

# #FUTURE FORWARD



**2024/25**

Pushing for  
Transformation

CREATING SPACE.  
INSPIRING PEOPLE.

# Dear Readers,



**P**anta rhei – everything flows. That was the motto by which ECE founder Werner Otto (1909–2011) lived his life. The changes he lived through put some of today’s upheavals into perspective.

Still, we are living in a time of dynamic change. What matters is not whether you think that’s a good or a bad thing, but what you do about it. Do you let yourself be carried along with the flow? Or do you unfurl your sails, try to set your own course, and seize the opportunities available to you?

We have made a lot of changes in the past few years – to our business models, structures, processes, IT systems – so that we can help to set the course of the future. This report describes the results of those changes, as well as our future plans and strategies.

There’s only one thing we haven’t changed: our values. Because it’s precisely when the seas are stormy and visibility is poor that you need a lighthouse to help you keep your bearings.

*Alex Otto*      *Claudia Plath*

Alexander Otto  
CEO ECE Group

Claudia Plath  
CFO ECE Group

EDITORIAL



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# A WELL-CAPITALIZED REAL ESTATE & INVESTMENT GROUP

**S**table, independent, financially strong: ECE is passionate about setting the course of change in the real estate industry. Founded in 1965 by mail order pioneer Werner Otto as a shopping center developer, the company has transformed into a broad-based real estate and investment group. Today, under the leadership of CEO Alexander Otto, ECE is a financially strong family-owned business that develops and operates properties in all asset classes – retail, hotels, residential, logistics, offices. Through our specialized divisions ECE Marketplaces, ECE Work & Live, ECE Living, and ECE Real Estate Partners, the group offers our clients a complete package of real estate and fund management services. We also have strong ESG expertise, with many solutions and products to help our clients make progress toward their net zero targets.

### 100% FAMILY-OWNED

As an owner-managed family business, ECE is a reliable partner with a long-term mindset that our stakeholders can safely depend on. We create clear value for our

clients by integrating our comprehensive expertise and decades of experience with complex projects spanning all asset classes within a single organization. As a member of numerous industry associations and organizations, ECE advocates for sustainability, urban development, and the retail sector.

### ECE GROUP STRUCTURE

The ECE Group, led by Alexander Otto (CEO) and Claudia Plath (CFO), is responsible for ECE's overall strategy and management. Two market divisions, ECE Marketplaces (shopping centers) and ECE Work & Live (residential, hotels, logistics, offices), offer their services on an independent basis. ECE Real Estate Partners is an independent, regulated alternative investment fund manager (AIFM), while ECE Living is a strategic partner for residential investments by national and international institutional investors. ECE Group Services provides all internal services within the group. >

ECE GROUP

ECE GROUP

## ECE GROUP



### ECE MARKETPLACES

Europe's leading provider of shopping center management services



### ECE WORK & LIVE

Project development and delivery for the asset classes residential, hotels, logistics, and offices



### ECE LIVING

Strategic partner to national and international investors for build-to-rent residential developments



### ECE REAL ESTATE PARTNERS

One of Europe's leading platforms for real estate investment and fund management



### ECE GROUP SERVICES

Internal full-service provider

3.9 billion €

CONSTRUCTION AND PLANNING VOLUME

65%

EQUITY RATIO

31 billion €

ASSETS UNDER MANAGEMENT

1.14 billion €

EQUITY

FOUNDED IN

1965

3,100

EMPLOYEES

ACTIVE IN

12

COUNTRIES



A privately owned investment management firm with an exclusive focus on institutional-grade multifamily real estate in the USA  
[parkpropertycapital.de](http://parkpropertycapital.de)



**PARK PROPERTY MANAGEMENT INC.**  
Specialist in residential and commercial real estate in the Greater Toronto Area  
[parkproperty.ca](http://parkproperty.ca)



The sister company is an international e-commerce and service group, operating in the platforms, brand concepts, retailers, services, and financial services segments.  
[ottogroup.com](http://ottogroup.com)



A best-in-class, publicly listed owner and manager of shopping centers, headquartered in the USA  
[sitecenters.com](http://sitecenters.com)

A publicly listed real estate investment trust for Class A office properties in New York and San Francisco  
[paramount-group.com](http://paramount-group.com)



Lean-luxury hotel operator with hotels throughout Europe  
[ruby-hotels.com](http://ruby-hotels.com)



Shopping center specialist based in Brazil  
[allos.co](http://allos.co)

Four to five-star vacation hotels in Germany and Austria

# “OUR COMBINATION OF EXPERTISE AND CAPITAL IS CURRENTLY IN HIGH DEMAND.”

Even in turbulent times, ECE continues to enjoy international success. We talked to Alexander Otto, CEO of the ECE Group, about how crises can have positive effects too, the value of strong partnerships, and why politicians should trust people more.

### The real estate industry is in the grip of a serious crisis. Is that true for ECE too?

**Alexander Otto:** Needless to say, we've been affected by the radically changed market situation since the interest rate rise. Shortly before that, the pandemic heavily impacted on our business and that of our clients. Despite that, we delivered a solid result in 2023 in line with our targets and will probably actually outperform them this year.

### How did that come about?

First, we've always taken a sustainable and conservative approach, even in the boom years. We probably missed out on the odd euro or two as a result, but at the same time we don't have any construction projects today that are dragging us down. Another big plus is our very solid financial position, with equity of more than one billion euros. My family has waived dividends several times over the past few years so we could further strengthen ECE. As a result, we're currently able to manage a €1.3 billion pipeline of development projects approved by our Advisory Board.

### Are the crises having any positive effects too?

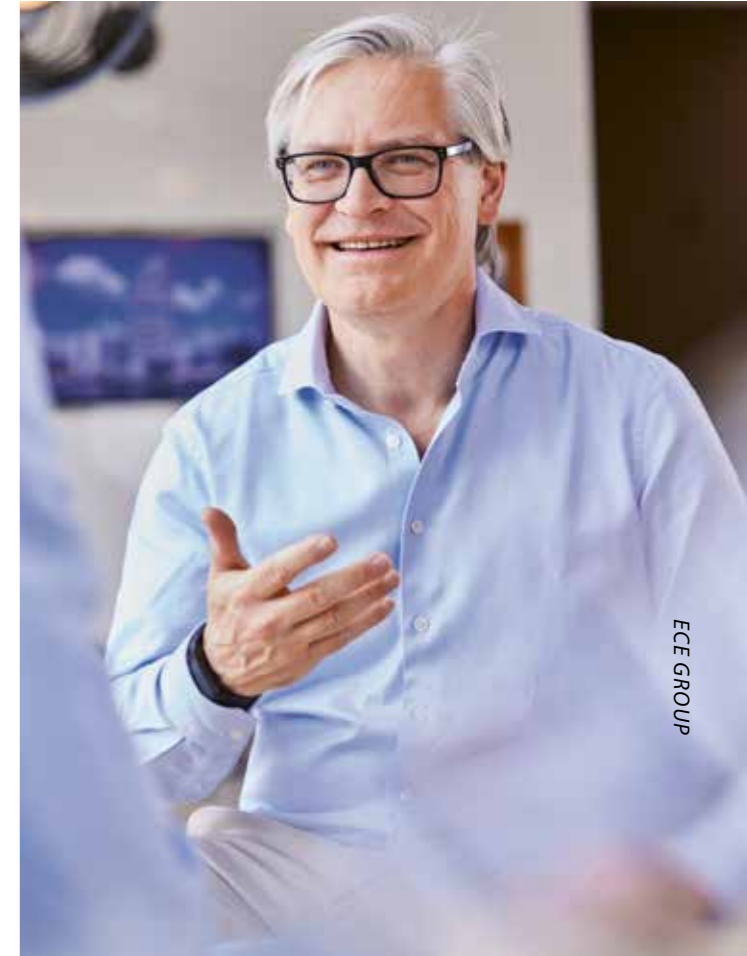
Yes, definitely. At the moment, the wheat is being separated from the chaff. It's becoming clear who's

actually mastered the complexities of our industry and who's just been coasting on the wave of rising real estate prices. The present situation also means that the combination of expertise and capital that we can offer is currently in high demand, since we are able to come on board projects that have stalled, like the ones in Copenhagen (→ p. 73), and bring them to successful completion. It's win-win for everyone.

### As a businessperson, what lessons have you learned from the crises?

We've learned the hard way that cost-effectiveness calculations can

be upset more quickly and forcefully by political decisions and other exogenous factors than is assumed possible in sensitivity analyses or risk assessments. That's a particular challenge for the real estate industry, which has to take a very long-term perspective due to the lengthy approval processes. We therefore only invest in projects we're firmly convinced of and that we can keep on our books for longer if necessary. The crises have also demonstrated the value of strong partnerships – with our investors, with our retail tenants, and with the construction industry. >



## THE OTTO FAMILY AS INVESTORS

ECE thinks and acts like an investor at all times. The Otto family is also involved in many of our projects. The family's international network and financial strength give ECE great flexibility and growth potential. With its own hotel real estate portfolio and a 25 percent stake in the lean-luxury hotel operator "Ruby Hotels" the Otto family is now also active in the hotel sector. That benefits ECE by allowing us to combine development expertise, investment experience, and operator expertise as we expand our hotel activities.

## A GLOBAL NETWORK

Thanks to its investments in the globally active Otto Group and several real estate companies in North and South America, the Otto family has built up a global network. The family can draw on expertise from a wide range of markets and is a valued source of advice and guidance on all things real estate in Europe, America, China, and beyond. This international network also facilitates the sharing of best practices.

ECE manages 130 shopping centers, with another 65+ centers managed by the joint venture MEC.



A mixed-use complex with 600 rental and owner-occupied apartments in Hamburg's Hafencity.

**Has ECE changed during the crisis too?**

As a family-owned business, we can make decisions quickly, but we reached a size that sometimes slowed us down. And so during the COVID pandemic we split off our development activities, our management services for large retail properties, and our fund management services into separate divisions, each focused on their specific

clients' needs, and restructured the ECE Group as a holding company. At the same time, we invested a nine-digit sum in our IT systems and professionalized our internal processes and structures. That was quite a challenge, but we are now seeing the rewards, even if there is still a lot to do.

**Alongside the acute crises, there are also some very fundamental challenges like climate change. How are you tackling those?**

We've always known that large properties come with a lot of responsibility. Not only in environmental terms, but also as a part of urban development, as a community hub, and as the basis for many people's livelihoods. We're far from perfect, but we've always borne these issues in mind and developed and implemented concrete solutions. In the real estate industry, what it ultimately comes down to is finding an environmentally and economically responsible path to net zero for each individual property. Unfortunately, there are now many companies on the market peddling pseudo-solutions. A genuine solution needs to be rooted in a detailed, expert understanding of a property in all its complexity. That's why we developed

the "ECE map2zero", our Energy Renovation Roadmap, which we've been gradually rolling out in our portfolio over a number of years (→ p. 44).

**Do your international operations face similar challenges?**

Climate change doesn't stop at the Atlantic. But America does take a fundamentally different approach to many problems. In Germany, we've made requirements for buildings increasingly stringent in recent years. As a result, construction has become more expensive, very little affordable housing is being built, and construction generates a lot of carbon emissions that are often not included in environmental assessments. The residential developments we're involved in in the USA often use high-quality but structurally simple timber houses, which reduces both the building costs and the carbon emissions during construction. And the energy for lighting, heating, and AC is generated by solar panels, so that even if the energy consumption is sometimes higher, the carbon emissions aren't. If we want to successfully tackle climate change, I believe we need to pay much more attention to how much CO<sub>2</sub> a building generates over its entire life cycle, and how and where one euro of investment can most efficiently reduce global carbon emissions.

**Are European politicians setting the wrong priorities in this area?**

Politicians in Europe often don't trust people enough. They want to regulate things too much, and don't realize that the world is now too complex and dynamic for detailed regulations. Often the intentions are good, but sadly the same can't be said of the implementation. However, politicians are just part of a society that complains about "regulatory loopholes" and doesn't exactly reward those with the courage to try new things – which,

unfortunately, also causes us headaches when it comes to the permit approval processes here in Europe. So it's our duty as businesspeople and citizens to support politicians in their difficult task and, where we can, to actively do our bit ourselves: for instance, by clearly speaking out and saying that, while people's feelings of dissatisfaction are understandable, there's absolutely no way populists and extremists are going to solve our problems.

**You don't just do your bit as a businessperson and citizen, but also as a patron of many different causes. Why is that?**

My family has been very fortunate. The success we've enjoyed in business has only been made possible thanks to living in a free, peaceful society with rule of law and thanks to the support of many dedicated people in our company as well as many important external stakeholders. So my father, Werner Otto, wanted to give something back to society in return for that success. And my wife and I are passionate about continuing that tradition. //



Through investments in companies like Park Property Management and Ruby Hotels, the Otto family has built up a global network.



**PARKPROPERTY CAPITAL**

ParkProperty Capital is a privately owned investment management firm with an exclusive focus on institutional-grade multifamily real estate in the USA. It acquires assets through large family offices. With an expert, local presence on both sides of the Atlantic it provides a gateway to the USA for European investors. ParkProperty Capital has offices in Atlanta and Hamburg.

**1.9 billion \$**

INVESTMENT VOLUME

**6,428**  
RESIDENTIAL UNITS

**11**  
STATES IN US  
GROWTH MARKETS



A ParkProperty Capital building complex in Atlanta.

# SMART, FORESIGHTED FINANCING STRATEGIES

Back when interest rates were low, ECE took advantage and extended loans until well into the 2030s. As a result, only a relatively low volume of loans came up (or are coming up) for renewal in 2023 and 2024, when the situation on the financial markets is more fraught. Moreover, early on in each loan's term ECE develops an extension strategy that is individually tailored to the respective investor's needs, while also factoring in potential lenders' ESG standards.

As a global company, ECE has extensive international experience and expertise in short-term development financing, long-term portfolio financing, and refinancing. We currently manage eight billion euros of

loans provided by around 60 institutional lenders. With a weighted average remaining term of 4.4 years and an average loan of 76 million euros per property, on average one billion euros' worth of loans come due for renewal each year. On top of that, we also provide financing for new projects.

On the equity side, we take advantage of our group's strong financial position, with over 1.1 billion euros in equity. In addition, our fund management divisions ECE Real Estate Partners and ECE Living work with large institutional investors, including major insurers, real estate companies, pension providers, sovereign wealth funds, and pension and real estate funds.



"We are currently reaping the benefits of a foresighted, highly diversified financing strategy," says Claudia Plath, CFO of the ECE Group. That strategy has allowed us both to make necessary investments in our existing properties – for example, to meet the requirements of CRREM pathways or adapt to developments in the retail sector – and to finance new or acquired development projects. //

## 8 billion €

CURRENT LOAN VOLUME

## 1 billion €

ANNUAL CLOSING VOLUME

### Approx. 4.4 years

WEIGHTED AVERAGE REMAINING TERM

### Around 60 lenders

BANKS, INSURERS, REGIONAL SAVINGS BANKS &amp; COOPERATIVE BANKS

### 2.5%

AVERAGE INTEREST RATE

## TOP 5 BANKS:

- DZ HYP
- LBBW/BERLINHYP
- HELABA
- MÜNCHNER HYP
- NORD LB/DEUTSCHE HYPO

*"Our far above-average equity ratio of more than 65 % gives us independence and flexibility, and opens up numerous options for financing major projects."*

CLAUDIA PLATH, CFO OF THE ECE GROUP

# A COLLABORATIVE APPROACH TO PLANNING AND CONSTRUCTION

Arndt Schwerdtfeger manages all ECE's planning and construction activities in our shopping center portfolio and in the residential, hotel, logistics, and office sectors. He is Managing Director Architecture & Construction at ECE Group Services and Chief Technical Officer at ECE Work & Live. In our interview, he explains why partnership is important in construction, how digitalization and AI are changing the construction industry, and what role good funding management can play.



*“Our working relationship with ECE is characterized by a high degree of professionalism and strong partnership. We’ve completed numerous projects together on budget and on time.”*

**NILS WENDLER**  
MANAGING PARTNER, OTTO WULFF BAUUNTERNEHMUNG

## The construction industry is going through a difficult period. What’s causing it and how is ECE rising to the challenge?

**Arndt Schwerdtfeger:** It’s because very little financing is available due to the change in interest rates and the near-collapse of the property transaction market. As a result, much less is being built in all categories, which has caused a massive slump in orders in the construction industry. We’re seeing very marked price shifts in the market. But that also opens up opportunities for us – and we plan to take advantage!

## So things haven’t ground to a halt at ECE?

No, quite the opposite. We’re working on projects in the residential, hotel, and logistics sectors as well as upgrading properties in our shopping center portfolio. We rely on partnerships and innovative tendering models. We’re constantly expanding our network with construction companies of all sizes. Collaborating on planning and construction projects increases efficiency, as we can get to work very quickly, based on a strong foundation of trust.

## How has digitalization affected the construction sector?

There are now lots of digital tools for individual aspects of planning and construction. We use a variety of AI-assisted tools to create visualizations. The industry is starting to experiment with using AI to calculate costs or robots to monitor construction sites. But a lot of it’s still very rudimentary. The construction industry has a lot of catching up to do in this area. Even today, many buildings are still being built as one-off projects.

## What other options exist to make construction projects more efficient?

There’s BIM – building information modeling, in which all relevant building data is digitally modeled, combined, and documented. We don’t use BIM much in our shopping center portfolio: Almost none of the centers have been digitally surveyed, since it would be very costly and complex. But we do use BIM for many of our projects in the ECE Work & Live division. It has a lot of potential, because using BIM creates transparency: What are the planned dimensions and materials? Which ones are specified in the tender? How much does everything cost? Besides enabling transparent coordination, these models are also very helpful when it comes to meeting ESG criteria.

## How important are sustainability and ESG?

They’ve become part of our DNA. That means we consider many sustainability issues right from the early design phase, and keep doing so throughout the planning and application stages right up to the awarding of contracts. Sustainability isn’t cost-neutral. It creates additional costs, because you sometimes need to use different materials or processes, and the documentation requirements are more demanding. But ignoring sustainability isn’t an option, as ESG is relevant to all investors.

## What funding sources are available, and which ones does ECE make use of?

Local, state, and federal government funding is available for various types of projects, including sustainable construction projects. For us, it makes most sense to apply for funding from federal programs, like the Federal Funding for Efficient Buildings (BEG). We look carefully at what funding we can use to make energy efficiency upgrades at shopping centers or for new construction projects by ECE Work & Live. It’s often possible to combine multiple sources of funding. For example, there’s funding for modular construction, for modern heating systems, and for solar panels. We

*“As long-standing construction partners, GOLDBECK and ECE work together to create buildings that harmoniously combine sustainability, functionality, and cost-efficiency. Our modular construction method keeps waste and emissions to a minimum.”*

**RENÉ KALDENHOVEN**  
MANAGING PARTNER, GOLDBECK NORD

assess each project for potential eligibility and then apply for funding where possible. That’s done by a small in-house team and in collaboration with external partners.

## What role does lean management play?

The big construction companies have synchronized their sites to improve and speed up their processes. That saves a lot of resources when it works. But the client is the biggest factor when it comes to using lean management. They’re the ones who set the conditions and requirements. For us, lean management means a total focus on the client. For instance, we break down the planning process into smaller aspects, the things we know absolutely have to be done, so as to minimize duplication and wasted time.

## When are multiparty contracts used?

Multiparty contracts replace the many individual bilateral contracts we used to have between the various parties involved in a construction project with a single combined contract, so that planning and construction can be more closely integrated. One current example is Life Hamburg, an educational project initiated by Benjamin Otto, where a multiparty contract set out the common goals at a very early stage. We worked closely with planning and construction partners on the building application, and con-

struction will be commencing soon. But that kind of partnership only makes sense if the specifications for the building are unclear early on or the building is very complex. In that case, this methodology supports a highly collaborative approach to achieving the goal. But this kind of contract model would be too expensive for residential developments, for which there are tried-and-true contractual methods (augmented by various digital tools) that can be used to set up a good project that delivers on its goals. //



Arndt Schwerdtfeger ●

ESG@ECE GROUP

# DESTINATION: FUTURE!

# 132

GREEN BUILDING CERTIFICATES

# 50%

OF CURRENT RENTAL AGREEMENTS INCLUDE A GREEN LEASE

# 35%

WOMEN IN SENIOR LEADERSHIP ROLES

## SUSTAINABILITY PROMISE

Building on our many years of expertise, we are a pioneer in all aspects of sustainable urban development. As a family-owned business, we take responsibility for creating a livable world for future generations.

## DOUBLE MATERIALITY ANALYSIS

Multistage process to identify key areas for action on sustainability:

Risk and opportunities perspective

Impact perspective

Stakeholder perspective

## ECE ACTION AREAS



Energy



Resources



Sustainable mobility



Wellbeing



Employees



Sustainable trends

## ECE'S KEY SUSTAINABILITY TARGETS



### Environmental

To cut carbon emissions from shopping centers and the ECE Campus by 40 percent by 2030 compared with the 2019 baseline.

### Social

To develop a social impact strategy.

### Governance

To produce codes with voluntary ESG commitments for all real estate development classes.

The ECE Group's vision: "We're making space for the future." Sustainability is one of our key values and integral to our corporate strategy. We've set ourselves a target of net zero by 2045 for the group itself and by 2050 for the properties we manage and develop.

All our business activities are squarely focused on long-term value creation and based on an integrated sustainability strategy. As a family-owned company, we take responsibility for the society in which we operate. That includes taking responsibility for our employees, for the properties we develop and manage, for the cities where we have a presence, and for using resources with the utmost care and efficiency. >

ESG@ECE GROUP

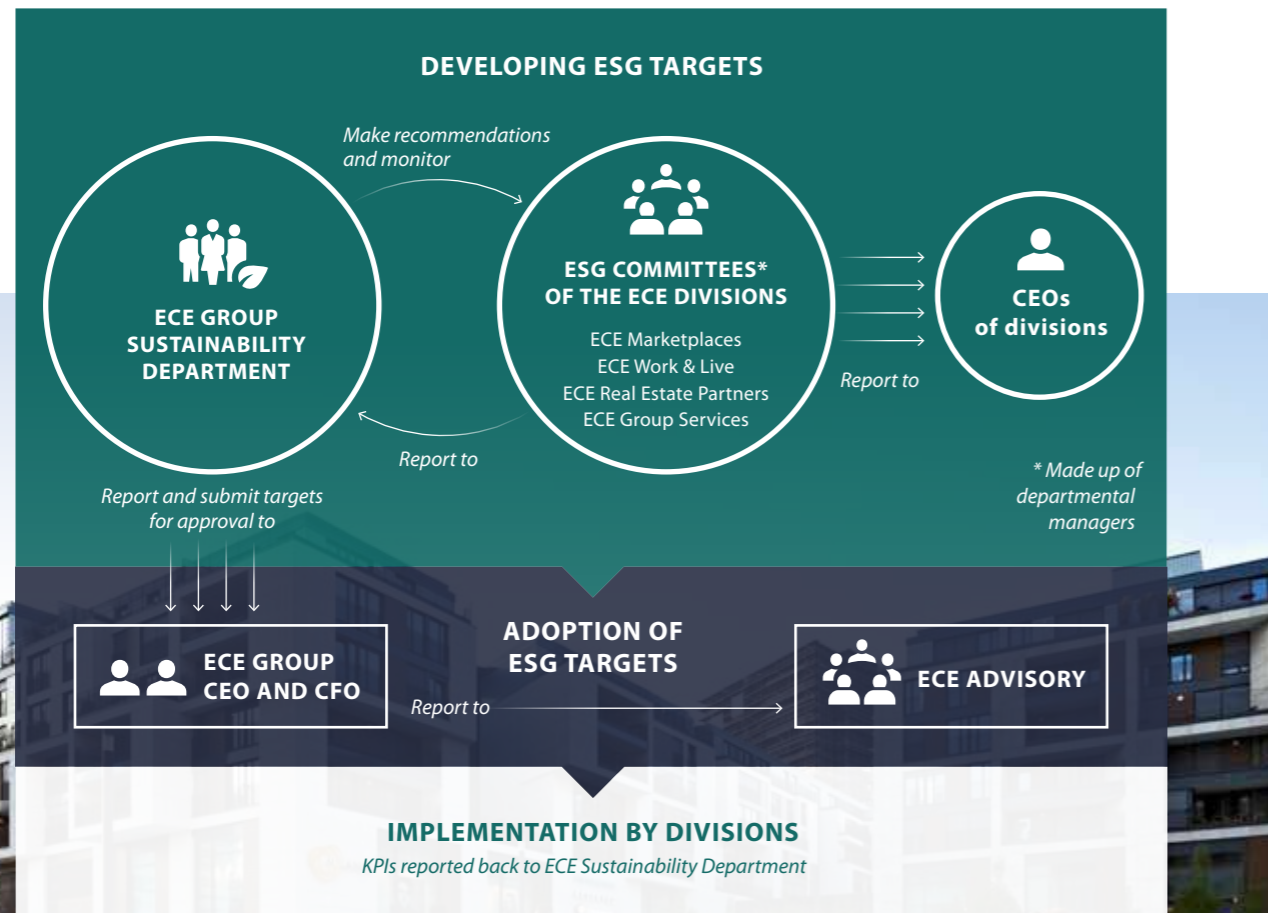
ESG@ECE GROUP

# A CLEAR COURSE: NET ZERO

A sustainability team and the Director of Sustainability and Corporate Communications are responsible for the ECE Group's ESG strategy. They continuously update the strategy based on constantly changing ESG regulations and market-specific requirements. Through industry associations and in dialogue with relevant stakeholders, they monitor social, economic, and political trends and use this information to develop ECE's strategy. They continuously document progress on ESG indicators and report to the senior management

team. In addition, in 2023 ESG committees were set up in the divisions ECE Marketplaces, ECE Work & Live, and ECE Group Services. The sustainability team consults with these committees on strategic approaches to core ESG issues, and together they continuously refine the ESG targets set out in the sustainability strategy. The team also works with the service unit Sustainable Operations & ESG to develop sustainable products and services for shopping center owners (→ p. 44).

