

Fair Business & Compliance

Understanding the Topic

Our long-term value creation strategy is underpinned by our commitment to ethical business conduct, robust corporate governance and high levels of transparency. These commitments are based on complete adherence with our legal obligations, and goes beyond these with our pledge to be a responsible business and employer. This values-based approach reduces and hedges risk exposure, and thus systematically supports our pursuits of strong, secure cash flows.

Our Code of Conduct is the foundation of our business culture, firmly embedding the principles of integrity, respect, performance, accountability, and sustainability into our business activities. From the outset, our training and employee engagement activities seek to instill these same values in our employees and business partners. From data protection to anti-discrimination, our roadmap aims to guide their everyday behaviors while enhancing Aroundtown's reputation for integrity.

Managing the Topic

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

Compliance Ambassadors

For compliance to be fully embedded in the Group, we want awareness and consideration of compliance issues to be straightforward and commonplace for our employees. To this end, in 2022 we began to introduce compliance ambassadors in our regional offices, to serve as first contacts for staff on compliance subjects. These have currently been embedded in our UK office, as well as some regional offices in Germany. In order to enable an open culture around compliance questions, these ambassadors are not officers of the Compliance department, but

are empowered to serve as sources of information and guidance for staff across the organization. We aim to intensify our collaboration with our local compliance ambassadors in 2023.

Employee Code of Conduct & company policies

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

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

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

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

Whistle-blowing procedures

This intranet page also supports the measures which ensure ongoing alignment with these compliance standards. Firstly, it contains a dedicated page on our breach reporting and whistleblowing processes, and provides access to our whistleblowing platform. Ensuring continued alignment to our high ethical standards requires a frictionless way for employees' concerns to be registered. This is the spirit of our "Speak Up" approach, through which employees are encouraged to voice any concerns they may have about breaches of the law, the Code of Conduct

or other internal policies, without any fear of repercussions. Issues can be reported in person, but to guarantee total anonymity we use a third-party web application to allow stakeholders to register any suspected misconduct. Our intranet page ensures full availability and awareness of this platform for our employees and the whistle-blowing system can also be accessed via our website by external stakeholders. This whistleblowing process is key to the effectiveness of the compliance framework.

Compliance trainings

Additionally, the intranet platform provides links to our Contemporary Real Estate Academy (CREA), our e-learning tool, which provides training on anti-corruption, bribery and data protection. This continual training and communication ensures that understanding of our standards is always being reinforced. Compliance training through CREA is included in our Welcome Days for new employees, as is training on the use of our whistleblowing platform. Employees are then required to undergo annual refresher training on these policies, to reaffirm their commitment to these standards.

Lobbying and donations

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

Approach to taxation

The Group has a tax policy which includes a set of principles it adheres to in relation to tax management. The key principles of the Group tax policy are listed below:

- Commitment to adherence to all relevant tax laws, regulations, and reporting requirements in each jurisdiction where we operate. External advice is sought where appropriate.
- The governance structure includes a professional in-house tax department led by the Group Tax Director who is responsible, among others, for recommending the tax policy and once approved executing the overall tax policy. Material matters, if exists, are reported to the group CFO.

- Maintaining a healthy cooperation and communication with tax authorities
- Ensuring legal compliance with all tax affairs and regulations on a subsidiary and group level.
- Transfer pricing for transactions between group entities located in different tax jurisdictions are to be determined using the arm's length principle.
- Tax structures, if exists, will have commercial and economic substance.
- The group tax policy is approved by the Board of Directors.

Performance

To guide the implementation of our sustainability strategy and track our progress, we have developed several long-term goals that we are continuing to work towards.

- Reduce liability and improve transparency
- Maintain zero tolerance towards compliance violations

We also set targets for 2022 to focus our efforts on compliance risk management and awareness. Below, we have described our progress against these targets:

2022 Goals	Status	Progress
Introduce Compliance Ambassadors as key contacts in country and regional offices	Ongoing	Compliance Ambassadors were established successfully in our Netherlands and UK offices
Roll out the new Company Code of Conduct	Achieved	The new Code of Conduct was rolled out this year, and is available across the Group via our compliance intranet page

Key performance indicator

To monitor our performance and contribute to the achievement of our long-term goals, we track the following key performance indicator:



During 2022, 0 relevant compliance cases were reported within the Group.

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

Priorities for 2023

Our main priority in 2023 will be the alignment of our Group policies to the new supply chain law in Germany. The guiding principle of our compliance framework is to ensure that all policies and procedures are unified across our countries of operation to align with the highest standards.

We will also seek to expand the compliance ambassador network across more regional offices, to ensure all employees have access to the expertise and advice they may need to meet our strict compliance expectations.

Key Figures	Unit	2020	2021	2022
Monetary contribution on lobbying and interest representation	€	0	0	0
Monetary contributions to local, regional or national political campaigns/ organizations/ candidates	€	0	0	0
Monetary contributions to trade associations	€	51,435	41,750	69,027
Total political contributions and spending on public policy	€	0	0	0

