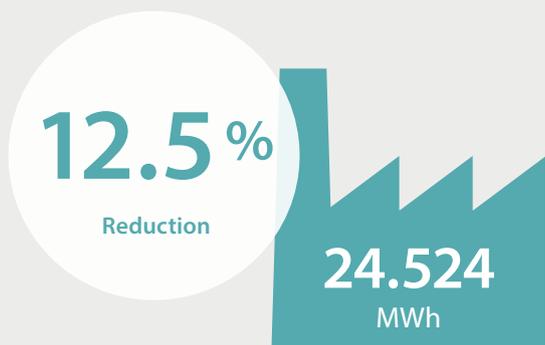
Resource consumption 2017 compared to previous year



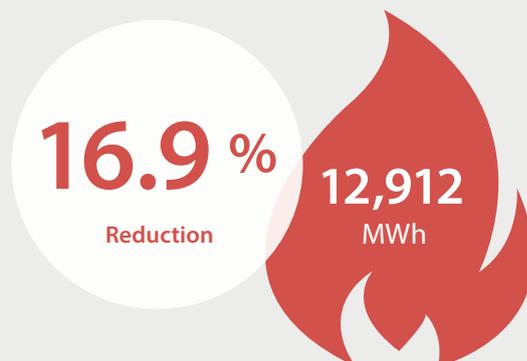
Emissions reduced through green electricity



Electricity



District heat



Gas



Light

Thanks to the use of energy-efficient LEDs, ECE has saved roughly 14 million kWh p.a.



Water consumption

On average, each visitor uses just 2.0 liters of water within the shopping center thanks to various measures for reducing water consumption.



Green electricity

99% of ECE shopping centers are supplied with power from renewable energy.



9.2

years average company
affiliation in Germany



38%

women at
management level



95%

return rate after
parental leave

Working environment

Both apprentices and experienced specialists can achieve their potential with ECE. This is not least thanks to a superb funding and apprenticeship program and a culture of mutual respect. In addition to ongoing training in professional disciplines, a well-balanced work-life balance plays a key role at ECE for satisfied and capable employees. The company promotes this with, for example, family-friendly working conditions and flexible working hours models. The company uses information campaigns to sensitize its employees to ecological, social and health-related topics, and in doing so, actively incorporates them.

Sport gives us wings

Keeping active everyday contributes to well-being and improves our fitness. ECE seeks to maintain and improve the health of all its employees – and provides many opportunities for this. Claudia Theisel, Director of Human Resources, explains in detail what the company actually offers its employees to boost their health.



Claudia Theisel
Director of Human Resources

What does ECE do for its employees' health and fitness?

It is our hope not only to promote the health of our employees, but to maintain it. The basis of this is a healthy workplace, and we build on this through ergonomics consulting and occupational health-care. Additionally, we offer all employees the opportunity to be physically active outside their work. In ECE's in-house fitness lounge at the Hamburg head office, our employees can clear their heads in a relaxed cardiovascular training program, work on their mobility by participating in various courses, or train their muscles

with strength workouts. Comparable fitness opportunities are offered to our colleagues in the shopping centers and regional offices across Germany by various partners.

The promotion of health means more than just physical fitness. What does ECE offer beyond fitness facilities?

The possibility of uniting work and family is a primary requirement for healthy and happy employees. We would like to allow our employees to work in environments suited to the different life phases. Thus, for example, we provide support for

childcare through a partner company, or similarly, for looking after relatives. Health-coaching sessions offer employees the chance to manage stress or learn about healthy nutrition. Each month we have an "Apple day", on which locally-grown apples are given out. This both boosts the immune system and sensitizes people to healthy nutrition.



"Unser Sportplatz"

ECE's own fitness lounge, "Unser Sportplatz", offers a meeting point for fitness enthusiasts at the Hamburg headquarters. Since December 2017 all employees have been able to improve their strength and stamina on modern training equipment here free of charge. Those who also wish to take advantage of the broad range of live and virtual courses pay an annual fee of €120, which can be refunded through the statutory health insurance system. Employees can use an app to manage dates and training plans.

Be a Sustainable!

Superheroes for sustainability

What do superpowers have to do with sustainability? Quite a lot, because making the office and the working day more sustainable requires us to give up our old attitudes and replace them with new ones. And this demands both strength and endurance. Help is at hand from our own symbolic comic figures: the ECE superheroes Paperman, Electra, Doc Fresh and Lady Mobility offer employees practical tips and options for a sustainable and healthy working day in the office. The combined forces of Doc Fresh and Lady Mobility also provide cleaner air on the campus with a City Tree.



Inauguration of the City Tree (left to right): Dr. Andreas Mattner (ECE), Thomas Ritzenhoff (chief district officer for Hamburg-Wandsbek), Jens Kerstan (Senator for environment and energy, Hamburg), Maria Hill (ECE), Alexander Otto (ECE), Peter Sanger (Green City Solutions)



In cooperation with Green City Solutions, ECE installed the “City Tree” outside its head office. The “tree” is in fact a free-standing, vertical plant display. This biological filter extracts pollutants from the air. The structure is four meters high, clad with moss cultures and also produces oxygen. This reduces local air pollution in a radius of about 50 meters by up to 30%.



Paperman

Masterfully saving resources

In spring 2016 Paperman fired the starting shot for ECE's sustainability campaign at the company head office in Hamburg. His motivation mission is centered on paper consumption. In 2016, average paper use per employee was about 8,000 sheets per year. Paperman ran an in-house competition to reduce paper use: An eight-week paper challenge with the slogan **"Not printing is a winner!"** proved effective not only in reducing paper consumption but also in sensitizing employees to sustainability issues. The winners of the challenge were rewarded by Paperman with reusable coffee mugs. To save resources, all paper used for printing in the ECE head offices and shopping centers is **recycled paper** carrying the **Blue Angel seal**. This is also used in the restrooms – for example, for hand towels. Additionally, introducing paper boxes for wastepaper in each office of the Hamburg head office has optimized the separation of waste and promotes the **ecological disposal** of paper.

Perceptibly lowering energy consumption

Paperman's companion Electra has the task of promoting the careful use of energy resources. Whether it is washing the dishes, heating, ventilation or lighting, Electra provides tips on effective power saving in the workplace by means of the intranet, notices in the lifts and in the employee magazine. The latest accomplishment are **"power buttons"** on the desk of every employee that encourage them to switch off their electronic devices. **Power savings of about 160,000 kWh annually** are possible this way – representing a reduction of **95 tons of CO₂**. Through their interaction with the other superheroes, the sustainability effect is significantly increased. Thus Electra cooperates closely with Paperman and reduces energy consumption thanks to less printing on paper.

Electra



Doc Fresh



Staying active and healthy

Maintaining and increasing the health of all employees – that is the mission of Doc Fresh. He introduced himself to the employees of the company head office on a Health Day in November 2016 and demonstrates how to remain active and healthy while at work. The options included **fitness checks, brief massages, stress tests and cardio scans**. All employees had the chance to learn from presentations and consultation sessions and to try out tasty snacks. Health Day was also the starting signal for the active break, which gives employees the opportunity to improve their health in the Business Outfit once per week. Since December 2017 employees have been able to use an in-house **fitness studio with course spaces** to develop their strength in their free time. Improved bicycle parking and the provision of showers also encourage employees to come to work by bicycle and so reduce their CO₂ footprint.

Mobile and climate-friendly

The latest addition to the ECE superheroes has been busy since October 2017 promoting **environmentally friendly mobility**. Lady Mobility champions the use of public transport, bicycles, e-vehicles and car sharing. Our objectives are both cleaner city air and climate protection and also motivated, healthy employees. An **electrically driven company car and charging column**, for example, allows external appointments to be kept in an environmentally friendly manner – while also teaching employees more about the benefits of electrically driven vehicles.

Lady Mobility



Responsibility for employees

Flexible, family-friendly working

Megatrends such as digitization and demographic change are altering the ways we work. Our personal freedom to negotiate our work and private lives is increasingly important to us. As a family business, for ECE it goes without saying that the conditions for a healthy work-life balance must be provided. Here the needs of employees play a central role – and ECE keeps itself updated on these by means of regular employee surveys.

Subsidy program for creators of the future

With its new development program for individuals with particular potential, "Room4Excellence", ECE is identifying and supporting technical and management personnel to prepare them for new challenges in the company. Participants in this program undertake an individually tailored curriculum that is matched to their particular requirements.

The subsidy program will last for 18 months and begins in its new format from April 2018.

Creating flexible working hours

Whether a little more time is needed at the childcare center in the mornings or a football match is coming up in the afternoon, working hours at ECE can – if not bound to a shift schedule or service times – be arranged flexibly by agreement with the management and within the framework of statutory provisions. This is because ECE believes that professional success, recognition and careers depend not on the hours one is present but rather on the outcomes achieved from one's work. The company also aims to support the personal life plans of its employees by promoting flexible work hours models. With part-time and job-sharing options at the headquarters and in the German shopping centers, employees can further adapt their working hours to their personal and family lives – even in management positions. At the Phoenix-Center in Hamburg, for example, two employees share the job of center manager.

Mobile working

Mobile working helps employees to combine work and family. Where required, the company provides its employees with a laptop and smartphone or a token. This creates extra scope for flexibility in working while also promoting an autonomous approach to work and a sense of responsibility. The result is greater job satisfaction and satisfaction from results achieved. In addition, ECE promotes family-friendly working not only in the Hamburg company head office. The workstation with play area can be used for short-term gaps in childcare with a parent-and-child office at the headquarters or the Kids@Office-Box in the shopping centers, and this supports mobile working even at the workplace itself.

Women in management positions

ECE aims to equalize the career opportunities for women and men and to increase diversity at the management levels. Family-friendly framework conditions such as childcare and advice on care for the elderly are key tools for this purpose. With programs such as Compass and Room4Excellence, ECE is raising the visibility of women in management positions. At present, 38% of management positions are occupied by women.

Outstanding

ECE's success lies in its high level of employee satisfaction and in the encouragement of the next generation of motivated young people. The holistic human resources policy of the company is also reflected in the relevant awards it has received.



Top Employer

The opportunities offered by ECE in the fields of **management** and **employee development, in-service training** and **work-life balance** won the company its third **"Top Employer Germany"** award in a row in 2017.



Work and family

The certificate introduced in 2012 for a **family-conscious personnel policy** by the Hertie Foundation was renewed in 2017.



Fair Company

This award, given again in 2017 by the karriere.de online portal represents **fair treatment** of university-level trainees.



Trainee distinctions

Again in 2017 ECE received the "Absolventa" award for its **trainee program**.



Open Company

Employer appraisal portal kununu distinguished ECE as an **"Open Company"** and a **"Top Company"** again in 2017.



Hamburg's best employer brand

The Institute for Management and Economic Research (IMWF) awarded ECE its special prize of **"Hamburg's Best Employer Brand"**.



Doing business with integrity

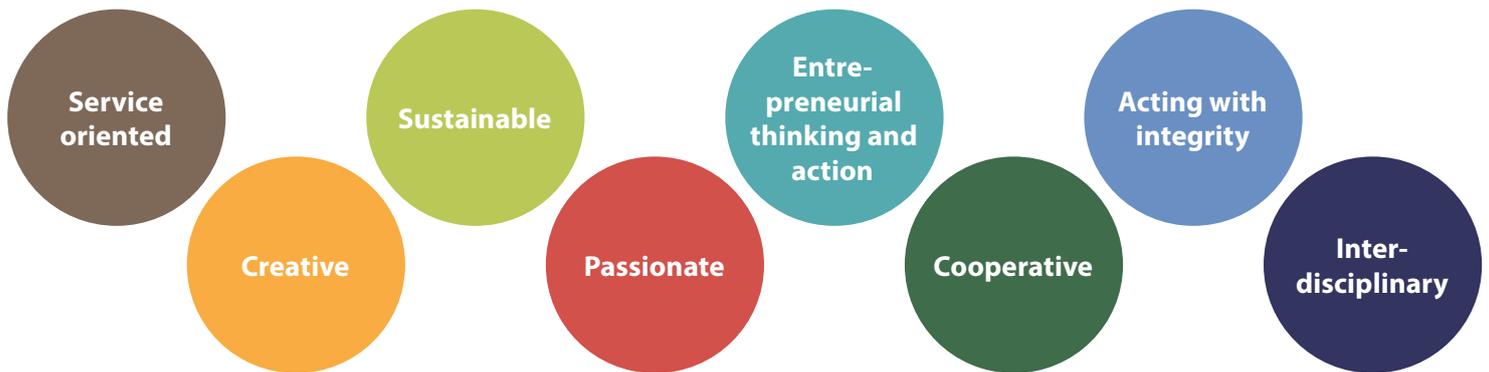
Anchoring values in working lives

A business model that is successful in the long term must be based on clear rules and dependability. ECE therefore seeks to apply transparent rules for the interaction between management and employees and also for cooperation with investors, tenants and business partners. The foundation for this is provided by a code of conduct plus a holistic canon of values and a certified compliance management system.