## ECE'S ESG STRUCTURE



ESG@ECE GROUP

ESG@ECE GROUP

*“ESG is essential to our future operations. Within the framework of our sustainability strategy, we have therefore developed demanding standards and concrete solutions that will help make the properties we manage fit for the future and contribute to meeting European climate targets.”*

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



### SOLUTIONS FOR ALL ASSET CLASSES

#### Climate-neutral shopping centers – it can be done!

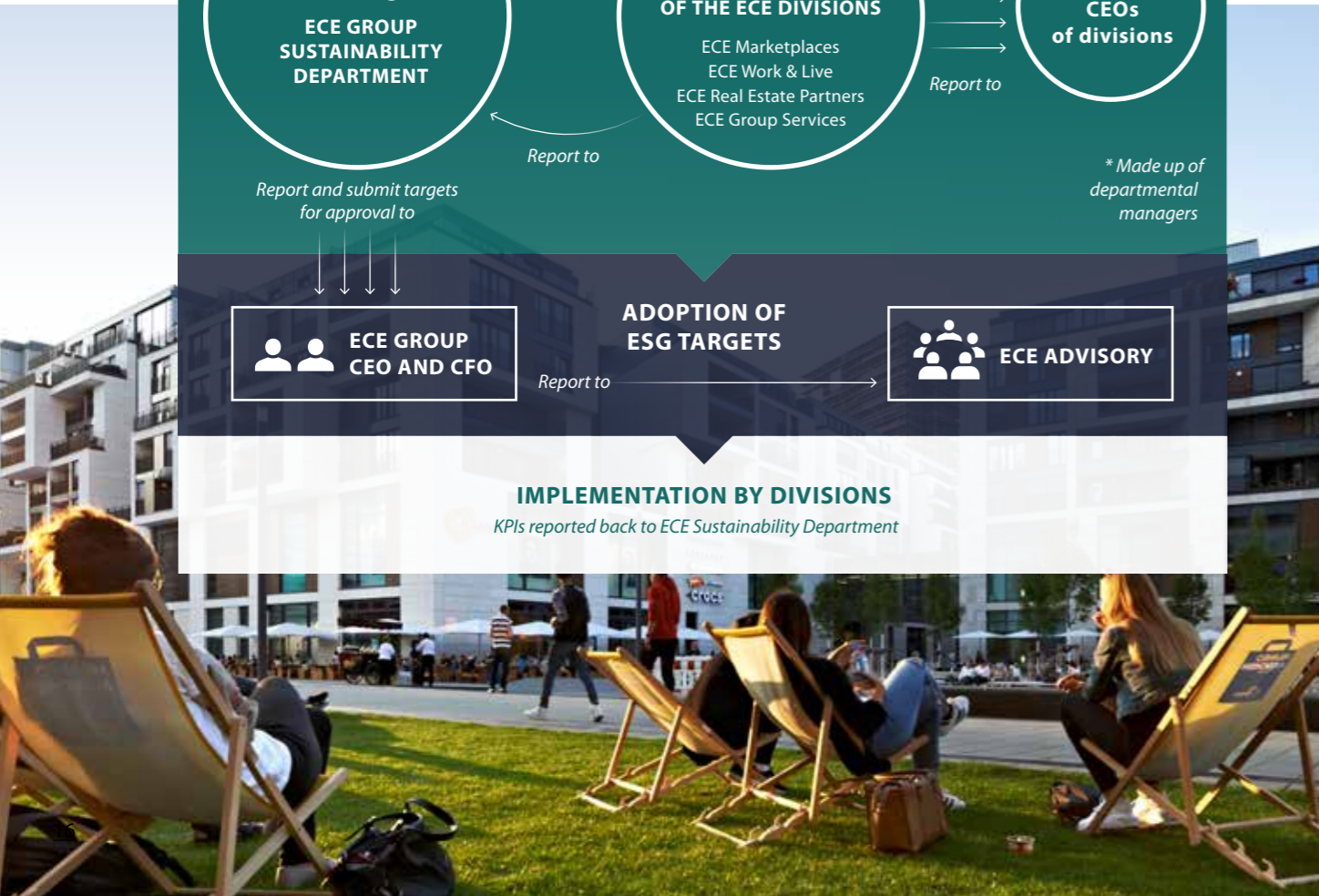
ECE has developed clear strategies and specific, practicable solutions to help shopping center owners meet their climate targets. Because their ESG strategies are highly varied, we don't offer a single, one-size-fits-all solution, but instead support them with a variety of ESG products, ranging from energy pre-checks to a solar panel strategy to the “ECE map2zero”, our Energy Renovation Roadmap, which centers can use in line with their strategy to achieve net zero by 2045.

#### Our goal: sustainable project development

ECE Work & Live also always considers individually tailored measures for climate-friendly construction, conversion, and operation of buildings when developing projects for the asset classes residential, logistics, hotels, and offices. Precisely formulated codes, such as the ESG Code for Housing and Logistics, set out clear ESG guidelines and standards. The aim is to go beyond the legal standards and minimize carbon emissions during both development and subsequent operation of the properties. We also have an established expert team who are tasked with continuously updating the codes.

#### The EU Energy Performance of Buildings Directive

The amended Energy Performance of Buildings Directive (EPBD) is highly relevant to the real estate industry. The directive has been incorporated into the German Energy Performance of Buildings Act (GEG), which was amended ahead of the EPBD's introduction. First, standards for new buildings were made more stringent. Second, the minimum proportion of renewable energy that must be used for heating new and existing buildings was raised to 65 percent. For existing properties, ECE is looking at whether and when it might be possible to connect centers whose heating systems are still wholly gas-powered to a district heating network, or whether heat pumps would make more sense.



# HARD AT WORK IN INDUSTRY ASSOCIATIONS

The sustainability requirements imposed on building operators by legislators, stakeholders, and society in general are rapidly changing. ECE is closely monitoring developments and working with investors, retailers, and on the committees of industry associations such as the German Property Federation (ZIA), German Retail Federation (HDE), Urban Land Institute (ULI), and European Council of Shopping Places (ECSP) – currently chaired by Joanna Fisher, CEO of ECE Marketplaces – to keep ahead of any changes.



## SELECTION OF ASSOCIATIONS IN WHICH ECE IS ACTIVELY INVOLVED



- Developing an industry standard for green leases
- Supporting implementation of European law in individual countries
- Engaging in dialogue with key ESG players



- Developing a precise position on/ solutions for the expansion of e-charging infrastructure and solar panels in the retail sector
- Devising concrete solutions to problems around connecting to EV charging networks



### Energy and building technology

- Developing practical solutions for the real estate industry in relation to the amended Energy Performance of Buildings Directive (EPBD)
- Constructively supporting the EPBD's implementation in domestic law
- Formulating a position on more practical energy certificates in line with minimum energy performance requirements for commercial properties in Germany

### Corporate responsibility

- Supporting practical solutions to help the real estate industry meet the requirements of the Corporate Sustainability Reporting Directive
- Constructively supporting implementation of a ZIA green lease at national level



- Fully integrating ESG standards into urban development
- Strengthening urban resilience
- Combining building efficiency with financial performance

- *Presentation of the Council of Real Estate Experts' 2024 spring report (from left): ZIA President Dr. Andreas Mattner, Federal Minister for Housing, Urban Development, and Building Klara Geywitz, and Professor Lars P. Feld, Chair of the Council of Real Estate Experts.*

# GOVERNANCE@ ECE GROUP

As a dependable business partner committed to values of fairness and integrity, ECE has developed a comprehensive compliance management system (CMS), which is continuously updated to reflect changing business activities and legislation. It covers areas such as anticorruption measures, money laundering prevention, business partner compliance/screenings (including checking sanctions lists), and antitrust law. The CMS is based on the ECE Code of Conduct, which provides guidance on these topics for employees. The Code of Conduct is complemented by the ECE Business Partner Standards, which all our business partners are required to sign up to.

ECE's CMS has been regularly certified by the Institute for Corporate Governance in the German Real Estate Industry (ICG) since 2014, most recently in 2023.

## ESG, SUPPLY CHAIN ACT, AND DATA PROTECTION

ESG works to continuously improve our CMS. And when it comes to implementing the provisions of the Supply Chain Act (LkSG), to which ECE Marketplaces has been subject since January 1, 2024, all three aspects of ESG – the “E” and the “S” as well as the “G” – come into play. ECE has also developed a comprehensive data protection management system, with a focus on protecting customer data in shopping centers (especially in the context of on-site marketing activities and digital campaigns), protecting business partner and employee data, and providing support for IT projects. We use a combination of technical measures (such as multifactor authentication) and staff training to ensure compliance with information security standards. These standards are becoming increasingly stringent due to legal regulations and the requirements imposed by investors and insurers, and so ECE is currently building a future-proof information security management system (ISMS) that is compatible with the needs of the market. Challenges include averting cyberattacks, implementing AI applications, and upgrading IT infrastructure such as firewalls.

ECE AS AN EMPLOYER

# SPACE FOR THE FUTURE

# 17%

LOWER SICKNESS RATE  
2023 (3.9 %) VS. 2022 (4.7 %)

ECE EMPLOYS MORE THAN

# 110

YOUNG TALENTS (AS  
OF JANUARY 2024)

MORE THAN

# 16,000

VISITS TO THE ECE GYM IN 2023

AWARDS



ECE's mission as an employer: giving talented people the space they need to develop. It's only by offering the right conditions and individually tailored development and progression opportunities that we can attract, retain, and unlock the full potential of top talent in a challenging labor market.



● In 2024, ECE was once again named a Top Employer.

**E**CE is a popular employer in the real estate sector for students, career starters, seasoned professionals, and managers alike – as is regularly confirmed by the many awards we receive. In 2024, ECE was once again named a **Top Employer** following an audit by the independent Top Employers Institute. The institute assessed ECE's employee-centric approach and was especially impressed by our talent strategy, onboarding process, professional development opportunities, and commitment to social responsibility. Other employer awards that ECE won in 2024 include the **Trendence Award** for our career-boosting trainee

programs, the **"Fair Company"** badge in recognition of the fair, attractive conditions we offer for interns, and **berufundfamilie certification** following a successful audit of our measures to support employees with families.

ECE has also been awarded a **"Top Company"** badge on kununu, the leading German-language employer review site. This badge is only given to employers who come highly recommended in independent, authentic employee reviews and confirms that employee satisfaction at ECE is a cut above the industry average. >



ECE AS AN EMPLOYER

**AN IDEAL WORKING ENVIRONMENT**

Creating space, inspiring people: As an employer, ECE is committed to giving our employees space for continuing personal and professional development. We also offer a whole host of options to promote better health and work-life balance. The result is an ideal working environment for our employees – at every stage of their careers and in line with market requirements.

**“SPACE FOR DEVELOPMENT”**

Individually tailored opportunities for personal and professional development have always had great importance at ECE. For our CPD, we’re increasingly opting for self-directed learning formats with a mix of in-person training and e-learning. For interns, apprentices, trainees, and students doing industry placements or working alongside their studies, we offer the Young Talents@ECE program, which helps them to build their network at the company and develop their skill

**“SPACE FOR FAMILY”**

For a good balance between work and private life ECE offers its employees a consultancy and placement service from pme Familienservice, a childcare allowance, a children’s holiday program and sabbatical opportunities.

**“SPACE FOR HEALTH”**

ECE offers a variety of services and special initiatives to promote good health and exercise, including a free gym (“Unser Sportplatz”) at our Hamburg campus, discounts at selected gyms throughout Germany, a bike hire scheme (“JobRad”), regular wellbeing surveys, and sponsorship for employee teams who enter corporate running events.



**“FIT IN 2024”**

“Fit in 2024” is a new project designed to improve the health of shopping center employees as part of the DAK-Gesundheit program. Since the start of the year, any interested centers have been able to apply for funding to help create healthier workplaces and develop targeted measures to promote staff health.

ECE also held workshops for employees aged 55+ in five different regions so that we could better understand their needs, particularly those of older staff working in technical roles, and offer them suitably tailored health measures.

**FOCUS ON DIVERSITY**

ECE attaches great importance to diversity, since diverse teams increase both employee satisfaction and companies’ performance. Our diversity management focuses on equal opportunities, tolerance, and talent development.



- ECE’s new diversity managers, Tanja Ćirić-Ritter and Christiane Fenle, have been job-sharing the role since spring 2024.



Center Manager Cindy Häßlein, cofounder and CEO of Wichtel Challenge Deutschland e. V., was one of the winners of the last “Volunteering and You” competition in 2022.

**SUPPORTING VOLUNTEERING**

As a socially responsible company, ECE supports our employees’ volunteering activities. At the start of 2024, we invited submissions for a third round of our internal competition “Volunteering and You.” Any employees volunteering on projects for a nonprofit organization can apply. Up to five ambassadors selected by a panel of ECE judges each receive 1,000 euros for their project. //

ECE AS AN EMPLOYER

With their diverse mix of tenants and sectors, shopping centers breathe life into cities. They are more than just places to shop: They are highly popular experience destinations and community hubs. In our interview, Joanna Fisher, CEO of ECE Marketplaces, talks about current trends and challenges, the tricky process of navigating EU politics, and her goals as Chair of the European Council of Shopping Places (ECSP).

**How did 2023 go? And how is 2024 looking?**

**Joanna Fisher:** Overall, shopping centers have once again proven very resilient during the crises of the past few years. And the figures show that our center portfolio has continued to develop positively too: We were able to increase our rental performance by almost 50% year on year to 800,000 m<sup>2</sup>, sign additional rental agreements with many of our existing tenants, and acquire many attractive new tenants for our centers. Footfall has also increased by 7.4% since 2022. Sales growth has been even stronger (9.7%) and our initial results for 2024 are positive too. In other pleasing news, our subsidiary ECE Türkiye has successfully grown its management portfolio (→ p. 52).



**What challenges are you currently facing?**

The challenges are highly varied. In Germany, the recent crises have hit many companies' finances hard, which unfortunately has led to a sharp rise in businesses going under. We've been doing well at acquiring suitable new tenants, and so the vacancy rate for our portfolio has only risen slightly. But approval

processes take far too long, which means that openings of new shops are often delayed unnecessarily. So it's important that we take a very proactive approach. For instance, during the first wave of department store closures in Germany, we developed ideas for possible new/future uses for all affected units, so that we could move as quickly as possible. Internationally, we warmly welcome the challenge of managing the booming cross-border business and assisting retailers with their expansion into various countries. >

# THE FUTURE OF SHOPPING CENTERS SHAPING THE TRANSFORMATION





*“Retail is changing more quickly than ever before. Our biggest task is to actively shape this ongoing process of transformation and adapt it to the needs of specific locations.”*

JOANNA FISHER, CEO  
OF ECE MARKETPLACES

**9.7%**

SALES GROWTH 2023 VS. 2022

**+7.3%**

Ø DAILY FOOTFALL 2023 VS. 2022 IN  
EUROPEAN ECE CENTERS

**3.4 million**

VISITORS DAILY IN THE ECE SHOPPING CENTERS

#### Can you give some examples?

One good example is the new Food Garden with a selection of attractive restaurants in the Main-Taunus-Zentrum in Frankfurt. It's currently being built on the site of a former department store (→ p. 34). And we were also able to modernize, remodel, and re-let a former department store in Berlin's Linden-Center after it closed. The lower floors are still being used for retail, while a new health center has opened on the upper floors. These kinds of examples show that challenges can also present opportunities to develop and implement new concepts and diversify the tenant mix.

#### What are the hallmarks of a successful shopping center?

A good, successful shopping center must have a clear profile that's a good fit for its location, either as a local shopping center or a destination center. It also needs a suitable tenant mix with attractive anchor tenants and high-quality services and facilities. Special activities and events can also increase footfall and ensure that shopping centers are seen as community hubs, not just places to go shopping.

#### What trends and developments are you seeing at the moment?

We are seeing restaurants becoming a more important part of the shopping center experience. There's a growing casual dining trend, including chains like L'Osteria, The Ash, and Alex (→ p. 32). Mixed-use concepts are on the rise too. For many centers, leisure and entertainment amenities, like those at the Rhein-Neckar-Zentrum or The Playce, are crucial to expanding their existing offering and so increasing their appeal, though that depends greatly on a center's location and positioning (→ p. 36).

#### Looking to the future: How will shopping centers change?

Retail is changing more quickly than ever before. Our biggest task is to actively shape this ongoing process of transformation and adapt it to the needs of specific locations. That means different shopping centers will develop in very different ways. But there are some commonalities. Trends are becoming more short-lived, so we need to provide suitable spaces to accommodate that. Customer journeys are becoming increasingly digital. Investors, banks, retailers, and visitors want ESG-compliant centers. And the entire nonfood sector is becoming increasingly relevant – especially the health and wellness sector, which is an area where we've already acquired some attractive tenants (→ p. 40).

#### How is the EU influencing the future development of centers? And how, under your leadership, is the ECSP influencing the EU?

Decisions taken in Brussels are having a growing impact on shopping centers, retailers, and investors. Recent examples include the EU taxonomy and the Corporate Sustainability Due Diligence Directive. In the past, these decisions didn't always adequately account for some of the factors specific to shopping centers. So I'm very pleased that the biggest companies in our sector and the leading national industry associations have resolved to change that. With the European Council of Shopping Places (ECSP), we now have a strong voice in Brussels. That doesn't mean we get everything our way, of course, but we do get an early heads-up of what's being planned there, and we are able to feed our perspective into legislative processes. //





ECE MARKETPLACES

ECE MARKETPLACES



# SHOPPING CENTERS A GUARANTEE FOR SUCCESS

The figures from ECE Marketplaces offer fresh proof of how strong and resilient shopping centers are.

# 21.4 billion €

Ø ANNUAL RETAIL SALES IN ECE CENTERS

# 800,000 m<sup>2</sup>

OF SPACE LET IN 2023

# 200

NEW TENANTS IN GERMANY IN 2023

# 38 %

IN OF INSOLVENCY CASES, RENTAL AGREEMENTS COULD BE CONTINUED IN 2023

# 2,600

RENTAL AGREEMENTS SIGNED IN 2023

# +20 %

LONGER LEASE TERMS IN 2023 THAN IN 2022

## THE CORNERSTONE OF OUR CENTERS

# MAIN VISITOR DRAW: RETAIL!

Since 2021, growth of brick-and-mortar retail has outpaced that of e-commerce. That's reflected in ECE Marketplaces' strong rental performance. From big international brands to regional businesses, many retailers rely on shopping centers' attractive mix of affluent consumers, high footfall, and a mutually beneficial symbiosis between retail, restaurants, and entertainment. They also benefit from the flexible shell that shopping centers provide, which enables scalable business success.

### EXISTING TENANTS ON AN EXPANSION COURSE

Numerous big-name retailers signed new rental agreements with ECE or extended existing ones in 2023. They include H&M, Only, New Yorker, Rituals, TK Maxx, Deichmann, and brands belonging to the Spanish Inditex Group – which entered the German market for the first time in November 2023 courtesy of ECE, with the opening of Germany's first ever Stradivarius store at Milaneo in Stuttgart.

ECE MARKETPLACES



ECE MARKETPLACES



ECE's international network of centers offers tenants opportunities for expansion both within a country and across borders. In 2023 alone, 72 different tenants successfully expanded to ECE centers in other countries. For instance, Rituals opened a branch at the Adigeo center in Verona, Italy.

Food retail also makes up a growing share of the sector mix, as reflected in new stores and lease extensions for Aldi Nord, Aldi Süd, EDEKA, and REWE.

### NEW TENANTS IN THE RETAIL MIX

Thanks to our acquisition efforts, we are also able to constantly expand our portfolio with new tenants and sectors. In 2023, we acquired around 200 new tenants in Germany, accounting for more than 220 rental agreements. They included the tattoo studio chain Glorious Art, the energy supplier Vattenfall (with two showrooms for sustainable energy solutions), and the premium Danish brand Lakrids by Bülow. Austrian lighting manufacturer EGLO also made its German debut with ECE in 2023, opening its first B2C stores under the EGLO Living brand at Schlosshöfe in Oldenburg and the Elbe Einkaufszentrum in Hamburg.

ECE also secured new tenants at our international centers. The well-known US lingerie brand Victoria's Secret opened its first full-range store anywhere in the ECE portfolio at Adigeo in 2023. Local retailers are another crucial factor for shopping centers, augmenting the tenant mix with creative ideas and a dash of local color. ECE has a long record of supporting these local heroes: We offer advice and assistance to new businesses not just in the initial phases but throughout the whole lease period. >





A GOOD MIX

# SHOPPING & GASTRONOMY

Shopping centers wouldn't be complete without gastronomic offers, which play a crucial role in enhancing the visitor experience. Today's customers are more focused on quality and ambience than they were a few years ago. That's been reflected in the growth of casual dining.

# 92%

USE GASTRONOMIC OFFERS IN SHOPPING CENTERS\*

# 70%

EXPECT MORE THAN JUST FAST FOOD CHAINS IN SHOPPING CENTERS\*



ECE MARKETPLACES

## L'Osteria & ECE

### A CULINARY SUCCESS STORY

In 2024, L'Osteria will be celebrating 25 years of wowing customers with its fresh Italian cuisine, laid-back atmosphere, exceptional pizzas, and superb value for money. For the past few years, those happy customers have included visitors to our centers, with the sixth L'Osteria branch in an ECE center due to open in 2025 in the Main-Taunus-Zentrum's Food Garden.

The first one opened in late September 2018 at the Allee-Center in Magdeburg, followed by branches at the Milaneo (Stuttgart), Marstall (Ludwigsburg), and MyZeil (Frankfurt) centers. Most recently, in early February 2024, a new L'Osteria celebrated its grand opening at the Rhein-Neckar-Zentrum in Viernheim. Housed in an all-new, free-standing building, the restaurant has more than 1,000 m<sup>2</sup> of floor space and a capacity for 233 guests inside, plus an outdoor terrace with a play area in the shape of a pizza. //



ECE MARKETPLACES

### 3 QUESTIONS FOR



**CLAUS HUMMEL**  
Vice President  
Expansion, FR  
L'Osteria SE

#### #1 What's your recipe for success?

L'Osteria is more than just a pizza and pasta restaurant. We strive to offer our guests a unique experience, with lavish attention to detail and quality. Our dishes are freshly prepared using high-quality ingredients in our open kitchen or "cucina." We attach just as much importance to the decor: The interior of each restaurant is individually tailored to its location, aiming for distinctiveness rather than uniformity. Our excellent value for money and friendly service are also key factors to our success.

#### #2 What makes shopping centers attractive to you?

Shopping centers are very attractive to us because they are high-footfall locations where people spend a lot of time. Before, during, or after their shopping spree, visitors need nourishment – and what could fit the bill better than some delicious pizza or pasta? Our casual dining experience expands the culinary options available in shopping centers and gives guests an extra helping of dolce vita.

#### #3 How is your working relationship with ECE and what plans do you have for the future?

Over the past few years, ECE has consistently proven to be a reliable partner, and my experiences have been entirely positive. We've worked on many projects together and would love to continue our longstanding collaboration in the future too. We're especially interested in centers with a high footfall and diverse mix of tenants. Provided the locations in the centers are a match for our requirements, we'd be open to further expansion with ECE.

## MAIN-TAUNUS-ZENTRUM

# NEW FOOD GARDEN

At the Main-Taunus-Zentrum in Sulzbach, just outside Frankfurt, a new Food Garden is being built on the former site of a Karstadt department store. Covering an area of around 7,000 m<sup>2</sup>, the Food Garden will comprise five freestanding restaurant buildings with a mix of covered and open-air outdoor

dining areas, attractive green spaces, and sophisticated architecture. Construction had barely begun before it was fully let. ECE was able to secure well-known restaurant chains including Alex, the pizza and pasta restaurant L'Osteria, the steakhouse The Ash, and popular noodle bar MoschMosch as new tenants. The owners, Deutsche EuroShop and a closed-end real estate fund, are investing around 28 million euros in the new Food Garden. The topping-out ceremony took place in April 2024 and the project is due to be completed in spring 2025. //



### 3 QUESTIONS FOR

**HANS-PETER KNEIP**

*Member of the Executive Board, Deutsche EuroShop AG*

#### #1

**What makes the Main-Taunus-Zentrum (MTZ) a perfect example of good center management?**

The MTZ strikes the right balance between innovative center management and operations and developing the center so that it maintains its value over the longer term. The new Food Garden will make the MTZ a place where people not only come to shop but also to enjoy meals together. That's particularly important given the large catchment area and how much time customers spend at the center.

#### #2

**What role does sustainability play?**

We don't see sustainability and profitability, or shopping experiences and environmental awareness, as opposites. That's why we're investing heavily in sustainability at our existing properties and in new developments like the Food Garden – because it's worth it.

#### #3

**How is your working relationship with ECE?**

It's been a trusting, dependable partnership for more than 23 years. At Deutsche EuroShop, we value ECE's experience and extensive knowledge of the German and international markets, which we benefit from as we expand our portfolio.

# 7,000 m<sup>2</sup>

FOOD GARDEN WITH A VARIED RANGE OF RESTAURANTS

### ESG-SPOTLIGHT



The comprehensive sustainability plan is worthy of particular note. Developed by ECE and acclaimed partners including ATP sustain and Werner Sobek, it ensures that construction of the Food Garden will be close to climate-neutral – and that net carbon emissions will be kept to a minimum after it opens too. The project will make use of climate-friendly construction materials (all buildings will have timber frames) and energy-saving technologies.

Building on the environmentally friendly construction and design of the new Food Garden, the next step will be to refurbish and update other areas of the center, which is celebrating its 60th anniversary in 2024.

• A new 7,000 m<sup>2</sup> Food Garden with five freestanding restaurant buildings is being built at the Main-Taunus-Zentrum.



## PERFECT MATCH

# SHOPPING & ENTERTAINMENT

Restaurants aren't the only way to enhance the sector and tenant mix in shopping centers. Leisure and entertainment facilities can serve that function too and help to significantly increase footfall – especially if they also attract customers from further afield, like at the Rhein-Neckar-Zentrum in Viernheim. Generally speaking, people do leisure activities in groups (as a whole family, for instance, or with their friends), which the shopping center as a whole stands to benefit from.

## One in two people

THINK ENTERTAINMENT FACILITIES MAKE A GOOD ADDITION TO SHOPPING CENTERS\*

# +16%

INCREASE IN SPACE USED FOR LEISURE AND ENTERTAINMENT AT ECE CENTERS IN GERMANY OVER THE LAST FIVE YEARS

### The Playce, Berlin

## LET'S GAME, GAME, GAME!

Located in central Berlin, The Playce fuses retail and entertainment with a pioneering mix of unique, innovative stores, trendy culinary options, and international entertainment brands. For example, at the 1,100 m<sup>2</sup> Gamestate arcade and entertainment center, visitors can experience beloved classic games and thrilling new ones. It'll be joined by two other attractive entertainment offerings in 2024: the first European location of Mattel's family entertainment center Mission:Play! and the boutique bowling alley Lane7. >



# 1,100 m<sup>2</sup>

"GAMESTATE" ENTERTAINMENT CENTER



### Rhein-Neckar-Zentrum

## NEW FOOD AND ENTERTAINMENT OPTIONS

The Rhein-Neckar-Zentrum in Viernheim is repositioning itself by acquiring new entertainment, sports, and restaurant tenants, who will also attract visitors from further afield. The tenants include L'Osteria, which opened a freestanding restaurant on the former parking lot of a DIY store in early 2024; the bicycle retailer B.O.C., which opened a branch at the center in April; and JUMP House and another indoor entertainment

provider, which are moving into the former DIY store and are expected to open their doors in fall/winter 2024. These attractive tenants will perfectly complement the center's existing leisure facilities, which include the Kinopolis multiplex and a wind tunnel for indoor skydiving. The latter has attracted many visitors from the region and beyond since it opened in fall 2021, significantly exceeding the operator's expectations.



