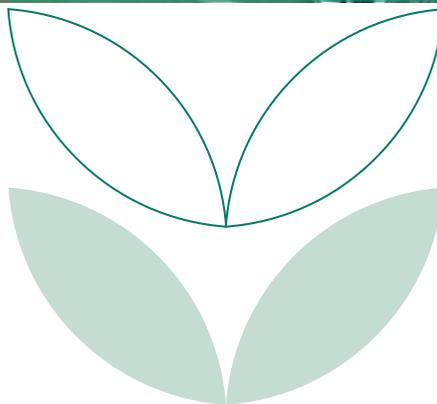


SHAPING THE FACE OF RETAIL IN POLAND



ESG REPORT 2021



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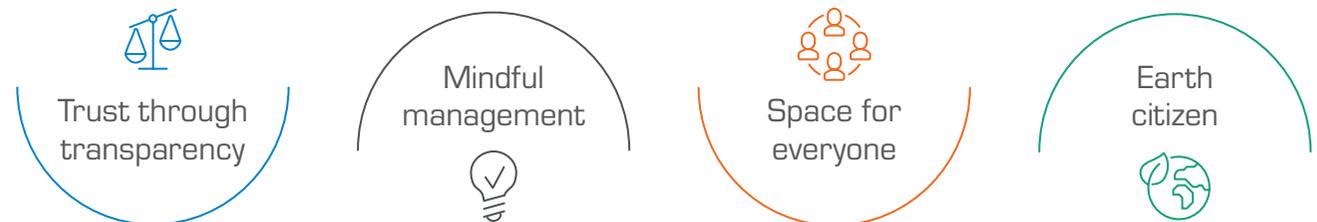


Rafał Kwiatkowski
Chief Operating Officer

A WORD FROM OUR COO

[GRI 2-22]

EPP is the largest asset manager of retail real estate located in Poland and we therefore believe we need to take responsibility for the environmental, social, and governance (“ESG”) matters which we impact. In 2021, we implemented an ESG strategy based on **four major pillars**, which will help us comprehensively approach, address and manage our impact. Our focus is to build **trust through transparency**, develop **mindful management**, create and promote **space for everyone**, and be an **Earth citizen** by operating in harmony with nature and being ready to support our society by 2025. We aim to create value through the business we manage by following our four strategic pillars.



One of our top priorities in managing and planning our operations is global warming and climate change. We believe that addressing a broader environmental perspective is necessary to reduce the company’s footprint. Our goals concentrate on the reduction of greenhouse gases (“GHG”) emissions and energy consumption as well as improving the waste management system as these aspects cause the highest environmental impact by the real estate sector. We have started by calculating direct and indirect GHG emissions for the period of 2019 to 2021 in line with the Paris Agreement and based on the global GHG Protocol, a globally respected standard for accounting

and reporting on GHG emissions. Further, we have set ambitious goals to reduce our indirect GHG emissions (Scope 2) by 13,5 thousands tons of CO2 by 2025 in comparison to base 2019. In addition, we want to ensure our properties are constructed and equipped with environmentally safe and efficient technologies and therefore we are aiming to complete a BREEAM certification process for all assets by 2025. This initiative will provide a reliable and transparent third-party assurance for all our shopping centres and our offices. Furthermore, we have undertaken several initiatives to increase the share of renewable energy used in our buildings.

A WORD FROM OUR COO (CONTINUED)

People are at the heart of our company. They are the reason why we are able to guarantee quality services and sustain partnerships.



O3 Business Campus in Kraków

Including ESG in our risk management process has also been an important shift forward for EPP. In 2021 we modified our risk matrix by highlighting and adding more ESG risks and opportunities which are important factors in EPP's decision-making process.

We have also expanded the identified external stakeholders with whom we engage to include suppliers and visitors. We have identified issues that matter to our stakeholders and indicated how we respond to their needs and expectations as set out on page 22 of this report.

People are at the heart of our company. They are the reason why we are able to guarantee quality services and sustain partnerships. In the current global situation, the health and safety of our key stakeholders is essential for EPP. In response to the COVID-19 pandemic, we have created vaccination points at our shopping centres and provided protective equipment to our employees, tenants and visitors. We also care about the well-being of our employees, tenants and visitors, with a particular focus on people with special needs. Our efforts to make the organisation more accessible for vulnerable groups is an element of a broader diversity and inclusion concept we have adapted to become a role model for other organisations.

Open communications with our employees, visitors and tenants is essential for us to be able to fully understand and address their needs. In order to do that we have implemented several tools that support the social environment within the company. We conducted a satisfaction and engagement survey among our employees in 2021, which helped us to examine our strengths and determine actions required. As such we

focused on providing our employees with a working environment where everyone is treated equally, personal development is supported and everyone is encouraged to express their views. We made these actions the key element of our responsible management and we have applied metrics and development plans to comply with our commitments. We plan to regularly monitor the satisfaction of our visitors and tenants to appropriately respond to their expectations.

Good governance within the company is another essential part of our ESG strategy. In 2021, we reviewed and updated our Code of Conduct with our commitment to protect human rights. In 2022, we will make a crucial step by introducing our first Suppliers' Code of Conduct to be applied by the suppliers we cooperate with. Our aim is to work with responsible companies who respect EPP's values. This will support us in ensuring ethically run operations within our supply chain.

We are aware that a lot more work needs to be done. I believe that in 2021, we have taken a major step towards taking responsibility for our impact. I am pleased to share this report with you which will showcase the progress EPP is making towards sustainable development.

Rafał Kwiatkowski

Chief Operating Officer



ABOUT THIS REPORT

[\[GRI 2-1\]](#) [\[GRI 2-2\]](#) [\[GRI 2-3\]](#) [\[GRI 2-4\]](#) [\[GRI 2-5\]](#)

This 2021 ESG Report covers the initiatives that EPP has carried out in terms of ESG matters for the period 1 January to 31 December 2021. The content of the 2021 ESG Report has been developed in line with management's discussions and alignment with EPP's recently implemented ESG strategy.

For the first time, EPP is reporting in accordance with the Global Reporting Initiative ("GRI") Standards, version published in 2021 by the Global Reporting Initiative ("GRI"). This report is also in accordance with selected environmental EPRA (European Public Real Estate Association) standards relevant to the real estate sector (see page 78 for the GRI and EPRA content index). EPP continuously follows the 10 principles set out in the United Nations Global Compact Principles. The sustainable Development Goals ("SDGs") set by the United Nations ("UN") are linked with each of our strategic pillars espousing EPP's global contribution to sustainable development. We have established short and medium-term goals.

Twelve properties owned by EPP are excluded from the non-financial data related to utilities management and visitors', tenants' and suppliers' accidents disclosed in this report (see page 61 for further detail). In terms of the binding lease agreements, tenants in these 12 buildings are responsible for the purchase of utilities such as energy, waste and water as well as for the building management. EPP therefore does not measure nor report on this related data for these 12 buildings.

This report was published on 31 May 2022. There have not been any restatements in the reporting period in terms of qualitative and quantitative data. This report does not include financial data and has not been externally assured.

For any queries regarding the ESG Report 2021 please do not hesitate to contact: Aleksandra Noworyta (aleksandra.noworyta@epp-poland.com)



Pasaż Grunwaldzki in Wrocław

01 OUR COMPANY



EPP IS THE LARGEST ASSET MANAGER OF RETAIL REAL ESTATE LOCATED IN POLAND IN TERMS OF GLA.

In 2021, our portfolio consisted of 36 projects (30 retail properties including one to be replaced by a mixed-use development and six office complexes) with a total value of approximately €2 billion and leasable area of over 1 000 000 m². Our retail and office assets are located in 24 Polish cities. We employ 219 people to oversee business operations and ensure an enhanced experience for our tenants and visitors.



36 projects



€2 billion
portfolio value



24 Polish cities

[GRI 2-6]

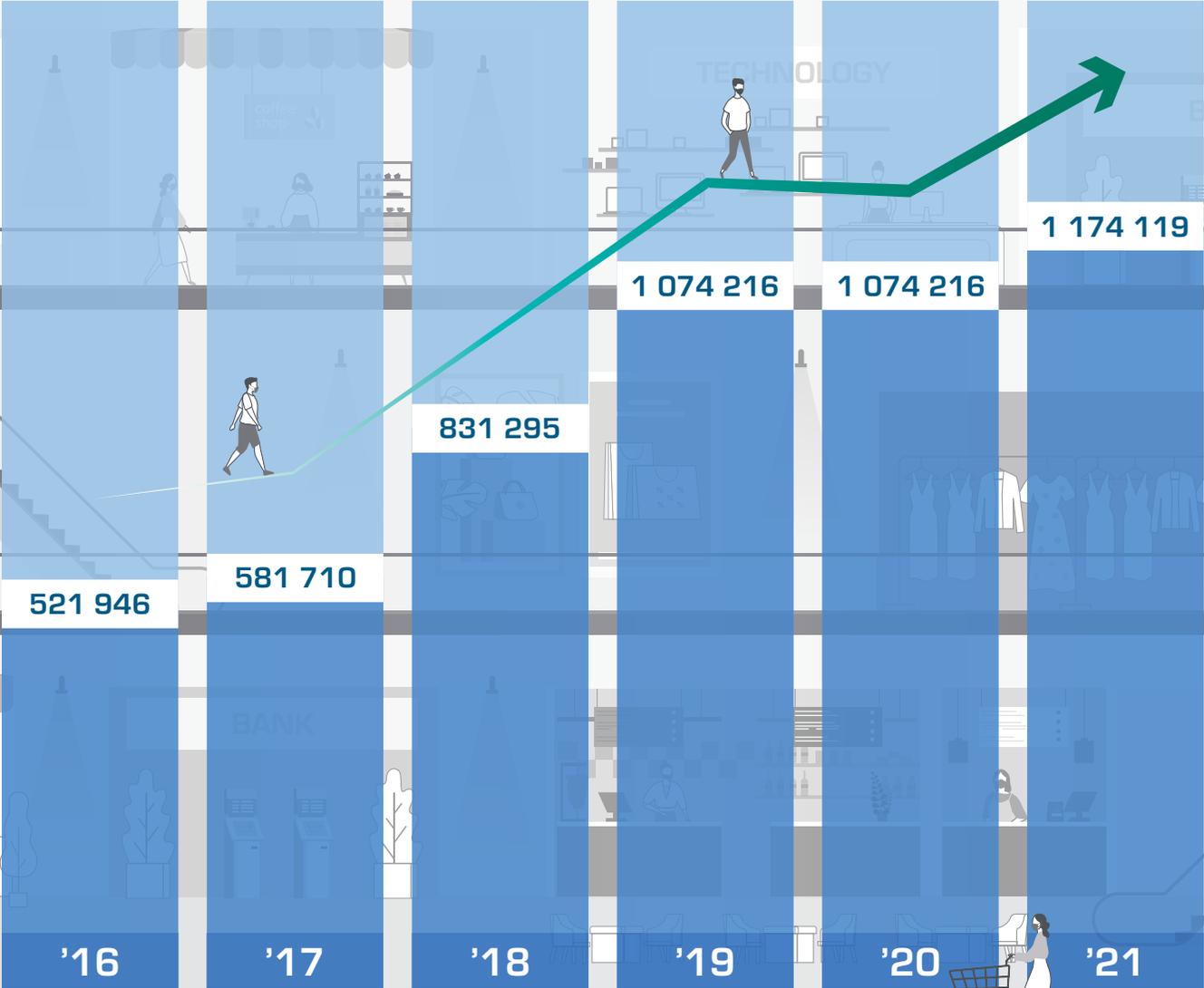
EPP was registered and incorporated in the Netherlands as a private limited liability company under Dutch law on 4 January 2016 and was listed on the stock exchanges in Johannesburg (“JSE Limited”) in the Republic of South Africa and Luxembourg (“LuxSE Euro MTF”) until 8 March 2022, when EPP was delisted from both exchanges. The company became an unlisted subsidiary of Redefine Properties Limited, the second largest Real Estate Investment Trust (“REIT”) listed on the Johannesburg Stock Exchange (“JSE”) in the Republic of South Africa. EPP has its official headquarters in Amsterdam, the Netherlands. The content of this report includes all divisions and subsidiaries of EPP across all regions of operation in Poland.

The market we operate in is characterised by a resilient economy with increasing purchasing power and capability to attract international investment interests. As the largest asset manager of retail real estate located in Poland in terms of retail gross leasable area (“GLA”), EPP boasts:



OUR MILESTONES

Five-year milestones: Increasing GLA m² from 2016 to 2021



Since inception we have grown to over **1 000 000 m²** in leased assets.

OUR LONG-TERM OBJECTIVES

Our long-term objectives are to:

Own a retail portfolio comprising more than 70% of quality shopping centres located in Poland



Be positioned to attract flagship stores



Become preferred locations for local and international brands



Remainder of portfolio to comprise other asset classes, especially high-quality office properties



Generate stable and growing cash flows



We aim to deliver sustainable growth with long-term value creation by the implementation of the strategic initiatives most relevant to our stakeholders.

Asset management decisions are focused on creating an attractive environment, adapted to the needs of our visitors. We aim to achieve this by providing diversified retail offerings and adding food courts, leisure areas and entertainment sites to deliver an enhanced experience for our visitors. To adjust to future shopping habits, we want to adapt our shopping centres to support omnichannel retail.

We focus on internal growth by increasing our knowledge in property and asset management expertise. We aim to act as a role model in terms of governance and ethics with a “top-down” approach and encourage our employees to follow our ethical principles. We want to become an employer of choice and industry benchmark by implementing strategic actions and responding to the needs of our employees.



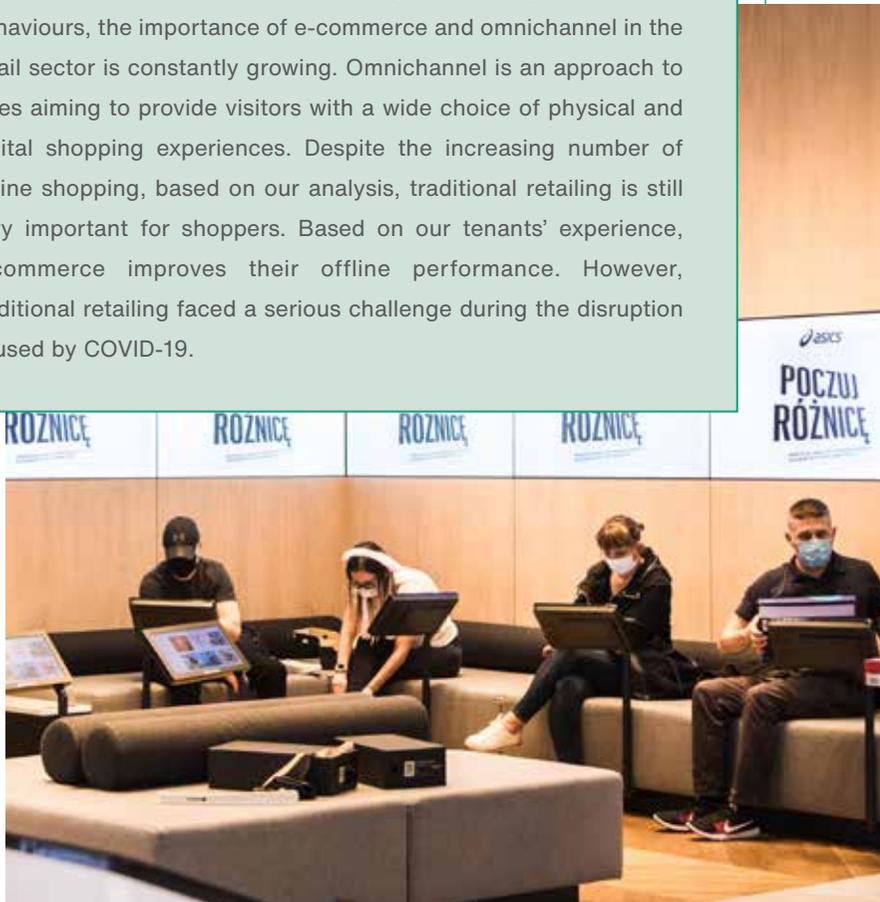
Galeria Amber in Kalisz

We aim to:



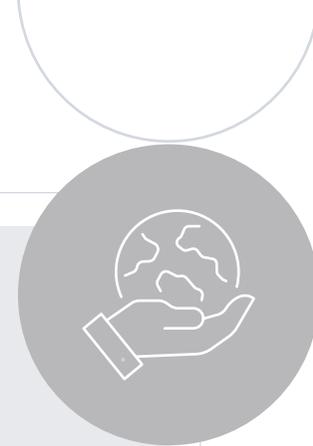
GLOBAL TRENDS

Due to rapid developments in technology and changing customer behaviours, the importance of e-commerce and omnichannel in the retail sector is constantly growing. Omnichannel is an approach to sales aiming to provide visitors with a wide choice of physical and digital shopping experiences. Despite the increasing number of online shopping, based on our analysis, traditional retailing is still very important for shoppers. Based on our tenants' experience, e-commerce improves their offline performance. However, traditional retailing faced a serious challenge during the disruption caused by COVID-19.



We continuously monitor and respond to the changing local and global conditions

A second year marked by the COVID-19 pandemic created uncertainty and forced the entire retail sector to adjust to the constantly changing environment with a fast decision-making process to maintain sales and minimise costs. It impacted footfall numbers, not only during lockdowns but also after reopening, which had a strong influence on our strategy and the way we operate. At the beginning of the reporting period, stores were closed for about 11 weeks. Although there were no disruptions in the second half of the year, we continuously monitor and respond to the changing local and global conditions.



According to long-term forecasts, the majority of retail shoppers in the next decade will be Generation Z, the first generation surrounded by digital technologies. Therefore, EPP constantly works on implementing innovative solutions to meet the needs of the youngest visitors by providing offers from the strong omnichannel brands. We are continuously developing our digital strategy to support tenants with offline and online sales, click-and-collect as well as to increase the footfall in our shopping centres.

EPP constantly works on implementing innovative solutions



This report outlines our ESG strategy and response to those areas relevant to our business as well as important to our key stakeholders.

Rapidly changing environmental regulations due to climate change have driven the biggest players in the market to invest in innovative and environmentally neutral technologies. EPP perceives those trends as an opportunity for responsible investment which will benefit economic stability, social well-being and climate neutrality.

Client-focused initiatives focusing on recycling and resale

Growing environmental consciousness and business responsibility drives the retail sector to implement client-focused initiatives focusing on recycling and resale. The biggest brands have launched initiatives such as collection of used goods, recycling, and second-hand platforms.