ECE values

Orientation is provided to our employees by eight ECE corporate values. The canon of values was revised in 2012 as part of an intensive discussion process by ECE employees. The values define the character of the company, are communicated actively, and are raised as topics of discussion in management training and employee appraisal interviews.



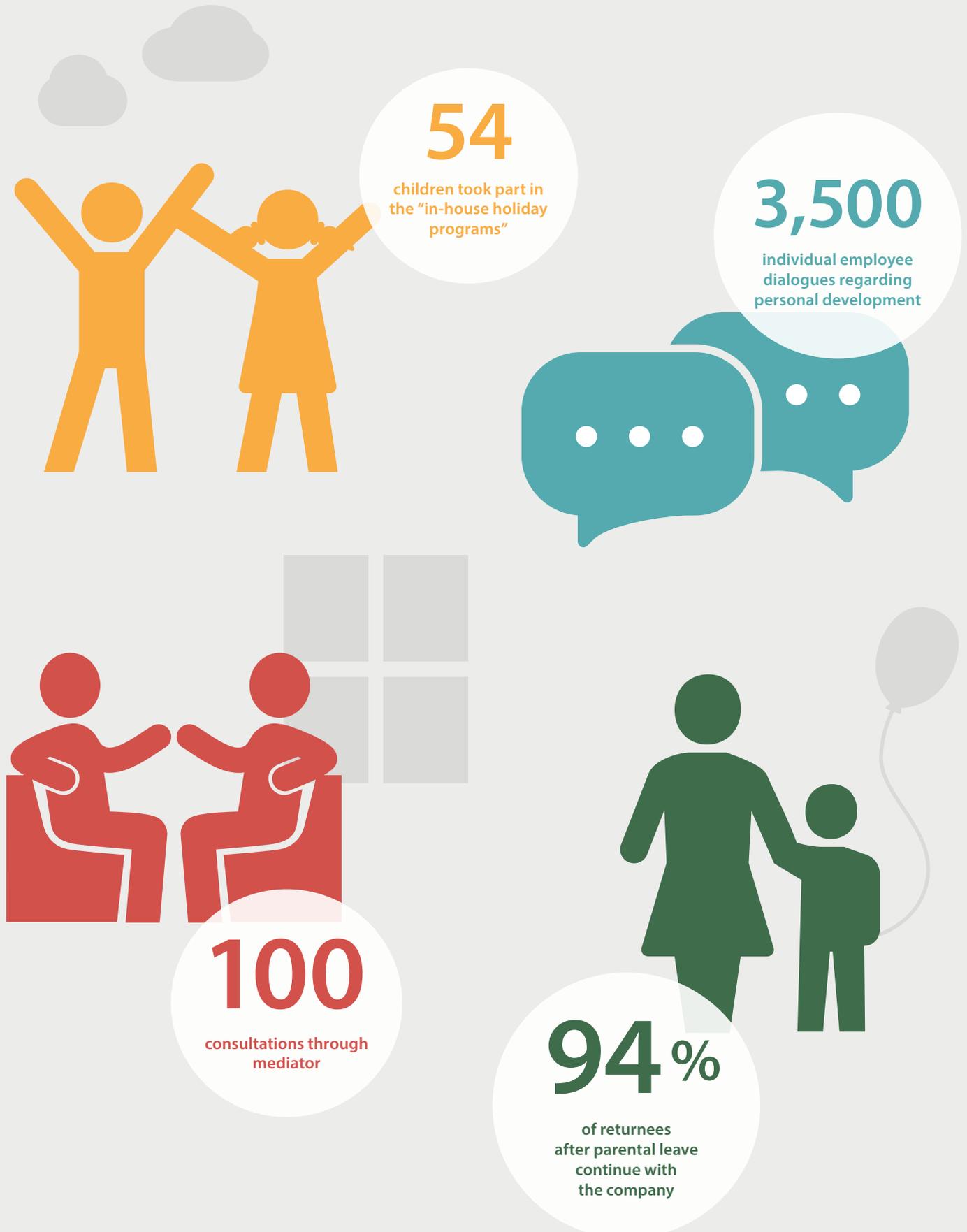
Code of conduct as basis

Every ECE employee in Germany or abroad is responsible for ensuring that his or her conduct honors the principles set out in the ECE code of conduct. To provide thorough knowledge of these principles, regular face-to-face compliance training events have been held for selected employees in Germany and abroad since 2013. Additionally, all employees in Germany or abroad must complete online training in the principles of the code of conduct.

Certified compliance management

ECE is bound to observe the provisions of national and international regulations and also the guiding principles of a respectable entrepreneur. The company takes the matter of compliance very seriously and therefore installed an extensive compliance management system in 2012, adapted to ECE, that is based among other things on the core company value of integrity. The ECE compliance management system was certified in 2014 following the first auditing by the Corporate Governance Initiative (CGI) of the German Real-Estate Industry. The second audit and certification by ICG took place in March 2016 and will be repeated in future at regular intervals.

Employee Highlights 2017





75 sustainability certifications were awarded to ECE ¹



47 centers converted to LED lighting in 2016



4 handbooks on sustainability aspects in shopping centers established by ECE within the industry

Real estate

How is it possible to develop economically viable real estate without placing unnecessary stress on the environment or the climate? For ECE this question is present at the start of every project. The basis for sustainable building development is a planning horizon set out for the company over the long term. This may include the use of long-life construction materials or appropriate maintenance and upkeep procedures. By issuing handbooks on the sustainable operation of shopping centers, ECE also actively involves its tenants actively and provides them with practical recommendations for environmental and climate protection.

Long-term value retention in focus

A sustainable corporate strategy can be implemented by ECE only with the support of its stakeholders. A key role here is played by the investors. They play a significant part in the realization of the project. For them as well, sustainability is very important. To the majority of ECE investors (87%)¹, sustainability is a key competitive factor for the real estate industry, confirms Dr. Reinhard Kutscher.



Dr. Reinhard Kutscher
Chairman of the board,
Union Investment Real Estate GmbH

What makes for a sustainable property, in your view?

Sustainability in real estate has many aspects. These range from the use of high-quality materials and efficient technical systems to the provision of charging columns for e-vehicles. The focus here is on the long-term value retention of the property, which is assured only where sufficient attention is also paid to the environmental and social dimensions.

What are the defining factors for future-ready property?

We do not know what expectations will be placed on buildings by their users or the regulators. What is certain, however, is that resource efficiency must be increased. It is therefore important today to measure emissions and consumption, and to use customized tools to respond to future developments or indeed to anticipate them. This enables risks to be minimized and performance opportunities to be taken. As an operator, ECE is well under way here.



Sustainability begins at home

Design and environment are easy to reconcile. At its campus in Hamburg, ECE has converted a foyer in accordance with environmental and health-related considerations. This conversion was made based on a holistic examination of the materials used. FSC-certified timber and water-based paints without solvents were used. The findings from the conversion of the foyer are to be translated into the guidelines for implementing the cradle-to-cradle principle in planning and construction. It is therefore hoped that in future greater attention will be paid in similar projects to the complete lifecycle, including the dismantling phase.

¹ ECE Investor Survey 2017

Systematically certified properties

Establishing sustainability as the standard

In real estate, sustainability affects a wide range of areas. From environmentally friendly construction materials through a carefully balanced tenant mix to green spaces – ECE brings socio-cultural, environmental and economic aspects under the same umbrella. This is aided by certification systems that systematize the standards for sustainable construction.

Holistically certified work processes

ECE strives to design its properties sustainably and to have them appropriately certified. The basis for systematic certification – particularly for existing properties – is provided by the basic certificate of the German Sustainable Building Council (DGNB) for buildings currently in operation. In 2016 ECE was the first company ever to receive this certificate for its sustainable work processes. From purchase through renovation to ‘Green Lease’ – that is, to lease agreements oriented towards sustainability (see p. 32) – ECE has optimized its tools and processes in such a way that all the shopping centers it manages today are operated in accordance with uniform sustainability standards. These standardized ECE sustainability criteria are also implemented for the company’s commercial properties (see p. 30).

Highest standards for new buildings

To establish binding framework conditions and to set uniform standards, ECE also has most of its new buildings certified in accordance with the DGNB criteria. The certification is regarded as one of the most demanding in the world and is distinguished by its holistic consideration of ecological, economic and social aspects. As a company with international operations, ECE also applies the BREEAM and LEED standards, which are recognized worldwide.

Systematic modernization

ECE not only takes a strong position in the certification of its new buildings but also implements high standards for sustainability in its existing buildings. The ongoing modernization, modification and expansion of existing shopping centers is one of the company’s core competencies. Through extensive renovations, the centers are not only brought up to the latest technical standards but also visually improved.



(l. to r.) **Dr. Christine Lemaitre**, managing director of DGNB, **Markus Lentzler** managing director, ECE Project Management, **Wilhelm Wellner**, spokesman of the board of Deutsche EuroShop AG

ECE certified real estate

How can real estate be designed functionally and attractively while also protecting the environment and the climate? To meet this requirement for every individual project, ECE bases its activities systematically on a number of sustainability standards. The company thus creates a binding principle with a long-term planning horizon – which benefits both the environment and the tenants and investors.



DGNB

German Sustainable
Building Council

Evaluation criteria

Environmental, economic and
socio-cultural factors

Certified ECE properties

15 
Platinum

37 
Gold

3 
Silver

1 
Bronze



BREEAM

Building Research Establishment
Environmental Assessment Methodology

Evaluation criteria

Environmental and
socio-cultural factors

Certified ECE properties

1 
Excellent

8 
Very Good

6 
Very Good (Management)
Good (Assets)

Location quality

ECE employs individual architecture and sensitive integration into the cityscape in planning and realizing its shopping, manufacturing and logistics complexes, under the premise of efficient, economically viable use of space. The logistics center for STILL in Hamburg, for example, demonstrates functionality, efficiency and sustainability. It is the primary example of the restoration of a contaminated former industrial site.

Sustainable building materials

An environmentally friendly building is based on the use of sustainable building materials. During project planning, all properties are checked for freedom from harmful substances according to the DGNB criteria. In the course of conversion works at the campus, ECE also created its new reception area on the basis of the "Cradle to Cradle" sustainability principle.

Sustainable shopping centers

Strong assets in both existing and new structures

Every ECE shopping center is unique – in terms of its location, architecture, and atmosphere. Likewise, the sustainability aspects in the modernization of existing centers must be planned and implemented just as individually. From solar power systems on the roof through to irrigation systems that use rainwater, innovative solutions for greater protection of the climate and resources are among the central competences of ECE.

Adigeo Verona

Adigeo shopping center, completed in early 2017, is situated in central Verona. With free parking and excellent public transport links, this center is superbly connected. The comfort of visitors took first place during the development of the design – outdoor seating and a high level of natural light in the mall both help to produce a good sense of well-being. Family-friendly services such as children's play areas and the childcare service in the mall further enhance the quality of the visit.



Sustainability at a glance

- Energy quality of building envelope 20% better than statutory requirement
- Optimal links to public transport
- **High proportion of natural light**
- Rainwater used to irrigate outdoor areas
- Water-saving fittings in restrooms
- Facade lighting with energy-saving LED technology
- Photovoltaic system generating approx. 430 kWp



Marstall Ludwigsburg

Some 60 shops plus numerous indoor and outdoor restaurants and cafes invite visitors to spend time at Marstall Ludwigsburg. Here, ECE has thoroughly modernized an aging shopping center and transformed it into an attractive marketplace. With the aim of forming a logical complement to the small shops of the city center, the new Marstall primarily rents out large sales spaces; a sizeable food court has been set up, and local suppliers of food, services and cosmetics have moved in. ECE's refurbishment of the interior architecture pays homage to the historical roots of the location. With its outdoor terrace, the seating steps of the Marstall stairs and the seating areas on the Reithausplatz, the Marstall opens out into the city and so brings life to the city center.



Sustainability at a glance

- Proactive, sustainable maintenance
- Optimal links to public transport and to local supply
- Secure bicycle parking, showers, and changing facilities for employees
- **Efficient interior lighting thanks to use of LEDs**
- Increased ecological value of site through intensive planting of vegetation

Cano Singen

ECE is developing Cano shopping center right by the railway station and in the pedestrian zone of Singen am Hohentwiel. With a total of six different entrances and exits, the center opens to all directions and is thus perfectly integrated into the city. The architecture and design of the center draw on both the volcanic legacy of the region and Singen's industrial tradition. The interior design uses soft shapes, warm colors, and a ceiling design of superimposed layers to suggest geological structures. A food court with a vintage look featuring numerous cafes and restaurants provides culinary variety.