### ESG-SPOTLIGHT



As well as new charging points for electric cars and bikes, in 2024 the Rhein-Neckar-Zentrum also installed solar panels.

# 702,000 kWh

ANNUAL ELECTRICITY YIELD

# 6,224 m<sup>2</sup>

OF SOLAR PANELS

# 323 t

ANNUAL CO<sub>2</sub> SAVINGS

# 778 kWp

OUTPUT

Data according to feasibility study.



ECE MARKETPLACES

# 2,300 m<sup>2</sup>

ADVENTURE PARK WITH LASER TAG, GO-KARTING, AND MANY OTHER ATTRACTIONS IN ROSENGÅRD CENTRET

## Rosengårdcentret, Odense LET'S FLIP OUT!

Flip Out opened its first European location outside the UK at Rosengårdcentret in Odense, Denmark, in October 2023. The British company's special indoor adventure park offers an action-packed experience with lots of different attractions – including laser tag, go-karting, and an obstacle course – across an area of 2,300 m<sup>2</sup>. It's a perfect addition to the existing mix of sectors and tenants. Flip Out is in talks with ECE about further expansion in Europe, particularly in the German market.



## G3 Shopping Resort, Gerasdorf LET'S GET WILD!

In June 2023, a new retail and experience zone opened at the G3 Shopping Resort, with 5,000 m<sup>2</sup> of space inside the center plus another 3,000 m<sup>2</sup> outside where visitors can get hands-on experience with sports and outdoor products. Facilities include a pump track for bikes, skates, and boards, a bouldering wall, a trail hiking path, bike test tracks, and motor skills and play areas for children.

# 8,000 m<sup>2</sup>

EXPERIENCE ZONE

## 3 QUESTIONS FOR

**RICKI MOSS**  
CEO of Flip Out

**#1**  
**What is your business model?**  
We focus on offering our visitors an entertaining family experience and unforgettable moments right from the very first minute, with more than 50 different attractions.

**#2**  
**How did the opening at Rosengårdcentret go, and what makes the center stand out?**  
The opening was a big success. In the first month alone, we welcomed 6,000 visitors to Denmark's first Flip Out. Rosengårdcentret was the perfect choice: It's a community hub for the

whole family with an attractive tenant mix that we perfectly complement. A shopping center is also the ideal location for our customers, as they can perfectly combine a visit to our adventure park with a shopping trip and a restaurant outing. And of course we benefit from the high footfall.

**#3**  
**How is your working relationship with ECE and what are your future plans?**  
We have a strong, collaborative partnership. ECE supported us perfectly during the planning and preparation phase. Due to the



positive response at Rosengårdcentret and our good working relationship, we'd be interested in other suitable centers as part of our European expansion and are already in talks with ECE.

# MORE THAN SHOPPING A PERFECT ADDITION: NONRETAIL

By integrating nonretail offerings that are a good fit for a given location, ECE is creating new reasons to visit our centers and tapping into new target groups – a win-win situation for investors and both new and existing tenants. The nonretail segment makes up a growing share of the tenant and sector mix, alongside restaurants and entertainment amenities.



- In 2025, MyWellness is opening a branch at the Waterfront-Center in Bremen.

## RELAXATION WITH MYWELLNESS

ECE has a new, attractive tenant from the wellness segment: MyWellness, a company that offers smart wellness suites and exclusive spa experiences throughout Germany. In 2025, it will be opening a branch at the Waterfront-Center in Bremen in a separate 2,500 m<sup>2</sup> space on the second floor. ECE is also assessing whether other centers could be suitable locations for MyWellness's expansion plans.



## SERVICED APARTMENTS IN PLACE OF OFFICES

At Zwickau Arcaden, ECE worked with limehome, Europe's leading provider of high-tech designer apartments, to install serviced apartments on the third and fourth floors of an adjacent building formerly used for offices. The fully furnished designer apartments, which have been available since March 2024, range from 25 to 45 m<sup>2</sup> in size and can be accessed directly from the outside.

*"The project in Zwickau is the start of a planned long-term collaboration with ECE that perfectly harnesses synergies: a top location with superb shopping center infrastructure for our guests and, thanks to the innovative concept, high occupancy rates that will generate additional demand for the center. So we're looking forward to working on more conversion projects together."*

JOSEF VOLLMAYR, CO-CEO AND CO-FOUNDER OF LIMEHOME

ECE MARKETPLACES

ECE MARKETPLACES



- Since March 2024, limehome serviced apartments have been located on the third and fourth floors of a building next to Zwickau Arcaden.



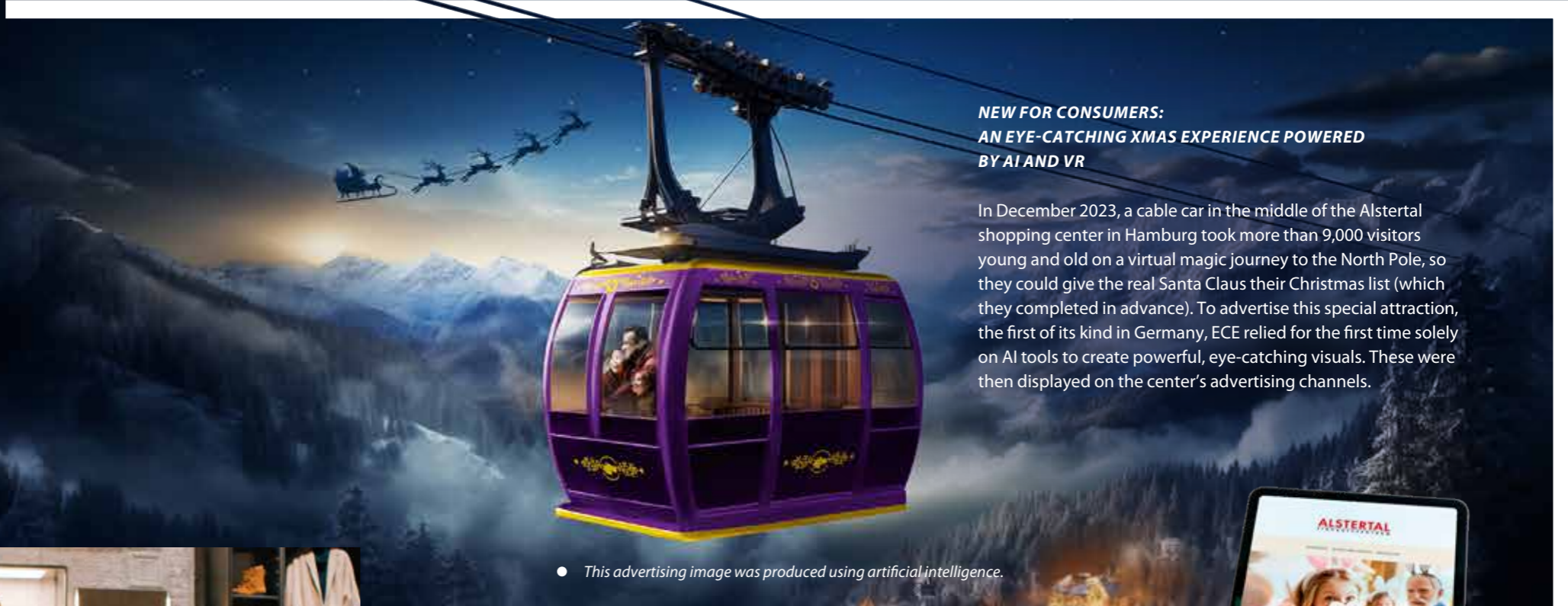
## WHERE SHOPPING MEETS HEALTH

From specialist surgeries to day clinics to care facilities: at the Rheinpark-Center in Neuss, owner Union Investment is currently working with ECE to create a modern, fully accessible health center on the third floor spanning an area of more than 12,000 m<sup>2</sup>, which will perfectly complement the existing retail offering on the first and second floors. Visitors will be able to perfectly combine their daily shopping with a visit to the doctor, saving them time and travel. The health center is due to open in 2026. The total investment comes to more than 50 million euros. ECE is already working on plans for medical malls at some of our other centers too. //

# FOR OPTIMIZED PROCESSES AND PRODUCTS

# DIGITALIZATION & AUTOMATION

A digital tenants portal and rental agreement, a new customer loyalty app, high-tech digital info screens, the use of AI technology – ECE is constantly working to improve our B2B and B2C products and processes so that we can keep pace with our business partners' growing needs.



**NEW FOR CONSUMERS:**  
**AN EYE-CATCHING XMAS EXPERIENCE POWERED BY AI AND VR**

In December 2023, a cable car in the middle of the Alstertal shopping center in Hamburg took more than 9,000 visitors young and old on a virtual magic journey to the North Pole, so they could give the real Santa Claus their Christmas list (which they completed in advance). To advertise this special attraction, the first of its kind in Germany, ECE relied for the first time solely on AI tools to create powerful, eye-catching visuals. These were then displayed on the center's advertising channels.

• This advertising image was produced using artificial intelligence.



ECE MARKETPLACES

**NEW FOR TENANTS:**  
**THE TENANTS PORTAL**

At the end of 2023, ECE launched a new, clearly structured tenants portal, which tenants can use to quickly and easily log their sales, receive invoices and credit notes, and access reports. They can also view relevant information about their center:

- > A sales report (showing sales trends for their own rented units over the years)
- > Sales trends in their sector (for sectors with at least four tenants)
- > Footfall figures



**NEW FOR CONSUMERS:**  
**APP AND NEWSLETTER TO STRENGTHEN CUSTOMER LOYALTY**

As part of our B2C digitalization strategy, the "Consumer Ecosystem," ECE has developed a new app, which is currently being piloted in a small test group of center customers. Once the pilot phase is complete, the aim is to optimize the app based on customer feedback and then roll it out. In addition, a new center newsletter was launched in 2023. There will be a focus on marketing automation, which means all new features, channels, and processes will be developed using a central automation tool so that the digitalization strategy can be implemented at minimum cost and effort and budgets can be used more efficiently.

# 17%

HIGHER NEWSLETTER OPEN RATE THAN THE RETAIL BENCHMARK

ECE MARKETPLACES

THE DIGITAL LEASE CONTRACT IS SHORTER BY

# 50%

**NEW FOR TENANTS:**  
**THE DIGITAL RENTAL AGREEMENT**

Quick, easy, and with minimal red tape: Introduced in May 2023 for regional rentals, the new digital rental agreement the often complex contracts that used to be individually negotiated between ECE and tenants. The goal was to make the process of moving into shopping centers easier for new tenants. Following a successful pilot phase at 45 centers in 2023, during which more than 100 rental agreements were signed, the digital agreement is being rolled out to other centers in 2024. In the future, it will also be used for nationwide rentals.



**NEW FOR CONSUMERS AND TENANTS:**  
**DIGITAL CENTER NEWS CLUB**

ECE's new Digital Center News Club (DCNC) is Germany's most highly localized center information system for real-time digital communication. What makes it special is that only center-specific and shopping-related content is displayed – perfectly timed to positively influence visitors' purchasing decisions right when they're at the POS.

# > 1,800

SCREENS WILL BE INSTALLED BY THE END OF 2024

- > Exclusive marketing options for tenants
- > Up-to-date local center information displayed in real time
- > Relevant shoptainment content
- > Replacement for analog media such as illuminated signs and A1 posters
- > Emergency system for center in various languages

Following installation of digital screens in the first few centers, they will be rolled out to more than 70 ECE centers by the end of 2024. //

## ESG PRODUCTS

# THE PERFECT SOLUTION FOR ANY ESG STRATEGY

Since each investor has their own ESG strategy, instead of a single, one-size-fits-all solution ECE offers a variety of ESG products to support owners on their individual paths toward net zero. These products are developed by ECE Marketplaces' central service unit Sustainable Operations & ESG, headed by Tobias Pickert, and ECE Group Services' Sustainability and Corporate Communications department.



ECE Marketplaces' ESG Committee, from left: Tobias Pickert, Guido Beckmann, Ulrich Schmitz.



### ESG milestone 20,000 DIGITAL METERS!

In 2023, ECE launched the Energy and Environmental Management System (EUMS). 20,000 meters were brought into the digital era, marking a milestone for ESG reporting and the calculation of service charges. As well as improving the quality and frequency of reporting, the EUMS will also help centers become more energy-efficient.

#### Key advantages of the program:

- > Digitizing meters allows them to be read remotely and means all energy use can be centrally logged and compared with all consumption data from 2018 onward.
- > Energy savings can be verified by measurement.
- > Professionalization increases the timeliness and quality of ESG reporting.

#### THE GOAL Supporting individual routes to net zero

#### THE SOLUTION

### ECE map2zero

We produce Energy Renovation Roadmaps for shopping center owners, to help them reach net zero one step at a time. Each roadmap includes a detailed report on the property's energy performance and a list of the most efficient measures for achieving net zero (CRREM pathway), based on a computer-aided simulation of all key energy flows. A price is given for each measure, and they are arranged in a logical order for an investment strategy.

# 11

ROADMAPS ARE ALREADY COMPLETE, WORK ON FOUR MORE IS ONGOING

#### THE GOAL Financing for energy refurbishments

#### THE SOLUTION

### Funding Management

The first step is to analyze funding potential. With the support of an expert, an application is then made for state, federal, or EU funding for energy refurbishment of a retail property or for individual energy-efficiency measures. ECE's funding management service also includes liaising with funding providers, verification, and documentation.

# 1.7 million €

IN FUNDING SECURED SO FAR

#### THE GOAL A robust ESG strategy for properties

#### THE SOLUTION

### ECE guide2ESG

An overview showing 50 key ESG indicators for an individual property and the portfolio as a whole, and explaining these indicators' significance for taxonomy/GRESB compliance, climate neutrality, and certifications. This provides a clear overall picture and a sound basis for developing an ESG strategy. At a joint workshop, an ECE team helps investors to formulate goals and measures for a precisely tailored ESG strategy.

# 43

CENTERS HAVE CONDUCTED AN ESG ANALYSES

#### THE GOAL Classification in accordance with EU Taxonomy

#### THE SOLUTION

### Taxonomy Check

Systematic assessment of a center to establish its classification under the EU Taxonomy, which determines which financial products and investments can be declared to be environmentally sustainable. The assessment looks at climate change mitigation targets and DNSH criteria, and the results are submitted to the DGNB.

# 30

CENTERS HAVE ALREADY HAD A TAXONOMY CHECK

#### THE GOAL Risk reduction

#### THE SOLUTION

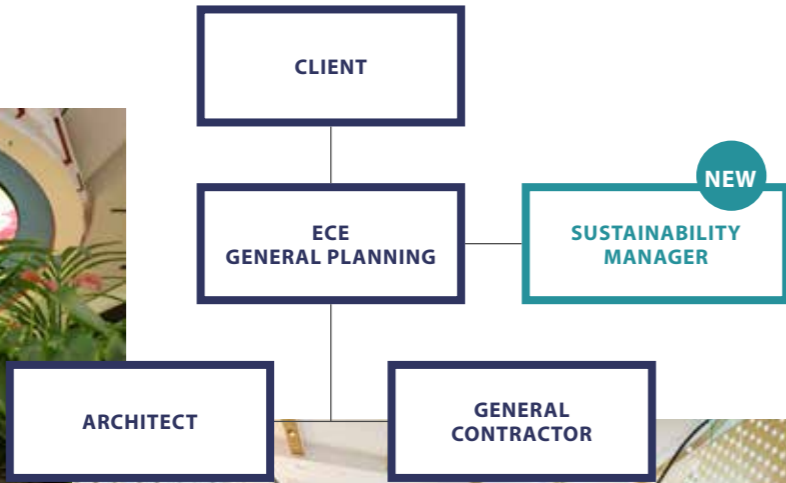
### Climate Risk Analysis

Analysis of the physical impacts of climate change on a center, with recommendations for risk reduction.

- > The assessment is based on Swiss Re's natural disaster models
- > Future risk is quantified based on 12 climate risk scores for three climate change scenarios

# 56

CENTERS HAVE ALREADY HAD A CLIMATE RISK ANALYSIS



# 50%

OF CURRENT RENTAL AGREEMENTS INCLUDE A GREEN LEASE

So that ECE and our tenants can jointly make progress toward making our centers net zero and support the targets of the European Green Deal, in 2023 we revised our green lease agreement and made it an integral part of our rental agreement. Discussions with interested tenants were held beforehand at the "ECE-Nachhaltigkeitsschmiede" to ensure the green lease was optimally tailored to all stakeholders. Owners and sustainability experts were also consulted. From the many constructive discussions that a dedicated ECE taskforce had with tenants to ensure they received the best possible advice and information, it was clear that there is growing demand for green leases among tenants too. Further evidence for that demand can be seen in the fact that half of current rental agreements (50%) now include a green lease. The target is to increase that figure to 90% by 2030.

## GREEN LEASE

# THE GREEN STANDARD

Owners, tenants, and operators all need to work together to achieve climate targets. All the way back in 2016, ECE Marketplaces introduced voluntary green lease agreements in order to reduce our centers' overall carbon emissions, including those of our tenants to make running of the centers more sustainable overall.

As well as a commitment to only use LED lighting and green energy, the green lease agreement requires tenants to disclose their energy use so that the centers' overall carbon footprint can be measured and relevant sustainability actions identified. //

ESG@ECE MARKETPLACES

ESG@ECE MARKETPLACES

## FOR SUSTAINABLE EXPANSIONS AND CONVERSIONS

# ESG MANUAL

With the European Green Deal, which sets a target of net zero by 2050, sustainability requirements for financing new and existing properties are becoming more stringent. To achieve taxonomy compliance, minimum sustainability standards must be met and transparently documented.

ECE Marketplaces has therefore created a comprehensive ESG manual with guidelines for expansion and conversion projects inside its shopping centers – the first of its kind in the industry. Based on the DGNB standards and EU taxonomy, it provides a step-by-step guide and sets out criteria that can be used to make sustainable decisions on climate-friendly construction methods and materials in line with ECE standards. The manual considers economic and social aspects as well as environmental ones. Furthermore, it can be used to evaluate and adapt conversion projects to make them

more sustainable. A sustainability manager oversees the implementation of sustainability measures, from the planning phase through to project completion and documentation. The sustainability manager acts like a DGNB auditor and provides ongoing support to the project manager.

### FROM PILOT PROJECT TO WIDER ROLLOUT

The ESG manual is currently being piloted at the Rheinpark-Center in Neuss for relocations of existing tenants to new units. After the manual has been updated based on findings from the pilot project, the next step will be to roll it out more broadly so it can be used for all planned construction projects in ECE centers. //



*"The green lease allows us as tenants to work with the owners to make an important contribution to achieving climate targets. That's in line with our sustainability strategy and so represents a win-win situation for Douglas and the owners."*

**MARCEL UPHUES**  
SENIOR VICE PRESIDENT GROUP CONTROLLING & REAL ESTATE / GROUP RISK OFFICER, DOUGLAS AG

## SOCIAL RESPONSIBILITY

## SUPPORTING GOOD CAUSES AT OUR SHOPPING CENTERS

Shopping centers aren't just places to go shopping, but – above all – vibrant marketplaces, experience destinations, and community hubs. And they can also play a key role for cities and local residents by supporting social and charitable initiatives. Below, we describe a few examples from ECE centers.

## SHOPPING CENTERS AS CRISIS HUBS

ECE's recently launched initiative "Centers as Supply Hubs" signals our willingness to support civil protection and disaster management efforts in Germany and act as a social partner to cities. Against the backdrop of the war in Ukraine, which has placed a great strain on energy supply, and weaknesses in Germany's disaster preparedness, ECE conducted an analysis of a potential blackout scenario and its impact on shopping center operations. Based on this analysis, two use cases were produced for public authorities and aid organizations that offer numerous benefits for all parties.

 **SHOPPING CENTERS TO BECOME SUPPLY HUBS IN THE EVENT OF A BLACKOUT**

In the event of a blackout, a shopping center can serve as a central hub for sharing information and distributing food, with no need for additional temporary facilities. Existing facilities and infrastructure, including restrooms and diesel-powered emergency generators, can be used to take the strain off public authorities and aid organizations. The centers' permanent presence and secure back-up systems to keep power running in an emergency can help to prevent negative impacts or allow them to be quickly remedied if an incident occurs.


**SHOPPING CENTERS AS BACK-UP SITES FOR GOVERNMENT AGENCIES IN THE EVENT OF CYBERATTACKS**

If government agencies' infrastructure is knocked out by a cyberattack or other cause, shopping centers can serve as back-up sites, ensuring that the agencies can continue their work and members of the public can still access their services.

**A WARM INITIAL RESPONSE**

The response to the initiative from German mayors that we wrote to has been very positive, and talks are already underway with several cities. The Eastgate Center has presented the two use cases to the local district authorities in Berlin, and it has been agreed they will be implemented in the event of an incident.

*"It's essential that local authorities are well prepared for emergencies. Alarm and emergency response plans are being developed and updated accordingly. In emergencies, especially ones that are longer in duration, local authorities need to be able to count on support from civil society. So we're grateful that ECE is being proactive and preemptively looking to build collaboration."*

ULRIKE MOHRS, MAYOR OF KOBLENZ



## CENTERS WITH HEART: GIVING SOMETHING BACK TO SOCIETY

ECE Marketplaces is committed to supporting communities and giving something back to society. To underscore this commitment, in 2024 the ECE centers will be investing one million euros in social initiatives under the banner of an overarching campaign, "Centers with Heart," whose key visual will be used by the centers to promote their future CSR activities. The campaign focuses on local projects specific to individual centers, supplemented by a number of special, centrally managed initiatives.


**#HamburgUnited**

The six ECE-managed shopping centers in Hamburg are signed up to the long-term campaign "Hamburg United," which focuses on supporting and working with local charitable organizations.

The campaign kicked off with a collaboration between the shopping centers and Hamburger Tafel that will run throughout 2024. Hamburger Tafel is a charity that provides food to people who need it. Now in its 30th year, it urgently needs more food donations to match the steadily rising demand. From April to October, there will be a collection drive in the centers on the first Saturday of each month, alongside other charitable activities. Visitors to our Hamburg centers first had a chance to donate to Hamburger Tafel back in September 2023, when they gave a record 24 metric tons of food. //

• Launch of the "Hamburg United" campaign in Europa Passage on March 11, 2024, with TV presenter Jörg Pilawa.

**#SchüttelMichNicht**

One example of a campaign that is being centrally managed by ECE is the "shaking doll" project, a collaboration between the Charité Berlin maternity clinic and the German Council of Shopping Places (GCSP). The aim is to help prevent shaken baby syndrome in newborns and young babies by educating expectant parents. The shopping centers represented by the GCSP are sponsoring "shaking dolls." ECE centers are sponsoring a total of 90 dolls for local maternity clinics.

STUDY BY THE INSTITUTE FOR CORPORATE GOVERNANCE

# CAN YOU MEASURE SOCIAL IMPACT?

The EU's environmental taxonomy is already in force. And in February 2022, it proposed a structure for a social taxonomy too. ECE wants to make sure that we and the properties we manage are ready in good time for the requirements that taxonomy might impose. So in 2022/2023, we supported an initiative by the Institute for Corporate Governance (ICG) to develop a proposal for a scoring model in partnership with the European Business School (EBS). Some of the big names involved in the project include Allianz, Berlin Hyp, CBRE, Commerz Real, Deka, DWS, HIH, LBBW, and Real I.S. The scoring model, which has been published at [www.icg-institut.de](http://www.icg-institut.de), is a first attempt at making it possible to precisely measure and compare properties' social impact. As part of ECE's evaluation, we tested the new scoring model on several centers in 2024 and will develop a new social impact strategy based on the findings. Initial results indicate that shopping centers can often have a very positive social impact.



• Scan the QR code to view the ICG and EBS scoring model.



Impact Area	Social Taxonomy Objective	Indicators	Key Performance Indicator	Scale/ Refer. Value	Score	Weight
Urban Mix Consumer & Community/Society	Accessibility and quality of public transport connections for the public	Number of public transport stops within the property	Number of public transport stops within the property	1 point	2	20%
	Availability and quality of parking spaces for the public	Number of parking spaces for the public	Number of parking spaces for the public	1 point	2	20%
	Availability and quality of bicycle parking spaces for the public	Number of bicycle parking spaces for the public	Number of bicycle parking spaces for the public	1 point	2	20%
	Availability and quality of green spaces for the public	Number of green spaces for the public	Number of green spaces for the public	1 point	2	20%
	Availability and quality of play areas for the public	Number of play areas for the public	Number of play areas for the public	1 point	2	20%
	Availability and quality of sports facilities for the public	Number of sports facilities for the public	Number of sports facilities for the public	1 point	2	20%
	Availability and quality of cultural facilities for the public	Number of cultural facilities for the public	Number of cultural facilities for the public	1 point	2	20%
	Availability and quality of health facilities for the public	Number of health facilities for the public	Number of health facilities for the public	1 point	2	20%
	Availability and quality of educational facilities for the public	Number of educational facilities for the public	Number of educational facilities for the public	1 point	2	20%
	Availability and quality of other facilities for the public	Number of other facilities for the public	Number of other facilities for the public	1 point	2	20%

ASSESSMENT OF THE ALSTERTAL SHOPPING CENTER IN HAMBURG, OPENED IN 1970, ACCORDING TO THE ICG AND EBS SCORING MODEL

The center's key strengths according to the scoring model:

Urban Mix	10,2 out of 13 points	Disabled access, comprehensive safety measures, close dialogue with public authorities
User Mix	22 out of 50 points	Individual rents, extensive provision of local shops/ services and medical infrastructure
Infrastructure	12,6 out of 15 points	Direct link to bus station and metro, 500 bike parking spaces, digital and analogue wayfinding systems
Urban environment	9 out of 17 points	DGNB Gold certification and protection against five weather effects (sun/heat/cold/storm/heavy rain)
Identity	4 out of 4 points	High synergy between the different uses at the location; the center shapes the area's identity and has appeal well beyond the immediate region
Connectivity	15,6 out of 20 points	Involves and works with local stakeholders and organizations, campaigns on socially relevant issues, provides digital platforms for different user groups, conducts regular user surveys
Workforce	14,6 out of 20 points	High-quality breakrooms for employees, training measures, green lease agreements ensure a working environment with minimal harmful substances
<b>Overall result</b>	<b>88 out of 135 points</b>	<b>= GOLD</b>

EXPANDING THE MANAGEMENT PORTFOLIO

# BUSINESS IS BOOMING AT ECE TÜRKIYE

ECE's largest national subsidiary, ECE Türkiye (founded back in 2000), has been racking up one success after another. After taking over management of the V Metroway and Palladium Atasehir shopping centers in Istanbul in 2023, in 2024 it was able to expand its management portfolio still further. Early on in the year, it secured the management contract for Agaoglu Cekmeköy Park, and then in spring it won the tender for management of the Forum Bornova shopping center in Izmir.