2021 HIGHLIGHTS



30 retail assets



6 office assets



1 000 000 m²
of leasable area

1st place in
terms of retail
GLA in Poland



24 major
Polish cities

2 500
retail units

€2 billion
portfolio value



219 employees



OUR GEOGRAPHICAL FOOTPRINT

PORTFOLIO

30 retail assets

6 office projects

Over **1 000 000 m²** GLA



02 GOVERNANCE



The board members are responsible for setting strategic objectives and investment criteria, performance management, regularly reviewing the corporate governance structure, oversight of the ESG performance and influencing ethical behaviour within the company.

[\[GRI 2-9\]](#) [\[GRI 2-17\]](#) [\[2-18\]](#)

The board is responsible for setting the ESG strategic goals and managing their implementation. As of 31 December 2021, the composition of the company's board of directors was a one-tier board of 11 directors, with two executives and nine non-executive directors. The independence of the board is essential to foster independent decision-making and to mitigate conflict of interests and thus six out of nine non-executive directors are independent. The non-executive directors are entrusted with the supervision of the performance of the tasks by members of the board. The scope of responsibilities of the non-executive directors was to provide sound judgement that was independent of management on strategy, performance, resources, transformation, diversity and employment equity, standards of conduct and performance. The non-executive directors participated in all board meetings.

[\[GRI 2-12\]](#) [\[GRI 2-13\]](#) [\[GRI 2-14\]](#)

The board of directors regularly oversaw the economic, social and environmental performance of the company to ensure adequacy and credibility of the processes and data collection. Individuals delegated by the board responsible for managing the ESG impacts, report the ESG performance to the board on a monthly, quarterly or annual basis.

EXECUTIVE DIRECTORS



[\[GRI 2-11\]](#)

Tomasz Trzósło (47*) is an executive director of EPP N.V. and Chief Executive Officer (CEO). Tomasz has over 23 years of experience in the CEE real estate markets. Before joining EPP, he was the Managing Director of JLL for Poland and Central Europe, where he managed the company's operations in Poland, and oversaw JLL business in the Czech Republic, Romania, Hungary and Slovakia. He was also a member of legal & compliance board of Tetris design and build business for EMEA. Before managing JLL, he ran the capital markets teams of JLL for both Poland and Central and Eastern Europe, and as such was involved in numerous transactions across the CEE, including portfolio and property disposals and acquisitions, fund raising and debt deals, or structured equity transactions. He has a strong track record in working with all branches of the real estate market, including retail, office, industrial, hotel and residential sectors.

 **Nationality:** Polish

- **Degree:** Masters Financial Accountancy and Economics at Cracow University of Economics, and additional qualifications in valuation, investment appraisal, property finance and portfolio management
- **Skills brought to EPP:** Commercial property investment, property finance and valuation, strategy
- **First appointed:** 25 June 2020



Jacek Bagiński (51*) is the Chief Financial Officer (CFO). He has 21 years' experience in various businesses operating across Poland and Central and Eastern Europe ("CEE") countries, ranging from retail, production and sale of pharmaceuticals, fast moving consumer goods to exploration of oil and gas and other natural resources. He has previously served as board member and CFO for various companies controlled by the largest private equity funds operated in CEE countries listed on the Warsaw Stock Exchange. Additionally, he has served in senior management and executive positions in multinational corporations including PepsiCo and BP/Amoco, with turnovers ranging from €15 million to over €750 million. Jacek was responsible for business development including M&As, financing and taxation as well as financial planning and controlling. Recently, he was a member of the management board and CFO of Empik Media & Fashion S.A., one of the largest holding companies controlling a group of retail, e-commerce and service operations.

 **Nationality:** Polish

- **Degree:** Masters at SGH Warsaw School of Economics
- **Skills brought to EPP:** Finance, business development, strategy, board experience
- **First appointed:** 19 May 2017

* As of 31 December 2021.

INDEPENDENT NON-EXECUTIVE DIRECTORS



Robert Weisz (71*) is the chairman and an independent non-executive director. Robert serves as partner and managing director of Timevest, a European commercial property investment company. Its portfolio includes high street shopping and commercial retail locations in Germany, the Czech Republic, and the Netherlands. Previously, Robert was partner and managing director of DBN group, a commercial property company operating in the Netherlands and the US. He has been a visiting professor at the Technical University of Eindhoven's Urban Planning Design group since 2004 and was formerly a guest lecturer in property finance and valuation at the Amsterdam School of Real Estate and University of Groningen. Robert is also the co-author of three textbooks on property investment.

 **Nationality:** Dutch

- **Degree:** MBA, CA, Fellow of the Royal Institute of Chartered Surveyors RICS
- **Skills brought to EPP:** Finance, business development, strategy, board experience
- **First appointed:** 12 August 2016

* As of 31 December 2021.



Marek Belka (69*) is a former Prime Minister of Poland (2004 to 2005) and President of Narodowy Bank Polski Polish Central Bank (2010-2016). He has held various political positions since 1996, including Advisor to the President of Poland, Minister of Finance and Deputy Prime Minister. He has also held positions in international organisations, serving as executive secretary of the Economic Commission for Europe (in the rank of Undersecretary General of the UN) and Director of the European Department in the International Monetary Fund (2008 to 2010). Marek worked in Albania as advisor to three consecutive prime ministers of the country and in the Coalition Provisional Authority in Iraq (2003 to 2004). He was a member of the board of directors of two commercial banks in Poland (at different times) and served as chairman of LOT Polish Airlines from 2002 to 2003. Since July 2019 he has served as a member of the European Parliament.

 **Nationality:** Polish

- **Degree:** Economics MA, PhD and habilitation (higher degree common in continental Europe)
- **Skills brought to EPP:** Political advisory, leadership, economics, strategy, finance, board experience
- **First appointed:** 12 August 2016



Taco de Groot (58*) held the position of CEO/Chairman of the board of Vastned Retail N.V. a listed investment fund (NYSE Euronext Amsterdam AMX) with assets in the Netherlands, Belgium, France and Spain until December 2020. Here he introduced and implemented to the company a new strategy attracting large institutional investors. Earlier, Taco was a founding partner/non-executive member of the board of MSeven Real Estate in London, a specialised fund and asset management organisation focusing on the UK. Prior to that, Taco was a founding partner of GPT/Halverton LLP in London, a fund and asset management company active in Europe, and founded Rubens Capital Partners with a portfolio of residential and retail assets for family offices and wealthy private investors. Taco holds the position of non-executive director at Tritax EuroBox Plc, listed on the London Stock Exchange, and is a visiting lecturer at ASRE/University Amsterdam and Hogeschool Rotterdam. Taco is a member (chartered surveyor) and assessor of RICS Netherlands.

 **Nationality:** Dutch

- **Degree:** Masters in Dutch Law at Utrecht University, Masters Real Estate (MRE) at Amsterdam University, various INSEAD and Rotterdam University programmes
- **Skills brought to EPP:** Board experience, leadership, commercial property investment, strategy, asset management
- **First appointed:** 12 June 2019

INDEPENDENT NON-EXECUTIVE DIRECTORS



Dionne Ellerine (54*) is an admitted Attorney of the Supreme Court of South Africa. She lived in London for 11 years where she worked at Stenham Property managing commercial property investments for offshore clients. On her return to South Africa, she was appointed as the director of Ellerine Bros. Proprietary Limited, which is involved in equities and property investments.

 **Nationality:** South African

- **Degree:** BCom LLB at University of the Witwatersrand
- **Skills brought to EPP:** Legal, property investment, strategy, board experience
- **First appointed:** 1 June 2016



James Templeton (48*) serves as the CEO of Castleview Property Fund Limited, a fund focusing on retail property investments in South Africa and which is listed on the JSE. Previously James was the CEO of Emira Property Fund Limited which brought him extensive real estate experience in a JSE listed REIT for 11 years across retail, offices and industrial property sectors. James was also employed as an equities analyst at Barnard Jacobs Mellet, a prominent South African stockbroker from 1996 to 2003 where he covered various sectors including real estate.

 **Nationality:** South African

- **Degree:** BCom (Honours) at University of KwaZulu-Natal, CFA
- **Skills brought to EPP:** Board experience, commercial property investment, equities analysis
- **First appointed:** 11 June 2019



Sandra van Loon (56*) holds the position of General Counsel of De Volksbank NV, the fourth biggest bank in the Netherlands. Previously, she was Chief Legal Officer of the Dutch Ministry of Finance and Corporate Secretary and Compliance Officer of TNT NV (a NYSE Euronext Amsterdam listed company). Sandra worked for NIBC Bank as a Senior Lawyer and Deputy Corporate Secretary. She started as an attorney-at-law practicing in Rotterdam, the Netherlands.

 **Nationality:** Dutch

- **Degree:** Masters in Dutch Law at Groningen University
- **Skills brought to EPP:** Legal, corporate governance, strategy, board experience
- **First appointed:** 7 May 2021

* As of 31 December 2021.

NON-EXECUTIVE DIRECTORS



Maciej Dyjas (58*) is a Managing Partner of Griffin Capital Partners, the largest, privately owned, most active and innovative investment and asset manager in private equity specialised in real estate in CEE. Before joining Griffin Real Estate, he was a Managing Partner and CEO of Eastbridge Group, a Luxembourg-based private investment fund that manages over €1.5 billion in assets related to retail, consumer goods, and real estate.



Nationality: German

- **Degree:** Mathematics, IT and Management at University of Warsaw and University of Stuttgart
- **Skills brought to EPP:** Property investment, management, strategy, board experience
- **First appointed:** 1 June 2016



Andrew König (54*) is a chartered accountant with more than 25 years of commercial and financial experience. He currently holds the position of CEO at Redefine Properties Limited and is responsible for all aspects of regulatory compliance, corporate activity and communications, and ensuring the board's strategy is implemented. Prior to his appointment as CEO in August 2014, Andrew served as Redefine's Financial Director. He was appointed to the board of Redefine in January 2011. Previously he was Group Financial Director at Independent News & Media.



Nationality: South African

- **Degree:** BCom and BAcc CA(SA)
- **Skills brought to EPP:** Board experience, commercial property investment, strategy, finance, advisory, communications
- **First appointed:** 25 June 2020



Pieter Prinsloo (56*) serves as CEO of Redefine Europe B.V., a subsidiary of Redefine Properties Ltd. Previously Pieter held the position of CEO of Hyprop Investments Ltd in South Africa, which brought him extensive real estate experience in a JSE listed REIT for more than 14 years. Earlier, Pieter was involved in private property development and management for New Africa Developments and gained extensive know-how in commercial and structured property finance with ABSA Bank and Standard Bank in South Africa. Pieter has received awards from the Association of South African Quantity Surveyors.



Nationality: South African

- **Degree:** BSc Quantity Surveyor cum laude at University of Pretoria
- **Skills brought to EPP:** Board experience, commercial property investment, private property development
- **First appointed:** 11 June 2019

COMMITTEES

The size of 11 directors gave the board adequate membership for its four board committees: Audit and Risk Committee, Nomination and Remuneration Committee, Social and Ethics Committee and Investment Committee.

It also ensured the independence of the committees and a proper management capacity and time to guide them. Each committee was comprised of a chairperson and two to three members. The committees met at least quarterly with additional meetings convened when necessary. The main responsibilities of the committees were as follows alongside.

 Audit and Risk Committee	 Nomination and Remuneration Committee	 Social and Ethics Committee	 Investment Committee
Committee composition			
<p>Chairman Taco de Groot</p> <p>Members Robert Weisz Pieter Prinsloo</p>	<p>Chairman Sandra van Loon</p> <p>Members Dionne Ellerine Robert Weisz James Templeton</p>	<p>Chairman Dionne Ellerine</p> <p>Members Pieter Prinsloo Marek Belka</p>	<p>Chairman James Templeton</p> <p>Members Maciej Dyjas Tomasz Trzósło</p>
Committee's responsibilities			
<ul style="list-style-type: none"> Supervises preparation and reliability of financial information Monitors financial and operating controls Ensures identification of risks and management thereof Initiates internal audits 	<ul style="list-style-type: none"> Assesses, nominates, recruits and approves new directors Monitors remuneration policy Ensures that directors receive ongoing training Annually appraises the performance of the CEO and other senior executives 	<ul style="list-style-type: none"> Promotes and implements responsible corporate citizenship attitude within the company, social responsibility, ethics and values 	<ul style="list-style-type: none"> Considers suitable acquisitions within the framework of business strategy Concludes final decisions on acquisitions and disposals
Committee independence			
2/3	4/4	2/3	2/3

COMMITTEES (CONTINUED)



Nomination and remuneration

[GRI 2-10]

Through the nomination and remuneration committee, the board ensures that nominating successive directors reflects a diverse set of professional and personal backgrounds. All new appointees are required to possess the necessary skills to contribute meaningfully to the board and to enhance board composition in accordance with recommendations, legislation, regulations and best practice. All nominations are made in a formal and transparent manner. The procedure for appointments to the board is free from the dominance of any particular director and is processed in accordance with the company's diversity policy. None of the directors has unfettered powers of decision-making. A formal orientation programme familiarises new directors with the company's operations, senior management and business environment as well as inducts them into their duties and responsibilities. New directors with limited board experience receive additional development and training.



Pasaż Grunwaldzki in Wrocław

REMUNERATION POLICY



Remuneration

[\[GRI 2-19\]](#) [\[GRI 2-20\]](#)

The existing remuneration policy was implemented by the board of directors of EPP N.V. based on the recommendations set by the Nomination and Remuneration Committee. The policy is based on the requirements stated in the Dutch Corporate Governance Code. The policy and the remuneration payments' structure were approved by the executive and non-executive directors.

A number of factors were considered while setting up a level of remuneration for non-executive directors including the periodic benchmark assessments provided by external independent bodies, views of shareholders, the company's largest investors or shareholder representatives. When determining the level of remuneration for executive directors, the Nomination and Remuneration Committee considers the remuneration arrangements for other employees in the company, the internal pay ratio and the viewpoints of society to ensure reasonableness.

Conflicts of interest

[\[GRI 2-15\]](#)

We have set clear principles on how to prevent conflicts of interests and how to report them, if necessary. According to EPP's principles, conflict of interests may exist if the company intends to enter into a transaction with a legal entity in which a board member has a financial interest or is related under family law to a member of the management board or the supervisory board of such entity. A decision to enter into a transaction that involves a conflicted board member is adopted by the board with the required approval of the non-executive directors.

The objective of the remuneration policy is to retain and motivate highly qualified executives and reward members of the board of directors to deliver a sustainable performance in line with EPP's strategy and the company's values with regards to economic, social and environmental aspects.

The policy also aims to promote the achievement of the company's strategic objectives, an ethical culture and a responsible corporate citizen attitude. EPP has not considered the annual total compensation ratio to be assessed with regards to the fairness compensation structures.

Remuneration policy	Executive directors	Non-executive directors
Fixed annual base salary	The executive directors are entitled to a base salary. The base salary is evaluated periodically, taking into account factors such as the company's and individual development, experience, capability and marketability of the executive directors, the nature of the individual's roles and responsibilities, historic salary levels of the individual, internal pay levels as well as general market developments. Base salaries of executive directors are determined by comparing the base salary levels between median and upper quartile level of the remuneration reference group.	The compensation for non-executive directors is regularly assessed against market levels. Non-executive directors' compensation comprises an annual fee in recognition of their responsibility in the various committees of which they are members. The fees applicable for a financial year are recommended by the Remuneration Committee and proposed by the board of directors to the general meeting for approval.
Annual variable remuneration	The executive directors are entitled to an annual variable remuneration in cash (bonus) subject to meeting predefined performance targets in line with the strategy and annually defined targets. The target bonus for the executive directors is set at 80% of base pay. The maximum bonus opportunity in case of over-achievement is 100% of base pay.	The non-executive directors are not entitled to any annual performance-related or other variable remuneration.
Long-term variable remuneration	The executive directors are entitled to participate in the LTI Programme in their capacity as employees/persons performing personal activity in the affiliated companies outside the Netherlands. The general meeting has approved that under the LTI Programme the CEO will be entitled to receive up to a maximum of 800 000 shares on each Vesting Date and the CFO will be entitled to receive up to a maximum of 450 000 shares on each Vesting Date.	The non-executive directors are not entitled to long-term variable remuneration in the form of performance or equity-related instruments of the company.
Pension and fringe benefits	Executive directors are entitled to an annual pension allowance set at 14% of base pay.	The non-executive directors are not entitled to any pension allowance or contribution. The non-executive directors are entitled to reimbursement of business expenses.
Severance arrangements	The service agreements of the executive directors provide for non-compete obligations during the term of the service agreements, as well as for 9 months following their termination in the case of the CEO and 12 months in the case of the CFO.	The non-executive directors are not entitled to severance arrangements.
Sign-on, retention and restraint payments	Save for a sign-on bonus that was agreed with the CEO that is payable in two equal annual instalments of €400 000 each payable in December 2020 and December 2021 subject to the continued service of the CEO until these relevant dates, the executive directors are not entitled to any sign-on, retention and restraint payments.	The non-executive directors are not entitled to sign-on, retention and restraint payments.
Loans	The company does not provide any personal loans, advances or guarantees to the executive or non-executive directors.	