Sustainability at a glance

- Minimal use of space thanks to construction in existing structures and a high building density
- High quality of use for both employees and customers thanks to pleasant heating comfort
- Responsible use of resources and minimization of risks to the local environment in the selection of products, e.g. **use of timber from sustainable forests** and low-emission paints and adhesives



Sustainable commercial buildings

Harnessing functionality with energy efficiency

In addition to shopping centers, ECE develops and realizes other commercial buildings such as logistics centers, hotels, and offices. The company applies high sustainability standards to these projects too, developing energy-efficient buildings that save resources and combine functionality with economic viability.

Hermes Logistics Center

Cost-effective, efficient, and sustainable: with these aims in mind, ECE is developing a total of nine logistics centers in Germany for the logistics provider Hermes Germany. One of these projects is expected to begin on average every three months, so the last of the logistics centers is to be completed by 2019 at the latest. DGNB sustainability criteria are observed as standard in these projects – with the aim of achieving gold certification for all nine logistics centers. A sophisticated hall door management system ensures, for example, that the doors between the loading and unloading areas of delivery vehicles are not left open unnecessarily – this saves heating energy and reduces costs. To ensure that this is done in an environmentally sustainable manner, ECE is working on some aspects together with NABU, a nature-conservation organization.



Sustainability at a glance

- **Modern heating systems**
- Effective insulation, e.g. with radiant ceiling panels
- Efficient hall door management
- Water-saving fittings in restrooms and washrooms
- Use of low-emission materials free of harmful substances to reduce risks to the local environment
- DGNB Gold certification sought

STILL Logistics Center

In 2017, ECE completed the Hamburg-Billbrook logistics center for logistics company STILL. A contaminated former industrial site was used for this purpose. The building complex comprises two halls with an overall area of about 30,000 square meters on a plot of roughly 43,000 square meters. The new center combines the large parts warehouse and the vehicle shipping section, which had previously existed separately in the Billbrook industrial zone. This logistics center has received the gold DGNB certificate for its exceptional environmental standards. Thanks to the outstanding consideration of urban architectural, environmental, and social criteria, this logistics center also received the Logix Award in 2017.



Sustainability at a glance

- Land recycling: a plot contaminated by old pollutants has been made usable again
- High demands of environmentally friendly construction materials
- **Focus on recyclable materials**
- Roof constructed as a wooden structure
- Use of LED lighting
- High availability of daylight
- Bicycle parking and shower facilities
- Commended in the ZIA Innovation Report 2017



MesseCity Köln

ECE and STRABAG are developing MesseCity Köln in direct proximity to Deutz railway station, stopping point for Cologne's exhibition center. Not only does this center connect the exhibition center entrance with Deutz station, it also creates more than 5,000 jobs. The project, currently under construction, comprises six 7- to 16-storey buildings with office spaces, hotels, restaurants, and small-scale shops for the locality. This project is a showcase for the innovative and efficient use of natural resources. The company is seeking gold DGNB certification for MesseCity Köln for its high level of sustainable construction.



Sustainability at a glance

- **Realization of electric filling stations**
- Best possible acoustic protection (full DGNB score)
- User-friendly temperature, daylight and artificial lighting control
- Roof vegetation
- Making use of outdoor areas
- Bicycle parking, shower facilities, and lockers



Providing impetus together

Dialogue and cooperation

Sustainable working does not happen behind closed doors. It cannot be fully effective unless there is close agreement between employees, tenants, investors, and other business partners. For this reason, ECE takes an active part in developing sustainable industry standards in various formats. To involve itself in the systematic development of climate protection in buildings, ECE plays a significant role in the policy discussions by chairing the “Energy and building systems” committee of the German Property Federation (ZIA).

Green leasing agreements

Shop operators play a key role in achieving greater energy efficiency and protection of resources in shopping centers. By running their sales spaces in an energy-conserving manner, for example, they can ultimately influence the overall energy savings substantially. This is why ECE has used what it terms “green leasing agreements” for new tenancies since 2015. In these agreements, both the company and the tenant are obligated to base their tenancy relationship on sustainable criteria. Elements of these contracts include specifications on the materials to be used in extending or modifying the sales spaces and guidelines on energy-saving business practices. In close cooperation with industry association ZIA, ECE has developed its own industry standard for the shopping centers, which in turn influences the leasing agreements.

Sustainability Workshop

Making progress with the sustainable development of shopping centers requires intensive dialogue between all parties involved. In the Sustainability Workshop, ECE has created a platform for this. Once a year, technical and construction managers and personnel responsible for sustainability from within the retail sector come together to exchange know-how on current sustainability topics. In workshops, they sketch out and discuss ideas intended to contribute towards greater conservation of resources and the climate. Major topics in 2016 included waste reduction; in 2017, the topics were security and crisis management.

Left to right: **Ulrich Höller** (chairman, GEG German Estate Group AG), **Annette Kröger** (CEO, Allianz Real Estate Germany GmbH), **Thomas Zinnöcker** (CEO, ista International GmbH, vice-president, ZIA)



By **2025**,
all leasing agreements
should be based on the
ECE sustainability criteria.





6 Sustainability

Workshops have so far been initiated by ECE as dialogue platforms for exchange and to sensitize partners

2017 Retail Meeting, Hamburg



Sustainability Congress

Bringing decision-makers from business and policy to the same table and discussing ideas and visions for the sustainable development of the real-estate sector: that is the objective of the ECE Sustainability Congress. A variety of speakers presented possible solutions related to sustainability in connection with property at the 2017 ECE Sustainability Congress. Giving clear examples from intelligent data systems (e.g. those for the regulation of light, air, and heat), it was possible to demonstrate that business and sustainability can go hand in hand.

Retail Meeting

The annual ECE Retail Meeting – Europe's largest industry gathering for retail – is a platform established across the industry for intensive exchange with the retail sector. More than 600 decision-makers from Germany and other countries discuss innovations and opportunities for cooperation in the retail industry. In 2017, the main topics were innovation and digitization.



Information notices

Since 2015, ECE has used the public outreach aspect of its shopping centers to increase visitors' awareness of the environmentally friendly aspects of the construction and operation of the centers. Information notices specific to each center are being gradually placed in a variety of spaces. These are intended to encourage the public to reflect on sustainability. ECE is planning on rolling out this campaign across Germany and other countries and to publish the 15 existing information notices in the respective languages.

Handbooks for orientation

Making sustainable action more widely known

Not only does ECE integrate sustainable action into its own processes, it also actively involves its stakeholders. The handbooks on sustainability and shopping centers provide retailers and other operators of highly frequented real-estate properties with helpful tools to effect sustainability standards in their daily work.



Handbook for Sustainable Shopping Centers

In cooperation with the Karlsruhe Institute of Technology, ECE published the first comprehensive sustainability handbook for the development of shopping centers in 2010, following intensive research activity. The handbook is based on the criteria of DGNB and is regarded as a standard for the construction of new shopping centers.

Handbook on the Sustainable Operation of Shopping Centers

This handbook provides center managers and on-site technical managers with practical recommendations regarding the sustainable operation of existing shopping centers. With the aid of checklists, all areas of operation – from the parking garage through energy and water consumption through to complaint handling – can be checked for potentials for improvement.

Electromobility Handbook

ECE promotes e-mobility for both visitors and employees. The Electromobility Handbook provides information on the forms in which services such as charging stations can be introduced into ECE shopping malls. A special handbook for e-bikes is also being planned.

Handbook of Construction Products for Tenant Alterations

Construction materials play a key role in environmentally and climate-friendly buildings. Before such materials are used, ECE examines various aspects such as energy consumption and emissions during manufacture, durability, and suitability for dismantling and recycling. Within the framework of a holistic approach, ECE also offers its tenant partners support in the selection of environmentally-friendly and healthy products for construction projects. The handbook also offers practical guidelines.

Outstanding actions



Awards



ICSC

5 ICSC Solal Marketing Awards, Silver



ICSC

Special Prize for Sustainability for Milano



MAPIC Award

"Best Online to Offline Strategy" for Digital Mall



Real Estate Brand Award

Named "best brand" in real estate development and management with two awards



Eurobuild Award

New Shopping Centre of the Year (Zielone Arkady, Bydgoszcz)



15 digital play areas



50% of mall customers arrive on foot, by bicycle, or with public transportation.



8,000 seats in German food courts

Interaction

ECE is committed to a city worth living in and to its development. Its shopping centers enhance the metropolitan surroundings and promote a lively atmosphere and urbanity. Public events, for example, or diverse food concepts provide a meeting point for every visitor. The introduction of electrical charging stations and connections to public transport are part of ECE's sustainable transport strategy. The company assumes a high level of social responsibility with a wide range of social engagement.

Taking a broader view

All kinds of people meet each other in shopping centers. ECE also uses these urban meeting points to fulfil its social responsibilities. In many places, ECE employees get involved in social campaigns. These are often initiated by enthusiastic center managers. Christian Andresen gives an insight into his social engagement activities.



Christian Andresen has been an ECE center manager since 2011.

Why is social engagement important for the centers?

Social engagement provides a key to the people who come from the surroundings of the center. We also aim to cooperate with local actors such as associations based in the area, to allow us the best possible integration into the urban surroundings. First we ask ourselves what topics are relevant to our visitors and what actions we could take that would surprise them. Depending on the orientation of the center, this could be all manner of experiential or hands-on activities, from live coaching to acrobatic shows.

How do you get your employees interested in social actions?

We encourage our employees to bring in ideas of their own. Then we hold joint brainstorming workshops to discuss the suggestions, after which we put the best ideas into practice. A building technician from Elbe-Einkaufszentrum, for example, proposed a bicycle repair service, and when we did this it proved extremely popular. We regularly bundle such examples of best practice during conferences and in our competence centers. This brings localized center activities to a central level – thus creating synergy effects across the country.

What are the other projects that you look back on particularly fondly?

A very special project was our development of the KEHR.WIEDER ('BRING. BACK') campaign to reduce the number of disposable cups, which we began at six ECE centers in cooperation with the city of Hamburg. Together with the Loki Schmidt Foundation, Elbe-Einkaufszentrum took up the city's KEHR.WIEDER campaign on its own. To sensitize people to the importance of reducing disposable cups and the preservation of biodiversity, visitors had the opportunity to plant threatened plant species using coffee grounds. This family-oriented campaign, which featured South American dancing and coffee, made a very playful impression on our visitors.



Coffee in your own mug

ECE helped to design the city of Hamburg's KEHR.WIEDER campaign for reducing disposable coffee cups and then developed it further. Since 2017, 32 cafés and coffee suppliers in six ECE shopping malls in Hamburg have been offering a discount of between 10 and 30 cents on coffees to go when customers bring their own mugs. Additionally, ECE has visualized the campaign on some 200 digital advertising spaces so as to make visitors in the centers aware of it and to raise awareness of the problem of disposable cups.

Shopping Centers as Meeting Points

Creating quality of life through innovation

Can a shopping center be integrated seamlessly into its environment and still stand out for its unique features? ECE's shopping centers combine an attractive event culture with innovative retail concepts – thereby also creating social meeting places that are available to everybody. With their diverse shopping opportunities and food concepts, they make a significant contribution to the quality of life in the city.



Since 2005, the importance of shopping centers as places to meet friends and acquaintances has increased by **a factor of ten**¹



105 minutes is the average length of time spent by visitors in an ECE center in Germany¹

Rhein-Galerie serves as a cultural meeting point with high recreational value for the Ludwigshafen area.



¹ Market report 2015

The roof garden of the Skyline Plaza offers a green refuge in central Frankfurt.



43% of all food court operators are sole-trader tenants – individuality counts

Frankfurt's green lung

A spacious roof garden stretches out among the skyscrapers of central Frankfurt – offering its inhabitants a restful break from their hectic lives. The garden is situated on the roof of Skyline Plaza. This shopping center, situated between the trade fair district and the city center, was completed by ECE in 2016. The “Active Garden” offers facilities such as a climbing wall, a putting green, a boules area, and recesses for yoga and t'ai chi. The center thus provides recreational value for visitors and inhabitants, providing a green oasis among the office complexes – particularly at lunchtime.

Social and environmental considerations reconciled

As well as serving as a social meeting point, Skyline Plaza meets high environmental standards. The soil of the garden stores rainwater and thus reduces the burden on the drainage system. The plant life on the roof cools the building and thus saves energy otherwise needed for air conditioning. The benches were made from local timber in a workshop for the disabled. Bushes and trees offer living space for birds and small creatures. Three quarters of the area of the park is reserved for non-commercial use. For its sustainable planning and its integration into the city fabric, this center has been awarded a platinum certificate by the German Sustainable Building Council (DGNB).