This is a center operated by Commerz Real, which ECE has been working successfully in Germany for more than 13 years.

We spoke to ECE Türkiye's Co-Managing Directors Semet Yolaç Canliel and Nuri Şapkacı about the current state of Turkey's retail real estate sector and some of the unique local factors.



Co-Managing Directors Nuri Şapkacı and Semet Yolaç Canliel.

**What makes ECE Türkiye so successful as a real estate manager?**

**Semet Yolaç Canliel:** ECE Türkiye combines extensive local expertise with a long-term vision for our retail real estate business. We've gone through numerous economic crises since our founding, but thanks to our dedicated, experienced team we've consistently managed to weather even the difficult times, always adapting flexibly to the changing environment and learning from setbacks. Support from our international parent company has been crucial to our success. Another factor that sets us apart from our competitors, and plays a big part in our success, is our ability to see things from our investors' perspective.

**How have the centers developed over the last few years?**

**Nuri Şapkacı:** The shopping centers we manage bounced back quickly from the pandemic. Retail turnovers in 2023 exhibited a remarkable 90% surge compared to the previous year, surpassing the 65% inflation rate. In parallel, we saw a 9% uptick in customer footfall during the same period. We are also pleased with our exceptionally leasing performance, with an occupancy rate nearing 100%, and our impressive collection rate of 99%. With these KPIs, we're outperforming the industry benchmarks.

**What impact is high inflation having on visitor numbers and sales?**

**Nuri Şapkacı:** Shopping centers are an integral part of our everyday lives in Turkey, offering not just places to go shopping but also opportunities for social interaction. High inflation rates have affected customers' purchasing habits in two ways. On the one hand, they've meant a loss of purchasing power, which is having a negative impact, while on the other, the expectation of a generalized increase in prices is motivating consumers to make their purchases earlier, which is boosting sales. But that's not a sustainable situation. The government

is, however, taking steps to reduce inflation. If the economic policies achieve the expected results, we're hoping for sustained growth over the longer term.

**What distinguishes shopping centers in Turkey from those in other countries, like Germany?**

**Semet Yolaç Canliel:** Turkey's shopping center sector has vastly expanded in the last 20 years. Many of the existing shopping centers were built to cater to new trends. These next-generation shopping centers integrated restaurants and entertainment right from the outset. We're configuring our sector and tenant mix with a variety of new tenants and popular brands geared to the needs of younger people. As cities grow rapidly, shopping centers, especially ones on the outskirts of cities, are also coming to serve as social hubs. //

*„We're configuring our sector and tenant mix with a variety of new tenants and popular brands geared to the needs of younger people.“*

SEMET YOLAÇ CANLIEL, CO-MANAGING DIRECTOR, ECE TÜRKIYE

**AGAOLU CEKMEKÖY PARK**

Agaoglu Cekmeköy Park is part of a mixed-use development in one of Istanbul's dynamically growing districts, with a total of 739 modern residential units and a shopping center with around 110 stores and 30,000 m<sup>2</sup> of rental space. It is scheduled to open in Q4 2024.



**100%**  
OCCUPANCY RATE

**+9%**  
FOOTFALL IN 2023 VS. 2022



Izmir

## FORUM BORNOVA

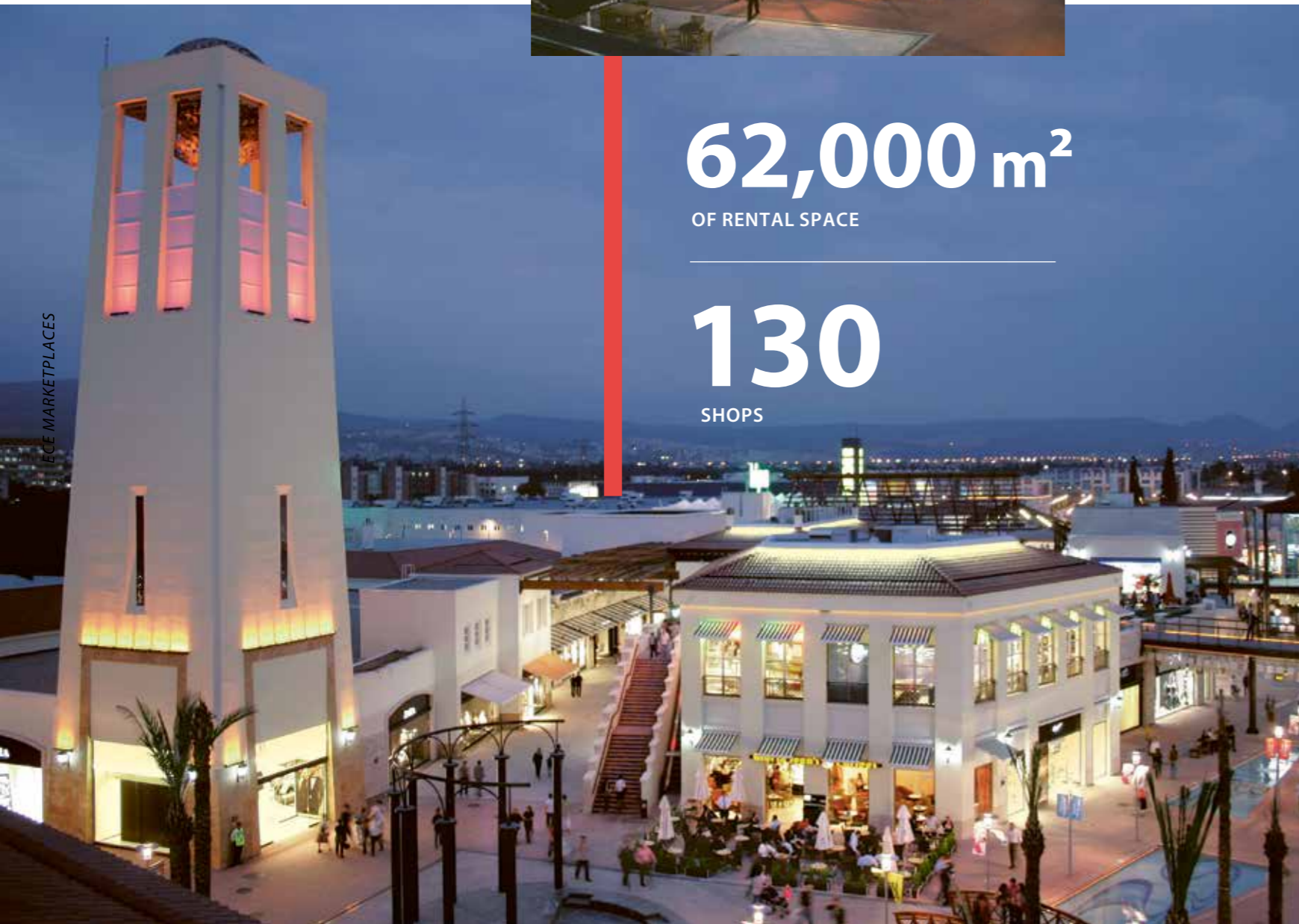
Forum Bornova, Izmir's first open-air shopping center, is a natural fit for the stunning Aegean metropolis thanks to its architecture, the many well-known local and international brands – including IKEA and the hypermarket Migros – and the selection of entertainment options, cafes, and restaurants with outdoor seating areas.



**62,000 m<sup>2</sup>**  
OF RENTAL SPACE

**130**  
SHOPS

ECE MARKETPLACES



#FUTUREFORWARD ECE 2024/25



## Eskişehir ESPAK

Located in downtown Eskişehir, this center is the city's most popular place to go shopping and maintains close ties with the local community.

SALES UP BY  
**57%**  
IN 2023 VS. 2022  
(ON A EURO BASIS)

**+12%**  
FOOTFALL  
IN 2023 VS. 2022

ECE MARKETPLACES



## Istanbul MARMARA PARK

This large, modern center is located in one of Istanbul's most popular districts and boasts a diverse mix of sectors and tenants.

SALES UP BY  
**28%**  
IN 2023 VS. 2022  
(ON A EURO BASIS)

**+5%**  
FOOTFALL  
IN 2023 VS. 2022

## Istanbul PALLADIUM ATASEHIR

ECE took over management of this Istanbul center in January 2023 and, over the course of that year, let or relet 22 shops with a combined floor area of 9,000 m<sup>2</sup>. The center was also renovated, and the sector and tenant mix optimized.

SALES UP BY  
**30%**  
IN 2023 VS. 2022  
(ON A EURO BASIS)

**+8%**  
FOOTFALL  
IN 2023 VS. 2022



## Istanbul V METROWAY

Located in Basaksehir, one of Istanbul's fastest-growing districts, this center will open in Q3 2024.

**25,000 m<sup>2</sup>**  
OF RENTAL SPACE

**80**  
SHOPS

STRONG PERFORMANCE IN CHINA

# SHOPPING INSPIRATION FROM EAST ASIA

# 36

PROJECTS IN 15 CITIES  
IN ASIA

## BUILDING BRIDGES TO EUROPE

Thanks to a strong network and membership of many chambers of commerce (including the CHKD), ECE has increasingly been able to attract Asian companies to its centers. For example, in 2023 the Chinese drone manufacturer DJI opened a new store at the Olympia shopping center in Munich (its second branch at an ECE center). In spring 2024, Chinese automotive marque Hongqi launched a four-month pop-up store at Skyline Plaza in Frankfurt.



- ECE Leasing met existing and potential business partners at the ECE Chinese New Year event in February 2024.

*“Against the backdrop of a changing retail sector, when designing centers we consider a wide variety of business models and experience concepts, so as to allow a seamless fusion with culture, theater, sports, social life, sustainability, and public urban space. In addition, new brands and concepts are constantly emerging in Asia, which we are actively integrating into our European shopping centers so as to foster a dynamic exchange.”*

XIN LU, DIRECTOR ASIA BUSINESS DER ECE GROUP SERVICES

## A MODERN SHOPPING CENTER ON THE WATERFRONT

ECE's Chinese subsidiary is currently planning a truly unique mixed-use shopping center on the former cruise liner Anceevilla, which – more than 60 years after it was originally built – is now berthed at Sea World, a major tourist attraction in Shenzhen. In the future, restaurants and cultural attractions such as art and theater will perfectly complement the retail offering on board this historic ship – turning the new center into a unique experience destination.



## LARGEST COMMERCIAL PROJECT IN SHANGHAI IN 2023

The Zhonghai Unipark MAX, a new Shanghai-based shopping center and apartment complex, was completed in late 2023. ECE was responsible for the functional planning and interior design. With a total area of 322,000 m<sup>2</sup>, including 150,000 m<sup>2</sup> for commercial use, the project is also the largest new urban complex to open in Shanghai in 2023. In the first three days after opening, the new center attracted 724,000 visitors and generated more than seven million euros in retail sales.

# 724,000

VISITORS IN THE FIRST THREE  
OPENING DAYS



# “THE MARKET CYCLE OFFERS GREAT OPPORTUNITIES”

Investors are interested in shopping centers again. Dr. Volker Kraft and Markus Schmitt-Habersack, Managing Partners of ECE Real Estate Partners, talk about the criteria successful shopping centers must meet, how they can unlock their value creation potential, and why investing in sustainability pays off.



Dr. Volker Kraft (left) and Markus Schmitt-Habersack, Managing Partners of ECE Real Estate Partners.

### What makes shopping centers so attractive to investors right now?

**Dr. Volker Kraft:** I think it's down to four main factors. First, valuation levels are currently at a historic low. Second, shopping centers offer highly diversified cash flows and stable distribution yields, as our property portfolio has proved emphatically over the past five years.

The high level of diversification in individual centers, in terms of both tenants and sectors that are subject to different growth cycles and risks, has a highly stabilizing effect. The third factor is that there are simply more ways to actively increase shopping centers' value than with other asset classes: through the tenant mix, the cost structures, or the flexibility to expand or reduce units in the centers as required. A fourth point: Shopping centers offer threefold protection from inflation: through the property itself, through rent indexation, and through turnover rent. We have seen very healthy rental growth in our portfolio over the last two years.

### How is ECE Real Estate Partners' shopping center portfolio developing?

**Markus Schmitt-Habersack:** Visitor numbers are significantly up, and almost everywhere are back to the pre-pandemic levels of 2019. Only in Germany and Austria are we still slightly below the 2019 footfall figures. In terms of sales, we're up in all markets, by the greatest margin in Central and Southern Europe.

Rents are rising too. So we're delivering a stable operating performance – much to the delight of our investors.

### What types of shopping center does ECE Real Estate Partners have in its portfolio?

**Schmitt-Habersack:** We invest in two main types of shopping centers. First, destination centers that have a strong appeal beyond the immediate area. Examples include the Megalò in Italy, the Rosengård-centret in Denmark, and the Parque Principado in Spain, whose attractive mix of retail, restaurants, and entertainment draws in people from a wider area. The other category is centers that are strongly focused on local shopping, such as the Linden-Center and the Hallen am Borsigturm in Berlin. That was particularly relevant during COVID. Of course, there are also hybrid types, like the PEP in Munich or the Loom in Bielefeld, which are both well established as local shopping centers and have a destination character for the surrounding area.

The PEP in Munich is one of Germany's top shopping destinations.

15-year

TRACK RECORD OF ECE REAL ESTATE PARTNERS

ACTIVE IN

7

EUROPEAN COUNTRIES

MORE THAN

10 billion €

ASSETS UNDER MANAGEMENT

### What other criteria are important to a center's success?

**Schmitt-Habersack:** It's important for shopping centers to have a leading market position. Size is always a factor. Growth potential matters, too. There are various aspects to that. There's growth potential in terms of sales, but also in terms of the regional economy. How are things going there? And, of course, there's growth potential in terms of rents. When I implement value-adding measures at a center, the goal is to generate more income over the longer term and so enhance the center's value. Of course, a combination of all these things is always best.

**Kraft:** What our value-adding and growth strategies have in common is that both added value and growth generally come from within and do not necessarily require expansion of a center. Our aim is to add value by increasing productivity per square meter, and we do that by selecting the right tenants. We're also continuously optimizing the units available to tenants, by enlarging, reducing, or relocating them. Increasing productivity per square meter is crucial if we also want to increase rents per square meter over the longer term. The old adage holds true: If you want to invest successfully in shopping centers, you need successful retailers. >



INVESTMENT BUSINESS



● The Megalò in Chieti is the premier shopping destination in Italy's Abruzzo region.



*"We're delivering a stable operating performance – much to the delight of our investors."*

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



● The Parque Principado center in Oviedo, Spain, attracts shoppers from far beyond the region.

INVESTMENT BUSINESS

*"Investing in sustainability is an integral part of our value-adding strategy."*

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

**In 2021, in the middle of the pandemic, ECE Real Estate Partners expanded into hotel properties. What makes this asset class so attractive?**

**Kraft:** The reasons are similar to those for retail properties. First, there's the sector's attractive valuation levels. Second, hotels are very well protected from inflation, though it works a little differently than for shops, since hotels set their room rates on a daily basis. And in this sector too, having expertise as an operator is essential for success. That's what sets ECE apart. It's an

area where we can play to our strengths. We have a lot of experience in the hotel sector thanks to many investments made by the Otto family's family office in recent years. We also have experience as a hotel developer. And our stake in Ruby Hotels means we can harness their expertise as operators. This triple package of investment experience, development expertise, and access to operator expertise means we're perfectly placed to replicate the success we've had with the shopping center asset class in the hotel sector too.

**ESG is becoming ever more important. What do investors expect in terms of sustainability?**

**Kraft:** Transparency and good data availability are essential. When implementing sustainability strategies, it's important that progress is measurable – just like with financial indicators. To meet that goal, our funds actively participate in ESG rating systems such as GRESB alongside traditional building certification schemes. That entails making significant ESG investments for our center portfolio. And investing in sustainability isn't at odds with our value-adding strategy, but rather an integral part of it.

**How have investors' expectations and needs changed overall?**

**Kraft:** Since ECE Real Estate Partners was founded 15 years ago, we've seen significant professionalization both of fund management, due to the introduction of the AIFM Directive, and among institutional investors. That applies at every stage of the investment process, from due diligence by the fund manager

to investment management and active asset allocation. We are now seeing our investors becoming increasingly data-driven too, with completely different expectations regarding data availability and transparency. But now as then, the core of our relationship with our investors is trust. Trust that we will act with integrity when managing the assets entrusted to us is the key to a successful investor relationship.

**Looking to the future: What's the next step on ECE Real Estate Partners' journey?**

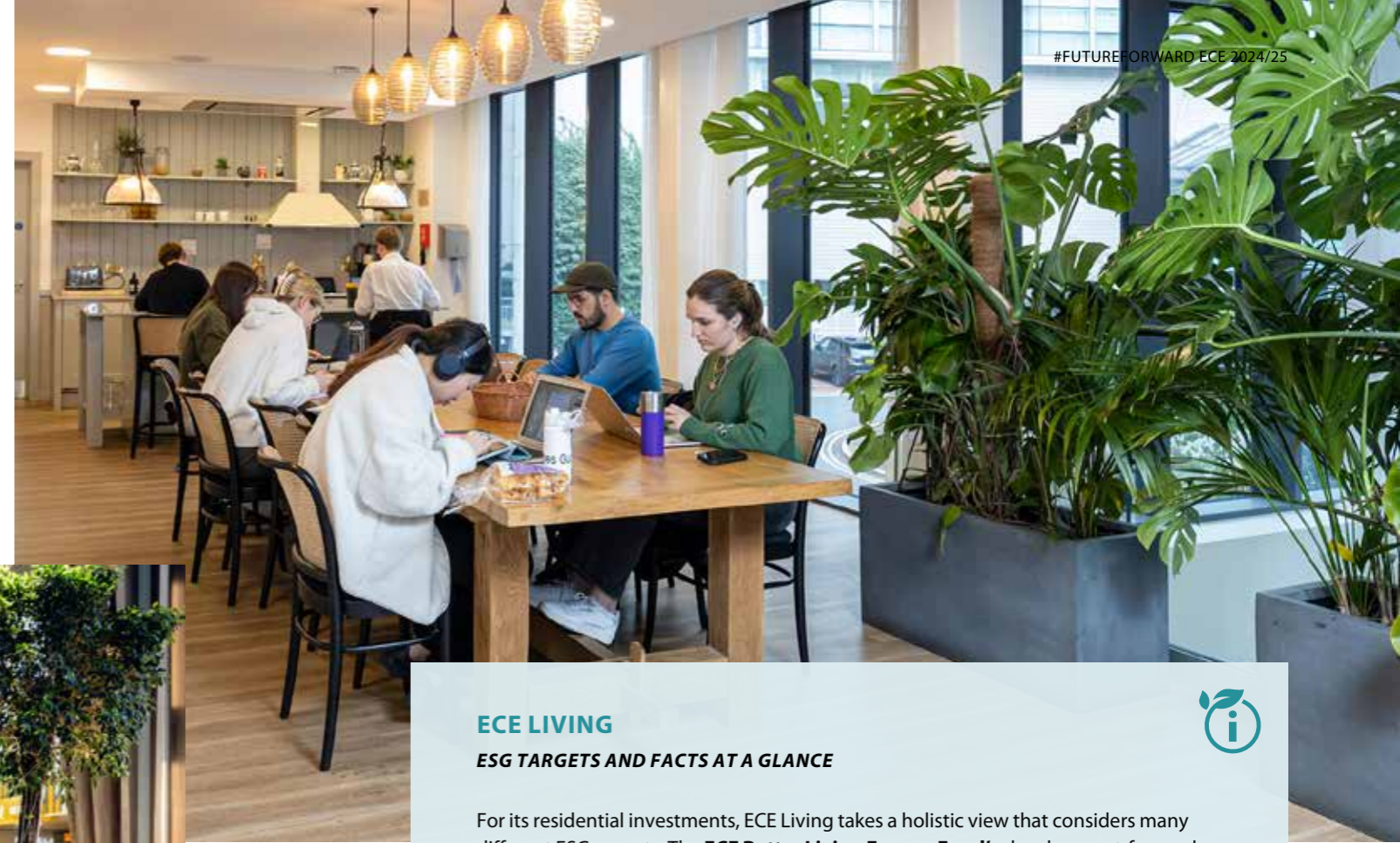
**Kraft:** We're actively raising capital for our open-end shopping center fund, which yields steady, stable dividends for our investors. We're also planning to launch a new value-added shopping center fund. The market cycle offers great prospects. Prices are low. It's a buyer's market. Financing is available and we have a highly attractive acquisition pipeline. We see that as a strong basis for investing in shopping centers over the next few years. We're also looking at the

topic of external financing in the shopping center and hotel sectors. And on top of that we're working to further diversify our investor base, with a focus on international investors and family offices. We'll be gradually expanding the portfolio managed by ECE Real Estate Partners in the next few years by making smart investments in shopping centers and hotels. //

## SUSTAINABLE INVESTMENTS

# 100% CERTIFIED REAL ESTATE PORTFOLIO

Sustainability is a key priority for our fund management division ECE Real Estate Partners, which manages assets in one open-end and several closed-end shopping center funds as well as a hotel fund. The same goes for ECE Living, which supports institutional investment in residential real estate, including build-to-rent developments.



### ECE REAL ESTATE PARTNERS

#### ESG TARGETS AND FACTS AT A GLANCE



ECE Real Estate Partners' business activities are squarely focused on long-term value creation. We actively take responsibility not just for our properties but also for our tenants, for our own employees and those of the centers, for the centers' customers, and for using resources with the utmost care and efficiency.

The division's strategy is geared toward the UN Sustainable Development Goals (UN SDGs). We translate sustainability and responsibility into action based on targets such as cutting CO<sub>2</sub> emissions by an average of 40% by 2030 (compared with the 2019 baseline), using 100% green electricity to power communal areas by 2025, and having a 100% certified (DGNB, BREEAM, etc.) real estate portfolio.

ECE Real Estate Partners also signed the UN Principles for Responsible Investment (UN PRI) in 2020 and achieved a top rating in the categories Real Estate and Confidence Building in 2023.

#### THE ECE EPIG FUND'S CURRENT ESG INDICATORS

ECE Real Estate Partners' largest fund, the **ECE Progressive Income Growth Fund (EPIG Fund)**, with a total value of 2.2 billion euros, was launched in June 2019. It is an open-end shopping center fund with a long-term investment strategy geared toward global institutional investors and a portfolio of shopping centers in Germany, Austria, Denmark, Poland, and Italy. The EPIG Fund is classified as an Article 8 fund and follows a clearly defined ESG strategy, many elements of which have already been successfully implemented:

- > 100% of the centers in its portfolio are already DGNB or BREEAM-certified
- > 45% of communal areas in the centers have already been fitted with LEDs (target: 100% by the end of 2024)
- > 36% of rental agreements include a green lease (target: 90% by 2030)
- > Around 86% of centers are already powered by green electricity (target: 100% as soon as possible)
- > Around 72% of centers have e-charging points (target: 100% by the end of 2024)

The aim is to achieve a sustainable and resilient net zero portfolio.

### ECE LIVING

#### ESG TARGETS AND FACTS AT A GLANCE



For its residential investments, ECE Living takes a holistic view that considers many different ESG aspects. The **ECE Better Living Europe Fund's** development-focused approach has made it possible to incorporate sustainability into planning for real estate projects, placing particular emphasis on energy-efficient buildings and socially responsible urban development. As well as environmental goals, the fund considers social and quality factors that help to improve tenants' well-being. Some facts and figures about the ECE Better Living Europe Fund:

- > 100% certified property portfolio - BREEAM certification ("Very Good") - Fully EU Taxonomy-compliant
- > Signatory to the UN Principles for Responsible Investment (UN PRI) since 2020
- > Article 8 fund with specific ESG strategies and targets
- > CRREM pathway for all assets
- > Strategy based on the UN Sustainable Development Goals (SDGs)
- > Class A and B energy certificates for all properties
- > Large communal areas that can be freely used by tenants (including coworking spaces, gyms, lounges, residents' kitchens)
- > Vast majority of apartments have private outdoor spaces (balconies, terraces)
- > Rent-controlled apartments freely distributed within buildings
- > Ongoing monitoring of energy and water use
- > Secure, sheltered bike parking (including a bike elevator directly from the sidewalk at some properties)
- > EV charging points and car-sharing services are provided where possible
- > Solar panels installed on roofs
- > Green inner courtyards and outdoor areas
- > Waste separation in up to ten categories

## ECE LIVING

# BUILD-TO-RENT: ATTRACTIVE AND CONTEMPORARY

ECE LIVING IS CURRENTLY MANAGING

# 2,100

APARTMENTS IN RESIDENTIAL PROJECTS IN BIRMINGHAM, MANCHESTER, LEEDS, AND COPENHAGEN

In times when affordable housing is scarce and progress on building new homes sluggish, there's a need for efficient, bespoke housing solutions with a focus on energy efficiency and compact design. That's why alongside newbuild projects, another of ECE's investment priorities is contemporary, tenant-centric residential properties. As a strategic partner for residential investments by national and international institutional investors, ECE Living takes a "build-to-rent" approach that actively addresses tenants' needs: compact, efficiently designed apartments with shared facilities like coworking spaces, residents' lounges, and gyms.

This kind of housing is primarily aimed at young, urban professionals with flexible lifestyles and working patterns. Accordingly, ECE Living's Better Living Europe Fund (launched in 2022) is investing in new build-to-rent residential properties in high-growth metropolitan regions, based on the results of the ECE Smart Cities model. Residential projects have already been acquired in Manchester, Leeds, and Copenhagen. //

INVESTMENT BUSINESS



## 3 QUESTION FOR

**VICKY ROBINSON**  
*City Operations Manager at Dandara Living, Manchester*

As City Operations Manager at Dandara Living, an ECE partner, Vicky Robinson is responsible for operations at the Chapel Wharf complex in Manchester, which has 995 mostly fully furnished apartments and numerous amenities, including a gym, coworking and event spaces, and parcel lockers.