03 BUSINESS ENVIRONMENT



OUR STAKEHOLDERS

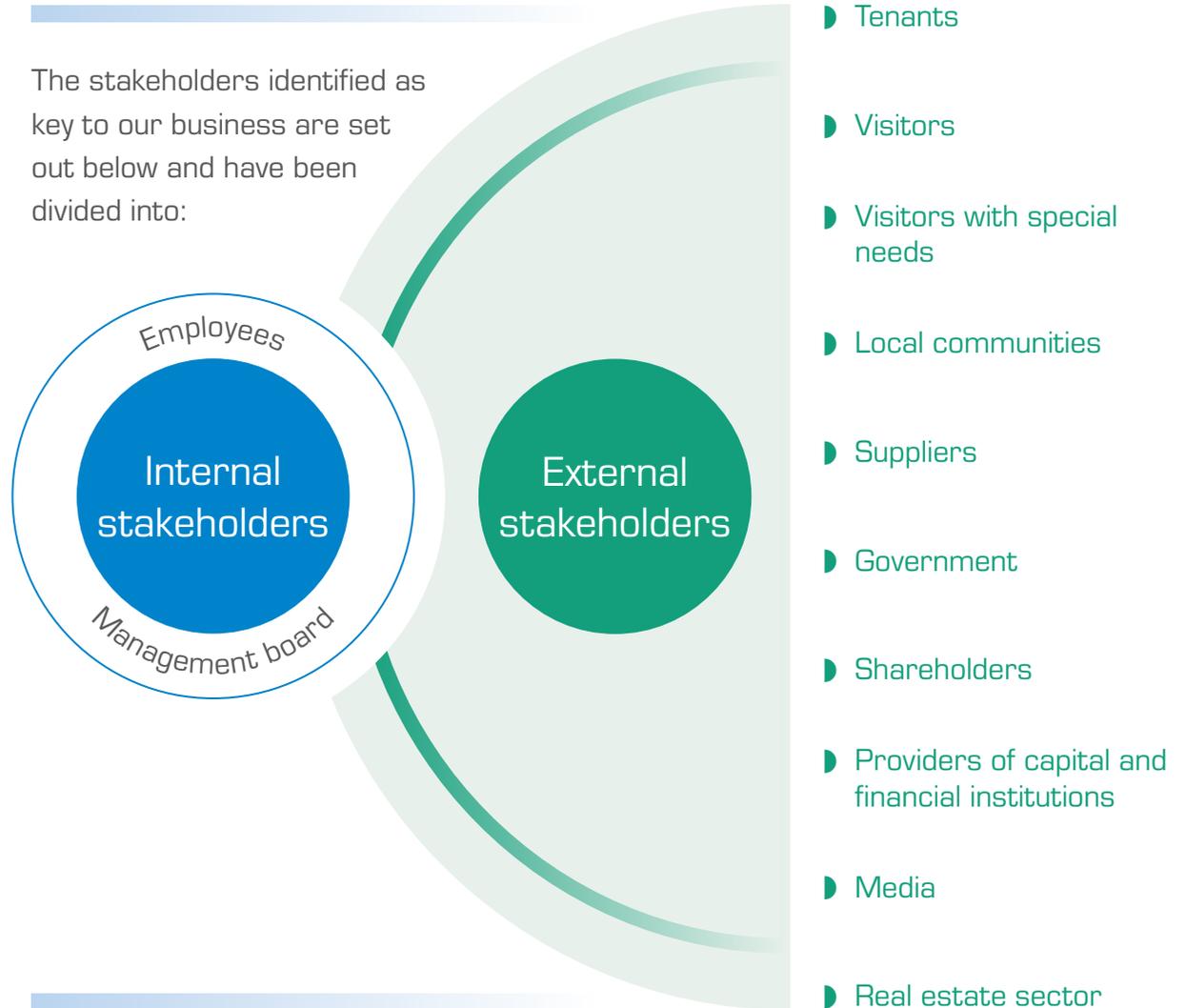
The board of directors views stakeholder engagement as an essential element for the identification of material topics and a baseline for our business strategy.

[GRI 2-29]

Feedback from stakeholders is communicated to the board and regularly evaluated to facilitate strategic decisions. EPP sets its strategic operations based on relevance to the day-to-day business operations as well as importance to its stakeholders. Stakeholder engagement has played a fundamental role in setting up the current ESG strategy.

In 2021, we extended our group of stakeholders to visitors and visitors with special needs, as they are impacted by the quality of service we provide, as well as suppliers as partnerships are critical to our day-to-day operations. We consider the management board as a major internal stakeholder due to their responsibility for implementing EPP's strategy and meeting the company's long-term objectives.

The stakeholders identified as key to our business are set out below and have been divided into:





Our internal stakeholders and what matters to them

Management team

- Setting the strategic direction of the actions taken by the company
- Ensuring effective management
- Monitoring progress on the targets set
- Meeting the needs of shareholders and other stakeholders
- Maintaining smooth and transparent communications with employees
- Increasing feeling of inclusion among employees
- Gaining knowledge on ESG matters and innovative technologies

Employees

- Opportunity to receive career development and opportunities
- Accessibility to training
- Maintaining open communication with management
- Fair remuneration and reward
- Safe and healthy workplace environment
- Compliance with the rules of Diversity Policy by the company
- Promotion of well-being in the workplace

Our response and how we managed the expectations in 2021

- Involving management in the ESG matters
- Promoting professional growth
- Raising a strong ethical culture within the company for the board of directors
- Ensuring transparent remuneration policy for the EPP Board of Directors

- Ensuring training on business ethics
- Updating the existing Code of Conduct
- Maintaining whistleblowing system
- Conducting regular health and safety assessments of assets
- Providing training on cybersecurity
- Conducting annual employee satisfaction and engagement survey
- Providing communication channels for employees: Ask CEO, Ethics line, regular meetings with the CEO, intranet
- Offering benefit package available for employees
- Organising well-being initiatives dedicated to employees
- Following EPP's Diversity Policy

OUR STAKEHOLDERS (CONTINUED)



Our external stakeholders and what matters to them

Tenants

- Assuring a “good tenant mix” to create synergy among tenants to maximise traffic and increase sales
- Maintaining infrastructure redevelopments
- Ensuring secure, safe and healthy maintenance through effective monitoring
- Maintaining effective communication with tenants

Visitors and visitors with special needs

- Demanding environmentally friendly services
- Creating and promoting areas respectful of the diverse society through infrastructure modernisation and other initiatives
- Providing areas adapted to people with special needs (blind, deaf, disabled, families with children, pregnant women, seniors)
- Promoting a sense of social inclusion

Our response and how we managed the expectations in 2021

- Monitoring and reporting accidents within the assets
- Introduction of tenant satisfaction survey

- Monitoring and reporting system for accidents in all assets
- Introduction of annual satisfaction surveys
- Introduction of external audits on accessibility



Our external stakeholders and what matters to them

Local communities

- Carrying out environmental assessments of the buildings
- Conducting initiatives that meet the needs of the local community
- Being a responsible corporate citizen

Suppliers

- Commitment to the high-quality supply partnerships
- Maintaining effective communication
- Leading cooperation based on ethical principles

Our response and how we managed the expectations in 2021

- Meeting the needs of the local community by conducting social initiatives
- Volunteering initiatives
- ESG risk matrix updated with environmental and social risks

- Setting a goal to introduce suppliers' ESG assessment

OUR STAKEHOLDERS (CONTINUED)



Our external stakeholders and what matters to them

Government

- Compliance with laws and regulations
- Conducting a responsible tax planning

Media

- Conducting timely, relevant and open communication
- Allowing accessibility to the management team
- Being transparent about the operations

Our response and how we managed the expectations in 2021

- Periodic monitoring of laws and regulations and reporting process for non-compliance

- Media engagement as per established channels and regional programmes



Our external stakeholders and what matters to them

Shareholders, providers of capital and financial institutions

- Providing accessibility to the management including succession planning
- Maintaining strategic execution and performance
- Portfolio growth funding and interest rates
- Timely servicing of debt
- Maintaining certain levels of LTV
- Being transparent in terms of governance and sustainability
- Following effective ESG practices

Real estate sector

- Being prepared to comply with upcoming laws and regulations
- Following and impacting the global and local industry trends
- Resolving the sector-specific issues

Our response and how we managed the expectations in 2021

- New investments going through ESG due diligence

- Participation in sector-related events (awards, panel, conferences, fairs)
- Membership of the Polish Council of Shopping Centres, PINK Association and PZFD Association
- Regular communication with industry representatives and valuers

RISK MANAGEMENT

Our risk management policy ensures meeting strategic objectives by eliminating or mitigating potential risks. The aim of the risk management framework is to identify, assess and monitor potential risks.

EPP's board assesses internal risk management and control systems on an ongoing basis. In 2021, as a result of a periodic review of the risk matrix, we modified and extended the risk matrix by including ESG-related risks that may impact our business.

We have identified cybersecurity attacks as a high risk to EPP and its employees caused by the digitalisation and transition to remote work. We have also incorporated terrorist attacks on shopping centres into the social risks, as this remains a serious threat to the real estate sector.

We focus on the negative impacts and potential risks resulting from global climate change. We perceive an increase in the average temperature causing potential electricity shortage and increased energy consumption as an environmental risk to our business. Unexpected rainfalls and floods as well as air, soil and groundwater contamination in relation to the utilities management are also environmental risks. We have implemented procedures to prevent or eliminate potential risks. All risks are monitored annually and managed within the ERM system.

Our TOP 10 ESG risks

Risk name	
1	Inability to effectively manage our reputation
2	Information security resilience
3	Failure to comply with local and international laws and regulations
4	Damage to property and security-related threats
5	Inability to maintain strong ethical and governance culture
6	Inability to attract or retain skilled employees
7	Cybersecurity attack
8	Climate changes: Increase of average temperature and unexpected rainfall and floods
9	Terrorist attacks on shopping centres
10	Contamination of air, soil, underground water

MATERIAL TOPICS

We have conducted materiality assessment to identify and prioritise material topics relevant to our business.

[GRI 3-1] [GRI 3-2]

We have used a stakeholder engagement process to conduct a materiality analysis with in-depth understanding of what is relevant to our stakeholders. This process has been completed by conducting interviews with EPP employees responsible for communications with EPP's stakeholders. Employees responsible for managing and reporting individual ESG goals are elected by the board based on their qualifications and experience. The board is responsible for verification of the relevancy of the material ESG topics and for the verification and approval of the content of this report. The board of directors was actively involved in the verification and approval of the topics considered by EPP as material.

As a result, we have created a materiality matrix determining material topics. Our ESG strategy is the answer to the topics identified as significant to our business and relevant to our key stakeholders.



Pasaż Grunwaldzki in Wrocław

MATERIAL TOPICS (CONTINUED)





04 OUR ESG STRATEGY



Our mission is to be the leading retail landlord in Poland that leverages both its scale and relationships to deliver consistent returns to stakeholders.

We understand that global society must take urgent action and stop global warming on the level of 1.5°C above the pre-industrial levels. No action undertaken as part of business activities should lead to large environmental risks, irreversible negative changes to the environment and constitute a major threat to society. The negative impact of climate change has already been acknowledged and now we are witnessing legislators introducing numerous new regulations in order to encourage businesses to take responsibility for their impact on the environment. Concurrently, tenants, visitors and other business partners are seeking environmentally friendly facilities, which act as a motivational driver for investors to invest in eco-friendly ventures.

EPP aims to achieve its mission by implementing its four ESG strategic pillars. Our strategy has been built on topics relevant to our organisation and the key stakeholders and supports the sustainable development of the company (see chart on the next page).



Our four ESG strategic pillars



We are aware that EPP creates both local as well as global impact. EPP implemented multiple Key Performance Indicators (“KPIs”) to follow up on the progress already made and ensure the timely achievement of goals. For the first time, EPP has implemented the Global Reporting Initiative (“GRI”), a globally recognised standard to measure sustainability performance and ensure accountability and transparency, which enables EPP to be comparable in a credible and reliable way. We have also implemented selected environmental metrics of the European Public Real Estate (“EPRA”) to ensure that EPP accounts for the metrics relevant for our industry. The GRI and EPRA content index is presented on page 78 of this report.

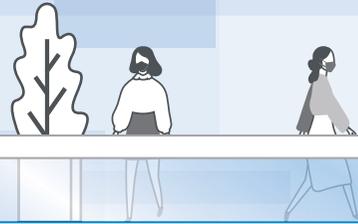
We introduced the calculation of the carbon emissions in relation to the United Nations (UN) Framework Convention on Climate Change (“FCCC”) Paris Agreement. Calculations of the EPP’s GHG emissions are conducted in accordance with the GHG Protocol, a nationwide database on best practices for accounting and reporting on greenhouse gas (“GHG”).

We connected each of our ESG pillars with the Sustainable Development Goals (“SDGs”) to show how our procedures align with the global targets to build a sustainable future for later generations and represent how EPP’s strategy is connected with the global picture of sustainable development.





TRUST THROUGH TRANSPARENCY



We transparently communicate matters important to us to build trust in relationships with our stakeholders.

2021 Performance

2025 Goals

0 monetary value of fines*

► **0** monetary value of fines*

100% of employees familiarized with the Code of Conduct

► **100%** of employees trained on business ethics

Suppliers' Code of Conduct was prepared

► **100%** of key** suppliers signed Suppliers' Code of Conduct

* Above €150k each.
** Suppliers with a contract above €25k each.

TRUST THROUGH TRANSPARENCY (CONTINUED)

[GRI 2-27]

COMPLIANCE WITH LAWS AND REGULATIONS

Considering the changing business environment and tightening regulatory constraints, tracking regulatory changes and being compliant with them is a must. EPP has the responsibility to guarantee that its operations comply with national and international laws and regulations and that the organisation obtains credible assurance of its financial statements which are free from material misstatement, whether caused by fraud or error.

Violations of regulatory compliance may result in fines, litigation or other consequences for EPP having a material effect on the financial results and the company's reputation. Therefore, in 2021 the board introduced a KPI on significant fines associated with non-compliance with laws and regulations. The threshold for significant fines was set at €150 000. Our target is that no fines will be imposed on EPP for non-compliance with any laws or regulations. In 2021, EPP received or paid zero fines above the set threshold.

BUSINESS ETHICS

[GRI 2-23] [GRI 2-24]

We believe that the values and principles declared in EPP's Code of Conduct lead to good corporate governance. Our Code of Conduct guarantees that EPP and its employees work in an honest and transparent manner following EPP's best interests, as well as its corporate and financial

objectives. In 2021, EPP extended the scope of the Code of Conduct and comprehensively defined an ethically acceptable behaviour within the company. The updated Code of Conduct will be in force from 2022. Additionally, EPP complies with the Dutch Civil Code and the Dutch Corporate Governance Code.

[GRI 2-16]

Every year, each employee and associate is required to sign a declaration confirming that they have familiarised themselves with EPP's Code of Conduct and apply its rules while performing their daily duties. Starting from 2022 all employees will receive annual training on business ethics relating to the Code of Conduct. We will launch an e-learning platform that will allow us to provide training for all employees irrespective of local or global circumstances and to verify and monitor the progress we make on this matter. Further, we want to achieve the target of 100% hired and new employees trained on business ethics issues.

[GRI 2-25] [GRI 2-26]

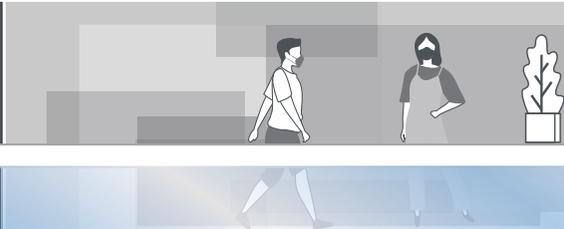
A whistle-blowing policy is in place to ensure our employees have the possibility of reporting activity that is deemed illegal, unethical or fails to respect human rights. The whistle-blowing system is managed by an external provider to guarantee the complete anonymity of the reporting individual. In 2021, two reports were made to the Ethics Line – both were classified by the Ethics Line as standard.

In 2021, we took a step forward by formulating EPP's Suppliers' Code of Conduct. The purpose is to ensure that suppliers work according to the ethics code and maintain a responsible supply chain within their operations. The list of principles that our suppliers are required to follow include, inter alia, human rights, anti-competitive behaviour and corruption, diversity and inclusion. The Suppliers' Code of Conduct will be implemented in our operations in 2022. Our target is to achieve 100% of suppliers with a contract value above €25 000 signing the Suppliers' Code of Conduct by 2025.

A whistle-blowing policy is in place to ensure our employees have the possibility of reporting activity that is deemed illegal, unethical or fails to respect human rights.



MINDFUL MANAGEMENT



We develop a forward-thinking and resilient organisation to create value in a sustainable manner.

2021 Performance

2025 Goals

100% of employees vulnerable to cyberattacks trained on cybersecurity

▶ **100%** of all employees trained on cybersecurity

▶ **100%** of new investments undergo ESG due diligence

0 accidents of employees for reasons attributable to EPP

▶ **0** accidents of employees for reasons attributable to EPP

▶ **100%** of assets under management obtaining external health and safety certification

▶ **100%** of key suppliers* undergoing ESG assessment

* Suppliers with a contract value above €100k.

MINDFUL MANAGEMENT (CONTINUED)

CYBERSECURITY

Cybersecurity is a material topic for EPP because of the multiple threats our company and stakeholders face. The real estate industry is at risk of cyberattacks due to the large amounts of financial and personal data being processed in day-to-day operations and the potential impact of a cyberattack on business continuity and safety of employees, tenants and visitors is severe. It is essential to protect the data of our employees and our stakeholders by adopting effective processes and tools.

We believe that our strategy can prevent or at least mitigate privacy and cybersecurity risks. In 2021, EPP underwent an assessment in accordance with the NIST Framework on standards, guidelines, and best practices on cybersecurity risks. EPP has aimed to comprehensively go over the framework to achieve the target of complying with the key aspects of the NIST (National Institute of Standards and Technology) Framework in 2022. We implemented a security programme that ensures a rapid response in the case of a risk of an attack or high-risk situations.

Our strategy includes constant training on cybersecurity matters. In 2021, we launched an e-platform, which enables us to train our employees on cybersecurity and raise awareness within the company. To ensure effective protection, we have divided our employees into two groups. The first group representing 25% of all employees, consists of employees that are most vulnerable to cyberattacks. In this group, 100% employees were provided with comprehensive training on cybersecurity in 2021. Employees exposed to a lower level of risk of cyberattacks are provided with the basic training on

cybersecurity to prevent or mitigate potential risks across the company. Our target is to achieve 100% of all employees trained on cybersecurity issues by 2025.

ESG RISK MANAGEMENT

Suppliers' ESG assessment

To ensure a responsible supply chain we will assess our suppliers on ESG performance. By doing this, we aim to continuously strengthen conditions within the supply chain and identify opportunities to improve. The target we set is to achieve 100% of key suppliers with a single contract value above €100 000 undergoing ESG assessment by 2025.

ESG due diligence on new investments

Since we have implemented our ESG strategy, EPP is committed to considering environmental and social risks in all decision-making. This approach aims to prevent or mitigate negative impacts that may occur due to our operations and new investments. To identify those ESG-related risks, all new investments we undertake will undergo an ESG due diligence. Our target is to achieve 100% of all new investments undergoing ESG due diligence.

HEALTH AND SAFETY

[GRI 3-3] [GRI 403-1 to GRI 403-10]

Occupational health and safety

Health and safety is EPP's strategic priority. Our objective is to prevent accidents and protect our employees and stakeholders. EPP strongly emphasises the role of working conditions as we understand that ensuring a healthy and

safe environment for our employees is our legal requirement and actions we take positively impact our employees' behaviour. Additionally, the occurrence of accidents could expose the company to reputational risk and fines.