Gateway to the river

Rhein-Galerie in Ludwigshafen is situated on the site of the former customs port directly on the banks of the Rhine. It links to a promenade offering direct access to the river. The center is a place for encounters: shopping and dining by the water, attractive outdoor facilities, and cultural events such as open-air concerts. By bringing life back to this public space by the promenade, ECE has provided something of a beacon for the city. Even outside operating hours, the land on which the center is situated is accessible to inhabitants and visitors. A sophisticated drinking water and wastewater concept ensures environmental sustainability. All the rainwater that falls on the site is fed directly into the Rhine and thus into the natural water economy. Water-saving fittings in the restrooms reduce the consumption of drinking water by more than 30%. ECE's plans for refurbishing the center have been awarded a platinum certificate by DGNB.



Integrated neighborhood development

Developing living spaces for all

Apart from shopping centers and commercial buildings, ECE also develops residential neighborhoods that provide a high-level architecture, energy efficiency, and quality of life. This, combined with an integrated neighborhood development concept, helps create a lively district for old and young alike. For ECE, urban development also depends on inclusion – that is, the self-determined participation of all citizens in social life. In order to bring the social aspects into harmony with quality of life and the environment, ECE is developing a “green city model,” as seen in the residential district of Mitte Altona in Hamburg.

Developing neighborhoods together

ECE understands sustainable neighborhood development as a holistic course of action that results in lively districts with a colorful mixture of inhabitants from various cultural and social backgrounds. This is only possible, however, when all parties involved – that is, citizens, owners, building contractors, architects, urban planners, and the local authority – are all included together in a process of development. It is also important here to obtain a functional mixture in the neighborhood – and, by providing exactly the right opportunities, to meet the needs of different social groups.

Encountering challenges

To counter the growing challenges in urban planning, holistic, sustainable neighborhood development is more necessary today than ever. For example, there is a growing demand for living space suitable for families and the elderly in inner cities, which in turn requires new ways of thinking. Traditional strategies are no longer sufficient to counteract the pressure on the housing market. There is also an expectation that environmental and social aspects will be brought together and green urban districts created for all. This objective has a number of aspects relevant to ECE:

- Thinking of and developing neighborhoods as complex, multifunctional units
- Rapid creation of living spaces
- Upgrading existing neighborhoods
- Integrating innovative sustainability concepts
- Achieving a positive green balance despite the sealing of the land surface
- Integrating smart city ideas into sustainable urban districts and keeping these in mind from the start
- Embedding climate protection and global responsibility





1,600 apartments
planned by ECE in
the first building phase
together with partners in
Mitte Altona, Hamburg

Examples: Mitte Altona Hamburg

The inclusive district of Mitte Altona is a showcase project for holistic district development designed to meet the needs of a diverse urban society. A mobility concept with reduced motor traffic, extended cycle routes, charging stations for electric vehicles, a large city park, children's play areas, and barrier-free, affordable living spaces – this is how to create a lively neighborhood for a diverse community.

Living and working surrounded by nature

Mitte Altona is Hamburg's second-largest urban development project. On former railway land in Hamburg-Altona, ECE and its partners are developing an initial building phase of about 1,600 apartments, a 2.7 hectare park, neighborhood squares, four children's nurseries and a district school. In addition to living space, commercial spaces are also being created – so that living and working in a green urban district can be combined. For ECE, this is one of the first new-build projects in which sustainable neighborhood development has been systematically taken into consideration from the beginning. ECE intends to continue to develop this approach in future projects.



Social engagement

Involvement on behalf of people and cities

Employer Alexander Otto and ECE are committed to urban diversity and an inclusive society. Be it a Biomass Park in Gelsenkirchen, the youth academy of the Hamburger SV football club or a medicine container for refugee shelters, ECE and the Otto family promote projects from all areas of society with the minimum of bureaucratic red tape. Their activities generally take place through their associated foundations as the funding instrument.



Founded by ECE in 2000, "Lebendige Stadt" Foundation ("Living City"), with Managing Director Alexander Otto as the chairman, seeks to retain and develop urban diversity. The focus here is on light, green areas, public space, and inclusive neighborhood development. The amount of funding so far is more than €30 million.

Bringing nature to life

At the center of Gelsenkirchen, on the 22-hectare former industrial site of the former "Hugo" mine, fast-growing trees and shrubs have been planting in an emerging "biomass park" – the first of its kind in Europe. Large volumes of timber will be harvested sustainably at regular intervals of several years. The remaining areas of the park are used as learning, play, and relaxation areas for the local people and as living space for rare animal and plant species. Thanks to the involvement of some 20 educational institutions and the financial support of "Lebendige Stadt" Foundation amounting to €91,000, it was possible to establish an environmental info path. This enables teachers to bring children closer to nature and highlights the importance in environmental terms of ponds, streams, wild meadows, and climbing trees on this "living property".



Foundation Convention: "The climate-friendly city"

In September 2018, the Foundation will devote its annual convention to the subject of neighborhood topics relating to the "climate-friendly city." Here, speakers will report on forward-looking solutions in waste avoidance, intelligent traffic management, and strategies for CO₂ reduction. Some 500 municipal decision-makers from all over Germany are expected to attend.



Sports encourage social interaction and participation. It further provides integration, inclusion, prevention, and preventative healthcare, and is a form of therapy. With the aim of promoting sport – in particular youth and disabled sport – ECE CEO Alexander Otto founded the sports foundation named after him in 2006. A central funding project for the foundation is the 2018 Wheelchair Basketball World Championship in Hamburg, for which it is donating €200,000. Since its inception, the foundation has supported some 150 projects in more than 25 sports disciplines, with a volume of roughly €15 million. Some 8,000 sportspeople have benefited.

Supporting young athletes

In 2017, ECE was sponsored to carry out the planning and project management for the HSV youth academy located in direct proximity to Hamburg's Volksparkstadion. At the Alexander Otto Academy, young sportspeople receive intensive support and training. Additionally, 17 talented young people live at the boarding school of the Academy. With this intensive training center, HSV optimizes work with the next generation of athletes and provides even more access to the pros. The building was made possible by a private donation by Alexander Otto of ten million euros, and the non-profit company HSV-Campus GmbH was established as its owner. This is also of benefit to charitable sport: Surpluses from the rental of the youth training center to HSV Fussball AG are used to fund projects of the non-profit association HSV e.V.

HSV youth academy, Hamburg



Dorit & Alexander Otto
STIFTUNG

Alexander Otto and his wife Dorit founded this non-profit foundation in 2011. It funds medical research, social welfare and healthcare, and arts and culture in Hamburg. Carefully targeted and with only the minimum of red tape, the foundation provides support where there is insufficient or no public money available.

Hamburg medical containers for refugees

At the height of the refugee crisis, a partner initiative was formed to develop a container featuring video interpreter technology to provide medical treatment for refugees. It was so well received that the container went into series production. The Dorit and Alexander Otto Foundation made a donation of about one million euros, enabling ten medical containers to be purchased and set up in Hamburg refugee shelters. In two years, some 20,000 refugees have received treatment in the containers. The project received an award for innovation as part of the national "Places of Excellence in the Land of Ideas" competition.

Hamburg medical containers for refugees



Alexander Otto on the sustainability strategy of ECE

The topic of “quality of life” mentioned in this report once again covers a wide range, which highlights the diversity of the notion of sustainability. The necessity of protecting the environment and conserving resources has been well-known in our society for a long time. If one considers sustainability from the point of view of “quality of life,” however, it is more concerned with the desire for opportunities that bring together work, consumption, family and leisure in the ways that are necessary in the digital age while simultaneously meeting the requirements for greater climate protection and social interaction. Today’s different models of living present challenges that are faced by cities and companies alike. The demands of our society are growing and changing constantly, and the desire to facilitate individual needs and different life situations is no longer dependent on one’s personal situation. Even places are no longer assigned to rigid categories. Living, working, and everything that goes on between should happen in places that provide added value to society and our changing ways of life, where possible without negative impacts on the climate. For this purpose, ECE is developing real estate concepts within the context of its business activity that combine the modern zeitgeist, intelligent technology, and functionality, and that are also conducive to social interaction and the conservation of resources.



Alexander Otto,
Chairman of the Board, ECE

In the spirit of a holistic, sustainability-based approach, it is also appropriate to strive for the well-being of the employees in the company. We provide a number of opportunities to unite work and personal life and to make a healthy work-life balance possible for our employees. Our latest sports and health activities, for example, give our employees fresh energy and make an additional contribution to a balanced daily office routine.

Only by intensive exchange with our stakeholders is it possible for us to make the real estate industry more sustainable as a whole. To do this, ECE actively engages in dialogue with its partners and with social actors – and positions itself in actions such as the 2050 climate protection plan of the federal government. This was one of the topics that arose in our 2017 ECE Sustainability Congress: together with policy-making and business, we would like to promote a meaningful implementation of climate-protection objectives in the buildings sector. ECE has further set itself the goal of making a positive contribution to urban development and to continue to create attractive places for improved quality of life into the future.



ECE Sustainability Team:

Left to right: **Frederike Hansen**, Sustainability Expert,
Dr. Stephanie Dutzke-Wittneben, Sustainability Manager,
Maria Hill, Director Sustainability & Internal Services,
Stefan Hinz, Team Leader Sustainability

Creating a framework together

Strategy and materiality

ECE regards itself as an integral part of urban planning and seeks to contribute to climate-conserving development. It is therefore highly important for the company's sustainability strategy to take into account the needs of the stakeholders – and also to gauge the public mood through regular surveys.

Continuing to develop climate protection meaningfully

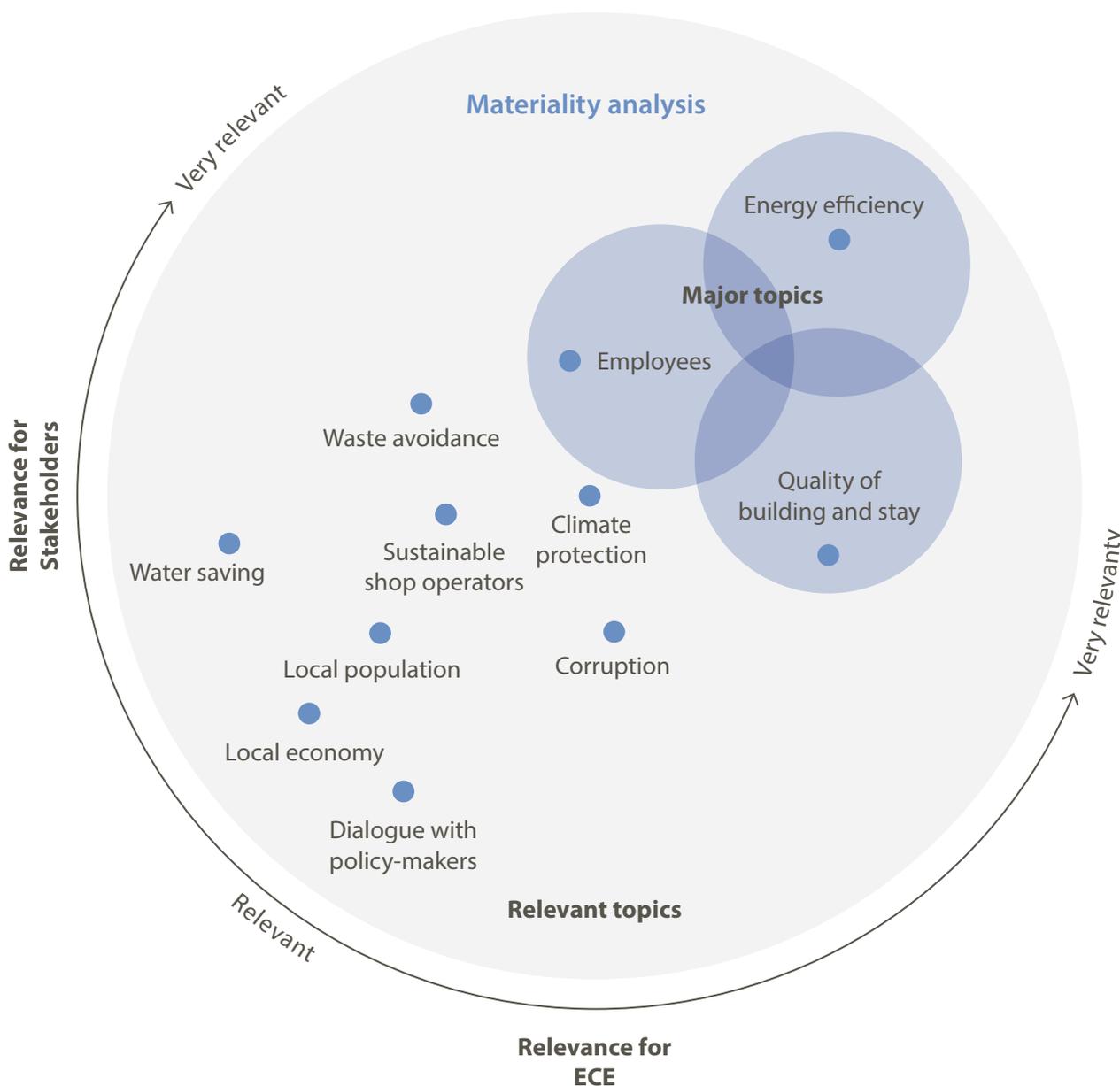
The real estate industry bears a high level of responsibility for development that protects the climate; ultimately, about one third of CO₂ emissions in Germany are from buildings. With the aim of reducing energy demand by 80-95% by 2050 and its objective of “nearly zero-emissions buildings” for all new buildings from 2020, the EU has set itself some ambitious targets. Seen against the background of the successes thus far attained in climate protection, at great expense, by the German real estate industry, these goals seem hardly attainable. By comparison with other sectors, then, the real estate industry is already playing a pioneering role. By reducing CO₂ emissions in the buildings sector by some 43% since 1990, it has achieved all the intermediate objectives already – unlike other sectors. ECE believes that the climate-protection objectives of the policy-makers is correct, but close collaboration between the real estate industry and the policymakers will be necessary so that the challenges can be mastered together. To achieve this goal, it is working closely with the ZIA industry association and other partners on complete solutions. ZIA has formed an energy taskforce for this purpose, in which ECE cooperates closely with sustainability experts and engineers. The company also holds the position of chair of the energy and building technology committee – and so provides technical input for the work of the association.