**#1**  
**What does your typical working day look like?**  
Working at a build-to-rent complex is a 24/7 job. Since we're on duty round the clock, close communication with the entire team is essential so we can stay in the loop about what's going on. After the morning check-in, I usually spend a big chunk of my day doing a mix of meetings and admin. My favorite part of the job is dealing with our 1,500 or so tenants, who make every day unique. From birthday parties to other get-togethers, there's always something going on in our communal areas.

**#2**  
**What makes Chapel Wharf in Manchester special?**  
The diverse mix of tenants. Our apartments are fully rented, and you meet all sorts of people. There are young professionals from various cultures, who are particularly attracted by the prime, central location. But our complex is also home to families. Besides the location, the fact that all the apartments have a large balcony, which is a rarity in Manchester, makes them very attractive!

**#3**  
**Have there been any especially memorable moments?**  
There have been quite a few! One recent favorite was when a tenant who has been with us for just under three years spoke to me at the residents' breakfast club about the upcoming renewal of his tenancy agreement. He said he never intended to move again and that we had him "for life." There couldn't be a better validation of my work and our complex.

INVESTMENT BUSINESS

### ESG-SPOTLIGHT



In light of the EU's climate targets and the increasingly stringent requirements they impose on real estate, ESG criteria are of key importance to ECE Living – both when purchasing build-to-rent residential properties and in the course of ongoing asset management. ECE Living, like the ECE Group as a whole, uses recognized certification systems to clearly convey its properties' sustainability qualities – information that is relevant to all stakeholders, from tenants to investors to banks. For instance, the apartment complexes in Leeds, Manchester, and Copenhagen were recently certified in line with the BREEAM standard.

*The Chapel Wharf apartment complex in Manchester, completed in 2020, includes modern, spacious communal areas.*





# 3.5 billion €

CONSTRUCTION AND PLANNING VOLUME ECE WORK & LIVE

## 3,500

HOTEL ROOMS COMPLETED AND PLANNED

## 10,000

APARTMENTS COMPLETED, PLANNED, OR UNDER MANAGEMENT

## 2 million m<sup>2</sup>

OF LOGISTICS SPACE COMPLETED AND PLANNED

Seize opportunities when they arise: That is the strength of ECE Work & Live. In this interview, Henrie W. Kötter, CEO of ECE Work & Live, talks about opportunities in the European real estate market, the conversion of existing properties, and the need for deregulation in Germany.

**The situation on the real estate market remains challenging. How is ECE Work & Live responding?**

**Henrie W. Kötter:** We're looking for projects where we can play to our strengths: Our strong financial position, our ability to act quickly as a family-owned business, and our decades of expertise in all asset classes, with in-house specialists across all areas. These strengths mean we can respond very flexibly and seize opportunities that arise out of the current crisis: whether that be new construction projects, further development of projects that have already started, or conversion of existing properties. We're currently focusing on shorter-term projects in the €40-100 million range.

**What asset class are you especially focusing on at the moment?**

Due to the high demand for housing, the residential asset class is generally very attractive. However, there's often still a mismatch between construction costs and market prices. So our teams need a great deal of expertise to make projects viable in the current conditions. One of our most exciting current projects is TIDE in Hamburg's Hafencity – a neighborhood with high-quality rental and owner-occupied apartments, a student residence hall, and the Digital Art Museum, which we started construction work on last year. It's one of the last major developments in Hafencity (→ p. 74).

**How about the logistics segment?**

Demand for logistics real estate remains very resilient. We're focusing on developing modern logistics centers and mid-sized industrial parks. In Hamburg's Billbrook district, we're currently finishing up the first logistics center to be built fully in accordance with our ESG code. In Marl, we're working with Thalia to develop a new commercial and production site. And near the Tesla Gigafactory just outside Berlin, we're planning the GreenWorkPark Grünheide on a former military site (→ p. 80).

**What other areas are you working in?**

We're seeing some exciting potential to convert old downtown offices into hotels. We've already started one such project in Rome and have now acquired another property in Copenhagen (→ p. 74). But there's still strong demand for new offices that meet the requirements of modern ways of working and ESG criteria. And so it didn't take long before the Campus Hamburg office building that we developed was fully let. Our project in MesseCity Cologne, with major tenants including the Zurich Group and KPMG, is also nearly complete (→ p. 82). >



ECE WORK & LIVE

ECE WORK & LIVE

FAST, CAPABLE, FINANCIALLY STRONG

# “SEIZING OPPORTUNITIES IN THE CRISIS”

*“Essentially, we need the courage to make a new start. Politicians must provide a framework and leave it to the creativity of developers and architects to come up with innovative solutions.”*

HENRIE W. KÖTTER  
CEO OF ECE WORK & LIVE

**What opportunities does the European real estate market offer?**

We’re focusing on attractive, rapidly growing European cities like Rome, Copenhagen, Warsaw, and London, which have a shortage of attractive, affordable housing and are also popular tourist destinations – making them appealing for hotel developments. Another advantage is that construction is cheaper and easier in many European countries because there’s less red tape. For instance, we’re planning a new residential complex with attractive condos in Rome. At the same time, we’re currently finishing up work on our first logistics center in Poland.

**What needs to change in Germany to help boost housebuilding?**

In the short term, we need a strong stimulus, like a temporary suspension of land transfer duty, tax allowances for interest on owner-occupied properties, or an expansion of KfW development loans to provide more financial flexibility. In the medium term, we need to do away with the very German obsession with regulation and significantly speed up the planning and approval processes. While each regulation and assessment may make perfect sense in isolation, taken together they’ve caused construction

to grind to a halt and are creating a dangerous social imbalance in the housing market. I think the federal government does essentially grasp the problem, and some initial measures have already been implemented. But so far, they’re nowhere near adequate.

**What’s needed in the long term?**

Essentially, we need the courage to make a new start. Politicians must provide a framework and leave it to the creativity of developers and architects to come up with the best possible innovative solutions within that framework. And we need to put more trust in experts: A heart surgeon doesn’t need prior approval before each operation. So why does an architect always need planning permission, even if they’ve fully complied with applicable regulations?

**Looking ahead, what do the next few years have in store?**

We’ve realized that it’s very hard to make predictions in this highly dynamic and sometimes fragile world. So we’re positioning ourselves to be fast, flexible, and resilient. For example, last year we directly integrated architecture and project management services into our Work & Live division. We also work with carefully selected local partners. Another factor that builds resilience is our very strong focus on sustainability – not just on paper but in very concrete terms, at every stage from location analysis to construction to sustainable use concepts. Because nowadays, economic and environmental sustainability usually go hand in hand. //



- Around 150 modern rental or owner-occupied apartments are to be built in a disused 1970s office building.

AROUND  
**150**  
RENTAL OR OWNER-  
OCCUPIED APARTMENTS

**85 million €**  
PROJECT VOLUME



**CONVERTING BUILDINGS  
THE POTENTIAL OF  
EXISTING PROPERTIES**

Converting existing buildings is one key way to meet climate targets while opening up new usable space. That applies in particular to energy refurbishments of older buildings. But converting disused office properties into residential buildings – especially in downtown locations – can also provide a positive stimulus for neighborhood development.

**DÜSSELDORF: SUSTAINABLE HOMES INSTEAD OF OFFICES**

In Düsseldorf, the state capital of North Rhine-Westphalia, ECE Work & Live is planning the conversion of a former office complex into an attractive, sustainable residential block with around 150 modern rental or owner-occupied apartments that meet high energy performance standards. Dating back to the 1970s and divided into three building sections, the complex is located in the city center near the Zoopark – Düsseldorf’s green oasis, with a lake, grassy areas, and playgrounds. Around 85 million euros is being invested in the project. Work is currently scheduled to commence in 2025/2026 and is expected to wrap up in 2027/2028. >

*“There’s a lot of potential in converting existing buildings. If project planning can combine economic and environmental criteria and the needs of future users into a sustainable overall concept, then, say, converting disused office properties into modern residential buildings or hotels could be a model for future success.”*

MARIA MATEO NAVARRO,  
ARCHITECT AND HEAD OF THE  
CREATIVE DESIGN DEPARTMENT,  
ECE WORK & LIVE

## CONSTRUCTION OFF TO A SUCCESSFUL START

## FROM OFFICE TO HOTEL – THE RUBY IN ROME

In September 2021, ECE Work & Live acquired a historic property in the heart of Rome that was previously used as an office building and is currently being converted into a hotel. It also found an operator: the fast-growing, lean-luxury hotel group Ruby Hotels. The conversion work is already underway, with the opening scheduled for spring 2025.

We interviewed Development Manager Caspar Kraushaar, who is heading up the project at ECE Work & Live, and Technical Development Manager Giovanni Zampieron, who is in charge of practical implementation on the ground. We spoke about what makes the property so attractive and what challenges converting it into a hotel has involved.

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● From left to right: Giovanni Zampieron, Torsten Kuttig, and Caspar Kraushaar.

#### How was the project acquired and what makes this property special?

**Caspar Kraushaar:** Since we operate throughout Europe as a hotel developer, we have very good contacts in Italy too. We can also avail ourselves of the network of our Italian subsidiary in Milan. We were immediately impressed by the early-19th-century building. Besides its prime location in Rome, it has a quintessentially Italian look and an efficiently laid-out floor plan. From the terrace, there's an unobstructed view of the Vatican over the rooftops. The perfect location for a modern lifestyle hotel.

#### What makes Rome an attractive city for hotel development – especially for the tenant, Ruby?

**Caspar Kraushaar:** What makes Rome so exciting, just like Milan, Florence, and Naples, is that it attracts both leisure tourists from all over the world and a lot of business travelers. That mix means there's a very high demand for hotels all year round. Ruby specializes in perfectly catering to this mixed demand.

● *In the heart of Rome ECE is converting a former office building into a hotel for the lean-luxury hotel group Ruby Hotels.*

They're also adept at retrofitting existing properties, which made them the ideal partner for this project.

#### Which services does ECE provide and manage from its headquarters in Germany and which are dealt with by local partners in Rome?

**Caspar Kraushaar:** At our headquarters in Hamburg, we're mainly responsible for overall budget coordination and liaison with the tenant. For the conversion, like with all international projects, we are working with highly capable local partners.

6,700 m<sup>2</sup>

GROSS FLOOR AREA

60 million €

TOTAL INVESTMENT

164

ROOMS

→ 6 STORIES

→ ROOFTOP



ECE WORK &amp; LIVE

## ESG-SPOTLIGHT



Converting the building rather than demolishing it reduces gray emissions and avoids the need to build on new land. The property will be certified in line with DGNB sustainability standards. The aim is also to ensure the building is taxonomy-compliant, with the goal of achieving Gold certification. During the planning phase, a resource monitoring system was developed to pave the way for sustainable operation of the building. The measures included choosing water-saving faucets, aerators, and toilet tanks for the rooms, communal areas, and back office. The property is being developed in accordance with ECE's compliance standards to ensure reliable, honest, and fair business relationships.

We were able to bring an architects' firm from Florence that specializes in hotels on board, and they're working with a construction company from Rome to complete the project. Local partners are essential to ensure the permit process with local authorities runs smoothly, among other things. ECE's Giovanni Zampieron regularly visits the site so he can keep abreast of current progress. >



**What specific tasks is the project manager responsible for at local level?**

**Giovanni Zampieron:** As the link between external partners and internal departments, the project manager is responsible for each stage of project delivery, from the initial design studies and analyses to completion and handover to the tenant and investor. That includes selecting, coordinating, and doing quality assurance checks on external companies and ensuring adherence to the budget, schedule, and quality standards.

**What particular challenges has the Hotel conversion involved?**

**Giovanni Zampieron:** The particular challenge in this project has been to preserve the historic architecture during the conversion, while at the same time making optimum use of the space and attaining high technological standards. Creative, original

solutions and new approaches were needed to meet the tenant's specifications and perfectly utilize the rooms, which had to be preserved in line with the structure and the openings in the facade. For instance, due to the unique situation, we decided to put the reception and lobby on the top floor, so as to offer guests a fantastic view of the city the moment they arrive.

*“Conversions will become increasingly common for our hotel assets in the future, both for reasons of sustainability and because new-builds are often not possible in the favored central locations.”*

**TORSTEN KUTTIG, DIRECTOR HOTEL DEVELOPMENT AT ECE WORK & LIVE**

**Conversion in Copenhagen**

**A NEW HOTEL INSTEAD OF OFFICES**

ECE Work & Live is planning the development and construction of a new hotel in Copenhagen. The hotel is to be built on the site of an office redevelopment project on Gammel Kongevej, Copenhagen's attractive main shopping street. It's located in the independent district of Frederiksberg to the west of the city center, known for its upmarket residential neighborhoods, exclusive boutiques, and wealth of green spaces.

ECE acquired the former office building (with a gross floor area of roughly 7,600 m<sup>2</sup>) from TPG Angelo Gordon in 2024. In the planned development project, the existing building will be converted into a hotel and extended upward. ECE is investing a total of around 65 million euros in the project.

The plan is to create a modern designer hotel with around 210 rooms, which is due to be completed by early 2027.

**65 million €**

INVESTMENT

**Bonvecchiati in Venice**  
**GREEN LIGHT FOR FIVE-STAR HOTEL PROJECT**

The hotel closed in winter 2023 at the end of another very successful season. Renovation and conversion work then got underway in March 2024. In 2022, a 20-year lease agreement for the hotel complex (which was acquired by a joint venture between ECE Real Estate Partners' European Lodging Recovery Fund and the hotel developers Soravia and Denkmalneu as junior partners) was signed with the international Palladium Hotel Group from Spain and its exclusive boutique lifestyle brand Only YOU Hotels. During a detailed planning phase, the requirements of this unique luxury hotel were taken into account. The hotel will be San Marco's largest five-star lifestyle hotel, with 168 rooms, two restaurants, three bars, a courtyard cafe, and a bakery, and is due to open in spring 2026.

**2** RESTAURANTS | **3** BARS | **168** ROOMS





## TIDE HAMBURG

# LIVING IN A PRIME WATERFRONT LOCATION

Construction work is underway on the €600 million TIDE project. The new mixed-use development in Hamburg's HafenCity is taking shape in a premium central location between the Elbe and Baakenhafen, with more than 600 high-quality rental and owner-occupied apartments as well as townhouses and penthouses.

There will also be a residence hall for around 370 students and apprentices, the UBS Digital Art Museum (a cultural highlight that will attract tourists to the area), a childcare center, and sites for businesses and restaurants. Surrounded by water and green spaces, TIDE is a vibrant location promising diverse encounters and experiences.

Condos are already available to buy in the BEAT and PULSE high-rises. The spacious, brightly lit apartments feature floor-to-ceiling windows, exclusive design, and high-quality fixtures. From PULSE's large panoramic windows and BEAT's loggias, conservatories, and plant-filled balconies, you can enjoy unobstructed views over the Elbe and Baakenhafen. >

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• Construction work on the €600 million TIDE project in Hamburg's HafenCity is underway.



# TIDE

ECE WORK & LIVE

# 600

HIGH-QUALITY RENTAL AND OWNER-OCCUPIED APARTMENTS

RESIDENCE HALL FOR

# 370

STUDENTS AND APPRENTICES

## 6,500 m<sup>2</sup>

UBS DIGITAL ART MUSEUM

COMPLETION OF FIRST CONSTRUCTION PHASE:

## Late 2026

PROJECT PARTNERS:

- ECE WORK & LIVE
- UBS DIGITAL ART MUSEUM
- STUDIERENDENWERK HAMBURG
- HARMONIA IMMOBILIEN

### ESG-SPOTLIGHT

#### RAISING THE BAR FOR SUSTAINABLE CONSTRUCTION

The TIDE project raises the bar for sustainable construction, thanks to its use of materials and technologies that are both planet- and people-friendly. It meets the high standards of HafenCity's Platinum eco-label, with a total primary energy requirement 45% below the maximum permitted level. In addition, solar panels are being installed on the roofs, which will mainly be used to power the communal areas.

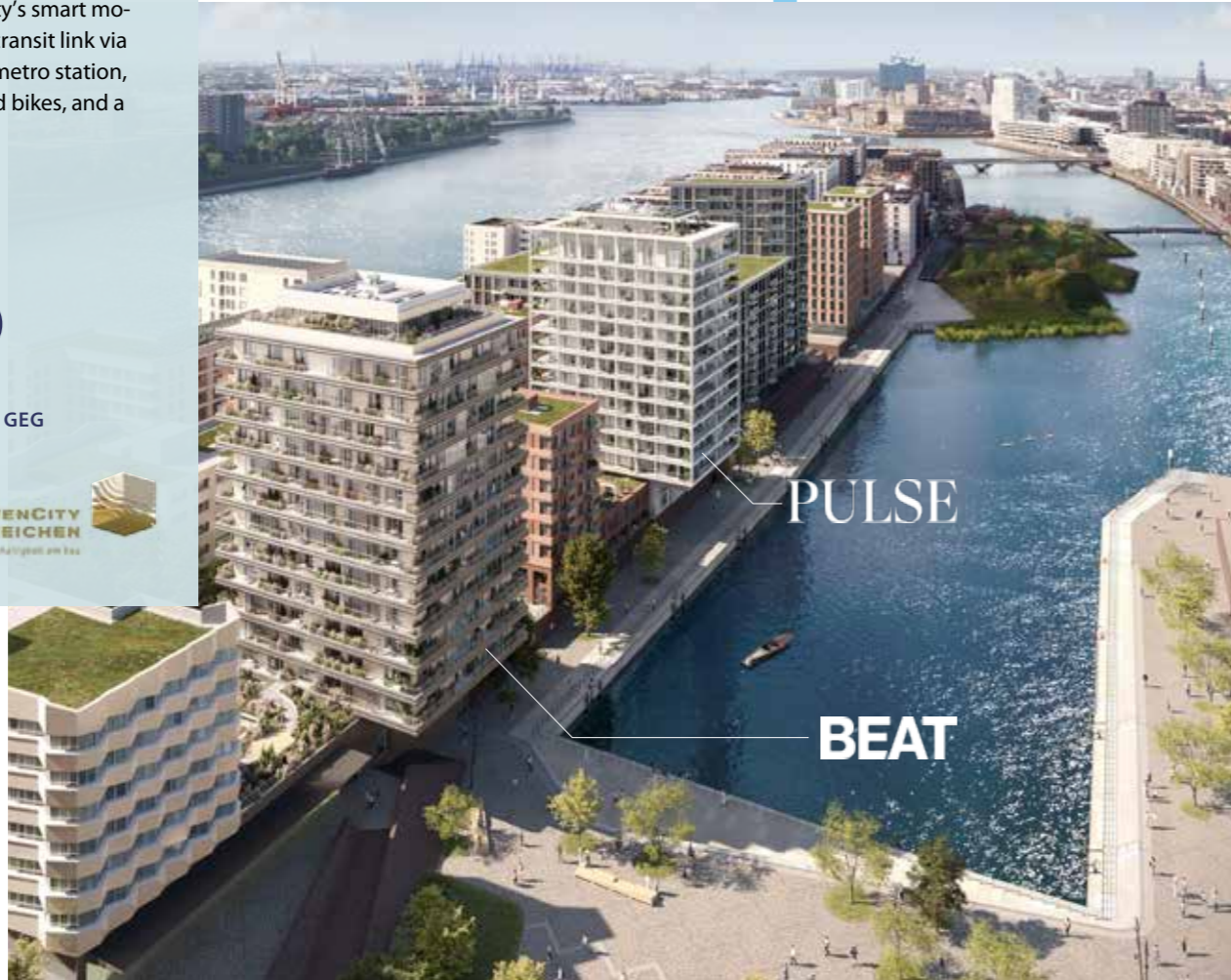
In addition to the high energy standards, use of renewable energy and recyclable materials, low-carbon construction methods, and accessibility-focused design, the TIDE development is also being integrated into HafenCity's smart mobility concept, with a direct public transit link via the Elbbrücken underground and metro station, charging points for electric cars and bikes, and a large-scale car-sharing program.

# 45 %

BELOW THE PERMISSIBLE TOTAL PRIMARY ENERGY DEMAND OF THE GEG



Large panoramic windows offer unobstructed views over the Elbe and Baakenhafen.



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### Rome

#### AN EXCLUSIVE RESIDENTIAL DEVELOPMENT

Construction work on another large-scale residential project at the heart of a major European city, in this case Rome, is due to start in late 2024. ECE Work & Live has formed a joint venture with two local partners for a new development in the west of the Italian capital. Blurring the line between park and residential neighborhood, it will comprise six blocks with around 125 stylishly designed condos, plus special extras like a residents' lounge, a coworking space, and a gym. Outdoors, there will be green spaces, children's play areas, a swimming pool, and private fitness areas. Public transit links, schools, a university, and stores selling everyday essentials can all be found nearby.

# 125

STYLISHLY DESIGNED CONDOS

→ SPACIOUS PARK

→ POOL, COWORKING AREA, GYM



### Rome

#### GREEN URBAN VILLAS BETWEEN THE CITY AND THE SEA

With the modernization of 27 urban villas, ECE Work & Live is driving forward the transformation of the "Parco della Lepignana" between Rome and the Tyrrhenian Sea. The complex is a gated community with a total of around 180 villas. The semidetached houses, now updated to meet state-of-the-art standards, are located in a quiet, leafy neighborhood (each villa has its own garden) close to downtown Rome and Fregene Beach, which is just 15 minutes away. Alongside ongoing marketing efforts to secure buyers for the villas, a master plan is being drawn up for development of the remaining 215,000 m<sup>2</sup> of land, where around 200 more villas could potentially be built. The park's existing infrastructure, which includes a private security service, will be augmented by communal spaces and facilities with areas for pools, BBQs, playgrounds, and dining pavilions.



# 27

URBAN VILLAS

# 15 min.

FROM THE BEACH

→ PRIVATE GARDENS

→ SPACIOUS PARKS



## LOGISTICS CENTER IN HAMBURG'S BILLBROOK DISTRICT

# FULLY LET AND HIGHLY ESG-COMPLIANT

The first logistics center built in accordance with ECE Work & Live's ESG code will be opening soon – and it's already fully let. The state-of-the-art center in Hamburg's Billbrook district, which can be flexibly divided up, has secured two prestigious long-term tenants. One of them is the international logistics group Kühne+Nagel, which is setting up a 10,000 m<sup>2</sup> distribution center for medical devices and accessories. The two tenants will be gradually starting up their operations over the next few months.

# 53%

LOWER PRIMARY ENERGY REQUIREMENT

# >10%

TIMBER FRAMES AND RECYCLED MATERIALS

*"With the new logistics center in Hamburg's Billbrook district, we have built another modern, flexible, centrally located logistics property that is 100% sustainable and is already fully let."*

**NIKOLAS FUHL**  
PROJECT DIRECTOR AT ECE WORK & LIVE



ECE WORK & LIVE



### ESG-SPOTLIGHT



- > First project to be completed fully in accordance with our voluntary code
- > Aiming to achieve DGNB Platinum certificate
- > New build to Efficiency House 40 standard
- > Complete renunciation of fossil fuels for the first time. Heat pumps plus photovoltaic system lead to:
  - A 53% reduction in primary energy requirement – and hence exceptionally good environmental performance
  - 50–70% CO<sub>2</sub> savings compared with the average logistics center
- > >10% timber frames and recycled materials
- > Biodiversity measures for outdoor areas, including green roof on office building
- > Mobility concept individually tailored to the location:
  - Direct metro link
  - Charging points for electric cars and bikes
- > High third-party usability

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*Built to the Effizienzhaus 40 standard: the new logistics center in Hamburg's Billbrook district.*



### Kąty Wrocławskie near Breslau ECE'S FIRST LOGISTICS PROJECT IN POLAND ENTERS FINAL STAGES

ECE Work & Live's first logistics development in Poland is nearly complete. The Kąty Wrocławskie logistics center near Wrocław is in a prime location directly on the A4 highway, a key west-east link, in one of Poland's economically strongest regions. Besides the good transport links, other strong points of the project include the center's exceptional flexibility, the variable lease terms, and the integrated ESG approach. For instance, solar panels will be installed on almost 60% of the roof area – benefiting the environment, tenants, and investors alike, and reducing operating costs and energy dependence. The center aims to achieve an "Excellent" BREEAM rating.



**80,000 m<sup>2</sup>**  
OF LOGISTICS SPACE

**60 %** OF THE ROOF AREA  
WITH PV SYSTEM

*"GreenWork Park will be a modern business park just outside Berlin. Spanning more than 35 hectares, it will provide space for work, education, and local shops and services, with a focus on companies and organizations that specialize in innovative, sustainable products or production processes."*

SERKAN AYDEMIR  
PROJECT DIRECTOR  
AT ECE WORK & LIVE



### GreenWorkPark bei Berlin ELEMENTARY SCHOOL AS FIRST PROJECT

GreenWorkPark Grünheide, which is being planned by ECE Work & Live and will be located outside Berlin near Tesla's Gigafactory, is progressing to the next stage. Now that the local council has approved the development plan by a large majority, work to develop the former military site into a business park will begin later this year. Construction is due to start in the summer on a two-form entry elementary school for around 300 pupils in the south of the project area, close to the train station.

GreenWorkPark will have more than 200,000 m<sup>2</sup> of space available to rent – for commercial use, manufacturing, skilled trades, logistics, education, research, and neighborhood shops. The park will be developed with a focus on renewable energy use, integration of green spaces and woodlands, and measures to promote cycling and public transportation.

The mix of uses, strong transport links, and sustainable development approach will make GreenWork Park an ideal location for commercial enterprises, manufacturing companies, SMEs, and start-ups.

**300 million €**

TOTAL INVESTMENT

**200,000 m<sup>2</sup>**

OF RENTAL SPACE



CLOSE TO THE  
A 10 HIGHWAY/  
TESLA



DIRECT RAIL LINK  
TO BERLIN  
(30 MINUTES)



ECE WORK & LIVE

### Thalia in Marl ANOTHER CHAPTER IN ECE'S LOGISTICS SUCCESS STORY

ECE's success story in the logistics sector continues: ECE Work & Live has partnered with the omnichannel bookseller Thalia to plan, develop, and build an innovative commercial and production hub in the new gate.ruhr business park in Marl, North Rhine-Westphalia. The center will comprise several high-quality production and warehouse facilities and an impressive multistory office building. Now in the final stage of construction, it will provide modern workplaces and offices for up to 1,000 workers, a canteen, and large, spacious social areas. In the future, Thalia will supply its bookstores throughout Germany from the Marl hub. The site will also act as a fulfillment center for online orders.