In these times of social distance caused by COVID-19, we have taken special care of our employees to mitigate the increased loss of a sense of belonging. As we regard well-being as an important component of our strategy, we have organised initiatives on mental and physical health and carried out training on well-being, available to all employees. Programmes to promote health and well-being among our employees are described in detail in the section "Care of our people" on page 52.

The occupational health and safety management system applies directly to the employees and is based on the ISO 45001:2018 standard. EPP has implemented health and safety procedures including instruction on the occupational risk covering employees working in the administrative and technical job positions. The company has internal procedures and guidelines applicable under circumstances that may occur during operational activities.

All of EPP's employees are covered by occupational medical examinations. Newly hired employees undergo initial examinations and existing employees are required to both undergo periodic occupational medical examinations every few years and undergo check-ups if they take sick leave for more than 30 days. EPP uses external medical services to provide EPP's employees

with occupational medical care and ophthalmology. The occupational medical examinations often depend on the job position of the employee. For employees driving company cars, it is necessary to perform psychotechnical tests. For employees who perform tasks related to work at height – tests are carried out accordingly. Senior managers undergo electrocardiogram examinations. Information on the health status of employees is not shared with the employer. The HR department only receives a copy of a medical certificate of the employee confirming the ability or incapacity to work which is then attached to the employee's files.

Employees are informed about the risks related to the work performed through the occupational risk assessment. In the case of any changes in the conditions affecting the work performed, an appropriate update is provided to employees. Documents confirming the employee's familiarisation with the occupational risk assessment are kept in the personnel files. Health and safety training is conducted for each employee. Initial and periodic training takes place in accordance with the provisions of the labour law. Confirmation of the employee training is stored in personal files. As employees do not perform hazardous activities, no additional training is conducted.

Employee accidents are monitored on an ongoing basis, both inside and outside of the workplace. EPP designated and trained personnel for first aid, fighting fires and evacuating people. In 2021 those initiatives proved to be effective as EPP has recorded zero accidents at the workplace among EPP's employees. We aim to remain a workplace with zero accidents of employees in the coming years. We believe that the current actions we take

and the monitoring system we implemented are effective, as there are no reported accidents of employees and EPP has not received any complaints or requests regarding its current system.

Metric	2019	2020	2021
Rate of fatalities as a result of work-related injury	0	0	0
Rate of high-consequence work-related injuries (excluding fatalities)	0	0	0
Rate of recordable work-related injuries	0	0	0
Number of work-related ill health	0	0	0

Health promotion among our employees is one of our major priorities. EPP offers and fully finances private medical services for all our employees. We also offer voluntary health promotion programmes to our employees to address non-work-related health risks such as illnesses associated with lack of physical activity, stressful situations, unhealthy eating habits and the prevention of the male and female diseases. In 2022, we plan to launch initiatives focused on ergonomics of working at the computer, digital stress and job burnout.

[GRI 3-3] [GRI 416-1]

VISITORS', TENANTS' AND SUBCONTRACTORS' HEALTH AND SAFETY

It is our responsibility to care about the health and safety of our stakeholders such as visitors, tenants and suppliers. We follow the national laws and regulations on health and safety at our buildings. Beyond that, in order to eliminate the risks at our buildings, we conduct internal safety audits for fire and elevator safety, training on health and safety, emergency management and procedures.

We have implemented instructions to proceed in case of accidents, divided into four categories depending on the cause of the accident:

- Natural forces (including six specific instructions on strong winds, intensive rain and snowfalls, lightning, hail, flooding, extreme heat and cold)
- Breakdowns or technical incidents (including 10 specific instructions: fire hazard, chemical or radiation hazard, biological threat, no electricity, gas, heat or water supplies, etc.)
- Terrorist attacks (including three specific instructions)
- Other potential dangers

The instructions are updated once per year with the decision made by the Head of Retail Property Management, Technical Department and Services Quality Department. The internal auditor periodically verifies our facilities, documents potential dangers and files reports with identified risks. EPP has also implemented internal procedures for weather-related dangers. In 2021, EPP did not conduct internal safety audits due to the changing pandemic circumstances of COVID-19. However, employees responsible for health and safety supervised and controlled the conditions of all facilities on a daily basis.

MINDFUL MANAGEMENT (CONTINUED)

The actions we have taken to ensure compliance on health and safety matters support us to prevent negative impacts such as reputational damage or additional costs caused by fines. EPP conducts an inventory of accidents in all facilities broken down into accidents of employees, tenants and visitors. We analyse the locations and reasons for those accidents and implement solutions focused on eliminating the cause on an annual basis. In 2021, we implemented a system to monitor accidents in all facilities focused on eliminating the risks. The monitoring system does not cover 12 shopping centres not managed by EPP due to the lack of data resulting from the binding contract with the tenants responsible for the buildings' management (please refer to "About this Report" section for more details).

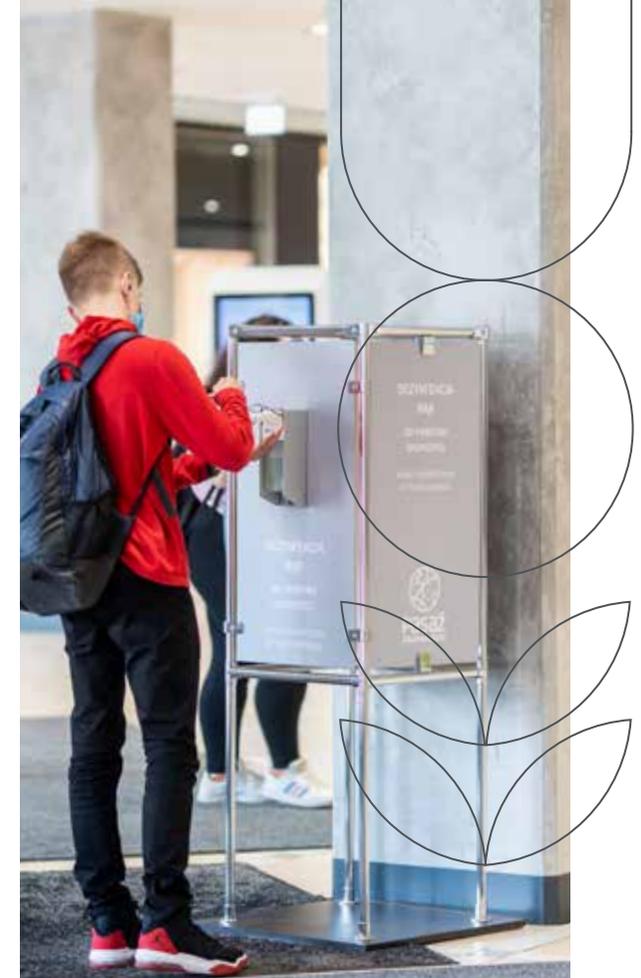
Year	Total number of accidents			Total
	Visitors	Tenants	Suppliers	
2021	76	13	4	93
2020	25	12	13	50
2019	68	21	8	97

By 2025 we plan to perform health and safety external audits on 100% of our assets. In 2021, we selected an external provider to audit our health and safety management processes. Our safety management system will be reviewed and adapted when the external audits are completed.

Under pandemic conditions, we implemented instructions on how to deal with infection or contact with COVID-19 infected persons. A prevention strategy is implemented at all facilities. COVID-19 prevention rules include:

- Disinfection of all high touch surfaces including railings, handlebars, elevator panels and toilets every hour
- Disinfectant dispensers located in the buildings
- Touchless tap units installed in the toilets
- Signage, posters and labels on the floor, doors and walls to inform about distance, masks and hand cleaning and disinfection
- Limited seating places for visitors and in play areas for children
- Voice messages informing shoppers about security measures and safe shopping rules
- Other initiatives individually tailored to the needs of a specific building

Implemented policies, processes and measures allow our company to effectively monitor and manage the health and safety conditions of the assets. These procedures let us react on time and give our visitors, tenants and suppliers a sense of security while visiting our buildings.



Implemented policies, processes and measures allow our company to effectively monitor and manage the health and safety conditions of the assets.



SPACE FOR EVERYONE



We promote an attitude of inclusiveness to create space where everyone can feel comfortable.

2021 Performance

2025 Goals

120 community involvement interactions

▶ **20%** increase in community involvement interactions (base year 2021)

▶ **100%** of assets independently audited on accessibility

7.2% employee turnover rate

▶ **8% to 12%** of employee turnover rate

▶ **16** training hours by employee per year on average

13.3 training hours by employee

▶ **10** hours per year for volunteering initiatives each year

▶ **100%** of assets with satisfaction survey performed

▶ **Annual** - employee satisfaction and engagement surveys

▶ **100%** employees covered by the development talks

SPACE FOR EVERYONE (CONTINUED)

ACCESSIBILITY

The continuous work on the accessibility of our buildings is an element of the broader vision that we stand for – diversity and inclusion. As we are committed to meeting the needs of our stakeholders, we acknowledge the groups with special needs including but not limited to people with physical and mental disabilities and families with children. We want to achieve this by modernising the space in our shopping centres. To do so we cooperate with Integracja Foundation, the biggest non-governmental organisation in Poland, focusing on people with disabilities and specialising in accessibility certifications.

We have improved the accessibility of the offices and shopping centres for people with special needs through infrastructural solutions. As an example, we present an overview on infrastructural changes that we have implemented in one of our office buildings, Astra Park, located in Kielce (page 43).



As we are committed to meeting the needs of our stakeholders, we acknowledge the groups with special needs including but not limited to people with physical and mental disabilities and families with children.

Astra Park – infrastructural changes to increase the accessibility of the building

One level parking with access to the building – no barriers in the form of thresholds, stairs, etc.

Automatic external entrance door to the building

Gate enabling access for people in wheelchairs at the entrance

Ramps in connectors between buildings A-B and B-C with no thresholds

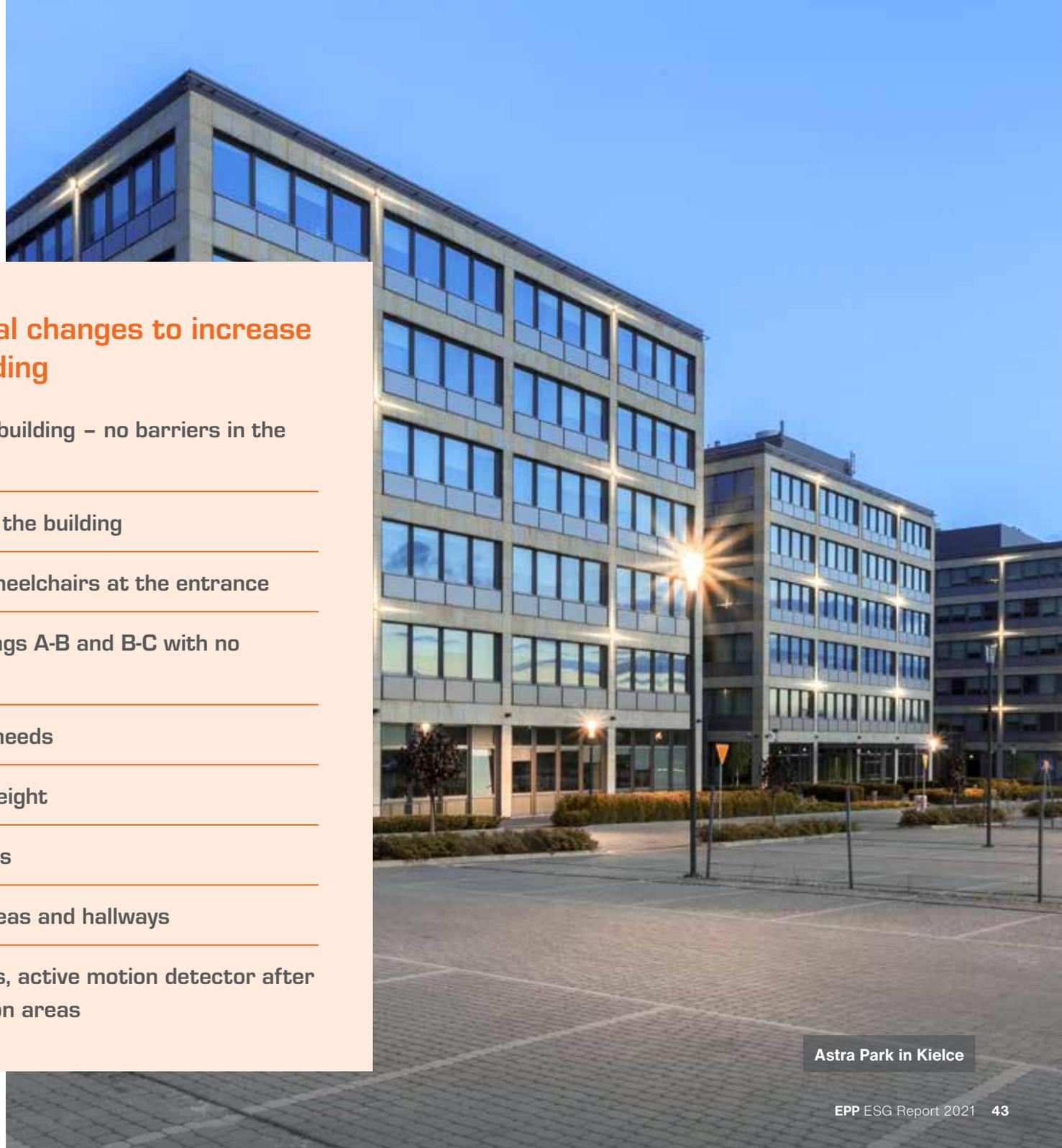
Separated toilet adjusted to special needs

Buttons for lifts located at optimal height

Braille marking the buttons in the lifts

No floor thresholds in the interior areas and hallways

Permanent lighting during open-hours, active motion detector after closing in the corridors in the common areas



SPACE FOR EVERYONE (CONTINUED)



We have equipped 14 shopping centres with Kids Zones



We have equipped 14 shopping centres with Kids Zones available for our youngest visitors. We also offer playrooms and kids' educational corners, so that children can enjoy time spent at our shopping centres while parents can shop freely. Parents are also provided with equipped rooms dedicated for nursing. In 16 shopping centres there is at least one room dedicated to families. We provide parking spaces for families with children and pregnant women near the entrance to our shopping centres.

Apart from infrastructural changes, we have introduced initiatives to increase comfort and improve the experience of our visitors with special needs while shopping at our centres (see more detail on "Quiet Hours" on page 48).

Our target is to achieve 100% of assets independently audited on accessibility by 2025. To achieve this, we aim to obtain "The Building Without the Barriers" certification accredited by Integracja Foundation proving that our buildings are fully accessible for people with limited ability to move, but also for those that struggle with mental



diseases. The accreditation process covers technical elements such as adjustment of the building surroundings, including adapted infrastructure which allows for easy navigation at the parking lots, pedestrian routes and public transport stops, arrangement of the parking spots for people with disabilities, adaptability of the front doors, internal doors and escalators, building layout designed to move freely along with verification of the electrical systems and more. The buildings are also examined in terms of the accessibility of toilets intended for people with disabilities, colouring, lighting, information systems depending on its type. Also, we will be audited on non-architectural aspects such as employees' training in terms of servicing people with disabilities and evacuation procedures.



Apart from infrastructural changes, we have introduced initiatives to increase comfort and improve the experience of our visitors with special needs while shopping at our centres.



RELATIONSHIPS WITH LOCAL COMMUNITIES AND BUSINESS PARTNERS

COMMUNITY ENGAGEMENT

[GRI 3-3]

As a socially conscious and responsible business, we remain sensitive to the needs of our immediate environment and attach great importance on developing and implementing initiatives dedicated to local communities. Social engagement is an essential part of our ESG strategy and is reflected in the growing number of such activities each year. We support our neighbours and the environment we operate in. We also encourage our employees to actively participate in initiatives we organise.

Our community engagement strategy is based on four pillars:



With these in mind, in 2021 we implemented two types of projects:

1. The portfolio initiatives implemented in all EPP assets are in line with our community engagement strategy.
2. “5 good deeds for the 5th anniversary of EPP”.

1 THE PORTFOLIO INITIATIVES

In 2021, the portfolio initiatives we carried out were our response to the visitors’ expectations, challenges of the world today and addressed issues important to Polish society. These projects included:



Pet-friendly shopping centres

Pets have become an important part of our families, so we have opened our doors to visitors who are accompanied by their animals.

The campaign promoted in all EPP shopping centres is supported by the majority of our tenants who welcome pets into their shops. Each shopping centre and the majority of tenants’ shops are branded with a “paw” logo. In addition, our retail assets provide easily accessible water feeders and resting areas for pets.



SPACE FOR EVERYONE (CONTINUED)

“Quiet hours”

In May 2021 we introduced an initiative called “Quiet hours” in our shopping centres. As we intend to create places open and welcoming to all, this initiative aims to provide a comfortable shopping experience for people with hypersensitivity to loud noises and bright lights and those who prefer to shop in silence.

For three hours per week, the music is switched off, voice announcements are kept to a minimum and lights are dimmed where possible. In 2021, this initiative generated 1 600 silent hours.



Bookcrossing

To support the promotion of book reading and follow the trend of a circular economy, in cooperation with the local libraries and supported by the municipalities, we launched bookcrossing points in 16 shopping centres and 6 office buildings.

The aim of this initiative was to encourage our visitors to appreciate the value of reading, share books and exchange them with others.



Response to COVID-19 pandemic

Vaccination points

Research and analysis, including by the World Health Organisation, have indicated that vaccines effectively lower the risk of severe COVID-19 infection that could cause hospitalisation or death. Mass vaccinations are widely believed to be the most effective way to minimise the impact of the pandemic. Therefore, EPP joined Poland's nationwide government campaign to support the COVID-19 vaccination programme. To make it easier for shoppers to receive vaccines, we have dedicated vaccination points in our shopping centres, operating in vacant spaces, medical clinics and pharmacies. In 2021 we launched vaccination points in 11 shopping centres: Pasaż Grunwaldzki in Wrocław, Galaxy in Szczecin, Galeria Młociny in Warsaw, Wzorcownia in Włocławek, King Cross Marcein in Poznań, Galeria Echo in Kielce, Galeria Olimpia in Bełchatów, Galeria Amber in Kalisz, Galeria Sudecka in Jelenia Góra, Galeria Solna in Inowrocław and Galeria Veneda in Łomża. By the end of 2021. To additionally boost the vaccination drive, we have donated 160 advertising spaces in our properties free of charge for the promotional campaign.