Crisis management in an emergency

Well-prepared and systematic handling of crisis situations is of central importance to ECE. The handling of risks and threats of all types requires a tried-and-tested crisis management system controlled by the Hamburg company head office. Locally, the center managers act as crisis managers – ensuring that the specified procedures from the safety handbooks are followed and acting as contacts for the authorities and emergency services. At the head office, a defined crisis team comes together in the event of a serious crisis and makes all the important decisions. The priority here is to support the authorities and to provide information to all stakeholders – visitors, investors, tenants, media, and the public.

Solar panels on the roof of dez-Center in Kassel provide climate-neutral power.





Determining significant topics

In 2015, ECE carried out a multi-stage materiality analysis to determine strategic focal points for its sustainability management. In the first step, all potentially significant sustainability topics were determined on the basis of the established standards of the real estate industry in line with the ECE business model. Next, stakeholder groups evaluated the various topics by means of an online survey, and these topics were then prioritized by the team of sustainability coordinators and the ECE sustainability team. The result is that **energy efficiency; employees; and building, stay, and location quality** are the principal focal themes for the strategic orientation of ECE. The topicality and relevance of the significant topics was confirmed in 2017 in a strategy workshop run by the ECE sustainability management and in further surveys.

Stakeholder surveys

In order to regularly check the effectiveness of its actions, ECE performs annual surveys of different stakeholder groups (for the results of the surveys, see page 53).

2017 stakeholder surveys

Stakeholder group	Survey period	Number of participants
Employees	May 25-June 09, 2017	3035
Center visitors	November 01-30, 2017	75,000
Tenants	May 31-July 01, 2017	3,400
Investors	November 29-December 12, 2017	52

Smart centers and global responsibility

Innovative and digital

As a family business, ECE feels obligated to future generations. It therefore assumes long-term responsibility, and continually invests in sustainable, forward-looking models. No less important than technical measures and the sensitive use of resources are opportunities that provide a high level of usefulness for customers. Here, innovations developed in-house play a decisive role.

Developing solutions

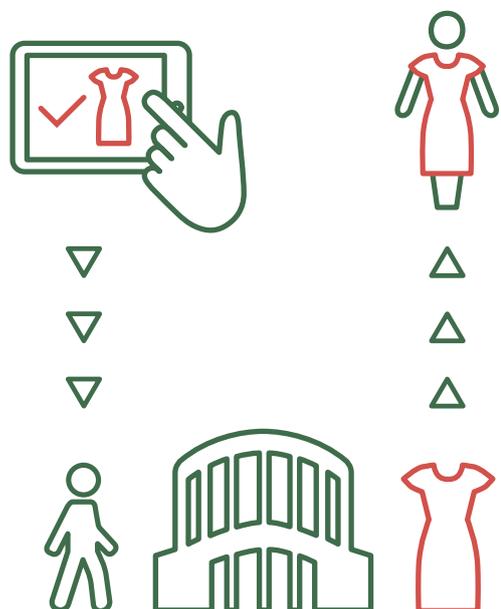
For more than 50 years, ECE has developed forward-looking solutions that have made it the leader throughout Europe for inner-city shopping centers. In 2016, ECE set new priorities with its "innovation workshops." Following motivational presentations from Google and Locafox, participants discussed the themes of innovation and digitization. It is ECE's objective to further develop existing digital services such as Click & Collect in practical ways and to enable new innovations through close networking with tenant partners.

Digital Mall

ECE has introduced its "Digital Mall" service at Alstertal-Einkaufszentrum in Hamburg, which enables customers to search for items and reserve them before leaving home. Its special feature is to show immediately whether a product is available in the center in a particular size or color. This pilot is the next step towards a seamless omni-channel experience and is the only service of its kind in a German shopping center to date. By bridging the gap between online and offline, the company is fulfilling the wishes of many customers to experience a holistic, omni-channel shopping experience.



Digital mall pilot project at Alstertal-Einkaufszentrum, Hamburg





Outstanding innovations

Outstanding innovations by ECE received distinctions from the ZIA industry association in 2017 as best-practice innovations.

ECE lighting designers develop new types of LED

The day/night lighting designed by ECE together with Philips for use in shopping centers won considerable praise. These lights combine modern technology with an attractive lighting atmosphere. Additionally, the LED technology cuts energy consumption compared to conventional systems by 50 to 70%.

Blueprint for sustainability

ECE also won a distinction from ZIA for its series construction of logistics centers. ECE and Hermes Germany together developed the prototype of a logistics center. On the basis of this it will be possible to create nine logistics centers across Germany by 2019. To date, this is the first German logistics project development of its kind. The project is also innovative for its conscious integration of CO₂ and energy-saving technologies, such as effective insulation including radiant ceiling panels and an efficient hall door management system. Additionally, ECE has set itself the ambitious goal of having all nine logistics centers certified to the DGNB gold standard.

R20 – Regions of Climate Action

"Lebendige Stadt" Foundation and R20 – Regions of Climate Action have been a partnership since 2015 and continue to closely exchange best-practice projects for mitigating climate change. R20 is a non-profit organization that was founded by Arnold Schwarzenegger in 2010. Dr. Andreas Mattner (ECE director and chairman of the board of "Lebendige Stadt" Foundation) has served as R20's representative for Germany since 2016. In June 2017, Mattner was also appointed a member of the six-person global leadership of the R20 Foundation, which supports investment in green and infrastructural projects.

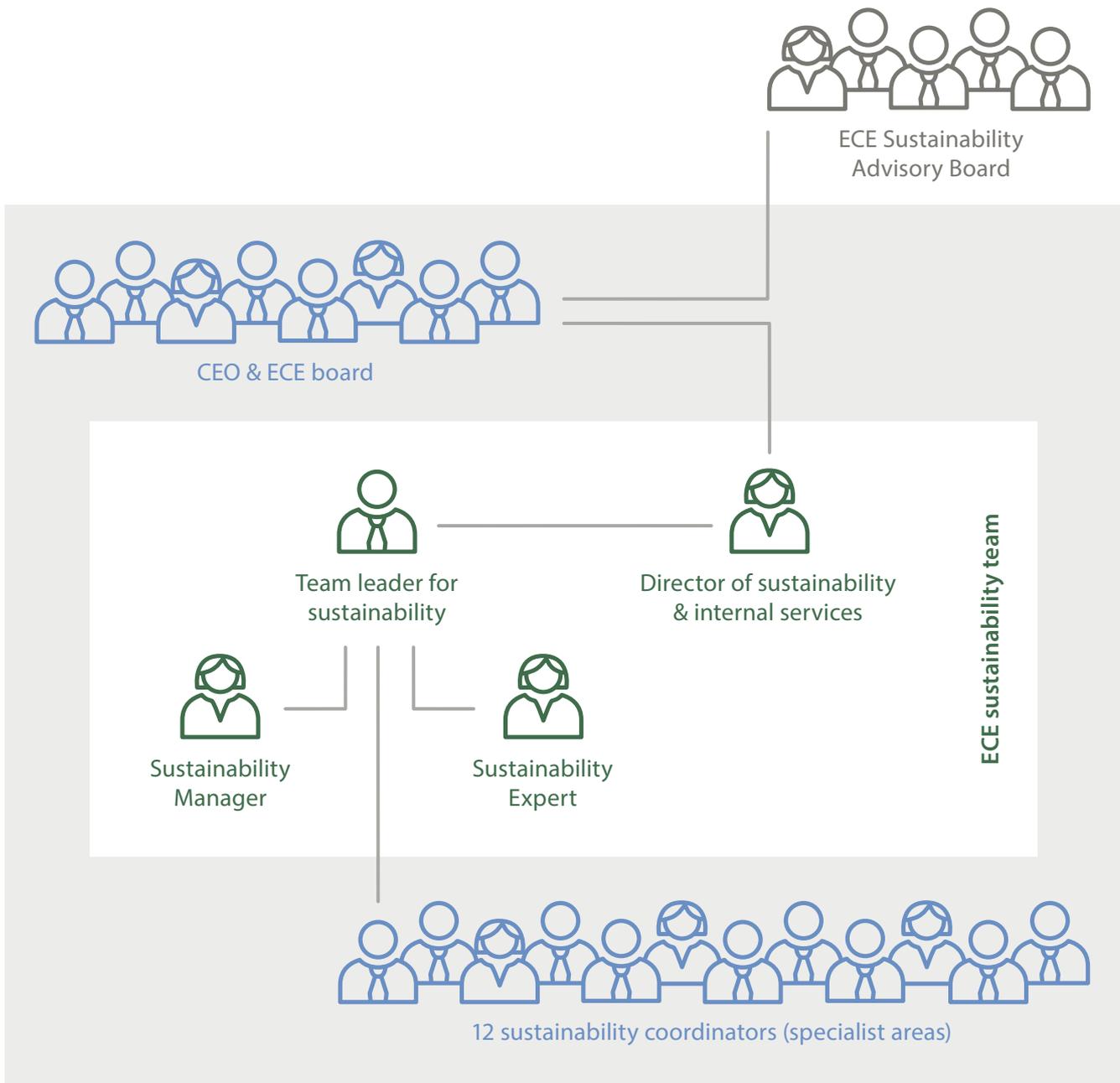
In association with the Leonardo DiCaprio Foundation, a total of 100 major projects in the areas of waste recovery, renewable energy, and energy-efficiency projects are planned, with a volume of 2.5 billion US dollars. Many of these projects have already been realized by R20. Since this non-profit organization does not yet have a focus in wind power, it is currently examining the possibilities for such an activity in northern Germany. To this end, through the mediation of "Lebendige Stadt" Foundation, R20 signed a memorandum of understanding with the Free and Hanseatic City of Hamburg and with the Renewable Energy Hamburg Cluster Agency GmbH on September 27, 2017 in the Elbphilharmonie concert hall. (For more on "Lebendige Stadt" Foundation, see page 42.)



Anchoring sustainability

ECE sustainability structure

ECE is seeking to integrate sustainability into all its work processes and to continue to develop it. This is aided by clear structures and responsibilities; ECE's sustainability management is firmly anchored in the company and makes a decisive contribution to the achievement of the goals of the sustainability strategy.



Self-obligation of sustainability

The ECE sustainability strategy is founded on the sustainability code of the Central Real-Estate Committee (ZIA). This self-obligation primarily includes the following measures:

- The company recognizes its **social responsibility** and **accepts it**.
- The principle of sustainability **informs its values and behavior**.
- The objectives are not one-dimensional; rather, they are oriented toward **sustainable principles**.
- The products, services, and business relationships are established on **sustainable foundations**.
- Selection, development, ongoing training, and employee management **form the basis of sustainable action**.
- The **stakeholders become actively involved** in the search for and implementation of sustainable solutions.
- The activity is carried out according to high **compliance requirements** and strives for **continual improvements**.
- Objectives, actions, activities, and progress are published in **sustainability reports**.
- **Transparency** is exemplified and activities related to **sustainability measurement are supported**.
- **Sustainable company management** is lived out in actions.