*"Our new production and fulfillment center in Marl, which we are building in partnership with ECE, is our largest ever single investment."*

MICHAEL BUSCH, SPOKESPERSON FOR  
THALIA'S SHAREHOLDER ASSEMBLY

- ECE has partnered with Thalia to develop an innovative commercial and production center in Marl, Westphalia.

START OF  
CONSTRUCTION  
**2024**

AROUND  
**100 million €**  
INVESTMENT

**56,000 m<sup>2</sup>**  
MAJOR COMMERCIAL AND  
PRODUCTION CENTER

As well as embracing technical innovations, the project partners have also considered environmental aspects, with a focus on efficient modern construction methods, renewable materials, and ensuring the center meets the highest sustainability standards once it is up and running. Among other things, there will be lots of charging points for electric cars and bikes as well as green roofs and facades. The center will meet the Effizienzhaus 40 standard and solar panels will be installed on the roof. The aim is to achieve DGNB Gold certification.



ECE WORK & LIVE

MESSECITY COLOGNE

# A BUSINESS QUARTER WITH WOW FACTOR!

WORKPLACES FOR AROUND

# 6,000

PEOPLE

### ESG-SPOTLIGHT



- > DGNB Gold certification
- > Energy efficiency class KfW 40 implemented in Rossio
- > Low-carbon materials used
- > City-center location with links to the public transit and cycle networks
- > Charging points for electric cars and bikes
- > Smart building applications
- > Inclusive, accessible design
- > Integration of public uses (restaurants, hotels, outdoor areas)
- > Nooks and nesting boxes installed to provide long-term support for bat, sparrow, and falcon populations

## 135,000 m<sup>2</sup>

GROSS FLOOR AREA

## 105,000 m<sup>2</sup>

OFFICE SPACE LET

- 1 STATION TO COLOGNE CATHEDRAL
- 10 MINUTES' DRIVE TO COLOGNE/BONN AIRPORT
- DÜSSELDORF AND FRANKFURT AIRPORTS ARE WITHIN ONE HOUR'S DRIVE

*"A view of the cathedral, a location right next to Koelnmesse, stellar transport links – MesseCity provides a superb working environment for thousands of people."*



PETER SCHMIDT,  
PROJECT DIRECTOR  
AT ECE WORK & LIVE

The final stage of the MesseCity development is the "Rossio" office building in the eastern part of the quarter.

A new commercial quarter on an area the size of seven soccer pitches – with five office buildings, a hotel complex, restaurants, and public spaces. All in a prime location with a view of the cathedral, right next to Koelnmesse and with its "own" ICE platform at Köln Messe/Deutz station. MesseCity Cologne has firmly established itself as the cathedral city's central business hub.

One of the main tenants is Zurich Group Germany, which moved 2,800 employees into its new head office there in fall 2019. Other office tenants include rubber manufacturer Arlanxeo and auditing firm KPMG, which will be moving into the "Centraal" building in Q4 2024. The business quarter is perfectly rounded out by the chain hotels Motel One and Adina Apartments and the restaurants L'Osteria and The Ash.

The final stage of the development is the "Rossio" office building, named after a railway station in the Portuguese capital, Lisbon. Green inner courtyards with raised beds and benches plus green roof

terraces will create a pleasant working environment. 27,000 m<sup>2</sup> of office space is currently still available in the "Rossio," which also has an underground parking garage. Sustainability is a top priority at MesseCity: All buildings comply with ESG criteria and meet the eligibility requirements for DGNB Gold certification. There's also been a big focus on accessibility and user-friendliness. Once the development is complete, around 6,000 people will work in MesseCity. The project partners are ECE Work & Live and STRABAG Real Estate. //



CORPORATE RESPONSIBILITY

SOCIAL RESPONSIBILITY

# A FOCUS ON DOING GOOD

- Each year, the Alexander Otto Sports Foundation awards the Werner Otto Prize to projects that contribute to inclusion of, or support for, disabled people in sport. The 2024 winner was the Hamburg and Niederelbe section of the German Alpine Club.

As a corporate citizen, ECE has close ties to foundations that make a valuable contribution to society and to addressing social challenges, both as project sponsors and through their own initiatives. These foundations benefit from ECE's expertise and the support of Alexander Otto.

### SUPPORTING WOMEN IN ORGANIZED SPORT

The Alexander Otto Sports Foundation has launched a pilot project aimed at increasing the proportion of women in senior roles in organized sport: It provided the Hamburg Handball Association with funding for a series of workshops to develop a strategy to attract more women. The foundation documented the process and, based on the results, produced a guide for other clubs and associations.

### ENERGY AUDIT FOR SPORTS CLUBS

The sharp rise in energy costs poses an existential threat to many sports clubs. The Alexander Otto Sports Foundation funded energy audits for three Hamburg sports clubs to identify ways to save energy and cut costs. The analysis focused on insulation, lighting and heating systems, hot water use, and renewable energy. It is hoped that other clubs will be able to learn from the audits too.

### STUDY ON MOBILITY BEHAVIOR

To provide an objective basis for policy discussions about parking spaces, the Lebendige Stadt foundation and Hamburger Hochbahn commissioned TU Hamburg to develop a formula for calculating the number of parking spaces needed for a given area. A second study of four new developments in Hamburg, Munich, Münster, and Vienna has now analyzed how people's mobility behaviors change when they move to well-connected neighborhoods with low or no minimum parking space requirements. The foundation has produced a handout based on the two studies' findings.

### RENOVATION OF STAATLICHES MUSEUM SCHWERIN

The Dorit & Alexander Otto Foundation is supporting the renovation of Staatliches Museum Schwerin. An ECE team, which previously worked on the renovation of Hamburger Kunsthalle, is advising the state of Mecklenburg-West Pomerania on the planning and managing the construction work, which has already begun. After the museum reopens in summer 2025, the foundation will be funding free admission for two years. >

CORPORATE RESPONSIBILITY



- The Dorit & Alexander Otto Foundation is supporting the modernization of the State Museum in Schwerin.



CORPORATE RESPONSIBILITY

### ENVIRONMENTAL PILOT PROJECT IN COLOGNE

ECE's company foundation Lebendige Stadt teamed up with the company Schüco and the City of Cologne to launch a joint pilot project aimed at improving air quality in the city. At Cologne Adult Education College (VHS Köln) in the city center, a specially designed fabric facade was installed to filter nitrogen from the air, which can have damaging effects on people's health and the environment, and convert it into harmless substances. It also protects the inside of the building from sunlight and overheating, which significantly reduces the energy needed for air conditioning. The results of the pilot project will be analyzed by the research center Forschungszentrum Jülich. The test is intended to pave the way for similar projects in other cities too.

### ALEXANDER OTTO AWARDED ORDER OF MERIT

The entrepreneur and philanthropist Alexander Otto has been awarded the Order of Merit (First Class) by German President Frank-Walter Steinmeier in recognition of his services to society over many years. The award was presented by Hamburg's Senator for Social Affairs, Melanie Schlotzhauer.



## KNOW-HOW EXCHANGE IN BERLIN THE IMMIGRATION CITY: INTEGRATION AS A KEY

This year's Lebendige Stadt conference, titled "The Immigration City: Integration as a Key," was held in the venue of the Alexander Otto House at the new Jewish Campus in Berlin (a project funded by the foundation). The conference focused on how cities can successfully integrate people with an immigration background in terms of housing, education, and work. The speakers included former German President Christian Wulff, Berlin's Governing Mayor Kai Wegner, migration researcher Gerald Knaus, Vonovia CEO Rolf Buch and the mayors of Aachen and Cologne, Sibylle Keupen and Henriette Reker. //



● Christian Wulff, former Federal President (above), and Kai Wegner, Governing Mayor of Berlin (left), were among the speakers at the the congress.

CORPORATE RESPONSIBILITY



● Karin Prien, Ulrich Kober and Suat Yilmaz in conversation about "Integration – education and care as the key".



● Dr. Marie-Agnes Strack-Zimmermann, Rabbi Yehuda Teichtal and Ahmad Mansour in conversation about "Change of perspective: Immigration from a migrant's perspective".

PERFORMANCE BASED ON GRI STANDARDS

# THE ESG PERFORMANCE IN FIGURES

> GRI 2-2, 2-13, 2-29

The sustainability strategy adopted by the ECE Group in 2020 focuses on taking a long-term perspective and long-term responsibility.

Alongside project development, the group is active as an investment manager, landlord, and operator of real estate assets. The sustainability strategy impacts on the planning and management of real estate, and incorporates both users and investors. As an integral part of urban planning, ECE wants to provide solutions that help cities meet their climate targets.

A sustainability team and the Director of Sustainability and Corporate Communications are responsible for the ECE Group's ESG strategy. They continuously update the strategy based on constantly changing ESG regulations and market-specific requirements. Through industry associations and in dialogue with relevant stakeholders, they monitor social, economic, and political trends and use this information to develop ECE's strategy. They continuously document progress on ESG indicators and report to the senior management team. In addition, in 2023 ESG committees were set up in the divisions ECE Marketplaces, ECE Work & Live, and ECE Group Services. The sustainability team consults with these committees on strategic approaches to core ESG issues, and together they continuously refine the ESG targets set out in the sustainability strategy. The team also works with the service unit Sustainable Operations & ESG to develop sustainable products and services for shopping center owners. In cooperation with ECE Work & Live, they have also developed ESG codes for individual asset classes that set out guidelines and standards for sustainable project development that go beyond minimum legal standards.

**BECOMING MORE SUSTAINABLE TOGETHER**  
> GRI 2-29

ECE promotes regular dialogue with its stakeholders through a variety of channels. For instance, a dedicated intranet page regularly updates employees about sustainability activities. Since 2014, ECE has also been running the "ECE-Nachhaltigkeitsschmiede," a sustainability-focused event with joint workshops and presentations that provides a forum for dialogue and information-sharing with tenants. In the future, it will take place every six months to allow more frequent discussion, since sustainability issues are becoming increasingly complex. Shopping center visitors can find information about sustainability on the centers' websites, including both general information about the climate and environment and specific information about the centers' own sustainability initiatives and services, such as charging points for EVs and charitable activities to support people in need. Stakeholders are routinely involved in ECE's sustainability management measures. We also regularly train our center managers, technical managers, and asset managers on current ESG issues.

GRI PERFORMANCE

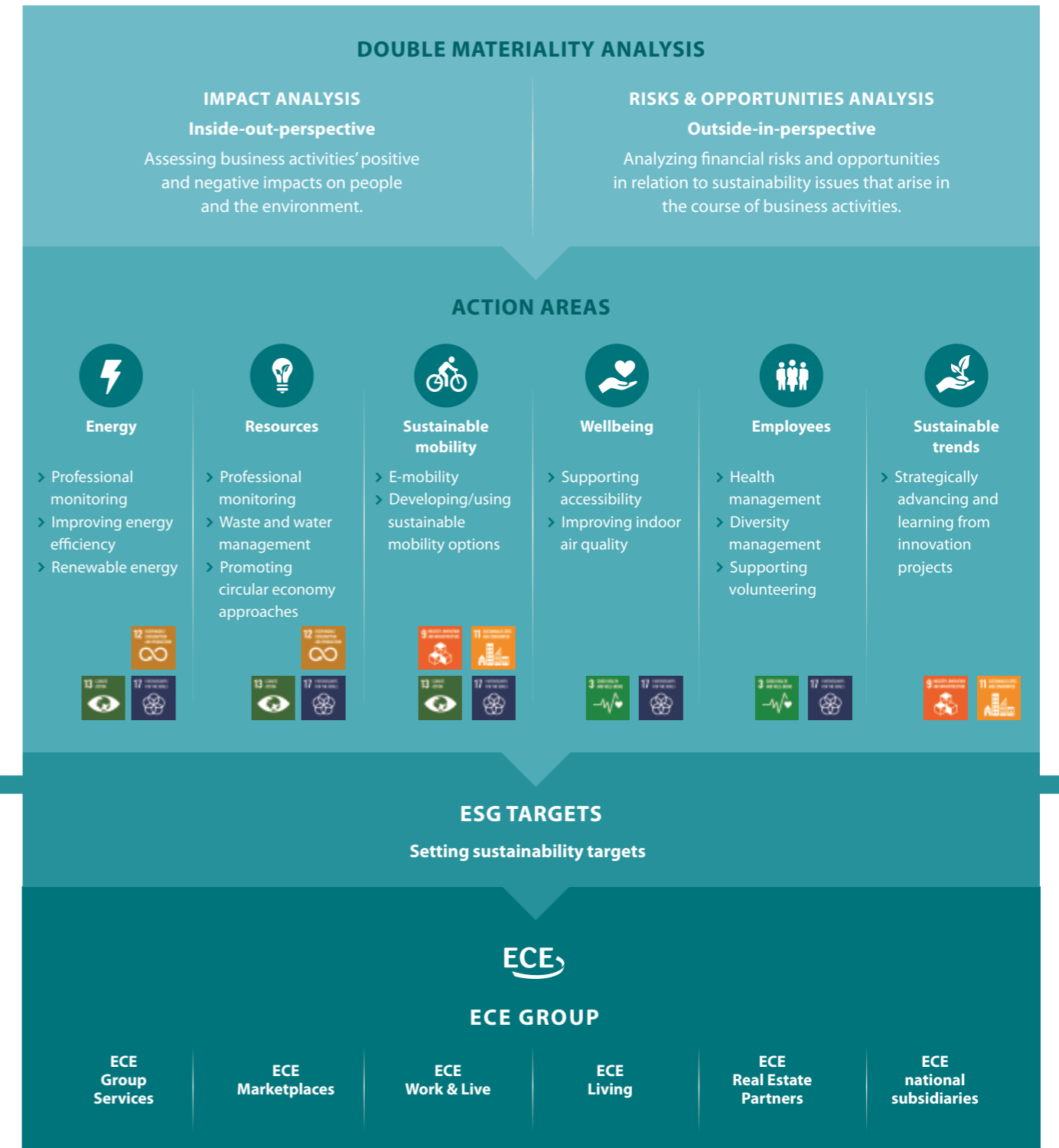
GRI PERFORMANCE

> GRI 2-2, 3-1

## SUSTAINABILITY STRATEGY

The ECE Group takes a holistic approach, giving equal weight to environmental, social, and economic factors in our group-wide sustainability strategy. When we updated the strategy in 2023, we conducted a double materiality analysis to further sharpen the focus and reassessed group-wide sustainability issues. One

key priority is to preserve properties' value by ensuring that they meet current and future environmental standards. The sustainability strategy, whose targets have been revised in line with market requirements, is crucial to achieving that.



> GRI 3-2

## IMPLEMENTATION AND RESULTS OF DOUBLE MATERIALITY ANALYSIS

In 2023, a double materiality analysis in line with the EU's Corporate Sustainability Reporting Directive (CSRD) was carried out for the first time to identify ECE's material sustainability topics. With the support of pwc, our business model was analyzed in its entirety (real estate operator, real estate developer, fund manager, etc.) and a group-wide ECE team was set up with experts from the ESG team and central controlling unit.

The team worked with pwc to evaluate the actual and potential impacts of the group's activities, both positive and negative, on people and the environment in accordance with the European Sustainability Reporting Standards (ESRS; inside-out perspective). Impacts were assessed according to their severity, scope, irreversibility, and probability of occurrence.

The results of the analysis were supplemented by the ESG stakeholder survey conducted in 2019 among investors and tenants.

In parallel, **ECE's risks and opportunities** were evaluated in accordance with the ESRS (outside-in perspective). Our risk management team **assessed the extent and likelihood of potential financial impacts**.

ECE's assessment of impacts, risks, and opportunities as either material or immaterial was submitted to ECE's **ESG Advisory Panel** (made up of external experts from academia, business, and politics) for **external validation**. The panel evaluated the assessment's plausibility from the perspective of external stakeholders and amended it as necessary.

The results were compiled in a matrix, which is used to identify material sustainability topics. On this basis, new ESG targets can be set (or existing ones revised) and allocated to one of the six action areas from the ECE sustainability strategy. Once a year, the targets are reviewed by internal expert groups and the ECE divisions' ESG committees, and then signed off by the senior management team.

### HIGH-IMPACT SUSTAINABILITY TOPICS

<p><b>ENVIRONMENTAL</b></p> <ul style="list-style-type: none"> <li>&gt; Limiting climate change</li> <li>&gt; Energy use and energy mix</li> <li>&gt; Greenhouse gas emissions</li> <li>&gt; Waste</li> <li>&gt; Biodiversity and ecosystems</li> <li>&gt; Resource inflows and resource use</li> </ul>	<p><b>SOCIAL</b></p> <ul style="list-style-type: none"> <li>&gt; ECE employees</li> <li>&gt; Employees along the value chain</li> <li>&gt; Consumers and end users</li> </ul>	<p><b>GOVERNANCE</b></p> <ul style="list-style-type: none"> <li>&gt; Political influence and lobbying activities</li> <li>&gt; Corruption and bribery</li> </ul>
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### LOW-IMPACT SUSTAINABILITY TOPICS

<ul style="list-style-type: none"> <li>&gt; Water use</li> <li>&gt; Air, water, and soil pollution</li> <li>&gt; Substances of concern</li> <li>&gt; Water and maritime resources</li> <li>&gt; Resource outflows</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Affected communities</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Whistleblower protection</li> <li>&gt; Supplier relationships</li> <li>&gt; Animal welfare</li> <li>&gt; Payment practices</li> </ul>
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> GRI 2-22, 3-3

## ECE'S KEY TARGETS

ECE has set specific ESG targets in line with the six strategic action areas. Some selected targets are listed below.

<p><b>ENVIRONMENTAL</b></p> <ul style="list-style-type: none"> <li>40 % reduction in average CO<sub>2</sub> emissions from the ECE campus compared with 2019. → 2030</li> <li>40 % reduction in average CO<sub>2</sub> emissions across all shopping centers compared with 2019. → 2030</li> <li>100% of communal areas at shopping centers we operate to be powered by green electricity. → 2025</li> <li>Mandatory installation of LEDs when refurbishing centers or upgrading lighting. → Ongoing</li> <li>75 % of the shopping centers we operate to have green building certification (DGNB/BREEAM/LEED). → 2025</li> <li>75 % separation rate for waste generated by the shopping centers. → 2025</li> </ul>	<p><b>SOCIAL</b></p> <ul style="list-style-type: none"> <li>All workplaces to be equipped with height-adjustable desks. → 2025</li> <li>ECE diversity strategy to be developed. ✓ Target achieved in 2023</li> <li>Health days to be run for ECE employees. → Annual</li> <li>Competition to support volunteering activities. → Every two years</li> <li>Campaign days at the campus. → Annual</li> <li>Charging infrastructure to be installed in parking lots at all shopping centers we operate. → 2024</li> <li>Sustainable mobility options to be provided at all shopping centers we operate. ✓ Target achieved in 2023</li> <li>35 % women in senior leadership roles. ✓ Target achieved in 2024</li> </ul>	<p><b>GOVERNANCE</b></p> <ul style="list-style-type: none"> <li>Mandatory social and environmental standards for strategic suppliers to be developed. ✓ Target achieved in 2023</li> <li>90 % of long-term rental agreements to include a green lease standard. → 2030</li> <li>98 % of long-term rental agreements that are signed each year to include a green lease standard. → Ongoing</li> <li>Tenant electricity use to be recorded by the center (not by individual tenants) at all shopping centers. → 2025</li> </ul>
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### Key targets for the development of LOGISTICS REAL ESTATE



The Effizienzhaus 40 (EH 40) standard serves as the basis for all planning and for achieving net zero.

DGNB Gold certification as minimum requirement for all new developments. This certification covers all aspects of sustainability.

Planning in line with taxonomy requirements.

### Key targets for the development of RESIDENTIAL REAL ESTATE



Planning will focus on the development of climate-neutral properties, with fossil-free heating as far as possible, a low primary energy requirement, and low CO<sub>2</sub> emissions.

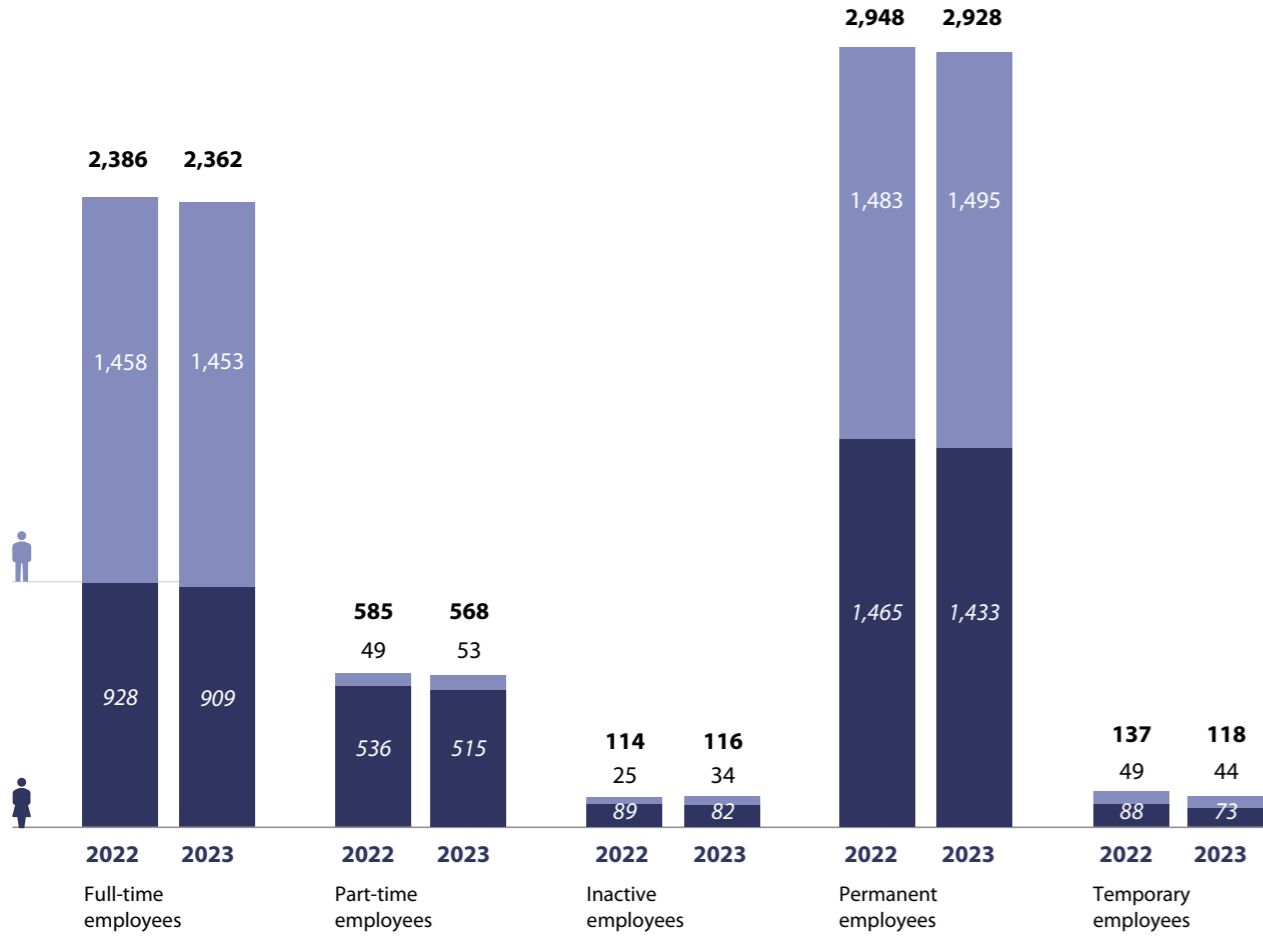
Circular economy – recoverability plan to be drawn up at an early planning phase (LP2):

- Ease of recovery/separation of materials in accordance with DGNB TEC 1.6
- Target for reducing use of harmful materials to be set in accordance with QS4 ENV 1.2

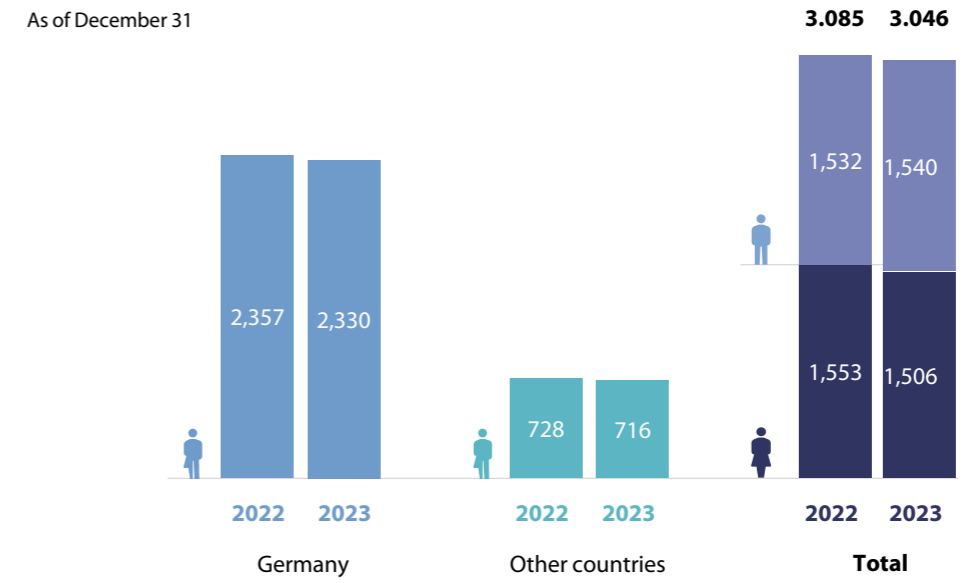
Conservation of local biodiversity: biodiversity plan to be drawn up in accordance with DGNB ENV 2.4