Promoting safe shopping rules

In 2021, we continued to promote safe and responsible shopping principles in our shopping centres. Graphics, voice messages and our personnel reminded visitors of safe shopping rules (distance, disinfection, masks). We highlighted the importance of complying with sanitary restrictions. Our staff handed out free protective masks to visitors when needed. To remind visitors about the regulations in place, we initiated the campaign of putting protective masks on mannequins' faces in the storefronts. This initiative was triggered in Galeria Echo in Kielce, and quickly gained traction across the entire Polish retail industry including promotion by the Polish Council of Shopping Centres and the patronage of the Minister of Health. During the challenging time of the pandemic, we also wanted to directly support those who care for our health. We therefore continued to deliver help to hospitals and medical services locally, including donating nearly 1 000 meals to medical staff in Zamość, where Galeria Twierdza is located.



2

FIVE GOOD DEEDS

“Five good deeds for the 5th anniversary of EPP”

These are the initiatives of 120 local actions initiated and launched by our employees at the local level. To recognise the 5th anniversary of EPP we decided to do something good for the local communities around our assets.

The pandemic brought us even closer to our neighbourhoods in the cities and towns we operate in, so we decided to run numerous local actions, instead of one idea for our entire portfolio. We split into 24 local teams: 16 shopping centres, 6 office buildings and 2 headquarters. Each team was tasked with doing five good deeds tailored to local needs – one for each year of EPP’s operations. It resulted in achieving an impressive target of 120 good deeds in 2021. We are proud to report that we have met our targets – **120 actions were successfully carried out by our employees.**



The actions included improving air quality, increasing biodiversity, making cities green and giving second life to unused items such as clothes. The summary of versatile topics that our actions touched shows that EPP teams were very carefully listening to neighbours' needs (48% of initiatives). We also deeply cared about the nature, future of our planet and making every part of our life as green as possible (24% of actions). We also encouraged preventative health care and taking care of our physical condition through sport (15% of actions). Education, promoting readership, sharing knowledge and rising awareness took the fourth position (with 12% of actions).

To better understand what motivated our employees to participate so earnestly we ran interviews with team leaders. There was one recurring answer – the other human smile. That simply summarises the most complex community engagement campaign in EPP's track record. Based on the feedback from stakeholders we assessed the initiative as positively impactful on our operations and image both externally and internally. It will be a benchmark for our activities for 2022 onwards.

120 actions were successfully carried out by our employees.

OUTLOOK FOR 2022

In 2021, we performed four portfolio-wide actions and 120 local community involvement interactions in total within the umbrella campaign “Five good deeds for the 5th anniversary of EPP”. In the coming years, we aim to strengthen our relations with communities and business partners and lead even more initiatives. Our strategic goal is to increase the annual number of both portfolio-wide and community engagement actions by 20% by the year 2025.

VOLUNTEERING PROGRAMME

The commitment of our teams while implementing community engagement actions encouraged us to develop and launch the volunteering programme at EPP. In 2022, we will continue promoting such initiatives, with the main objective to encourage our employees to use 10 hours of work per year to help others. In addition, as part of our new “Running and Helping” programme, EPP employees will collect funds through physical activity during the summer holidays to support one of the foundations operating in areas corresponding to our community engagement pillars. Employees decide which foundation receives the support.

VISITORS' AND TENANTS' SATISFACTION

We aim to meet the needs of visitors and tenants in our shopping centres and offices. To achieve this, we plan to conduct a satisfaction survey for them starting in 2022. This will help us to identify the needs of one of our most important stakeholders and effectively respond to those demands. EPP's goal is to measure tenants' and visitors' satisfaction every year and our target is to reach 100% of assets where the annual satisfaction survey is performed.

CARE OF OUR PEOPLE

OUR EMPLOYEES

People are the essential constituent and vital spark in our day-to-day business. Employees we hire are highly skilled and motivated and as an employer we feel obligated to take care of working conditions, provide career opportunities and ensure a friendly atmosphere in the workplace. The HR Director is responsible for the implementation of the HR strategy and ensuring it aligns with EPP's strategy. This section focuses on employees including their satisfaction, engagement and development, as well as promotion of well-being and diversity.

[\[GRI 2-7\]](#) [\[GRI 2-8\]](#)

As of 31 December 2021, the total number of employees was 219, with 132 (60%) women and 87 (40%) men.

Total number of employees
219

60%
Female



40%
Male



EMPLOYEES' SATISFACTION AND ENGAGEMENT

We believe that monitoring employees' satisfaction and engagement is crucial to determine our strengths and opportunities. We conduct employee satisfaction and engagement surveys every year to constantly create a healthy and friendly work environment and to be able to react if action is needed. In particular, we monitor employees' well-being, health and safety, care for employees, support, top management, communication and effectiveness of remote work. In the survey, we use an even six-point scale to encourage those who find it more difficult to express their opinion. The results are presented in four main groups: positive perception, positive indecisiveness, negative indecisiveness and negative perception.

The results are processed and analysed by the HR department and presented to the board. Identified issues are addressed by the communications channels between employees and the management board, such as "Ask CEO", regular meetings with the CEO and communication on the intranet. In 2022, we plan to arrange a webinar dedicated to discussing the results and conclusions of the survey where management will consult with the employees on the survey results in order to implement development actions. Our goal for 2025 is to conduct engagement surveys for our employees each year.

In 2021, 79% of our employees participated in the employees' satisfaction and engagement survey compared

to 75% in 2020. In a 2020 survey, results showed the link between employee satisfaction and employee development. It was indicated that the lack of appropriate development policies and opportunities has a negative impact on overall employee satisfaction. As a response, in 2021, we introduced a model of expected competencies for job positions and introduced a development programme. The independent job satisfaction survey ran in 2021 showed satisfaction results above the industry average. Results showed that the main elements that needed to be strengthened are related to securing remuneration and adjusting its level to the growing inflation in Poland, introducing a hybrid work system, as well as increasing the involvement of managers. In addition, a factor that affects the engagement among EPP employees is to increase the chance for development, which in 2022 will be secured by the implementation of the e-learning platform, as well as the introduction of development talks and training plans.

EMPLOYEE TURNOVER RATE

[GRI 3-3] [GRI 401-1]

EPP has been calculating and monitoring the employee turnover rate since 2019. The employee turnover ratio is reported to the Board quarterly and it is calculated based on the number of resignations by the average employment. Our target is to maintain a turnover rate between 8 and 12%. During the reporting period, the turnover rate was at 7.2% and decreased in comparison to 2020 (14%). We understand that the increased turnover rates can indicate dissatisfaction of employees with their work and a high inflow of new employees can negatively impact productivity.



Employees' well-being – how we care about our employees

In 2021, we organised a number of the initiatives promoting the mental and physical health of our employees. Below we present a main action:



An initiative that is aimed to inspire our employees in matters of health and safety. We have organised several workshops addressing common mental and physical issues. 112 people took part in the workshops. The training included:

- The impact of exercise on mental and physical health
- How to cope with stress
- How to focus “right here”, “right now”
- Meeting with the psychologist on how to effectively get rest.

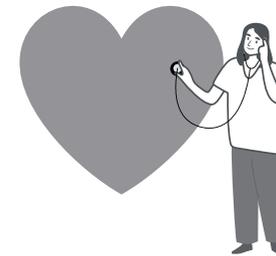
We arranged space at our offices, so employees can actively spend time together during their lunch breaks by playing table tennis or video game consoles.



We organised the “President’s Cup” event where employees competed by doing various physical activities, and the goal of the challenge was to burn as many calories as possible. The challenge lasted two months and 42 employees participated.

We supported Pink October and Movember campaigns by organising webinars with doctors on female and male diseases to encourage our employees to take care of their health and promote early diagnosis. We also provided 48 free cancer diagnosis codes which are used to identify the disease.

[GRI 2-28]



EPP offers a benefit package available for all employees through the benefit platform. During the waves of COVID-19 infections we supplied our employees with psychological support. Furthermore, we feel obligated to take care of the employees and also be mindful of their families. EPP introduced one additional month of paid maternity leave for mothers, additional weeks for fathers (two weeks for the first child and one week for the next child) and two days for grandparents for the birth of a grandchild. We also added five additional days of leave for childcare for each parent of children up to 14 years old.

Total number of training sessions
494

45%
Specialist training



55%
Soft skills



EMPLOYEES' DEVELOPMENT

[\[GRI 3-3\]](#) [\[GRI 404-1\]](#) [\[GRI 404-2\]](#)

Investing in the competencies of our employees by providing professional training is a win-win situation. Development of employees is a motivational factor driving innovation and the competitive capabilities in EPP. We believe that professional growth positively impacts the quality of our performance with well-trained and satisfied employees. Employees' development boosts overall employee satisfaction, may keep the retention rates high and encourages potential employees to join our organisation. Deficient availability of professional programmes can impact employee satisfaction, which was indicated in the survey we conducted in the last reporting period. EPP is committed to adjusting the development opportunities of each individual based on development talks and training programmes on relevant skills on an annual basis.

In 2021, we conducted a voluntary development programme based on the model of expected competencies for our employees depending on the job position. We also carried out development talks in which 55% of all employees

participated voluntarily. Starting from 2022, the development programme will have a new digitalized form and will be obligatory for all employees. Our aim is to achieve a 100% ratio of employees conducting development programmes each year by 2025.

Once the process is completed, based on the results, the HR department will prepare a customised action plan for each professional group of employees including available activities and workshops, which will promote professional development. Development talks are planned for the first quarter of each year. According to best practice, the outcomes of the annual development talks will be documented in a dedicated online system.

In 2021, we offered a wide range of training programmes including technical and soft skills. We have conducted 221 (45%) specialist training sessions and 273 (55%) soft skills sessions. Training on specialist skills were conducted on internal systems, law and debt recovery, crisis communication, computer software, professional IT training and OHS. Training on soft skills included well-being, effective team management, time management, communication, presentation skills, negotiating and business management and how to effectively rest.

Total number of training hours
2 909



Number of hours

1 714

1 195

Average hours per employee

13.1

13.6

SPACE FOR EVERYONE (CONTINUED)

The EPP Training Policy sets the rules for the organisation and ensures equal availability of training irrespective of the gender of our employees. In 2021, we increased the availability of training and decided to increase the number of training hours for all employees. In 2021, employees participated in total in 2 909 training hours. The average hours of training per employee in 2021 was 13.3 (13.1 for women and 13.6 for men) which increases the number of hours by 7.5 in comparison with 2020. 60% of employees who participated in training were women. Our target by 2025 is to reach average of 16 hours of training for employees.

EPP'S DIVERSITY POLICY

[\[GRI 3-3\]](#) [\[GRI 405-1\]](#)

EPP believes that diversity is essential in the workplace and we are devoted to creating a diverse environment within our company. In 2021, we have worked on a Diversity Policy based on our objective of creating a workplace that will respect all employees, regardless of gender, age, disability, health, nationality, ethnicity or religion. The policy will apply in 2022 to all employees who will be required to follow and respect those fundamentals.

Our Diversity Policy is built on three main pillars: equal opportunities during recruitment processes for managerial positions, managing age diversity in order to achieve a greater sense of professional stability among employees, and an initiative to support individuals returning to work



Diversity in the workplace is a critical factor in many aspects of EPP's performance. We monitor the metrics on the percentage of women in managerial positions.



47%

women were in key managerial positions



60%

women participated in training



after a long absence by providing professional support such as training, mentoring, support from colleagues and mentors and individual talks depending on the employee's personal needs. Diversity is connected with human rights, as it stands for the fundamental principles such as equality, non-discrimination, respect and values alongside the wide spectrum of differences.

Diversity in the workplace is a critical factor in many aspects of EPP's performance. We monitor the metrics on the percentage of women in managerial positions. In 2021, 47% of women were in key managerial positions excluding the board.

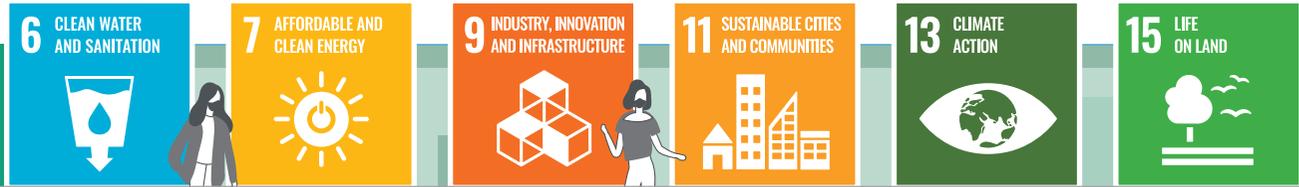
In 2022 we will facilitate the employment of young people as well as those over 57 years of age and support people returning to work from long absenteeism.

In relation to our Diversity Policy, we aim to ensure equal pay for equal jobs for men and women to promote fairness and avoid gender discrimination within the organisation.

We signed a Diversity Charter, a written commitment obliging us to the introduction of equal treatment policy and diversity management, as well as active prevention of discrimination and bullying in the workplace coordinated by the Responsible Business Forum. By signing the Diversity Charter, we made a commitment to create a non-discriminatory workplace and to introduce policies that create and promote diversity.



EARTH CITIZEN



We reduce our environmental impact to operate in harmony with planet Earth.

2021 Performance

61.8% of recycled industrial packaging waste

16.2% of GHG emissions, Scope 2, location based:
44 888.26 Mg CO₂e

100% of our offices sourced with renewable energy

2025 Goals

▶ **100%** of industrial packaging waste from all assets is recycled

▶ **13 500** Mg CO₂e reduction of indirect (Scope 2) GHG emissions comparing to the base year (2019)

▶ **100%** of shopping centres equipped with CO₂ control systems

▶ **100%** of our offices sourced with renewable energy

▶ **35%** of electricity from renewable energy sources for all retail buildings



2021 Performance

1.0 GJ/m² total energy intensity ratio for all of our assets.

40% of buildings equipped with the LED lighting in the inside and outside common areas

50% of all buildings (in common areas) equipped with the water-saving taps

2025 Goals

► **10%** of energy intensity in common areas reduced

► **100%** of LED lighting inside and outside of the buildings in common areas

► **75%** of assets equipped with photovoltaic panels
► **100%** of assets equipped with water-saving taps in common areas

EARTH CITIZEN (CONTINUED)

2021 Performance

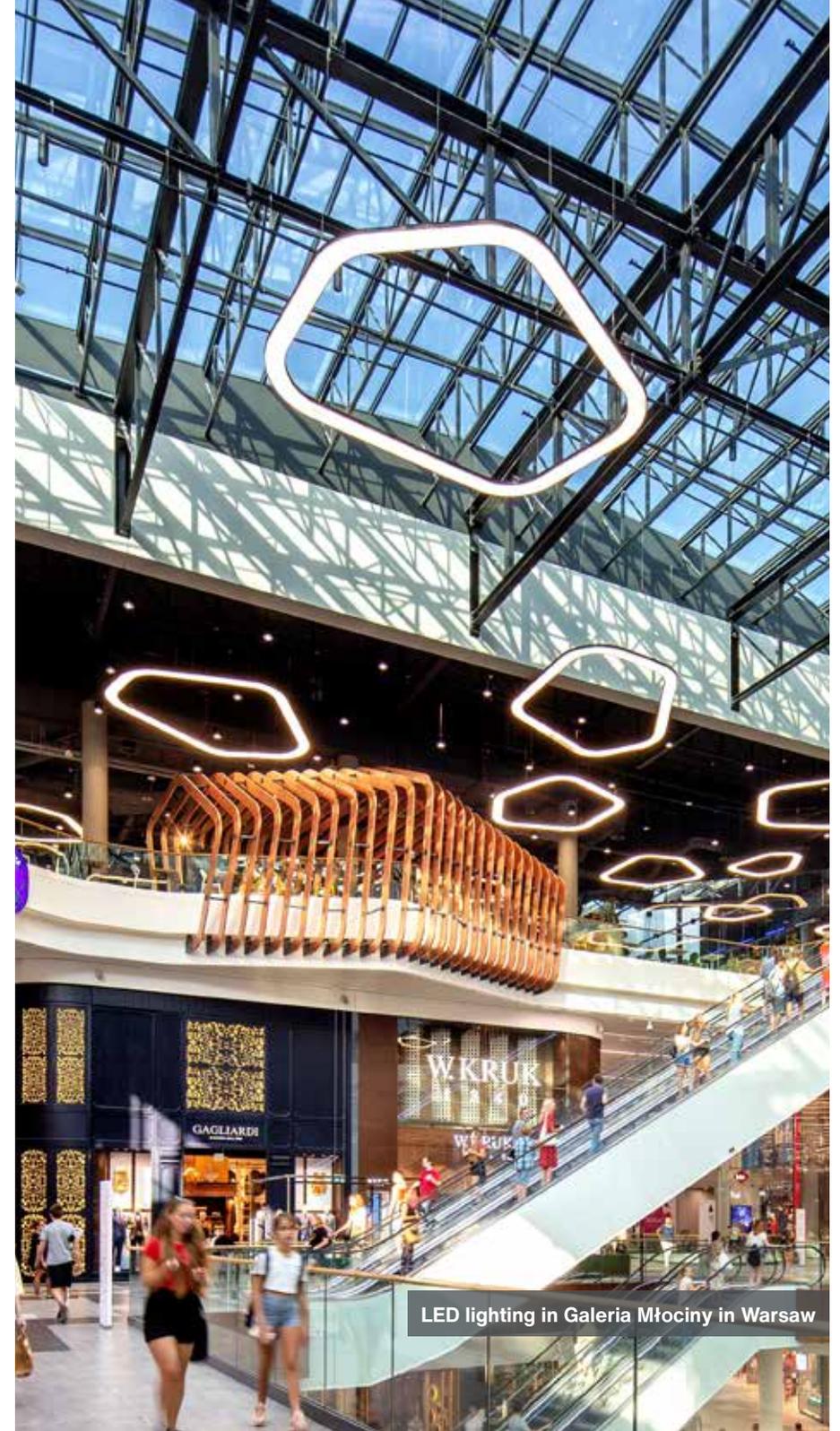
83% of office assets accredited by BREEAM in Use certified at “Excellent” level

43% of retail assets accredited by BREEAM in Use certified at “Very good” or “Excellent” level

2025 Goals

► **100%** of office assets accredited by BREEAM in Use certificate at “Excellent” level

► **100%** of retail assets accredited by BREEAM in Use certificate at “Very Good” or “Excellent” levels