Interdisciplinary organization

ECE operates clear sustainability structures, the core of which is a sustainability team consisting of the sustainability expert, sustainability manager, and sustainability team leader. The team leader reports to the director of sustainability and internal services, who in turn acts as the interface to the eight-person ECE, of which the CEO is also a member. Additionally, ECE includes twelve sustainability coordinators from different divisions, who ensure that sustainability is firmly embedded throughout the company. The sustainability team and the director of sustainability and internal services strategically control all sustainability activities of ECE and monitor the social, economic, and political environment. In addition, it promotes the exchange of know-how within the company, coordinates sustainability projects across the company group, and documents progress at least twice per year for the management.

External Sustainability Advisory Board

An external sustainability advisory board supports the management and the sustainability team. Its five members bring their various competences and experiences from the fields of economics, ecology, and social provision. The advisory board participates in the ongoing development of the sustainability strategy, sensitizes and inspires employees with respect to sustainability, and in turn carries initiatives from society into the company.

Systematic data gathering

Using an online database, ECE makes consumption data and sustainability figures from German ECE centers available to all at any time. This makes sustainability reporting more transparent, more efficient, and compliant with international standards. Data validated by the "SoFi" software make benchmarks possible and can be used for energy performance certificates and inventory certification. Investors profit from the quick and simple overview.

External Sustainability Advisory Board of ECE:

Left to right: **Andreas Wente**, Former chairman of the board of directors, Philips Deutschland GmbH, **Ole von Beust**, Former First Mayor of the Free and Hanseatic City of Hamburg, **Bärbel Schomberg**, Real estate expert, **Prof. Dr. Kunibert Lennerts**, Karlsruhe Institute of Technology, **Arved Fuchs**, polar researcher



Acting sustainably together

As a member of various associations and organizations, ECE is committed to sustainability, urban development, and retail.



German Sustainable Building Council (Deutsche Gesellschaft für Nachhaltiges Bauen, DGNB)



German Council of Shopping Centers e. V. (GCSC)



Initiative Corporate Governance of the German Real-Estate Industry (ICG)



EHI Retail Institute e. V. (EHI)



Urban Land Institute (ULI)



International Council of Shopping Centers (ICSC)



German Facility Management Association (GEFMA)



Central Real-Estate Committee (Zentraler Immobilien Ausschuss e. V., ZIA)

Results of the ECE Stakeholder Survey

Employees



of ECE employees across Europe participated in the 2017 employee survey. The employees rated their satisfaction with ECE as their employer with a score of **4.5 out of 5** points.

Tenants



of tenants rate the atmosphere and indoor architecture of the centers as **excellent (14%), good (52%) or satisfactory (22%)**.

Visitors



of visitors awarded their center a score of **good or excellent**.

of visitors would recommend their center

of visitors rate the atmosphere in the centers as **good or excellent**.

Investors



of investors consider it **highly important (58%) or important (33%)** that ECE is active in the sphere of sustainability.

of respondents recognized sustainability criteria as a competitive factor.

of investors allow sustainability criteria to influence their investment strategy.

Performance

Organizational profile

→ **GRI** 102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-7, 102-9, 102-10, 102-45

ECE Projektmanagement G.m.b.H. & Co. KG (ECE), headquartered in Hamburg, has been active in the planning, realization, leasing, and management of shopping centers for over five decades. As the European market leader, the company manages 199 shopping centers. Additionally, ECE develops corporate headquarters, office buildings, industrial buildings, logistics centers, transport property, hotels, residential developments, and other complex building types. ECE is responsible for a market volume of 33.4 billion euros in twelve countries (Denmark, Germany, Italy, Qatar, Lithuania, Austria, Poland, Russia, Slovakia, Czech Republic, Turkey and Hungary). ECE has six subsidiaries and joint ventures in Germany, and eleven abroad.



Further information on ECE

www.ece.com/en/company/facts-and-figures

Subsidiaries & joint ventures in Germany

www.ece.com/en/company/organization/ece-subsiidiaries

Subsidiaries & joint ventures in other countries

www.ece.com/en/company/organization/international-local-and-joint-venture-companies/

Strategic approach

→ **GRI** 102-14, 102-18

ECE seeks to offer forward-looking solutions for the construction and operation of real estate and thereby to create added value for investors, tenants, and business partners. At the same time, ECE assumes the role of a partner to the cities in which it has a presence, by placing value on the integration of its centers into the cityscape and entering into dialogue with the city.

At the center of its sustainability strategy, ECE maintains a long-term orientation and responsibility, since the company is concerned not only with the project development but also acts as landlord and manager of the real-estate site, for which it therefore assumes lasting responsibility. This also affects the planning and management of its real estate and includes both visitors and employees and also has additional effects on its business activities. As an integrative aspect of its urban planning, ECE seeks to contribute to solutions that enable cities to reduce their CO₂ emissions while implementing their objectives.

ECE operates clear sustainability structures, the core of which is a sustainability team consisting of the Sustainability Expert, Sustainability Manager, and Sustainability Team Leader. The Team Leader reports to the Director of Sustainability &

Internal Services, who in turn acts as the interface to the eight-person ECE Board, of which the CEO is also a member. Additionally, ECE includes twelve Sustainability Coordinators from different divisions, who ensure that sustainability is firmly embedded throughout the company. The sustainability team and the Director of Sustainability and Internal Services strategically control all of ECE's sustainability activities and monitor the social, economic, and political environment. In addition, they promote the exchange of expertise within the company, coordinate sustainability projects across the company group, and document progress at least twice per year for the management. Since 2011, ECE has also been supported by an external sustainability advisory board (see also Strategy, pp. 44-45).

Stakeholder dialogue

→ GRI 102-40, 102-42, 102-43, 102-44

To ensure the continued development of the sustainability strategy, ECE maintains dialogue with its stakeholders. The focus here is on the employees, tenant partners, investors, and visitors to the centers. Additionally, city authorities and municipalities and the general public are included as ECE stakeholders.

ECE offers a variety of formats for exchange with its stakeholders:

- **Employees:** Employees are regularly informed about ECE's sustainability activities, for example on a separate page on the subject on the website. Additionally, sustainability has a permanent place in the employee magazine "inside," and employees are sensitized to this range of topics within the company by means of the Sustainables –ECE's sustainability superheroes.
- **Tenant partners:** ECE offers three formats for dialogue with its tenant partners: an exchange of topics and trends in the industry has taken place at the international ECE Retail Meeting since 2003. Since 2013 there has also been the Retail Technical Meeting, during which technical topics such as energy efficiency and certification criteria are highlighted. Also since 2013, further possible actions for tenant partners have been developed in sessions at the Sustainability Workshops.
- **Investors:** To inform its investors about developments in the retail trade, ECE held its first annual Investors' Day in 2015. On the third Investors' Day, held in September 2017, the participants discussed the future of trade, current trends, and innovations.
- **Visitors:** ECE draws their attention to the subject of sustainability by means of information notices. These posters describe various aspects of sustainability related to the centers, such as green electricity and waste separation. Visitors can also obtain information about sustainability on the centers' websites under a separate heading.
- **General:** The second ECE Sustainability Congress took place in February 2017, with some 300 participants and the title "Real estate in focus: today, tomorrow, and in the future." The event facilitated an exchange of knowledge and was concerned with the German federal government's climate change mitigation objectives for the real-estate industry.

Sustainability with investors

ECE conducted its investor survey in 2017. A total of 89% of the investors continue to give sustainability a high priority, as before. And 91% rated it as important or very important that ECE be active in the field of sustainability. The survey confirmed that sustainability criteria not only play an important role, but were also perceived by 87% of investors as a competitive factor.

Visitor satisfaction

In 2017, ECE also conducted a survey among visitors to its centers in Germany. The outcome from the 75,000 respondents was consistently positive: the visitors were either satisfied or very satisfied overall, and 93% would recommend the center to others.

→ GRI 102-12, 102-13

Additionally, ECE is involved in organizations and associations whose objectives are to promote urban development and construction, retail, and inner-city revival:

- German Sustainable Building Council (Deutsche Gesellschaft für Nachhaltiges Bauen, DGNB)
- Corporate Governance Initiative of the German Real-Estate Industry (ICG)
- Urban Land Institute (ULI)
- German Facility Management Association (GEFMA)
- International Council of Shopping Centers (ICSC)
- German Council of Shopping Centers e. V. (GCSC)
- EHI Retail Institute e.V. (EHI)
- Central Real-Estate Committee (Zentraler Immobilien Ausschuss e. V., ZIA)

Further information: Sustainability in dialogue

[www.ece.com/en/company/
sustainability/sustainability-strategy/
sustainability-in-dialog/](http://www.ece.com/en/company/sustainability/sustainability-strategy/sustainability-in-dialog/)

Materiality analysis

→ GRI 102-46

Back in 2015, a multi-stage materiality analysis was conducted that defined and evaluated relevant sustainability issues for ECE, from both stakeholder and company perspectives. From this, the focal points of sustainability activity for ECE were

derived: “Employees,” “Building, stay and location quality,” and “Energy efficiency” (see also Strategy, p. 47), which are being addressed in their three areas of activity. The topicality and relevance of these significant topics was verified and confirmed in 2017 in a strategy workshop run by the ECE sustainability management and in further surveys.



Significant aspects

→ GRI 102-47

To create the report, the following aspects were found to be significant on the basis of the materiality analysis and were assigned to sustainability topics in accordance with the global framework of the Global Reporting Initiative (GRI):



Responsible company management

→ GRI 103-1, 103-2, 103-3 (Combating corruption); 102-16

The fundamental requirement for long-term company success is employee integrity, compliance with legislation and conduct in conformity with regulations. The basic framework of orientation for the dealings of employees with one another and for cooperation with investors, tenants, and other business partners is provided by the ECE corporate values (see also p. 22). These values form an important basis for long-term partnerships and the enduring success of ECE. The ECE code of conduct specifies, on the basis of ECE's fundamental values, binding standards of conduct for all ECE employees and management. Clear compliance regulations for both management and employees throughout the company contribute to ensuring the observance of laws and regulations, the reduction of risks, and the raising of the competitiveness of the company. These include:

- Guidelines for donations and sponsorship
- Guidelines for the handling of gifts
- Guidelines for the inspection of business partners
- Guideline on anti-trust law

Sustainability and compliance are anchored in ECE's values, which are regularly highlighted in management training, employee training, and employee interviews. Particular responsibility in this respect arises for ECE management personnel, who are understood by the company's conception of management to assume a function of example-setting. The subject of compliance is a fixed element of the company's annual employee interviews – which are known as employee dialogues. Guiding questions are used to bring up and discuss compliance-related aspects of daily work. Additionally, during this feedback interview, employees have the opportunity to request additional support on compliance topics from the management. Any infringements of the standards set out in the ECE code of conduct can be reported by employees or external persons via the compliance helpline. The ECE BKMS system is also available to ECE employees, which enables them – even anonymously – to report information regarding breaches of laws or in-company regulations. To ensure the implementation of statutory provisions and regulations, ECE has established a compliance management system, which was audited and certified in 2014 by the Institute for Corporate Governance in the German Real-Estate Industry (ICG). The second auditing and certification by ICG took place in March 2016. **Further information on compliance at ECE** www.ece.com/en/company/values-and-responsibility/compliance

Compliance-related training

→ GRI 205-2

ECE has conceived interactive, face-to-face training to provide a deeper knowledge of the compliance principles for upper management and specialist functions with increased compliance risks. This training has taken place regularly since 2013 for selected employees in Germany and abroad. Additionally, all employees in Germany and abroad are obliged to complete an online training program on the principles of the code of conduct. This online training, designed in an interactive manner with case examples, sensitizes employees to compliance risks that may occur in ECE's normal course of business.

Environment

→ GRI 103-1, 103-2, 103-3 (Energy, Emissions), 102-11, 102-15

Protection of the environment is a high priority for ECE. On the basis of the outcomes of the materiality analysis, the focus is in particular on energy efficiency. This is because properties require energy for heat and light and also for ventilation and cooling. The basis for efficiency measures is an extensive energy monitoring system that makes energy consumption transparent. With the aid of such a system, ECE manages energy consumption efficiently and lowers emissions. Well before reduction of CO₂ was widely talked about, ECE had declared energy saving to be an important objective. In order to further promote environment management and thereby to make a contribution to the achievement of climate objectives, ECE has introduced a number of measures. Shopping centers and the company head office use electricity from renewable energy sources provided by certified suppliers. The result is a reduction of CO₂ emissions of roughly 148,715 tons per year.

To reduce the significant energy demand for artificial light and to save electricity, ECE uses the most modern lighting technologies. In this area, ECE engineers work closely with the technical managers in the centers. As a result, the outcomes of analyses and the development of innovative concepts can be combined with on-site experience and tested in practice. In the area of lighting, both experts and ECE lighting designers are involved. As a consequence, ECE is committed to lighting systems that combine energy efficiency and quality of light. The handbook on tenant improvements points out how environmentally

friendly materials can be used and resource-conserving equipment can be incorporated. With its Green Lease standard, ECE promotes sustainability measures further within the rental areas. In addition, ECE promotes forward-looking mobility concepts in the cityscape, by providing areas in the parking garages of its shopping centers for electrical charging stations so that electric vehicles can be recharged.