# EMPLOYEES\* 2022–2023

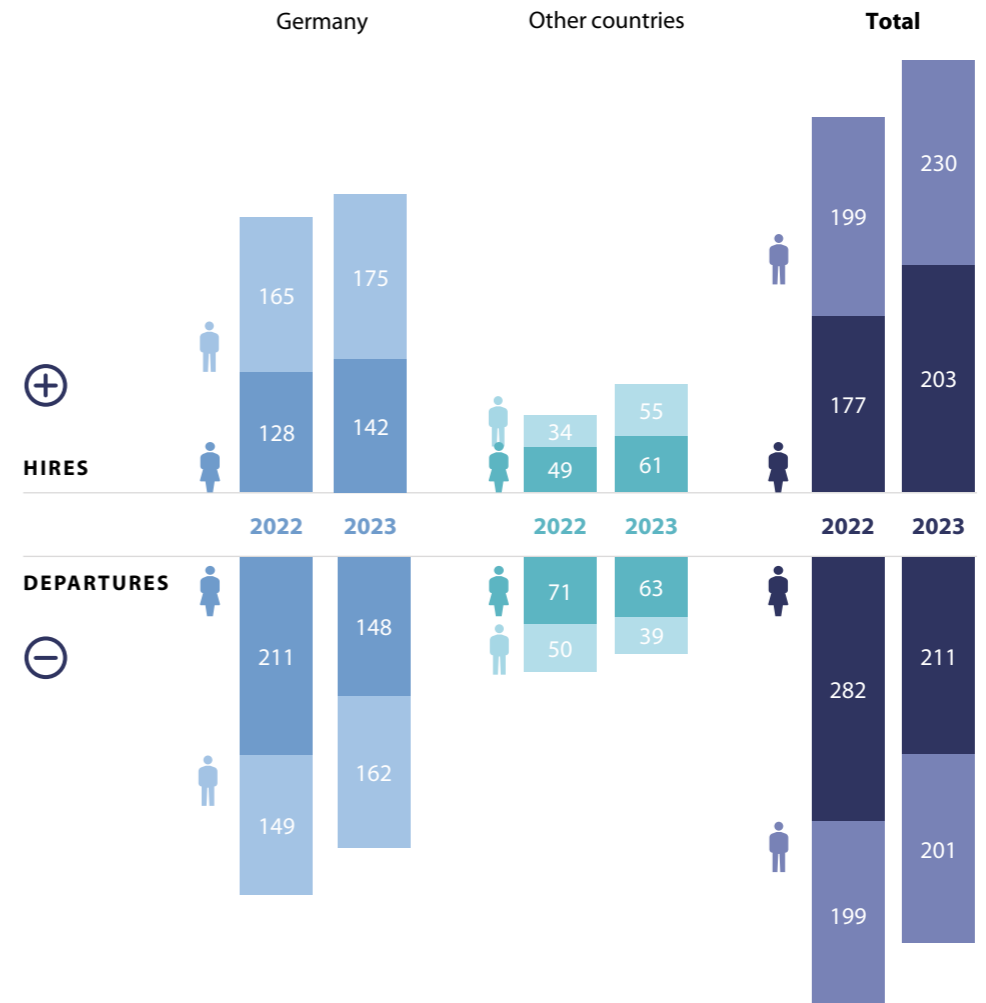
EMPLOYEES BY TYPE OF EMPLOYMENT > GRI 2-7  
As of December 31



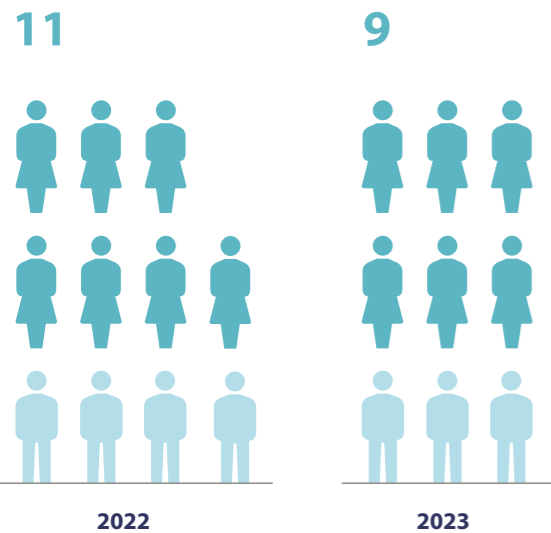
EMPLOYEES BY REGION > GRI 2-7  
As of December 31



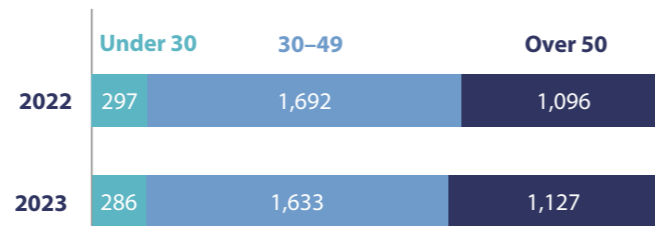
EMPLOYEE HIRES AND DEPARTURES BY REGION AND GENDER > GRI 401-1  
Broken down by year



NUMBER OF APPRENTICES  
As of December 31



EMPLOYEES BY AGE > GRI 405-1  
As of December 31



> GRI 2-30, 401-2  
ECE offers our employees a company pension and group accident insurance (role-dependent), including disability and invalidity cover. Temporary employees can also enroll in the company pension scheme. There are no collective bargaining agreements in place.

\* At present, no employees whose gender is "Other" are recorded at the company.

# EMPLOYEES\* 2022–2023

## DEPARTURES BY AGE

> GRI 401-1

Broken down by year

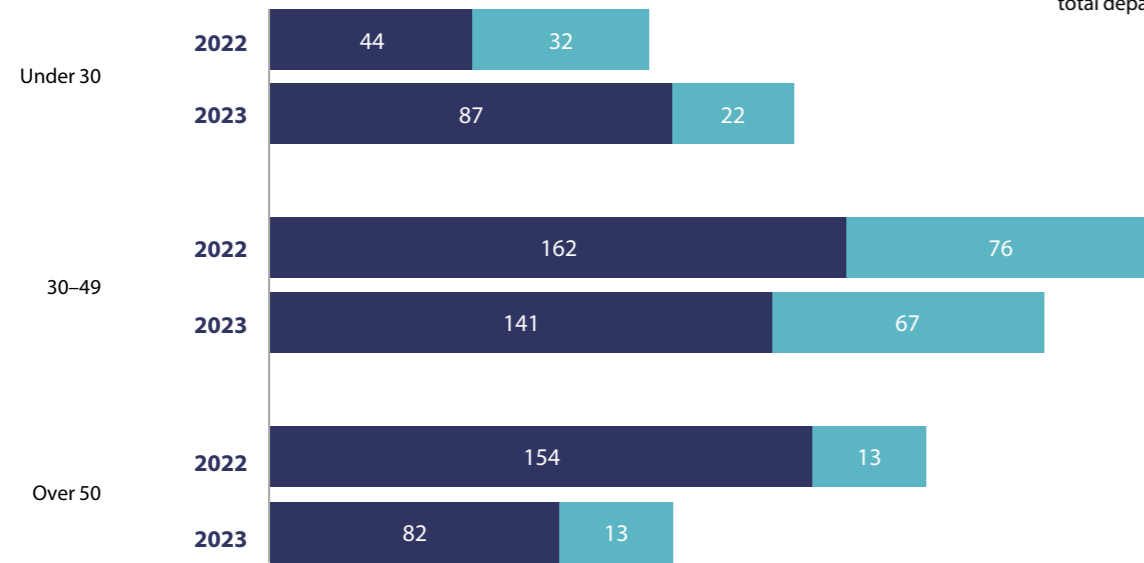
- Germany
- Other countries

**481**

total departures in 2022

**412**

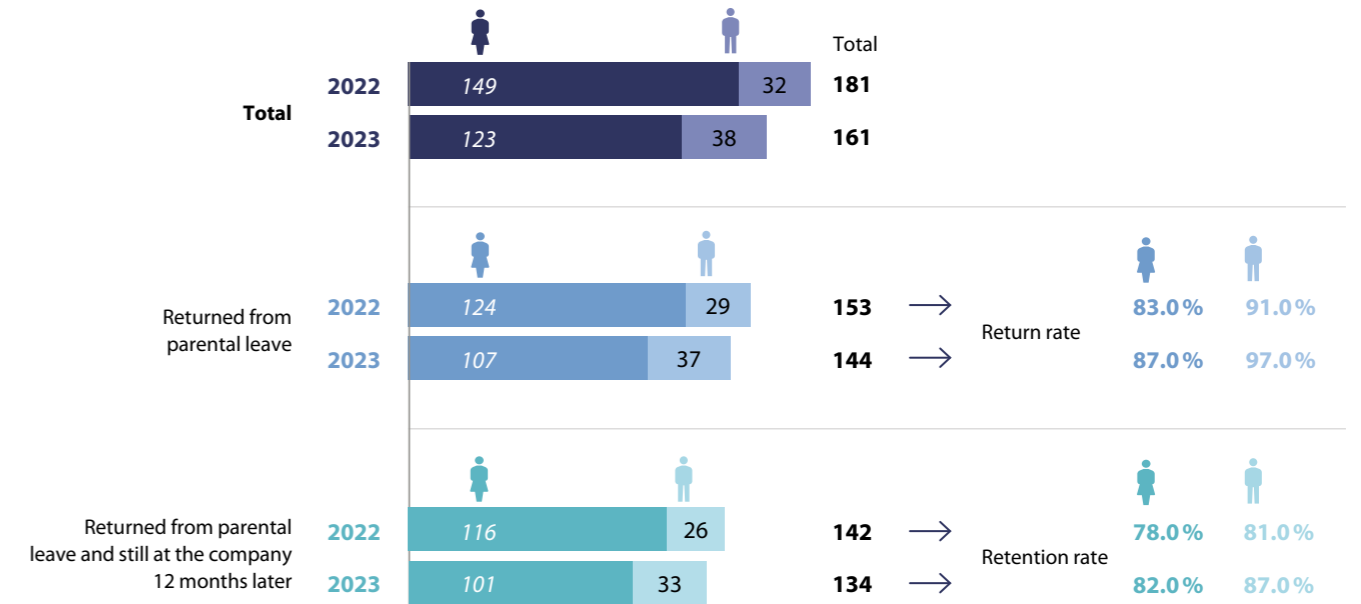
total departures in 2023



## PARENTAL LEAVE

> GRI 401-3

Broken down by year



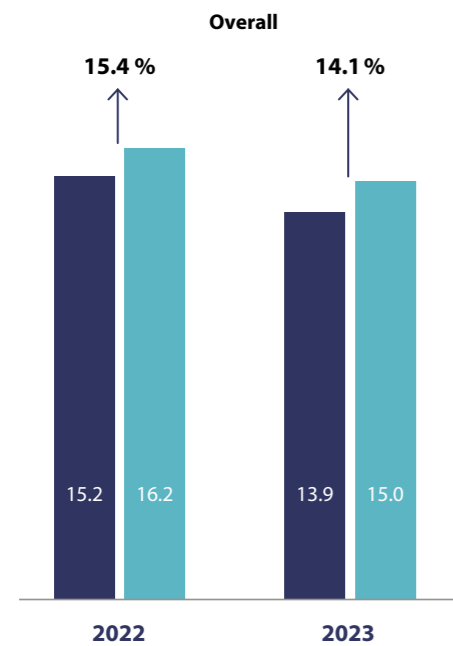
GRI PERFORMANCE

## EMPLOYEE TURNOVER

> GRI 401-1

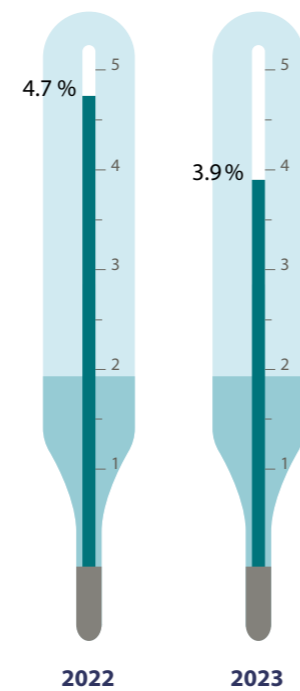
Broken down by year

- Germany
- Other countries



## SICKNESS RATE

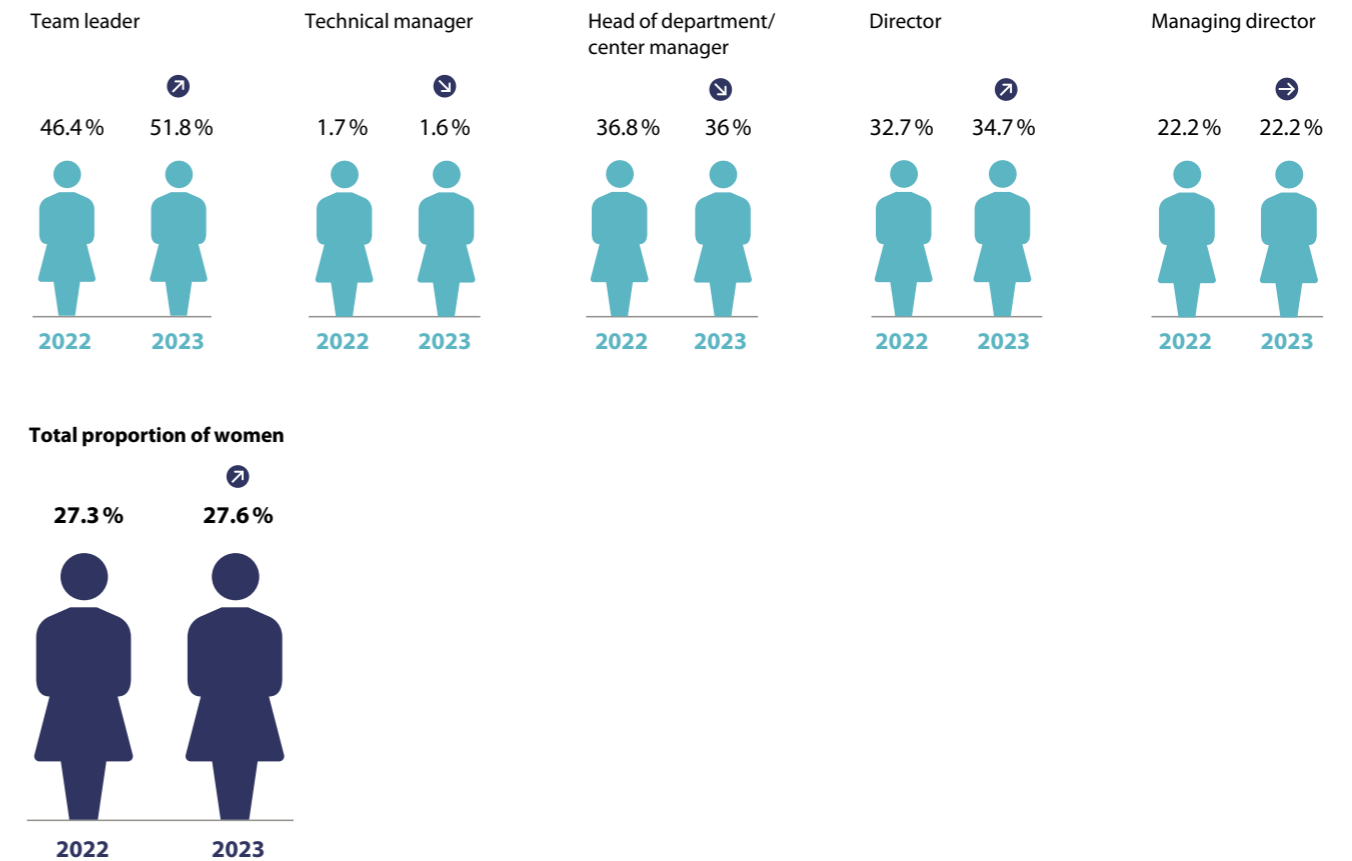
Broken down by year



## WOMEN IN LEADERSHIP ROLES

> GRI 405-1

As of December 31



GRI PERFORMANCE

\* At present, no employees whose gender is "Other" are recorded at the company.

# ENERGY AND RESOURCES 2022–2023

## INCREASING ENERGY EFFICIENCY > GRI 3-3 302

For many years, ECE has had a raft of measures in place to improve energy efficiency. For example, we have programs to retrofit shopping centers with modern LED lights and smart lighting control systems. We've also been gradually installing more energy-efficient ventilation systems in the course of maintenance programs. These efficiency measures are based on a comprehensive, manual energy monitoring system, which makes energy consumption transparent. ECE uses that system to efficiently manage energy consumption and drive down emissions.

In 2023, ECE launched the Energy and Environmental Management System (EUMS). 20,000 meters were brought into the digital era, marking a milestone for ESG reporting. As well as improving the quality and frequency of reporting, the EUMS will also help centers become more energy-efficient. Digitizing meters allows them to be read remotely and means all energy use can be centrally logged.

To make further progress with our sustainability strategy, we have continued our extensive measures in the action areas Energy and Resources. Our 93 shopping centers in Germany and 24 of our 36 centers elsewhere in Europe now use certified electricity from renewable sources. One of our sustainability strategy targets is to switch all shopping centers to certified green energy by 2025.

We're also implementing a large-scale initiative that aims to systematically switch the shopping centers we operate to climate-friendly solar power by installing solar panels on their roofs. In-depth studies inform investors about the feasibility of installing solar panels at their properties. ECE's engineers and technicians provide advice and support to investors who are deciding whether rooftop solar panels make sense and what size they should be.

The aim is to protect the environment by producing energy with zero emissions, while simultaneously reducing service charges for shopping center tenants.

## PROFESSIONALISM AND ESG EXPERTISE FOR ANY REQUIREMENTS

ECE offers investors and shopping center owners a diverse range of ESG consulting services and products, including the "ECE guide2ESG" (an ESG strategy check for investors who are addressing ESG issues at their properties for the first time), a taxonomy check (to assess whether a property is taxonomy-compliant), and a climate risk analysis (to assess physical risks for a property resulting from climate change). ECE's ESG portfolio also includes green building certification services, funding management, and the highly sophisticated "ECE map2zero", an Energy Renovation Roadmap, which charts a path to net zero for shopping centers.

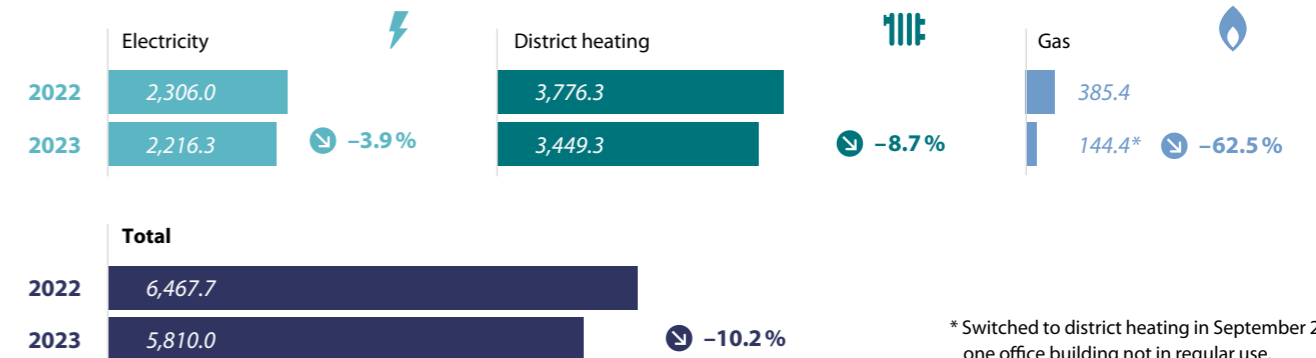
## IMPROVING ESG PERFORMANCE WITH GREEN LEASES

In 2022, following consultation with property owners, ECE introduced a new, more stringent green lease standard, the "Green Lease 2.0." More than 680 rental agreements with this new standard have now been signed. The Green Lease 2.0 includes a commitment to switch to LED lighting, to use green electricity in shopping centers, and to share data on relevant ESG KPIs. The new standard is being gradually rolled out as new rental agreements are signed or existing ones extended or amended.

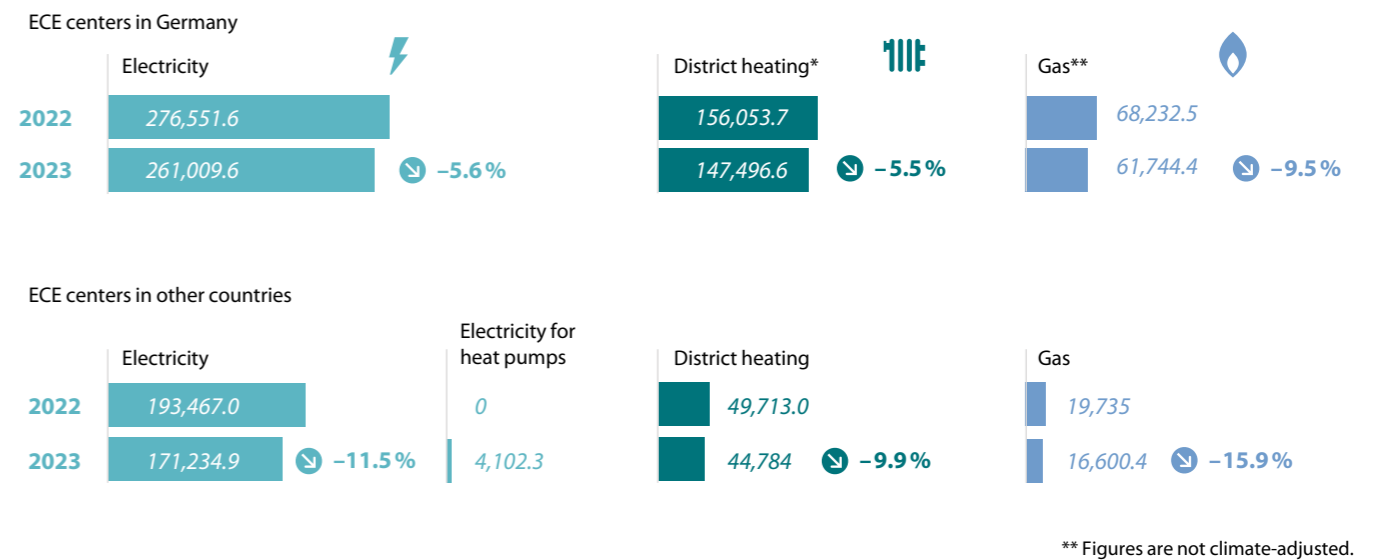
## ENERGY USE > GRI 2-4, 302-1

ECE records environmentally relevant consumption data for our German and international shopping centers and our head office in Hamburg. The figures for electricity, district heating, and gas consumption in 2022 and 2023 include 129 shopping centers (93 centers in Germany, 36 centers in other European countries). For the first time, figures for the centers' energy consumption and CO<sub>2</sub> emissions are shown separately for each country. Climate-friendly heat pumps have now been installed at some first centers in countries including Italy and Austria, replacing gas-powered or district heating.

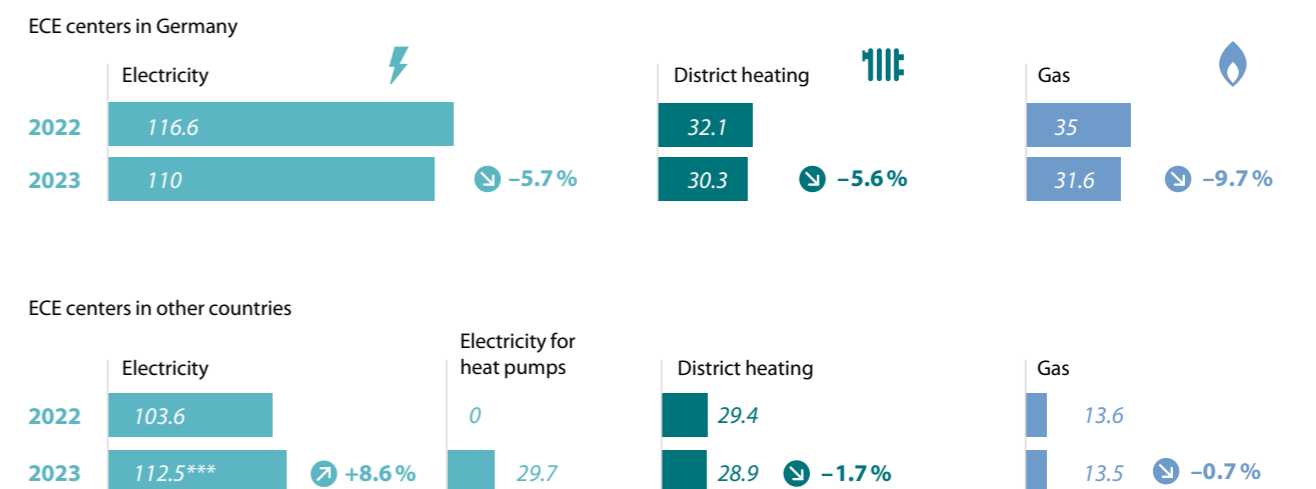
## ENERGY CONSUMPTION OF THE ECE HEAD OFFICE IN MWH > GRI 302-1



## ENERGY CONSUMPTION IN MWH > GRI 302-1



## SPZIFISCHER ENERGIEVERBRAUCH IN KWH/M<sup>2</sup> > GRI 302-3



# ENERGY AND RESOURCES 2022–2023

## GREENHOUSE GAS EMISSIONS > GRI 3-3 305, 305-1, 305-2, 305-4

ECE has been sourcing renewable energy from certified suppliers since 2008. 100% of our shopping centers in Germany and 91% of our centers elsewhere in Europe use green electricity, as does our head office in Hamburg. Location-based greenhouse gas emissions (emission factors for gas, district heating, and electricity) were calculated using reference values for the energy composition in each country where ECE has shopping centers. Since most centers use green electricity, market-based figures for green electricity are also shown. These have very low emission factors, because only a small proportion of CO<sub>2</sub>e emissions come from electricity generation.

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

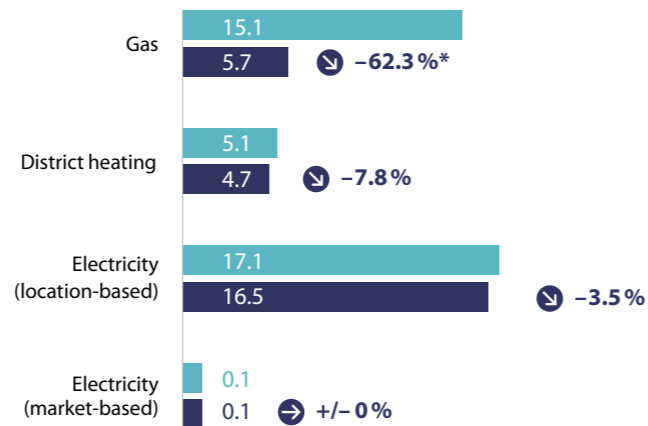
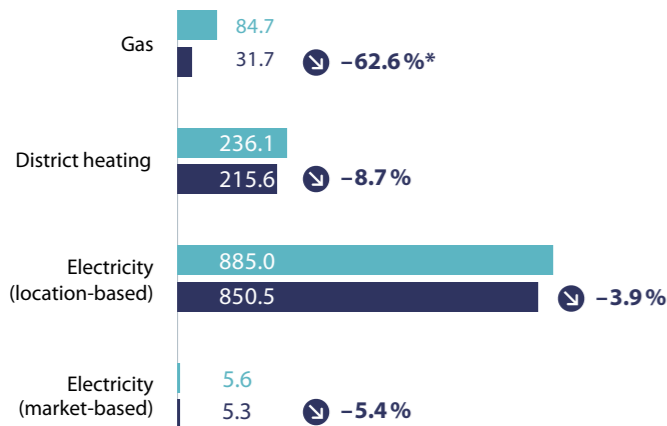
Calculation based on countries' national CO<sub>2</sub>e emission factors.