LED lighting in Galeria Młociny in Warsaw

UTILITIES MANAGEMENT

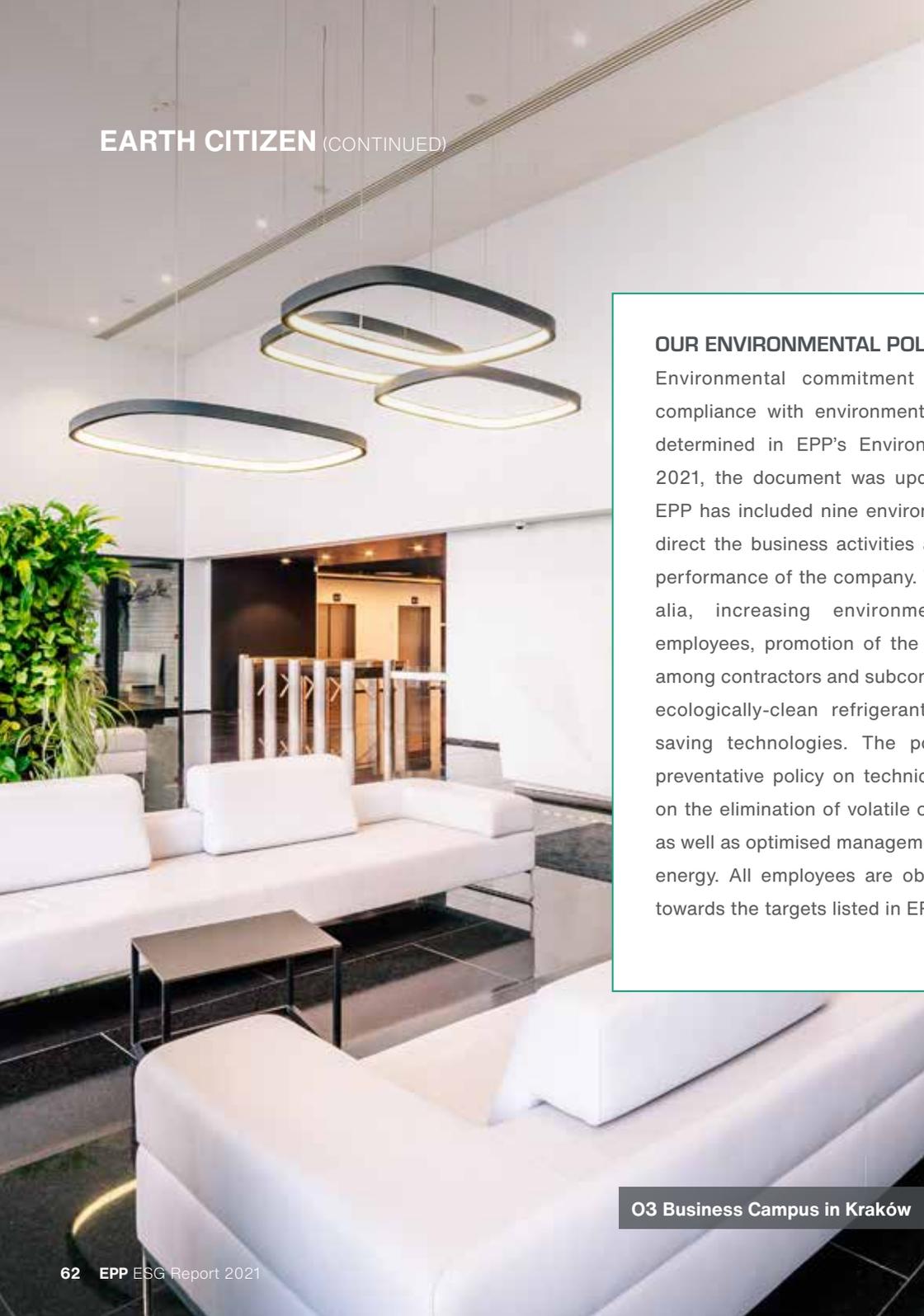
OUR ENVIRONMENTAL IMPACT

[GRI 3-3]

The real estate industry is responsible for one of the highest carbon footprints. It contributes up to 30% of GHG emissions globally annually and consumes about 40% of global energy resources, as reported by UNEP. The large number of shopping centres and offices across the cities create negative environmental impacts within the urban areas and significantly contribute to global emissions. We are aware that GHG emissions have to be reduced to mitigate the negative consequences of climate change and the use of natural resources needs a sharp reduction to be preserved for future generations. We are in a climate crisis, and the real estate industry must take appropriate actions to mitigate its global negative impacts. Currently, investing in energy-efficient and low-emissions buildings is becoming a global trend. Companies as well as individuals become increasingly aware of the negative consequences caused by poorly managed waste and resources.

“The real estate industry is responsible for one of the highest carbon footprints.”





OUR ENVIRONMENTAL POLICY

Environmental commitment on decision-making and compliance with environmental laws and regulations is determined in EPP's Environmental Policy. In October 2021, the document was updated and officially signed. EPP has included nine environmental targets that aim to direct the business activities and improve environmental performance of the company. These targets include, inter alia, increasing environmental awareness among employees, promotion of the green business operations among contractors and subcontractors, implementation of ecologically-clean refrigerants strategies and energy-saving technologies. The policy further addresses a preventative policy on technical maintenance, strategies on the elimination of volatile organic compounds (VOCs), as well as optimised management of waste, emissions and energy. All employees are obligated to follow and work towards the targets listed in EPP's Environmental Policy.

The implemented ISO 14001:2015 guarantees that the environmental targets are achieved and that the company continuously improves its operations to reduce its environmental impacts. In 2021, EPP renewed its ISO 14001:2015 certification, an environmental management system that sets up specific requirements on managing environmental performance within the organisation. The latest independent ISO auditor review did not identify any non-compliance with ISO requirements. Present ISO certification is valid until March 2024 and the certification is available on request.



O3 Business Campus in Kraków

We are aware it is fundamental for the real estate industry to invest in non-polluting and energy-efficient buildings. We have undertaken strategic initiatives, calculated and monitored data and implemented targets that support us in the reduction of:

Energy consumption

GHG emissions

Generated waste



In 2021, we implemented relevant KPIs to reduce our carbon footprint by effective monitoring of the resources we use and the waste we generate. The actions taken to mitigate negative impacts and protect the environment correspond to the UN Sustainable Development Goals.

The actions undertaken came up with opportunities for EPP to invest in green buildings and improve its environmental performance. As there is a positive global trend on environmental consciousness among people, we believe that the effort we make to minimise our environmental impact is beneficial to everyone affected by our business. The effectiveness of the actions taken to manage material topics regarding environmental issues are controlled on an ongoing basis, summarised and discussed in the annual reports.

2021 was a crucial step for EPP as we addressed environmental issues and approached them with specific metrics and quantitative targets. We are aware there is still much to be done and are committed to implementing appropriate initiatives and investing in green technologies. We have calculated the carbon footprint for our assets and can now identify areas that need to be prioritised. We have determined 2019 as the base year for our calculations, due to full operational activity of 2019 not affected by the pandemic.

In this report, performance measures and goals related to utilities management do not include 12 of the following retail assets: M1 Bytom, M1 Czeladź, M1 Częstochowa, M1

Kraków, M1 Poznań, M1 Radom, M1 Zabrze, M1 Łódź and 4 Power Parks. This is due to the binding contracts with tenants which stipulate that the tenants are responsible for operational control including energy and water as well as the building management. EPP does not measure nor report on this related data. Therefore the disclosure on utilities management and targets in this report are presented for the other 18 retail assets and 6 office assets.

OUR STRATEGY FOR WASTE MANAGEMENT

EPP follows local and EU regulations and laws on how to manage waste without harming the environment.

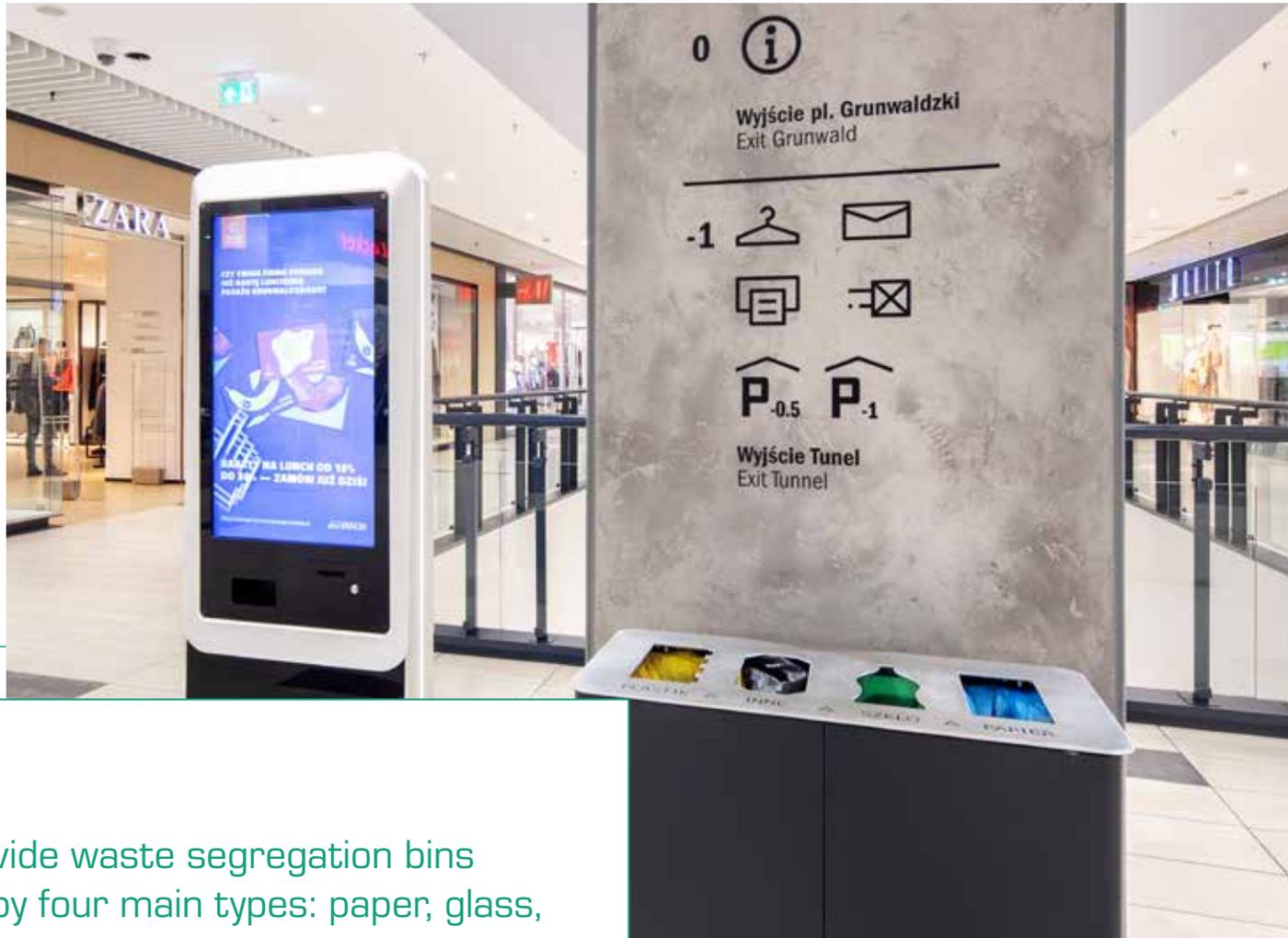
[GRI 306-1] [GRI 306-2]

Appropriate waste management is necessary to eliminate and mitigate environmental risks such as the contamination of soil, air and groundwater or biodiversity loss. In 2021, we adopted relevant measures and set up targets to minimise the amount of waste we generate. In 2022 we will continue to work on measuring and managing waste.

The waste we generate is divided in two categories: municipal waste (sorted and unsorted) and industrial waste (including packaging and non-packaging waste). Municipal waste mainly comes from the shared areas, passageways and administration sites. Industrial waste is generated by tenants at the shopping centres.

EARTH CITIZEN (CONTINUED)

In all our shopping centers we provide waste segregation bins for municipal waste. The bins are divided by four main categories: paper, glass, plastic with metal, and mixed municipal waste. We also generate municipal biodegradable waste generated in food courts and in the green areas next to the buildings. Municipal waste amounts are reported to the appropriate offices in accordance with the law in force in Poland. Reported quantities, in accordance with the regulations, are calculated on the basis of the number of containers per m3 and not the actual quantities. That is why we decided that in 2022 we will introduce tools that enable detailed calculations of the amount of municipal waste generated. We will report them and set the related reduction goals in our next ESG report.



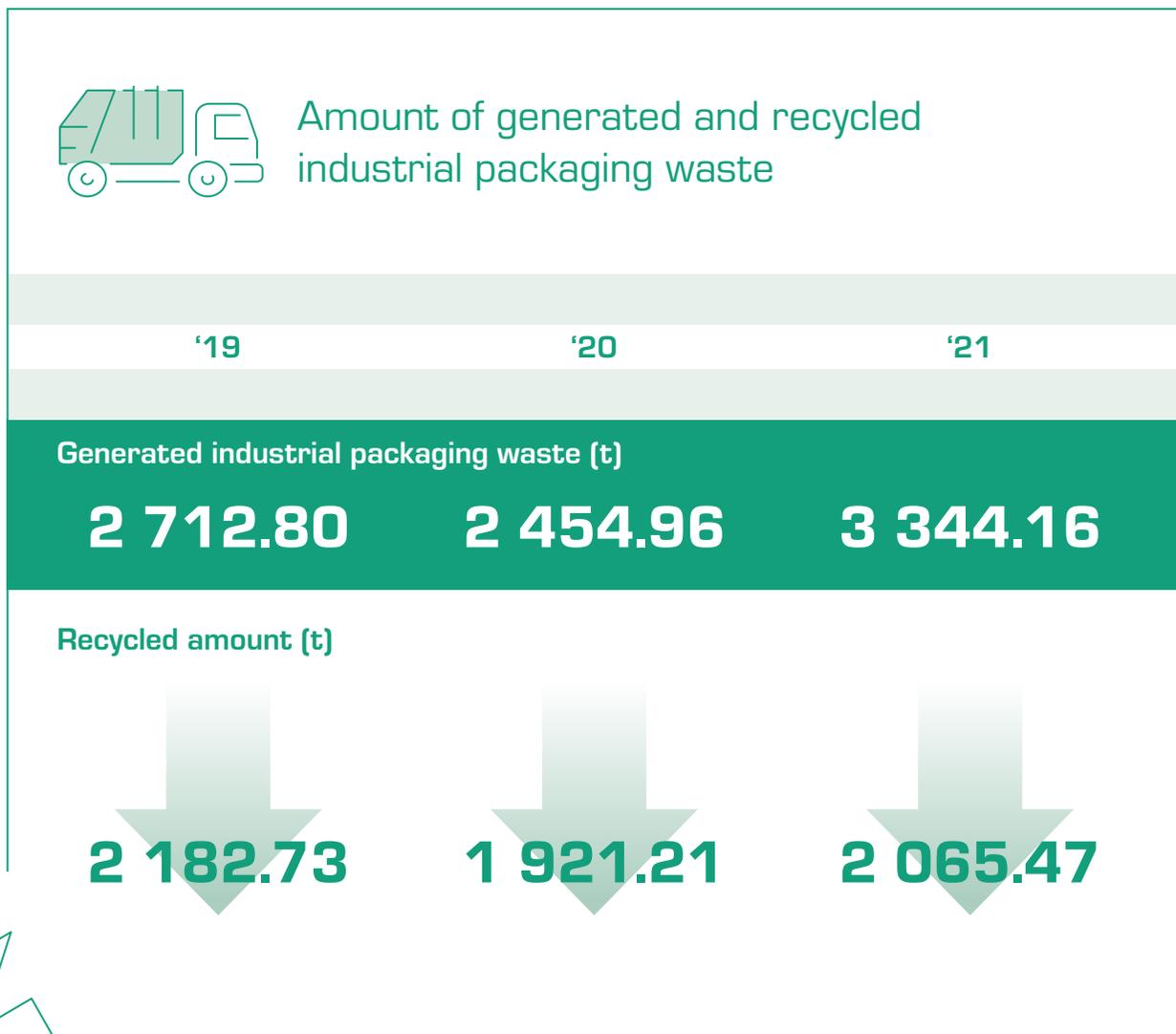
We provide waste segregation bins divided by four main types: paper, glass, plastic with metal, and mixed municipal waste at all of our shopping centres.

The industrial packaging waste is generated at our retail assets by our tenants. In 2021, we managed to recycle 61.8% of the total amount of industrial packaging waste generated which constitutes to 23,2% increase in comparison to the base year (2019). As we put a strong effort into ensuring that waste generated at our assets is recycled, our target for 2025 is to recycle 100% of the industrial packaging waste in all our assets.

Waste generated has been determined in tonnes. The following categories of industrial waste are included: cardboard and paper packaging, plastic packaging, sorbents, filter materials, wiping cloths (e.g. rags, cloths) and protective clothing, packaging metal, multimaterial packaging, mixed packaging, glass packaging, hazardous packaging, metal packaging, other batteries and accumulators, waste devices, waste equipment containing hazardous components, used components, mixed waste of concrete, bricks, waste ceramics and furnishings, waste from construction.



Amount of generated and recycled industrial packaging waste



EARTH CITIZEN (CONTINUED)

[GRI 305-1] [GRI 305-2] [GRI 305-3]

OUR APPROACH TO GHG EMISSIONS

In the long term, the potential consequences of the increasing amount of emissions can be irreversible, harming biodiversity as well as humans. To reduce the amount of emissions we generate, we are investing in renewable energy to power our buildings, and we monitor the emissions by measuring calculations of GHG emissions in Scope 1, 2 and 3.

In 2021, we adopted measures on direct (Scope 1), indirect (Scope 2) and other indirect (Scope 3) GHG emissions for our 18 retail and 6 office assets. We have calculated emissions in accordance with the GHG Protocol, a globally used database on best practices for accounting and reporting on greenhouse gases. We used GWP rates in reference to the IPCC Fifth Assessment Report, 2014 (AR5). Under the operational control

approach, we are obligated to account for 100% of emissions in Scope 1 and 2. To calculate Scope 1 and 2 we have used data from the invoices, direct measurements of energy source consumed and calculations based on published criteria, such as emission factors and GWP rates. Emission factors are used in accordance with the DEFRA 2021, KOBiZE, ERO, exiobase and from scientific sources. Scope 3 covers the following emission categories: purchased products and services, capital goods, energy-related emissions not included in Scope 1 and 2, employees' commitment, downstream leased assets.