Risks and opportunities of climate change

→ GRI 201-2

The ECE portfolio includes locations in twelve countries for which the effects of climate change may be extremely diverse. It may be said in general terms, however, that in urban regions, extreme weather events such as storms and heavy rain will occur that could cause damage to buildings. Indirect consequences of climate change include increasing regulations in the field of energy. These may have effects on the value retention of a property and its economic viability. Accordingly, ECE prioritizes energy efficiency. In renovating existing properties and when constructing new properties in accordance with sustainability principles, ECE takes an approach that aims to preserve economic attractiveness while contributing sustainably to climate change mitigation.

Energy consumption

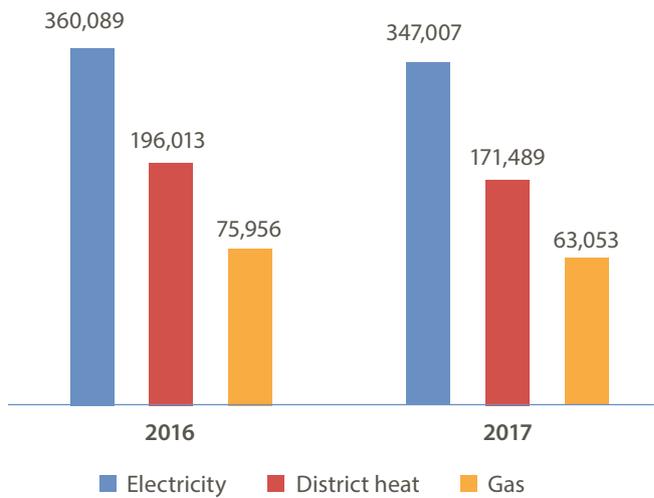
→ GRI 302-1, 302-2, 302-3

ECE measures the energy consumption of the shopping centers and the company head office and consumption incurred by employee travel. The calculation of energy and emission data and that of water consumption was based on 97 shopping centers in Germany. Since the centers belong to different investors, different requirements were placed on the data gathering; ECE managed this with a comprehensive data management system.

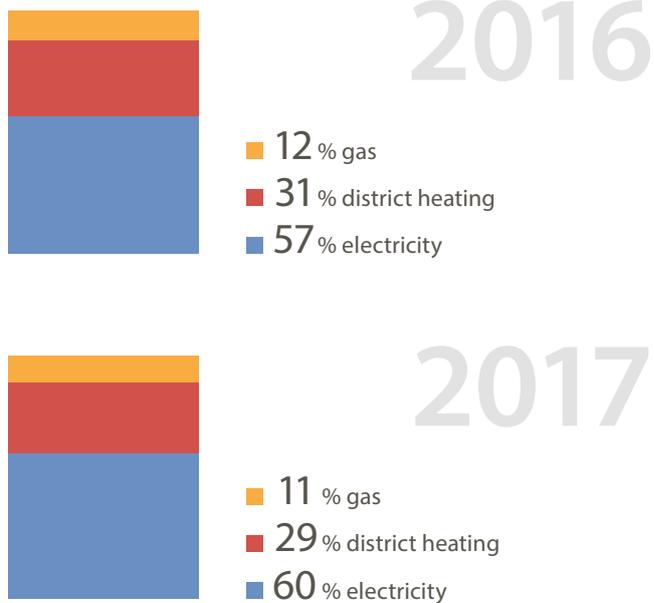
Shopping center

Energy consumption (MWh)	2016	2017	Difference from previous year
Electricity	360,089	347,007	-3.6%
District heat	196,013	171,489	-12.5%
Gas	75,956	63,053	-16.9%

Energy consumption (MWh)



Shopping center consumption by energy type, 2016 and 2017



Shopping center

Specific energy consumption (KWh/m ²)	2016	2017	Difference from previous year
Electricity	41.6	36.2	-12.9%
Heating	206.8	199.1	-3.7%
Overall	248.4	235.3	-5.3%

In the shopping centers, the greatest proportion of energy consumption goes to electricity, which is required primarily for lighting and cooling. In 2017, it was possible to reduce the specific energy consumption of the shopping centers, based on floor area, by 5.3% compared to 2016.

Company head office

Energy consumption (MWh)	2016	2017	Difference from previous year
Electricity	3,217.72	3,042.83	-5.4%
District heat	4,274.7	4,306.63	+0.07%
Gas	466.55	448.49	-3.9%

Data without adjustment for weather conditions; values for district heat and gas projected for November and December 2017.

Measures to reduce energy consumption

→ GRI 302-4

ECE has taken a large number of measures to increase energy efficiency. These include intelligent lighting and ventilation concepts. Thanks to the latest technologies used in ventilation, heating, and cooling, a further 23% reduction was achievable in energy consumption. By converting the sign lighting to LEDs in 60 centers, electricity consumption was reduced by 45%. The following table (top right) shows a number of approaches to energy efficiency improvements in the areas stated.

Topic area

Approaches

Intelligent lighting concepts	<ul style="list-style-type: none"> • Matching daylight and artificial light to each other • Fitting LEDs throughout in new builds and in refurbishments • Supporting research and trying out new approaches
Intelligent ventilation concepts	<ul style="list-style-type: none"> • Energy monitoring to capture and visualize consumption figures • Control models that avoid load peaks • Energy-efficient cooling using a cold-water loop system

Greenhouse gas emissions

→ GRI 305-1, 305-2, 305-3, 305-4, 305-5

Since 2008, ECE has purchased electricity from renewable energy sources with certified suppliers. This has been the case for the shopping centers across Germany and also the company head office in Hamburg. As a result of this policy, ECE has made a contribution to climate change mitigation by reducing emissions by approximately 148,715 tons of CO₂. Reference values for the electricity composition in Germany (hydroelectric power or the federal energy mix) were used to calculate greenhouse gas emissions related to electricity consumption.

Greenhouse gas emissions

tCO ₂ equivalents	2016	2017	Difference from previous year
Scope 1			
Gas	15,340.05	12,734.19	-16.9%
Scope 2			
Electricity	6,491.02	5,909.99	-9%
District heat	39,682.82	34,718.01	-12.5%

Emissions reductions through use of green electricity

tCO ₂ equivalents/m ²	2016	2017
Electricity	127,217.59	122,834.16

CO₂ savings obtained through use of green electricity in shopping centers in 2017 totaled 122,834.2 tons of CO₂ (2016: 127,217.6 tCO₂). This means an improvement over the previous year of about 3.4 per cent.

Specific greenhouse gas emissions

tCO ₂ equivalents/m ²	2016	2017	Difference from previous year
Gas	10.49	8.90	-15.1%
Electricity	0	0	-
District heat	7.92	6.72	-15.1%

97 centers in Germany were included in the calculation. The specific greenhouse gas emissions based on electricity are for the center floor areas excluding the rental spaces. Data without adjustment for weather conditions; values for November and December 2017 projected for year.

Company head office

Greenhouse gas emissions

tCO ₂ equivalents	2016	2017	Difference from previous year
Scope 1			
Gas	466.553	448.490	-3.8%
Scope 2			
Electricity	0	0	-
District heat	865.615	883.113	+2.0%

Emissions reductions through use of green electricity

tCO ₂ equivalents/m ²	2016	2017
Electricity	1,210.7	1,210.7

Specific greenhouse gas emissions

tCO ₂ equivalents/m ²	2016	2017	Difference from previous year
Gas	1.87	1.80	-3.8%
Electricity	0	0	-
District heat	17.19	17.54	+2.0%

Data without adjustment for weather conditions; values for November and December 2017 projected for year.

Additional greenhouse gas emissions are caused through employee transportation, for example, business travel by air, rail or road. ECE encourages its employees to hold meetings virtually whenever possible.

Transportation

Greenhouse gas emissions from transportation

tCO ₂ equivalents	2016	2017	Difference from previous year
Scope 1			
Vehicle fleet	1,268.83	1,234.37	-2.7%
Scope 3			
Business travel			
Road* 	1,635.44	1,366.82	-16.4%
Rail 	213.86	210.79	-1.4%
Air 	1,958.81	1,877.67	-4.1%

* Business travel using vehicles not owned by the company (e.g. rental car, taxi, private car).

Resource use

Paper consumption

→ GRI 301-1, 301-2

ECE's paper consumption in 2017 was (rounded) 4,327 sheets per employee (2016: 4,157). This represents an increase of about four per cent over 2016. The reason for this is the changeover to Blue Angel-certified printer paper. It was necessary in this process to test different types of paper in everyday tasks.

Other paper consumables such as paper towels are made from recycled paper and are also certified with the Blue Angel mark.

Waste

→ GRI 306-2

ECE records figures for paper, plastics and residual waste at the company headquarters in Germany. During the reporting period the amount of waste did not significantly change, and in 2017 constituted 56 tons of paper, 1 ton of plastics and 57 tons of residual waste. No hazardous waste materials were produced.

Water consumption

→ GRI 303-1

To reduce water consumption, ECE has taken a range of measures in both the shopping centers and the company head office – from water-saving fittings to waterless urinals in new buildings.

Shopping center

	2016	2017	Difference from previous year
Absolute water consumption (m ³)	2,252,904	2,297,715	+1.9%
Specific water consumption (liters/visitor)	2.0	2.0	–

97 centers in Germany were included in the calculation.
Values for 2017 projected for year.

Company head office

	2016	2017	Difference from previous year
Absolute water consumption (m ³)	19,333	20,716	+7,2%
Specific water consumption (liters/employee)	14.3	15.3	+6,9%

Values for 2017 projected for year.

Penalties for failure to observe environmental legislation

→ GRI 307-1

ECE abides by the applicable environmental legislation in all its business activities. During the reporting period no infringements occurred in this regard, and thus no penalties were imposed for failure to observe environmental legislation and regulations.

**Further information:
Sustainability at ECE**

www.ece.com/en/company/sustainability

Employees

→ GRI 103-1, 103-2, 103-3 (Employment, health and safety at work, job and in-service training)

For the personnel development of its employees, ECE places emphasis on job and in-service training, the promotion of women, family-friendly working conditions, and health management. A particular focus is placed on a culture of responsibility that encourages employees to take initiatives of their own, to assume responsibility, and to make decisions. This includes an open "error culture."

ECE places immense value on balancing work and family in the company. To facilitate this, it has introduced flexible working hours and opportunities for mobile workplaces. ECE cooperates with PME Familienservice to provide care for children and relatives. For short-term gaps in care provision, ECE has also created a parent-and-child office at the company head office and offers "Kids @ the Office" boxes at its shopping centers in Germany. To increase the proportion of women in management positions, ECE supports female employees with in-service development programs.

The fact that ECE offers attractive working conditions for both employees and new entrants is confirmed by the company's distinction as "2017 Top Employer Germany," awarded by the Top Employers Institute. Additionally, ECE was once again nominated in 2017 by online portal karriere.de as a "Fair Company" for the conditions it offers to university and college interns. The company has also received the seal of "Top Company – Recommended by Employees" from the online employer rating portal kununu and has been distinguished for its career-enhancing trainee programs with the Absolventa seal of approval. Since 2012 ECE has held the "audit berufundfamilie" ("audit job and family") certificate awarded by the nonprofit Hertie Foundation.

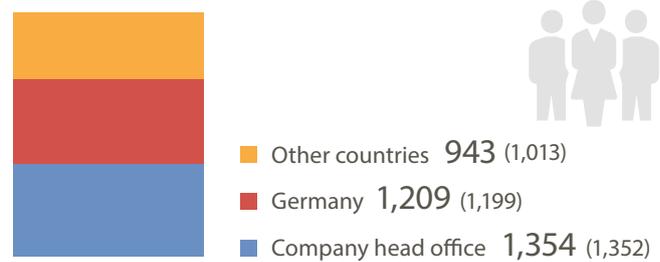
Working with ECE

→ GRI 102-8

In 2017, a total of 3,506 employees worked for ECE, of whom 1,817 were women and 1,689 men. ECE gathers employee data for Germany and in other countries.