2022 ■  
2023 ■

### T CO<sub>2</sub> EQUIVALENTS – HEAD OFFICE

### KG CO<sub>2</sub> EQUIVALENTS PER M<sup>2</sup> – HEAD OFFICE

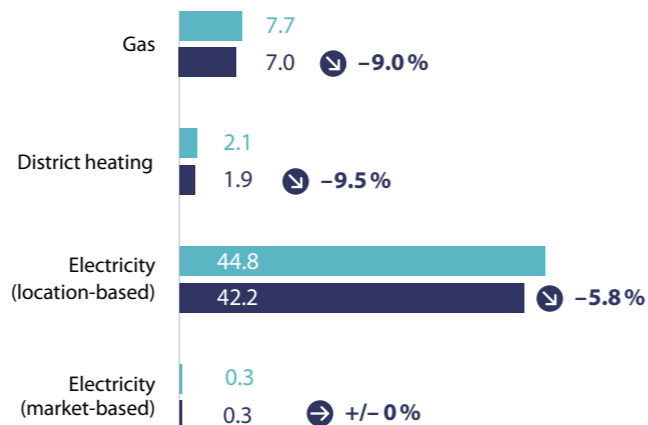
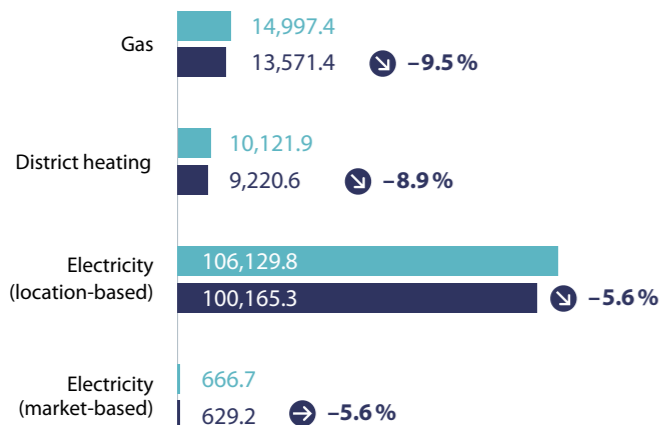
GRI PERFORMANCE



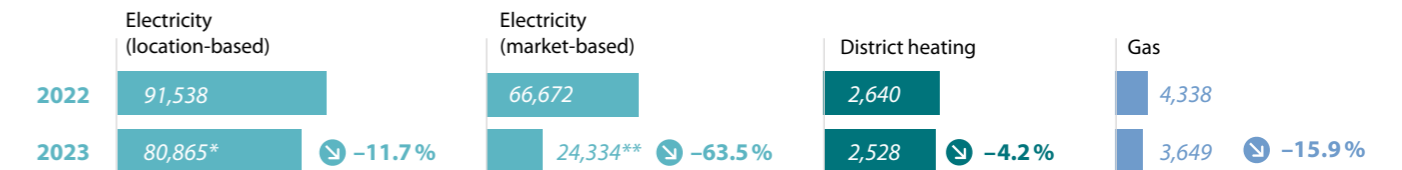
\* Switched to district heating in September 2023; one office building not in regular use.

### T CO<sub>2</sub> EQUIVALENTS – SHOPPING CENTERS IN GERMANY

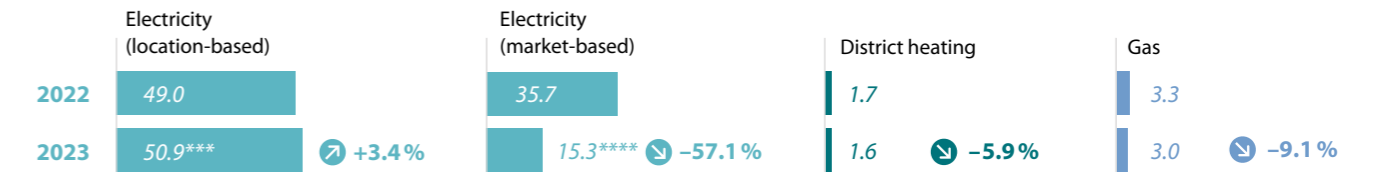
### KG CO<sub>2</sub> EQUIVALENTS PER M<sup>2</sup> – SHOPPING CENTERS IN GERMANY



### T CO<sub>2</sub> EQUIVALENTS – SHOPPING CENTERS IN OTHER COUNTRIES



### KG CO<sub>2</sub> EQUIVALENTS PER M<sup>2</sup> – SHOPPING CENTERS IN OTHER COUNTRIES



\* Figures for Spain were calculated using a comparable emission factor.

\*\* Sharp fall in this figure due to the switch to green electricity in Poland.

\*\*\* Rise due to differences in gross heated floor area.  
\*\*\*\* In total, 12 shopping centers in other countries do not yet use green electricity.

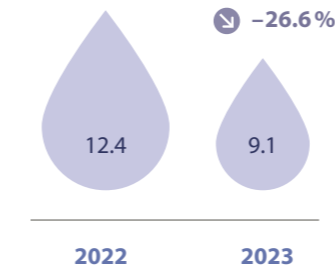
### WATER WITHDRAWAL – HEAD OFFICE > GRI 303-3

### WATER WITHDRAWAL – SHOPPING CENTERS

Absolute water withdrawal (m<sup>3</sup>)



Specific water withdrawal (m<sup>3</sup>/employee)

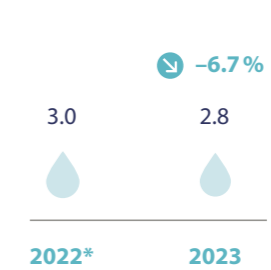


\* Water consumption increased in 2022 due to facade cleaning, which takes place every two years.

Absolute water withdrawal (m<sup>3</sup>)\*



Specific water withdrawal (liters/visitor)



\* Absolute consumption in 2023 increased slightly due to higher footfall.

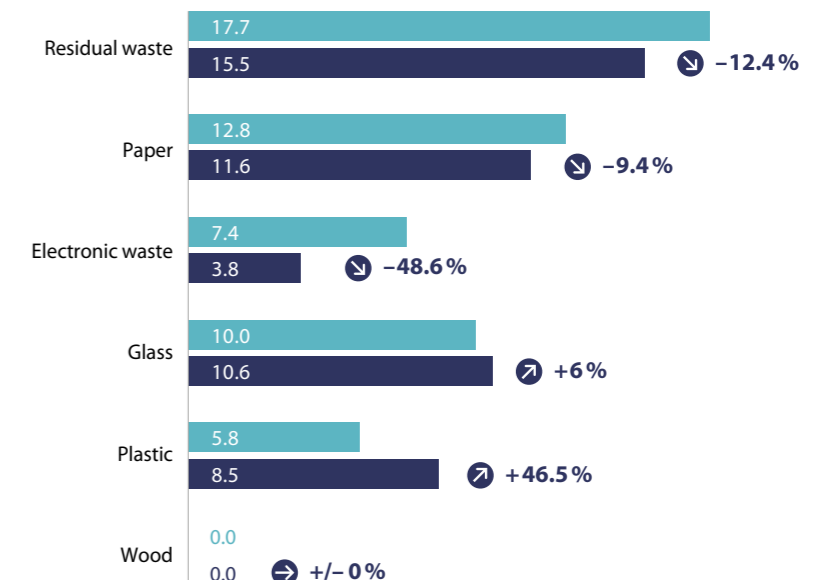
GRI PERFORMANCE

### WASTE GENERATED > GRI 306-1, 306-2, 306-3

In the course of ECE's business activities, waste is generated at the shopping centers (including waste generated by tenants and from the running of the centers) and at our head office. The main types of commercial waste are wood, residual waste, glass, electronic waste, plastic, and paper. ECE's top priority is to reduce waste. Where waste cannot be avoided, it is vital to recycle it properly so as to conserve resources. Waste disposal is handled by certified waste management companies.

The following waste was generated at the ECE head office (in metric tons).

2022 ■  
2023 ■



> GRI 2-16, 2-23, 2-24, 2-25, 2-26, 2-27, 3-3 205, 205-2, 205-3, 418-1

# RESPONSIBLE GOVERNANCE 2022–2023

ECE's corporate values provide a guiding framework for our employees' interactions with each other and for our working relationships with investors, tenants, and other business partners. The ECE Code of Conduct sets out binding standards of behavior for all employees. Clear, group-wide compliance guidelines for managers and general staff help to ensure legal and regulatory compliance, reduce risks, and bolster the group's performance.

They include:

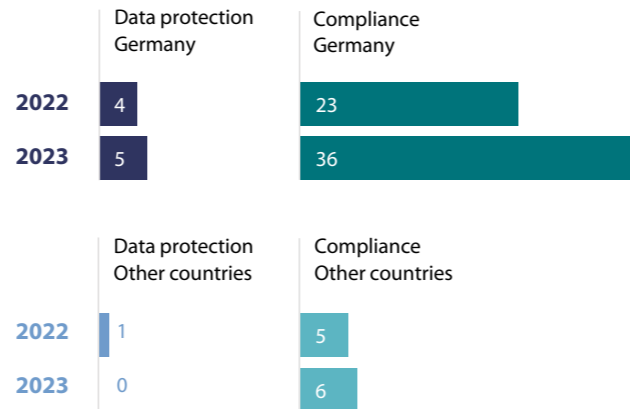
- Guidelines on donations and sponsorship
- Guidelines on perks and gifts
- Guidelines on evaluating business partners
- Guidelines on antitrust law

Employees and external parties can anonymously report any violations of the Code of Conduct or ECE's compliance guidelines via the ECE Compliance Helpline or the electronic whistleblower system.

The ECE Business Partner Standards require business partners to comply with our standards of conduct. ECE Marketplaces, which is the only ECE Group company obliged to comply with the provisions of the German Supply Chain Act, also implements the act's requirements in its business relationships with suppliers. Sustainability and compliance are firmly embedded in ECE's values and regularly addressed in staff and management training. For senior managers and those in specialist roles with a heightened compliance risk, ECE has developed interactive, in-person trainings to share expert knowledge on compliance principles. These trainings have been run regularly with selected employees in Germany and abroad since 2013. Moreover, all employees in Germany and abroad are required to complete online training on the Code of Conduct and other compliance guidelines, based on practical examples. This training raises awareness of compliance risks in ECE's day-to-day operations. The topic of compliance is an integral part of the annual employee check-ins, at which employees are asked about aspects of their daily work that are relevant to compliance.

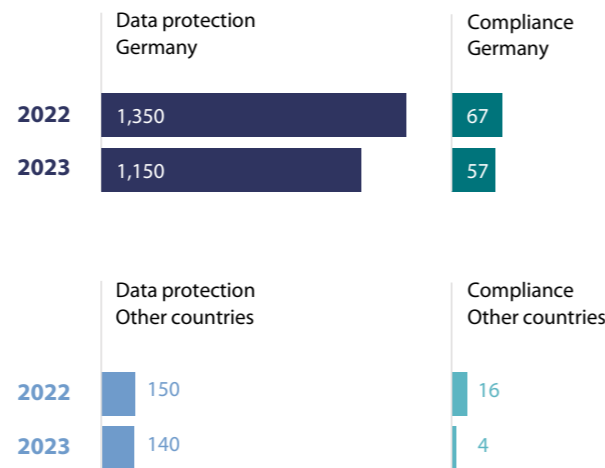
In order to implement legal requirements and regulations, ECE has established a compliance management system. The system was audited and certified by the Institute for Corporate Governance in the German Real Estate Industry (ICG) for the first time in 2014. It was then reaudited and recertified in March 2016, November 2019, and March 2023.

## NUMBER OF SUSPECTED CASES\* OR INCIDENTS\*\*



\* Suspected compliance case: any act or omission by employees or third parties acting for or on behalf of ECE or whose acts or omissions might affect ECE in some other way that is potentially based on improper conduct.  
 \*\* Data protection incident: an identified violation of data protection law and/or internal data protection guidelines.

## QUERIES RECEIVED\*



\* Queries mainly concern legal, contractual, and center-specific issues, especially in relation to exercising data subject rights under GDPR; queries were also received about the permissibility of gifts/invitations and about conflicts of interest.

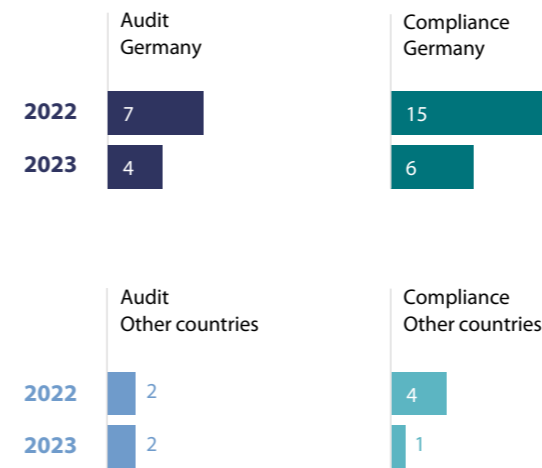
## CASES OF DATA SUBJECTS EXERCISING THEIR RIGHTS UNDER GDPR\*

> GRI 418-1



\* Includes requests for erasure as per Article 17 GDPR, objections to data processing as per Article 21 GDPR, and requests for data access as per Article 15 GDPR.  
 \*\* Significant rise mainly due to newsletter customers objecting to marketing.

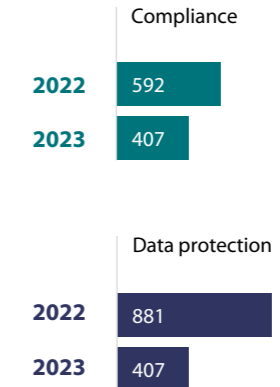
## IN-PERSON TRAININGS\* > GRI 404-1



\* In-person training is provided for certain employee groups, typically according to risk potential and/or where there is a specific need (for example, if there are a growing number of suspected compliance cases within a department); departments can also request the training where applicable.

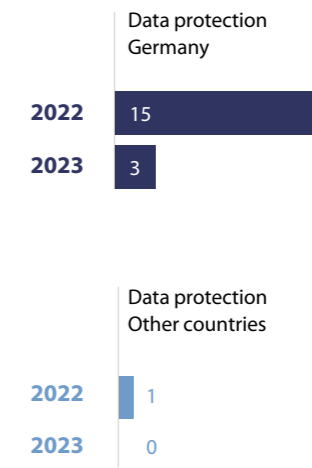
## ONLINE TRAININGS\*

> GRI 404-1



\* All new employees (including campus assistants) receive online training.

## NUMBER OF DATA PROTECTION AND IT SECURITY AUDITS AT SHOPPING CENTERS



\* Regular audits resumed in 2022.

# BUILDING QUALITY, LOCATION QUALITY, AND QUALITY OF USER EXPERIENCE

> GRI 3-3 416, 416-1

## WELLBEING

Buildings that offer a high-quality experience are good for users' health and wellbeing and foster social interaction and communication, which in turn significantly enhances the value of the building's useful floor area. So creating a high-quality experience in our properties is a key element of the ECE sustainability strategy. One of the six strategic areas is specifically geared toward that goal, and it plays an important role both in the running of shopping centers and when developing construction and conversion projects. ECE considers a wide variety of factors to improve the quality of experience in our properties.

One key aspect is facilities and services to foster communication among users. For instance, we provide break areas with Wi-Fi and seating in the shopping centers. New development projects can draw on a wide variety of options depending on the type of property, such as open meeting zones in office buildings or separate communal areas for residents in residential properties. Another key aspect is family- and child-friendliness; ECE shopping centers often have lots of play areas for children.

Indoor air quality is just as important for wellbeing as the quality of experience. Nowadays, people spend most of their time indoors. So the quality of indoor air is important for performance and health. ECE works to ensure high standards of indoor air quality at all the properties we manage. For example, we make use of low-emission products and maintain an appropriate air change rate. This improves users' wellbeing and contributes significantly to satisfaction levels.

## SUSTAINABLE MOBILITY

Providing high-quality, sustainable mobility options is a core element of the ECE sustainability strategy, as such options are an important location factor for users of a building. Having a varied selection of mobility alternatives allows users to choose the mode of travel best suited to their individual needs, and so supports a gradual transition to sustainable mobility. Diversifying mobility options also increases user satisfaction, expands affordable mobility, and encourages more people to improve their health by cycling.

ECE attaches great importance to public transit links, high-quality cycling infrastructure (for instance, adequate provision of bike parking), and ensuring there are enough charging points in parking garages to meet visitor demand.

We currently provide over 300 charging points for visitors to our shopping centers. More than a third of them are high-performance chargers, which allow them to recharge their vehicles in the shortest possible time. The ECE sustainability strategy calls for charging infrastructure to be installed at all shopping centers in Germany. A further 17 projects are currently underway, which will install a total of around 200 charging points, ranging from simple 11 kW chargers to high-performance chargers.

Charging infrastructure is also being gradually rolled out at our international locations, which now have more than 80 charging points. They cover the full spectrum from standard to high-performance chargers in order to cater to different customer needs. Further expansion is planned at our international centers too, with definite plans for an additional 60 charging points.

## DIGITALIZATION OF PROPERTIES

ECE works with our clients to develop modern, sustainable real estate concepts for all asset classes. We are continuously driving forward digitalization of our properties and building management in order to meet increasingly demanding climate and sustainability targets. One key ongoing measure, as part of the rollout of our Energy and Environmental Management System (EUMS), is to digitize all the energy meters used to calculate service charges. This project is intended to enable more consistent and transparent reporting of energy use, so that building owners and tenants can make the right decisions and hence do their bit for sustainability.

## SUSTAINABILITY CERTIFICATES

ECE uses recognized certification systems to clearly communicate our properties' sustainability qualities. One example is the German Sustainable Building Council (DGNB)'s quality seal, which is intended for both new and existing buildings.

DGNB certification is based on a holistic approach that considers environmental, social, economic, and technical criteria. Depending on the degree to which these criteria are met, a Bronze, Silver, Gold, or Platinum certificate will be awarded. ECE also has our existing buildings and buildings in other European countries certified in accordance with other standards, such as BREEAM. BREEAM is a widely used international building certification standard that awards projects the rating "pass," "good," "very good," "excellent," or "outstanding."

For all new buildings and major refurbishment projects, ECE assesses potential for sustainability improvements. Where possible, we have our buildings' positive performance verified by recognized certification systems. At the end of the reporting period, 94 shopping centers and 34 properties from the hotel, office, logistics, and residential asset classes had (preliminary) DGNB

certification or were certified to BREEAM or LEED standards. In addition, four properties in Hamburg have been awarded the HafenCity eco-label. These certificates guarantee that energy efficiency and other environmental criteria have been taken into consideration, as well as social and cultural factors.

## CERTIFICATES 2023

### ECE MARKETPLACES\*



### ECE REAL ESTATE PARTNERS



### ECE WORK & LIVE



\* Excluding ECE Real Estate Partners properties.

# GRI-INDEX



As part of its Content Index – Essentials with Reference Option service, GRI Services has verified that this GRI content index is presented in line with the GRI reporting standards and that the information it contains is set out clearly and in a way that is accessible to stakeholders. The review was based on the German version of this report.

GRI standards and disclosures*		Page number	Notes
<b>The organization and its reporting practices</b>			
<b>GRI 1</b>	<b>Foundation 2021</b>		ECE Group GmbH & Co. KG has reported the information included in this GRI Index for the period from January 1, 2023, to December 31, 2023, with reference to the GRI standards
<b>GRI 2</b>	<b>General Disclosures 2021</b>		
GRI 2-1	Organizational details	4–6	
GRI 2-2	Entities included in the organization's sustainability reporting	4, 88	Group units included in the sustainability strategy
GRI 2-3	Reporting period, frequency and contact point	107	
GRI 2-4	Restatements of information	96, 107	
GRI 2-5	External assurance	107	
<b>Activities and workers</b>			
GRI 2-6	Activities, value chain and other business relationships	4–13, 24–83, 88	
GRI 2-7	Employees	92 f.	
GRI 2-8	Workers who are not employees		The ECE Group employs temporary/leased workers in the low double-digit range; no separate statistics on these workers are kept
<b>Governance</b>			
GRI 2-9	Governance structure and composition	16	
GRI 2-10	Nomination and selection of the highest governance body		The ECE Group is an owner-managed family business owned by the Otto family
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	16	
GRI 2-13	Delegation of responsibility for managing impacts	16, 88	
GRI 2-14	Role of the highest governance body in sustainability reporting	16	The ECE Sustainability Department is responsible for sustainability reporting. The report is signed off by the ESG Board, CEO, and CFO
GRI 2-15	Conflicts of interest		Not applicable to the ECE Group as a GmbH & Co. KG
GRI 2-16	Communication of critical concerns	100	
GRI 2-17	Collective knowledge of the highest governance body	16	
GRI 2-18	Evaluation of the performance of the highest governance body		As an owner-managed family business, ECE deals with this topic confidentially
GRI 2-19	Remuneration policies		As an owner-managed family business, ECE deals with this topic confidentially

\* The annual figures in the table do not refer to the current reporting, but to the reporting standard.

GRI standards and disclosures*		Page number	Notes
<b>Governance</b>			
GRI 2-20	Process to determine remuneration		As an owner-managed family business, ECE deals with this topic confidentially
GRI 2-21	Annual total compensation ratio		ECE Group GmbH & Co KG does not regard this remuneration indicator as an informative measure of the fairness and balance of remuneration structures, and so we do not collect this data
<b>Strategy, policies and practices</b>			
GRI 2-22	Statement on sustainable development strategy	2, 44–47, 91	
GRI 2-23	Policy commitments	100	Details are regulated by the ECE Code of Conduct and ECE Business Partner Standards
GRI 2-24	Embedding policy commitments	100	
GRI 2-25	Processes to remediate negative impacts	100	ECE uses the anonymous BKMS whistleblower system
GRI 2-26	Mechanisms for seeking advice and raising concerns	100	ECE uses the anonymous BKMS whistleblower system
GRI 2-27	Compliance with laws and regulations	19, 100	No significant fines or nonmonetary sanctions were imposed on the ECE Group during the reporting period
GRI 2-28	Membership associations	18	
<b>Stakeholder engagement</b>			
GRI 2-29	Approach to stakeholder engagement	88 f.	
GRI 2-30	Collective bargaining agreements	92	
<b>GRI 3</b>	<b>Material Topics 2021</b>		
GRI 3-1	Process to determine material topics	89–90	
GRI 3-2	List of material topics	90–91	The list of material topics from the previous reporting period remains valid. The updated and extended list for future reporting is presented as part of the double materiality analysis
<b>Corruption</b>			
<b>GRI 3</b>	<b>Material Topics 2021</b>		
GRI 3-3	Management of material topics	100	
GRI 205	Anticorruption 2016	100	
GRI 205-1	Operations assessed for risks related to corruption		An assessment of our compliance management system is carried out annually
GRI 205-2	Communication and training about anti-corruption policies and procedures	101	
GRI 205-3	Confirmed incidents of corruption and actions taken		We did not become aware of any instances of corruption during the reporting period
<b>Energy efficiency and renewable energy</b>			
<b>GRI 3</b>	<b>Material Topics 2021</b>		
GRI 3-3	Management of material topics	15–17, 44, 62–64, 96	
GRI 302	Energy 2016	15–17, 44, 62–64, 96	
GRI 302-1	Energy consumption within the organization	96 f.	
GRI 302-3	Energy intensity	97	

GRI standards and disclosures*		Page number	Notes
<b>GRI 303</b>	<b>Water and Effluents 2018</b>	<b>63, 71</b>	
GRI 303-3	Water withdrawal	99	
<b>Climate emissions</b>			
<b>GRI 3</b>	<b>Material Topics 2021</b>		
GRI 3-3	Management of material topics	16 f., 62 f., 71, 91, 98	
GRI 305	Emissions 2016	16 f., 62 f., 71, 91, 98	
GRI 305-1	Direct (Scope 1) GHG emissions	98 f.	
GRI 305-2	Energy indirect (Scope 2) GHG emissions	98 f.	
GRI 305-4	GHG emissions intensity	98 f.	
<b>GRI 306</b>	<b>Waste 2020</b>		
GRI 306-1	Waste generation and significant waste-related impacts	99	
GRI 306-2	Management of significant waste-related impacts	99	
GRI 306-3	Waste generated	99	
<b>GRI 401</b>	<b>Employment 2016</b>	<b>20 f., 91</b>	
GRI 401-1	New employee hires and employee turnover	93 f.	
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	92	
GRI 401-3	Parental leave	95	
<b>GRI 403</b>	<b>Occupational Health and Safety 2018</b>	<b>22 f., 91</b>	
GRI 403-1	Occupational health and safety management system	22 f.	
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	22 f.	
GRI 403-6	Promotion of worker health	22 f.	
<b>GRI 404</b>	<b>Training and Education 2016</b>	<b>20–22</b>	
GRI 404-1	Average hours of training per year per employee	101	The ECE Group only records the number of training participants
<b>GRI 405</b>	<b>Diversity and Equal Opportunity 2016</b>	<b>23, 91</b>	
GRI 405-1	Diversity of governance bodies and employees	92, 95	
<b>Building quality, location quality, quality of user experience, and mobility</b>			
<b>GRI 3</b>	<b>Material Topics 2021</b>		
GRI 3-3	Management of material topics	102 f.	
GRI 416	Customer Health and Safety 2016	102 f.	
GRI 416-1	Assessment of the health and safety impacts of product and service categories	102 f.	
<b>GRI 418</b>	<b>Customer Privacy 2016</b>	<b>100</b>	
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	101	

\* The annual figures in the table do not refer to the current reporting, but to the reporting standard.

## GENERAL INFORMATION ABOUT THIS REPORT

**Reporting period:** 2022–2023

**Frequency:** Annual

**External review:** None

**Correction or restatement of information:**  
Prior-year key figures for which only projections were made last year have been replaced with actual values.

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