Our direct emissions (Scope 1) include generated electricity, heat and cooling, consumption of fuels (natural gas and diesel), and fugitive emissions related to refrigerants. The indirect (Scope 2) energy emissions are generated from the

location-based, purchased heat and electricity. In the other indirect (Scope 3) emissions, we include sources divided by upstream and downstream categories. In the upstream emissions category we take into account purchased goods and services, capital goods, energy purchased by our tenants, WTT (Well-To-Tank) and T&D emissions and employee commuting. Downstream leased assets are included in the downstream category of other indirect emissions. 2019 is the base year for our calculation and it is the year when we started collecting emissions data.

We calculated GHG emissions by breaking down the emissions in the Scope 1 and Scope 2 for each shopping centre and office to ensure comparability of data. According to best practice, we calculate emissions including location-based and market-based methods. Detailed data on GHG emissions can be found in the EPRA index on page 78.

Total GHG emissions (2021)

274 486 Mg CO₂e

Location-based (Scope 1, 2, 3)

271 179 Mg CO₂e

Market-based (Scope 1, 2, 3)

Contribution to total GHG emissions (2021) (location based)



1.2%

Scope 1



16.4%

Scope 2

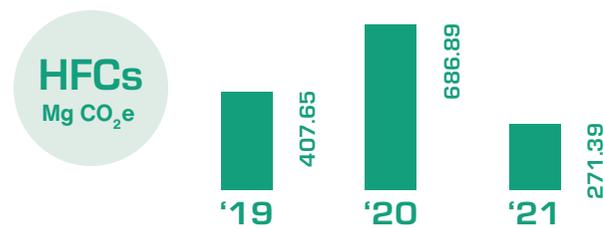
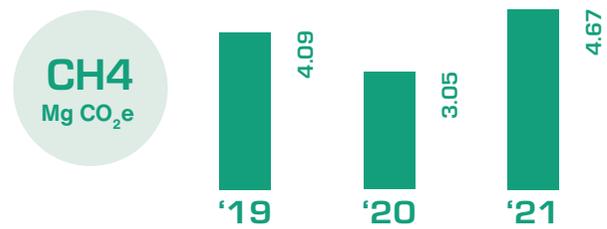
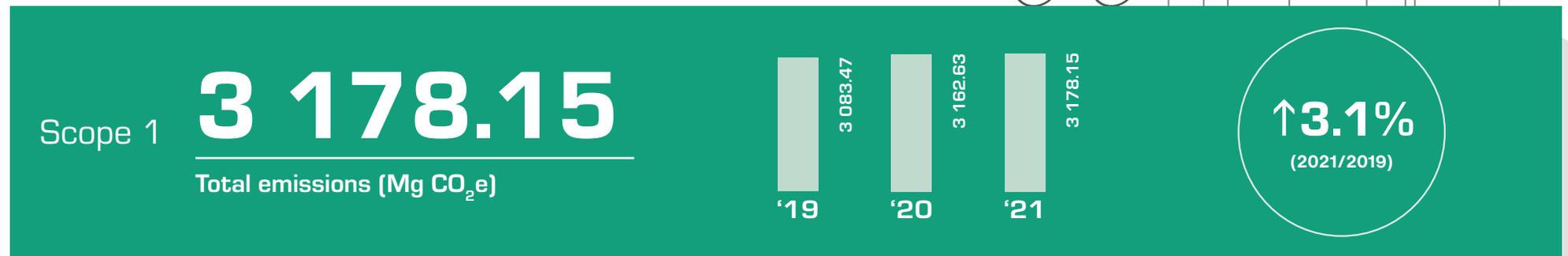


82.5%

Scope 3

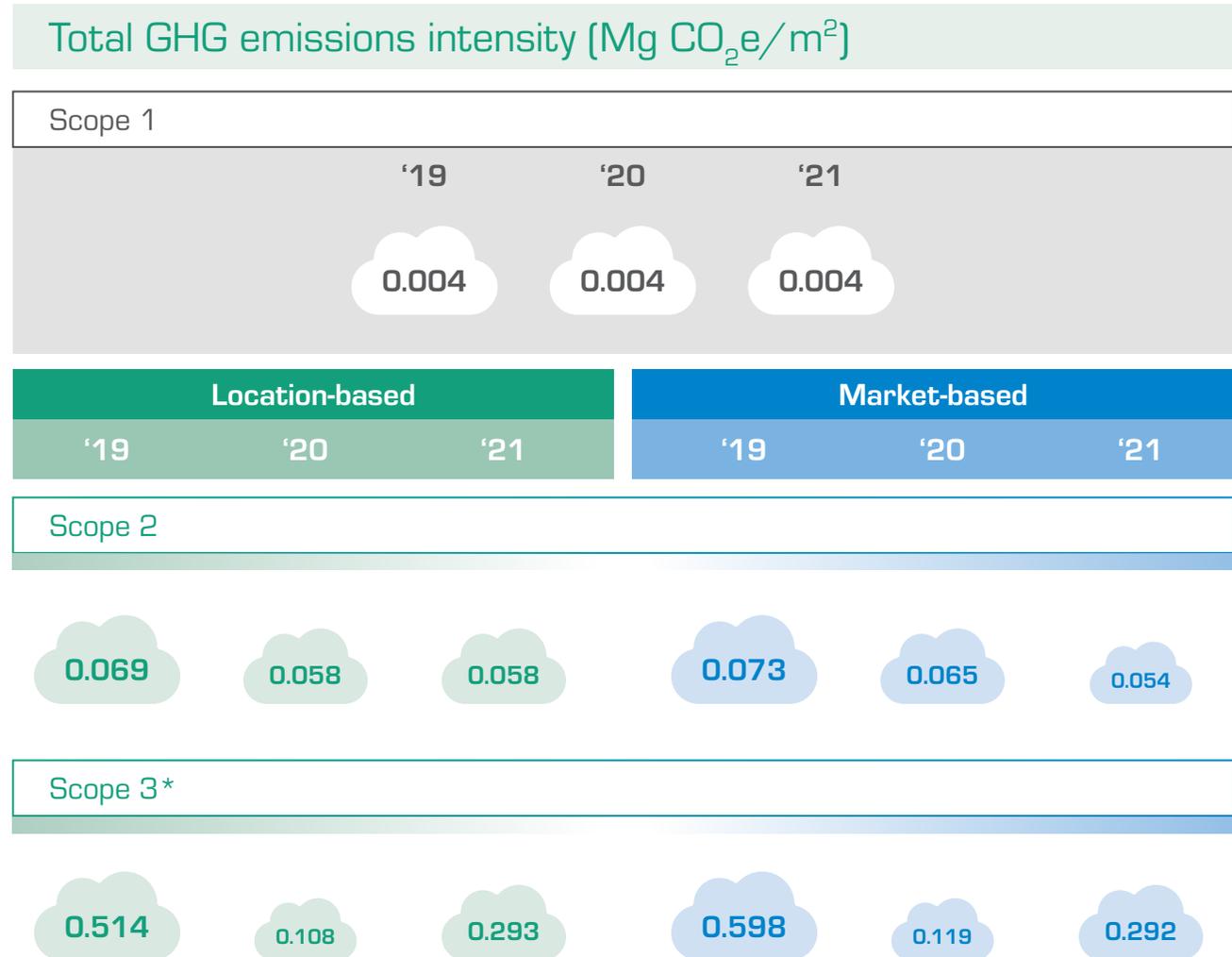
[GRI 305-5]

In the reporting year, we reduced the total amount of GHG emissions by 39.8% (location-based) and 41.6% (market-based) in comparison to the base year (2019). In 2021, we observed an increase of emissions in the Scope 1 by stationary combustion sources, and decrease in the mobile combustion sources caused by less transport use. Reduction of emissions in Scope 2 is caused by purchasing guarantees of origin for all office buildings.



The total GHG emissions intensity ratio defines GHG emissions in the context of the GLA.

[GRI 305-4]



We have set ambitious targets and initiatives to reduce our environmental impact to comply with our ESG strategy and contribute to the reduction of the global temperature. Our target for 2025 is to reduce indirect (Scope 2) GHG emissions by 13 500 Mg CO₂e compared to the base year (2019, location based). We aim to achieve this target by obtaining BREEAM accreditation for environmentally sustainable buildings and by guaranteeing renewable energy for 100% of our offices which we finally achieved in 2021. In addition, we plan to replace all lighting with LEDs and invest in photovoltaic panels by 2025. We set out targets that will help us in achieving low-emissions buildings. The environmental targets have been set by the board based on EPP's actual capabilities and opportunities to improve.

EPP's environmental performance is being tracked based on the applied metrics. We aim to verify the effectiveness of the actions we have taken to reduce our carbon footprint in the next reporting periods.

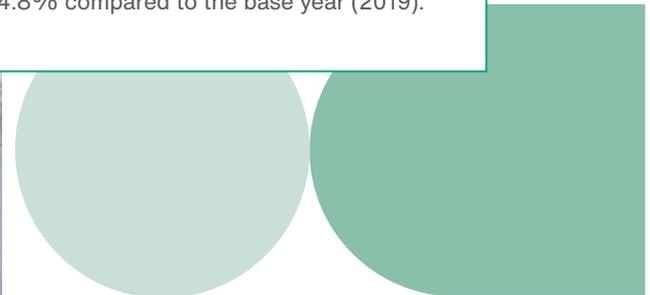
* Scope 3 (market-based) refers to and includes energy purchased by tenants.



OUR STRATEGY TO REDUCE ENERGY CONSUMPTION

We recognise energy as a resource that should be reduced, as its utilisation contributes to the negative impact on the climate by realised GHG emissions. We use energy in our offices for its maintenance and to provide working conditions to our employees. The majority of the energy we consume is distributed within the offices and shopping centres, provided to our visitors and tenants. As we distribute energy across the offices and shops, we are responsible for providing efficient systems and managing controls to minimise its use to the maximum.

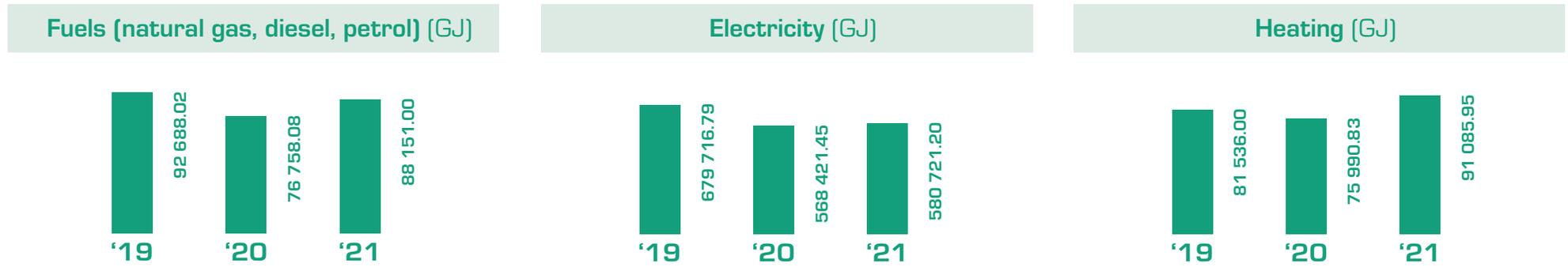
In 2021, we implemented initiatives aimed at significantly and effectively reducing energy consumption such as: LED lighting, modernisation of the BMS systems in the buildings, CO₂ control systems, installation of the photovoltaic panels at EPP's buildings and water-saving taps. In 2021, we reduced the use of electricity by 14.8% compared to the base year (2019).



[GRI 302-1] [302-4]

The reported energy consumption for 2021 includes electricity, district heating and fuels such as natural gas, diesel and petrol. Provided data presents energy consumed in common and tenants' areas. Data on electricity consumption was broken down into individual assets in GJ units.

In 2021, renewable energy guarantees of origin covered 100% of the electricity purchased for the office buildings. In 2021, in common and tenants' areas, 10.8% energy and 14.1% of electricity used was provided from renewable sources.



Total energy consumed (GJ)

758 027.77

(2021)

722 098.64 (2020)

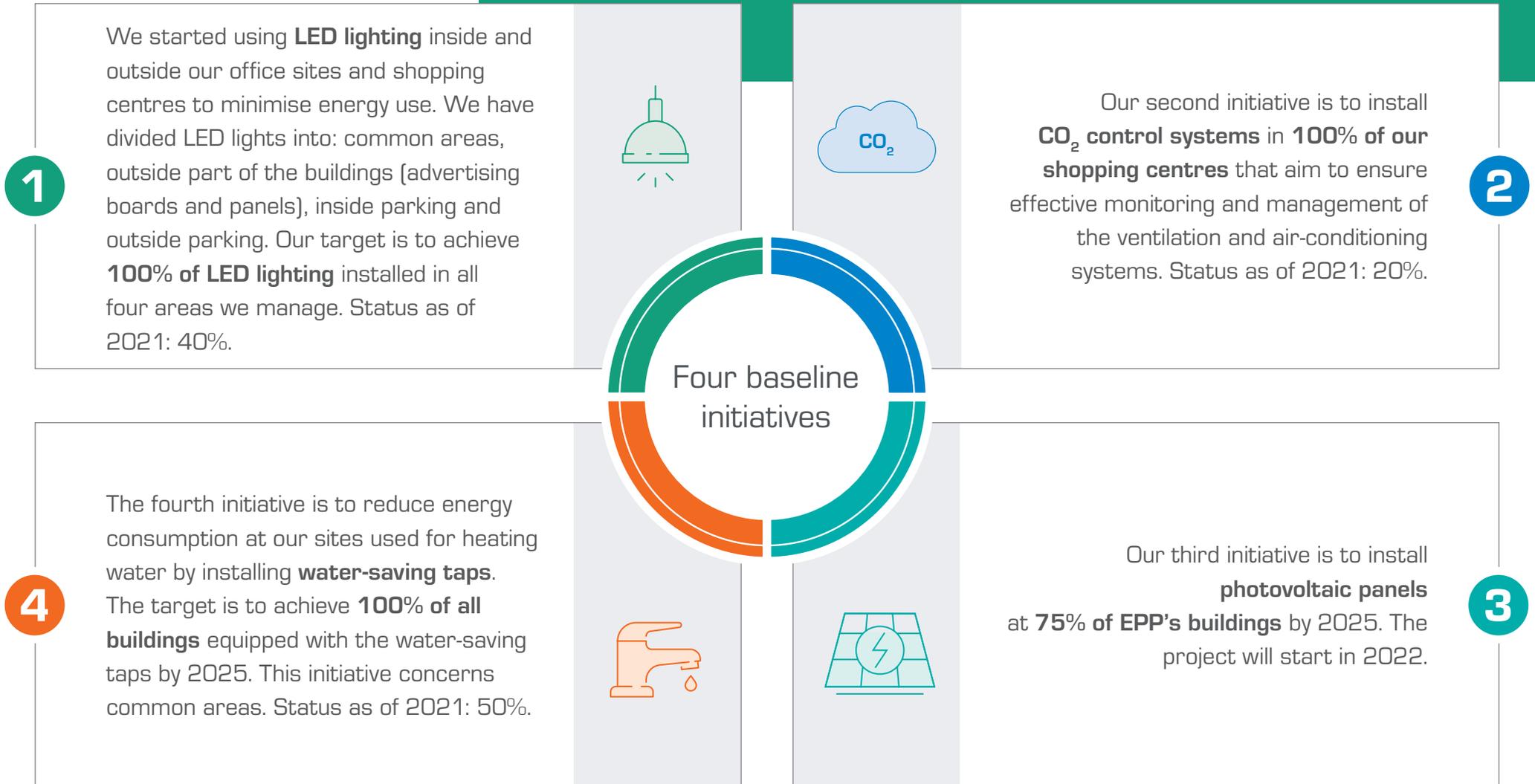
853 750.99 (2019)

↓ 14.8%

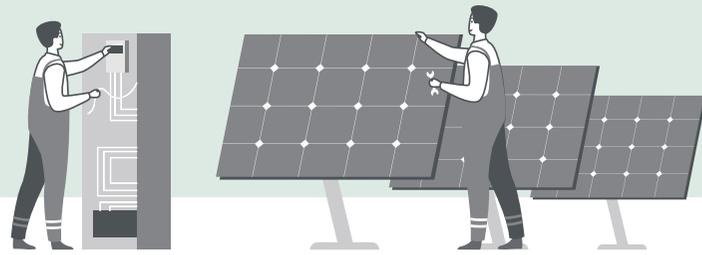
Electricity reduced
(2021/2019)



We have developed four baseline initiatives and set up ambitious targets for each to be achieved by 2025. Through those four initiatives, we aim to reduce the amount of energy consumed to 10% in the shared areas by 2025.



Initiatives



2025 goals

100%

LED lighting for common areas

100%

LED lighting of the outdoor part of the building (advertising boards, panels)

100%

LED lighting at outdoor parking lots

100%

LED lighting at indoor parking lots

100%

Modernisation of the BMS systems in the buildings

100%

Installation of the CO₂ control systems in shopping centres

75%

Installation of the photovoltaic panels (installation from 50 kW to 100 kW)

100%

Installation of the water-saving taps in common areas



TOTAL ENERGY INTENSITY

[GRI 302-3]

In 2021, the total energy intensity ratio amounted to 1.0 GJ/m² for all of our assets. The total energy intensity ratio divided into GLA in m² includes electricity, fuels and heat.