ECE employees by region 2017

Figures are absolute, values for 2016 in brackets



(Total employee numbers: 3,506 [3,564])

Employees by type of employment and gender

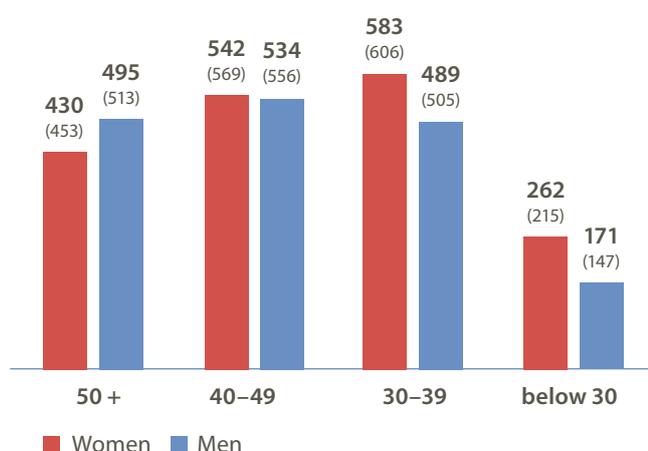
	2016	2017
Total full-time	2,797	2,683
Women	1,130	1,060
Men	1,667	1,623
Total part-time	630	647
Women	599	611
Men	31	36
Total trainees	29	28
Women	18	17
Men	11	11
Total permanent staff	3,523	3,316
Women	1,818	1,700
Men	1,705	1,616
Total temporary staff	41	190
Women*	–	117
Men*	–	73

*The exact number of employees for 2016 can no longer retrospectively be determined. Therefore only those employees are included here who left the company upon expiration of their contract with us.

The subsidiaries DECM Deutsche Einkaufs-Center Management G.m.b.H and PPMG Potsdamer Platz Management GmbH are not included.

ECE age structure, 2017

Figures are absolute, values for 2016 in brackets



The subsidiaries DECM Deutsche Einkaufs-Center Management G.m.b.H and PPMG Potsdamer Platz Management GmbH are not included.

Proportion of women in management positions

In 2017, the proportion of women in management positions was 27.2%. This low percentage compared to the previous year is explained by the fact that the position of technical manager was classified as management for the first time in 2017, and this role tends mostly to be carried out by men. For an unchanged population without consideration of the technical managers, the total proportion of women in management positions is about 37.7% (2016: 36.3%).

Percentage (%)	2016	2017
Total percentage of women (including technical managers)	36.3%	37.7% (27.2%*)
Team Leaders (including technical managers)	53.7%	55.8% (16.7%*)
Heads of Department/ Center Managers	40.2%	40.6%
Director/Senior Director	14.9%	17.6%
CEO, Managing Director	25.0%	25.0%

*Inclusion of Technical Managers as management in 2017 for the first time. The subsidiaries DECM Deutsche Einkaufs-Center Management G.m.b.H and PPMG Potsdamer Platz Management GmbH are not included.

→ GRI 102-41, 401-1, 401-2

In 2017, ECE took on a total of 410 new employees (2016: 394); 373 left the company (2016: 419). The labor turnover rate was 10.7% (2016: 11.7%).

ECE offers its employees a company pension, parental leave, and group accidental insurance depending on function, including inability to work and disability cover. Temporary employees may also benefit from the company pension program. Collective agreements do not apply to ECE employees.

New employees by region and gender

	2016		2017	
	Women	Men	Women	Men
Company head office	68	63	69	74
Germany	120	103	127	121
Other countries*	95	76	93	69
Overall	215	179	220	190

* Owing to the closure of their national subsidiaries, Bulgaria and Spain are not included in the wastage figures in other countries for 2017. This is treated analogously in the ECE annual reporting.

The subsidiaries DECM Deutsche Einkaufs-Center Management G.m.b.H and PPMG Potsdamer Platz Management GmbH are not included.

Wastage by region and gender

	2016		2017	
	Women	Men	Women	Men
Company head office	65	68	67	69
Germany	111	105	115	118
Other countries	119	84	84	56
Overall	230	189	199	174

The subsidiaries DECM Deutsche Einkaufs-Center Management G.m.b.H and PPMG Potsdamer Platz Management GmbH are not included.

→ GRI 401-3

In 2017, 221 employees claimed parental leave, including 49 men. The returning rate of female employees is approximately 94.2% and the rate of remaining is 93.6%. This is an improvement over the previous year of 9.9%.

Parental leave

	2016	2017
Total on parental leave	233	221
Women	178	172
Men	55	49
Returning from parental leave	218	210
Women	163	162
Men	55	48
Return rate (women)	91.6%	94.2%
Return rate (men)	100%	98.0%
Returning from parental leave and still with the company 12 months later	201	208
Women	149	161
Men	52	47
Remain rate (women)	83.7%	93.6%
Remain rate (men)	94.5%	95.9%



Health and safety at work

→ GRI 403-1, 403-3

ECE has introduced a variety of measures for ensuring the health and safety of its employees. These include the creation of healthy workplaces together with active prevention measures. ECE also offers regular consultations with the company medical service and provides opportunities for participation in company sports, with associated health benefits. ECE’s own fitness lounge, “Unser Sportplatz,” offers a meeting point to promote health and fitness. Since 2016, ECE has also offered stress management training. The sickness rate in Germany in 2017 was 3.7% (2016: 3.8%). All employees of the company head office represented by occupational health and safety committees. All employees in Germany receive support from aktiv.net. This provider offers an extensive range of services related to occupational safety and healthcare.

Employee development

→ GRI 404-1, 404-2, 404-3

Irrespective of gender and employment category, all employees receive a performance assessment during their annual employee interview. Measures for personnel development include management training, team development measures, specific training for technical knowledge, training on time and working methods, training to build specific IT know-how and communication, personality, and language training. In its approach to employee development, ECE focuses on lifelong learning. In addition to attending training events, such learning takes place through taking on new tasks and learning from colleagues. The average number of annual in-service training days in 2017 was 2.0 (2016: 3.0) for employees in Germany, irrespective of gender or employee category. A total of 623 seminars were held in 2017 (2016: 744). ECE itself offers a variety of seminars on technical, IT, and soft-skills topics. The majority of these training sessions are provided on the external market.

100% of employees in Germany and other countries received a regular evaluation of their performance and their career progress within the reporting period. The desires and opportunities for professional development of each employee are evaluated and supported in an annual employee interview. Further training measures specific to the employee are derived jointly from this dialogue.

Measuring employee satisfaction

In order to continuously evaluate and improve performance quality, ECE performs periodic satisfaction surveys. In 2017, 91% of employees participated in a Europe-wide survey. Within the 3035 respondents, satisfaction was found to be an average of 4.15 points out of a total of five across countries and divisions, representing satisfied to very satisfied. Building on these positive outcomes, ECE is working constantly on improving the team spirit.

Visitor health, Building, stay and location quality

→ **GRI** 103-1, 103-2, 103-3 (Customer health and safety, Local communities, Indirect economic effects)

ECE's objectives in the area of sustainability are diverse. In addition to careful treatment of the construction site and land recycling, the high durability and universal usability of the building – together with ease of conversion or, if necessary, dismantling – all count towards sustainability objectives. The use of environmentally friendly materials and substances that are conducive to health, comprehensive materials management, and rational use of energy are also all of great importance.

At the center of all decisions are long-term investments. As a landlord and manager, ECE assumes an ongoing responsibility for the properties it plans. Accordingly, societal integration has always been an important element of the corporate philosophy in addition to employees and the environment.

In the planning, implementation, and operation of its properties, ECE takes the approach of long-term value retention. For ECE, the integration of sustainability aspects during each phase of the building is an important milestone of this strategy. Additionally, the company maintains a presence in the shopping centers even while they are operating, and takes responsibility for the site. In both new construction and operation and also during modernization and extensions of the shopping centers – that is, refurbishment – ECE particularly takes the aspects of sustainability into account.

To form the basis of this comprehensive consideration of sustainability, ECE has published four handbooks on the sustainability aspects of shopping centers within the industry and provides, with active involvement of the tenants, practical recommendations for action on environmental and climate protection. One of these four handbooks is entitled "Sustainable Shopping Centers." This provides guidelines for the development of shopping centers from the planning phase onward and set out all the sustainability measures that are necessary during the development of a project. The handbook "Sustainable Operation of Shopping Centers" supplements the first book with practical recommendations for the center managers and technical managers. Meanwhile "Electromobility" set out the possibilities for integrating electric charging station services at the site, while the handbook "Construction Products for Tenant Alterations" gives practical guidance on shop conversions for environmentally and climate-friendly buildings.

Additionally, ECE informs visitors to its shopping centers about the environmentally friendly aspects of constructing and operating the centers. So far 15 topics, from waste separation to green electricity, have been described on information notices for visitors since 2015. ECE plans to roll out this campaign in other countries as well. These offerings have emerged as results of ongoing exchange with ECE's partners (see p. 32). They also include regular surveys of center visitors, tenant partners, and investors.

To present the quality of its buildings in respect of sustainability aspects in a transparent manner, ECE uses recognized certification systems. These include the seal of approval of the German Sustainable Building Council (DGNB), which is targeted at both new and existing buildings. It has been developed jointly by the Federal Ministry of Transport, Building and Urban Development and DGNB. Since 2009, it has enabled office, administrative, and retail buildings to be evaluated and distinguished. The seal of approval follows a holistic approach that covers ecological and also social, economic, and technical criteria. Depending on the degree to which these criteria are satisfied, the certificate is awarded in bronze, silver, gold or platinum.

In addition to the DGNB seal, ECE also seeks to certify existing buildings and buildings elsewhere in Europe with other certificates including BREEAM. BREEAM is a certification method for buildings that is widely accepted internationally. The "Environmental Assessment Method" (EAM) for buildings was originally developed by the UK-based research institute Building Research Establishment (BRE) under the name BREEAM. The certification system is constructed on the basis of a rating scale with 100 possible points. Projects are categorized as follows: average (>30%), good (>45%), very good (>55%), excellent (>70%), and outstanding (>85%).

Managing Director Alexander Otto and ECE are also committed to urban diversity and an inclusive society. Their engagement encompasses three foundations that are devoted to different aspects: The Lebendige Stadt Foundation supports projects that promote the urbanity of a city in a sustainable manner; the Alexander Otto Sports Foundation is involved with sports for young people and people with disabilities; the Dorit and Alexander Otto Foundation promotes medical research and health provision and culture in Hamburg.

Effects on health and safety

→ GRI 416-1

With every new build and with every major modernization project, ECE checks the potentials for improvement in respect of sustainability. Where possible, the company has a positive performance of its buildings confirmed by means of recognized certification. By the end of the reporting period, 58 of the centers possessed, in addition to the basic certificate independent of location, a main certificate or pre-certificate of the German Sustainable Building Council (DGNB) or a distinction under BREEAM. These ensure that in addition to energy efficiency and other environmental aspects, sociocultural aspects are also considered.

Certifications

2017	Shopping centers	Special properties and districts
DGNB		
Platinum	14	1
Gold	28	9
Silver	1 (+1 basic silver)	2
Bronze		1
HafenCity eco label		
Gold		3
BREEAM		
Excellent	1	
Very Good	8	
Very Good - Good	6	

Effects on the local surroundings

→ GRI 203-1, 413-1

The creation of shopping centers affects the overall local economy in many different ways. For example, a new shopping center may be accompanied by extensions to the transport infrastructure and the creation of new leisure spaces, for example through compensation areas. An inner-city shopping center may cause appreciation of value throughout the central area and provide a positive impulse for urban development. Neighboring retailers also profit from the greater purchasing power of the additional visitors. A further positive effect is follow-on investment in the city's downtown area.

In addition to their economic importance and the associated opportunities, shopping centers have further effects on the built environment of the city and on the people in their surroundings. This begins with the construction phase, which may adversely affect local inhabitants, and extends to the operation of the center. ECE aims to minimize the negative effects and intends for its shopping centers to instead improve the quality of life of the people living close to them. They are intended to function as "third places" for social meeting that offer a variety of gastronomic offerings, leisure time opportunities, a high quality of stay, and architecture that is sensitive to its surroundings.

In addition to shopping centers and commercial buildings, ECE also develops residential districts that are intended to contribute significantly to higher quality of life. The objective of this holistic residential district development is to create living spaces for both younger and older inhabitants. In its urban development activities, ECE thus focuses on inclusion – that is, the self-determined participation of all citizens in social life. In order to harmonize the social aspect with quality of life and the environment, ECE is developing its "Green City" models – practically realized, for example, in the Mitte Altona residential district.

Further remarks

→ GRI 102-48, 102-49, 102-50

In the 2016-2017 reporting period, ECE has provided information in comparison to previous reports on the basis of the current framework of the Global Reporting Initiative, the GRI Standards. No change has been made to the limits of aspects. Compared to the 2014-2015 reporting period, it was possible to include a total of 97 centers in the data gathering.

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Imprint

Publisher

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Production & Print

BildBauKONTOR Post & Production GmbH, Hamburg
Langebartels & Jürgens Druckereigesellschaft mbH, Hamburg
Paper: RecyStar Polar, FSC-certified, Blauer Engel



ClimatePartner^o
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Print product | ID 53249-1802-1001

Photo credits

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