Total energy intensity ratio
(2021)

1.0 GJ/m²

Shopping centres



0.8 GJ/m² (2021)

0.8 (2020)

0.9 (2019)

Offices



0.2 GJ/m² (2021)

0.2 (2020)

0.2 (2019)

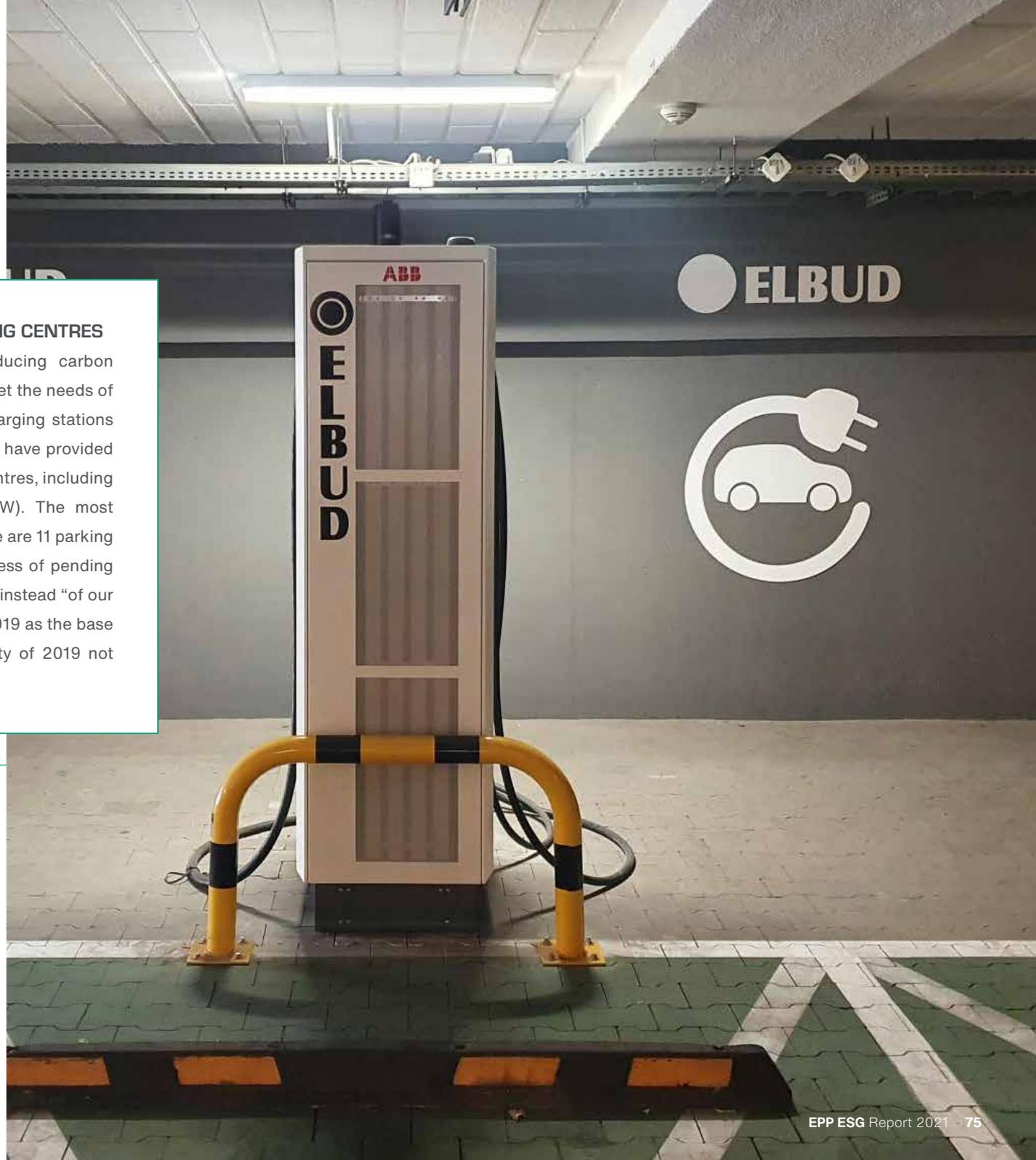


In 2022, we plan to implement specific measures on energy intensity in all our assets to report performance on energy consumed and track changes over time. Our target is to achieve a 10% reduction in energy intensity by 2025. We are going to achieve this by successive achievement of reduction goals. The progress will be monitored based on each reporting year.

CHARGING STATIONS AVAILABLE AT OUR SHOPPING CENTRES

We actively participate in the global target on reducing carbon emissions from the atmosphere, and we also want to meet the needs of our tenants and visitors. We are therefore installing charging stations for electric cars at our shopping centres and offices. We have provided charging stations (22 kW to 150 kW) at nine shopping centres, including two charging stations with dual fast chargers (50 kW). The most equipped shopping centre is Galeria Młociny where there are 11 parking spaces available with fast chargers. We are in the process of pending arrangements and technical acceptance at “another six” instead “of our non-equipped” shopping centres. We have determined 2019 as the base year for our calculations, due to full operational activity of 2019 not affected by the pandemic.

“ We provide charging stations (up to 150 kW) at 9 shopping centres



GREEN BUILDINGS

GREEN ENERGY

In 2021, EPP purchased 100% of renewable energy guaranteeing its origin for all office buildings for the period of 2022 to 2033. We aim to maintain 100% of renewable energy in the offices and increase this share for the shopping centres to 35% by 2025. By 2025, our objective is to ensure an increase of renewable energy sources covered by the energy mix provided by the energy supplier or purchase guarantees of origin in our retail buildings.



“ In 2021, EPP purchased 100% of renewable energy guaranteeing its origin for all office buildings for the period of 2022 to 2023.



CERTIFICATES

BREEAM (Building Research Establishment's Environmental Assessment Method) certification approves that our infrastructure has been fully adjusted to the environmental and social needs. As of 31 December 2021, 100% of our offices and 43% of our shopping centres were accredited by the external accreditation body. In 2021, 83% of our office assets (138 661 m² GLA) were accredited by BREEAM at “Excellent” level.

Nine of our retail assets are certified by BREEAM at “Excellent” level in the scope of Asset Performance and 36% are certified at “Outstanding” in the scope of Building Management. Our target for 2025 is to achieve BREEAM in Use certificates at “Very good” or “Excellent” levels for all our retail assets.

To achieve better results in energy efficiency, we have set up specific initiatives for a number of our shopping centres and offices to be achieved in the period of 2022 to 2025. We aim to complete the certification process by BREEAM for 100% of all our assets.



	GLA (m ²)	Certification type	Mark
Offices			
Malta Office Park	28 330	BREEAM In-Use	Excellent
Oxygen	13 926	BREEAM In-Use	Excellent
		Green building	Classified
Astra Park	14 269	Green building	Classified
Park Rozwoju 1	34 231	BREEAM	Excellent
Park Rozwoju 2		BREEAM	Excellent
O3 Business Campus 1	37 879	BREEAM	Excellent
O3 Business Campus 2		BREEAM	Excellent
O3 Business Campus 3	18 961	BREEAM	Excellent
Symetris Business Park 1	19 260	BREEAM	Excellent
Symetris Business Park 2		BREEAM	Excellent

OUR TARGET: WELL HSR CERTIFICATE

In 2022, our objective is to obtain a Well HSR certificate for three of the office projects including Malta Office Park (Poznań), O3 Business Campus (Kraków) and Symetris Business Park (Łódź). To comply with the requirements, EPP prepares its own instruction on functioning of the pro-health initiatives to ensure that the leased areas are sufficiently adapted to the needs of the users.

The list of retail asset does not include 4 Power Parks under operational control of tenants and 1 project to be replaced by a mixed-use development.

	GLA (m ²)	Certification type	Mark Asset Performance	Mark Building Management
Shopping centres				
Galeria Echo in Kielce	71 935	BREEAM In-Use	Very good	Very good
Galaxy in Szczecin	56 301	BREEAM In-Use (Building 1)	Very good	Excellent
		BREEAM In-Use (Building 2)	Very good	Very good
Pasaż Grunwaldzki in Wrocław	48 084	BREEAM In-Use is being prepared in 2022		
Galeria Olimpia in Bełchatów	21 142	BREEAM In-Use is being prepared in 2022		
Galeria Amber in Kalisz	33 619	BREEAM	Very good	Very good
Galeria Sudecka in Jelenia Góra	30 266	BREEAM In-Use is being prepared in 2022		
Galeria Veneda in Łomża	15 093	BREEAM In-Use is being prepared in 2022		
Outlet Park in Szczecin	28 022	BREEAM In-Use	Excellent	Excellent
CH Przemysł	5 759	Planned to be certified (BREEAM In-Use) in 2023		
Galeria Solna in Inowrocław	23 524	BREEAM	Very good	Very good
Park Handlowy Zakopianka in Kraków	26 256	BREEAM In-Use is being prepared in 2022		
Galeria Twierdza Kłodzko	23 038	BREEAM In-Use is being prepared in 2022		
Galeria Twierdza in Zamość	23 806	BREEAM In-Use is being prepared in 2022		
Wzorcownia in Włocławek	25 383	BREEAM In-Use is being prepared in 2022		
M1 – Bytom	27 274	BREEAM In-Use	Excellent	Outstanding
M1 – Czeladź	52 881	BREEAM In-Use	Excellent	Outstanding
M1 – Częstochowa	29 009	BREEAM In-Use	Excellent	Outstanding
M1 – Kraków	48 606	BREEAM In-Use	Excellent	Outstanding
M1 – Poznań	41 500	BREEAM In-Use	Excellent	Outstanding
M1 – Radom	32 526	BREEAM In-Use	Excellent	Outstanding
M1 – Zabrze	49 144	BREEAM In-Use	Excellent	Outstanding
M1 – Łódź	37 400	BREEAM In-Use	Excellent	Outstanding
King Cross Marcelin in Poznań	45 450	BREEAM In-Use is being prepared in 2022		
Galeria Młociny in Warsaw (retail)	80 751	BREEAM	Very good	Very good
Galeria Młociny in Warsaw (retail)		BREEAM In-Use	In progress	In progress
Galeria Młociny in Warsaw (office)		BREEAM	Very good	Very good
Galeria Tęcza in Kalisz	15 820	Planned to be certified (BREEAM In-Use) in 2023		

05 GRI AND EPRA CONTENT INDEX



GRI CONTENT INDEX

Statement of use	EPP has reported in accordance with the GRI Standards for the period from 1 January to 31 December 2021
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not required for preparing a report in accordance with the GRI Standards in the case of the Universal Standards 2016 or the Universal Standards 2021 (GRI Universal Standards 2021)

GRI Standard	Disclosure	Page number	Comments
GENERAL DISCLOSURES			
GRI 2: General Disclosures 2021	The organisation and its reporting practices		
	2-1 Organisational details	3	
	2-2 Entities included in the organisation's sustainability reporting	3	
	2-3 Reporting period, frequency and contact point	3	
	2-4 Restatements of information	3	
	2-5 External assurance		This report was not externally audited.
	Activities and workers		
	2-6 Activities, value chain and other business relationships	5	
	2-7 Employees		
	2-8 Workers who are not employees		
	Governance		
	2-9 Governance structure and composition	13	
	2-10 Nomination and selection of the highest governance body	18	
	2-11 Chair of the highest governance body	13	
	2-12 Role of the highest governance body in overseeing the management of impacts	13	
	2-13 Delegation of responsibility for managing impacts	13	
	2-14 Role of the highest governance body in sustainability reporting	19	
	2-15 Conflicts of interest	19	
	2-16 Communication of critical concerns		
	2-17 Collective knowledge of the highest governance body		
	2-18 Evaluation of the performance of the highest governance body		
2-19 Remuneration policies	19		
2-20 Process to determine remuneration	19		
2-21 Annual total compensation ratio		This data is unavailable. Compensation is regulated by remuneration policy. EPP does not monitor annual total compensation ratio.	

GRI CONTENT INDEX (CONTINUED)

GRI Standard	Disclosure	Page number	Comments
	Strategy, policies and practices		
	2-22 Statement on sustainable development strategy	1	
	2-23 Policy commitments		
	2-24 Embedding policy commitments		
	2-25 Processes to remediate negative impacts		
	2-26 Mechanisms for seeking advice and raising concerns		
	2-27 Compliance with laws and regulations	36	
	2-28 Membership associations		
	Stakeholder engagement		
	2-29 Approach to stakeholder engagement	22	
	2-30 Collective bargaining agreements		This disclosure is not applicable. There are no collective bargaining agreements.
MATERIAL TOPICS			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	29	
	3-2 List of material topics	29	
Energy			
GRI 3: Material Topics 2021	3-3 Management of material topics	39, 46	
GRI 302: Energy 2016	302-1 Energy consumption within the organisation		
	302-3 Energy intensity	74	
	302-4 Energy reduction	71	
Emissions			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI: 305 Emissions 2016	305-1 Direct (Scope 1) GHG emissions	66	
	305-2 Energy indirect (Scope 2) GHG emissions	66	
	305-3 Other indirect (Scope 3) GHG emissions	66	
	305-4 GHG Emissions intensity	69	
	305-5 Reduction of GHG emissions	67	
Waste			
GRI 3: Material Topics 2021	3-3 Management of material topics	39, 46	

GRI Standard	Disclosure	Page number	Comments
GRI: 306 Waste 2020	306-1 Waste generation and significant waste-related impacts	63	In this report, we disclose information only on industrial packaging waste. Disclosed information relates only to recycled industrial packaging waste.
	306-2 Management of significant waste-related impacts	63	
	306-3 Waste generated		
	306-4 Waste diverted from disposal		
Employees' turnover			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	53	
Occupational health and safety			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system		
	403-2 Hazard identification, risk assessment, and incident investigation		
	403-3 Occupational health services		
	403-4 Worker participation, consultation, and communication on occupational health and safety		
	403-5 Worker training on occupational health and safety		
	403-6 Promotion of worker health		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		
	403-8 Workers covered by an occupational health and safety management system		
	403-9 Work-related injuries		
	403-10 Work-related ill health		
Training and Education			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	55	This disclosure is not applicable. EPP is planning to conduct regular development talks and career development reviews during the next reporting period.
	404-2 Programs for upgrading employee skills and transition assistance programs	55	
	404-3 Percentage of employees receiving regular performance and career development reviews		

GRI CONTENT INDEX (CONTINUED)

GRI Standard	Disclosure	Page number	Comments
Diversity and Equal Opportunity			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 405: Diversity and Equal Opportunity 2016	405-1: Diversity of governance bodies and employees 405-2: Ratio of basic salary and remuneration of women to men		This data is not available. EPP has not implemented the procedure of the calculation of the basic salary ratio of women to men.
Local Communities			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs		This data is not available. EPP has not implemented the procedure of the social impact assessment. We report qualitative data on the social engagements we engage in.
Customer Health and Safety			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 416: Customer Health and Safety 2016	416-1: Assessment of the health and safety impacts of product and service categories	39	

EPRA CONTENT INDEX

EPRA Sustainability Performance Measures (Environment)			Total portfolio						Performance by asset type																	
Impact area	EPRA Code	Units of measure	Indicator	Absolute performance			Like-for-Like			Shopping centres						Offices										
				2019 (Abs)	2020 (Abs)	2021 (Abs)	2020 (LfL)	2021 (LfL)	% change	2019 (Abs)	2020 (Abs)	2021 (Abs)	2020 (LfL)	2021 (LfL)	% change (LfL)	2019 (Abs)	2020 (Abs)	2021 (Abs)	2020 (LfL)	2021 (LfL)	% change (LfL)					
Energy	Elec-Abs,	MWh	Electricity	for landlord shared services	75 122.23	64 405.10	64 664.22	64 405.10	64 664.22	0.4	59 551.84	52 093.94	52 438.72	59 551.84	52 438.72	0.7	15 570.39	12 311.16	12 225.50	12 311.16	12 225.50	(0,7)				
	Elec-LfL			(sub)metered exclusively to tenants	113 687.99	93 489.74	96 110.88	93 489.74	96 110.88	2.8	102 265.62	83 386.76	85 605.18	83 386.76	85 605.18	2.7	11 422.37	10 102.98	10 505.71	10 102.98	10 505.71	4				
				Total landlord-obtained electricity	188 810.22	157 894.85	160 775.10	157 894.85	160 775.10	1.8	161 817.46	135 480.70	138 043.89	135 480.70	138 043.89	1.9	26 992.76	22 414.15	22 731.21	22 414.15	22 731.21	1.4				
				Proportion of landlord obtained electricity from renewable sources	0	0	14.1				0	0	0				0	0	100							
	DH&C-Abs,			District heating and cooling	District heating and cooling	for landlord shared services	7904.72	7826.39	7966.69	7 826.39	7 966.69	1.8	6 916.16	6 899.29	7 273.97	6 899.29	7 273.97	5.4	988.56	927.09	692.73	927.09	692.73	(25,3)		
	DH&C-LfL					(sub)metered exclusively to tenants	14 744.17	13 282.18	17 334.96	13 282.18	17 334.96	30.5	6 052.48	5 056.94	7 740.20	5 056.94	7 740.20	53.1	8 691.69	8 225.24	9 594.76	8 225.24	9 594.76	16.7		
						Total landlord-obtained electricity	22 648.89	21 108.56	25 301.65	21 108.56	25 301.65	19.9	12 968.64	11 956.23	15 014.16	11 956.23	15 014.16	25.6	9 680.25	9 152.33	10 287.49	9 152.33	10 287.49	12.4		
						Proportion of landlord obtained heating from renewable sources	N/A	N/A	N/A				N/A	N/A	N/A				N/A	N/A	N/A					
	Fuels-Abs,					Fuels	Fuels	for landlord shared services	50 034.94	46 209.41	54 377.29	4 6209.41	54 377.29	17.7	41 735.22	40 508.15	47 990.80	40 508.15	47 990.8	18.5	8 299.72	5 701.25	6 386.49	5701.25	6 386.49	12
	Fuels-LfL							(sub)metered exclusively to tenants	42 463.26	31 476.96	33 774.17	31 476.96	33 774.17	7.3	42 426.78	31 457.52	33 756.91	31 457.52	33 756.91	7.3	36.48	19.44	17.26	19.44	17.26	(11,2)
								Total landlord-obtained fuels	92 498.19	77 686,36	88 151.46	77 686.36	88 151.46	13.5	84 161.99	71 965.67	81 747.70	71 965.67	81 747.7	13.6	8 336.20	5 720.69	6 403.76	5720.69	6 403.76	11.9
								Proportion of landlord obtained fuels from renewable sources	N/A	N/A	N/A				N/A	N/A	N/A				N/A	N/A	N/A			
Energy-Int	kWh/m ² /year	Energy intensity	Landlord-obtained energy					344.7	287.41	303.6				364.2	302.65	319.65			262.33	223.04	235.59					
	Number of applicable properties	Energy and associated GHG disclosure coverage						26	26	26	26	26	26	19	19	19	19	19	19	7	7	7	7	7	7	
	%	Proportion of energy and associated GHG estimated						12.35	35.85	17.41	35.85	17.41		9.87	29.29	14.34	29.29	14.34		2.48	6.56	3.08	6.56	3.08		
Greenhouse gas emissions	GHG-Dir-Abs	tonnes CO ₂ e	Direct					Scope 1	3 083.47	3 162.63	3 178.15				2 543.13	2 679.18	2 815.42		540.34	483.45	362.73					
			Indirect	Scope 2	53 671.76			44 772.29	44 888.26				42 773.10	36 415.93	36 773.70		10 898.66	8 356.36	8 114.56							
	GHG-Indir-Abs	Indirect	Scope 3	399 493.77	83 862.73			226 419.97				385 531.59	71 674.94	212 577.04		13 962.18	12 187.80	13 842.93								
	GHG-Int	kg CO ₂ e/m ² /year	GHG emissions intensity	Scope 1 and 2	0.07			0.06	0.06				0.06	0.05	0.05		0.01	0.01	0.01							

