



ESG REVIEW

2022

Yareal Polska Sp. z o.o.



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Over the past nearly 20 years, Yareal has built a total of 27 development projects - from intimate residential projects to multi-stage residential and office developments, providing comfortable space for thousands of residents, employees and dozens of companies. We started out with boutique apartment developments and small office projects in central locations, with a focus on quality and creating sustainable added value from the start - both for the users of our properties and for investors. Over time, the scale of development of our company gradually increased, with a team of a few staff growing into an organisation employing more than 50 people. We have also changed our headquarters several times over the years. Sustainability has been one of the cornerstones of this process since the beginning. We are aware of the great responsibility that comes from the fact that by creating new development projects and introducing new functionalities, we are defining for decades the reality and comfort of life not only within our projects, but also in their close and more distant surroundings. That is why we always try to stay ahead of the trends in order to integrate Yareal's development projects into the existing surroundings and positively influence the shape and development of the urban landscape as well as the life of the local community.

Not only do development projects meet specific human needs and play a significant role in the national economy, but they also leave their mark on the urban fabric and the natural environment. For this reason, issues relating to the systematic reduction of climate impact, the rational use of resources and the active creation of environmentally friendly solutions play an important role in our projects. For years, we have been creating all new developments from

scratch in line with the stringent requirements of the green building system. The BREEAM certificates issued for our 20 projects not only confirm Yareal's position as a leader in sustainable construction in this system, but more importantly they demonstrate our concern for our impact on the environment. What is more, one of our Tri-City projects has been double-certified - under the BREEAM system and the GREEN HOUSE system. In practice, the self-initiated challenges of green certification mean numerous self-imposed restrictions and additional financial outlays. As part of our daily practices, we are constantly trying to work on new solutions while looking for new technologies and ideas to make our investments projects even more friendly and qualitative. Responsibility means a lot in our team, and it is not just a word but a daily practice.

We are proud to present the first ESG report summarising Yareal's activities undertaken over many years. Our development operations are constantly evolving under the influence of current challenges, including climate, social and economic ones. The implementation of the ESG principles presented in this report is a further step in systematising Yareal's commitment to sustainability. Our report is the first summary of all the measures we have implemented so far, with a particular focus on 2022. It is a preparation for more detailed reporting, which will soon become our duty, as well as for many entities operating on the European market. Work on it was also aimed at identifying areas requiring refinement or improvement and laying the foundations for the implementation of detailed procedures, including the collection of necessary data, as well as improving employees' awareness of ESG and related EU regulations.

As a responsible market participant, we want to monitor our impact even more than before, consciously shaping environmental, social and governance issues at every stage. Transparent communication with stakeholders is at the heart of the implementation of the sustainability priorities adopted in the strategy, through which we strive to provide optimal working and development conditions for our employees and partners, and to continuously improve our customer satisfaction.

I hope that reading this report will provide you with a lot of interesting information about Yareal Polska and will give you a better understanding of our company in its daily operations - the pursuit of a new quality of living and working in urban space.

President of the Management Board of Yareal Polska
Jacek Zengtel



Neopark



ABOUT THE COMPANY

1.1. OUR BUSINESS PROFILE

We are one of the leaders in the property development industry in Poland, valued for the quality of our investment projects. Yareal Polska belongs to the YAM Invest Group and it is managed by Yareal Polska Holding, which has equity capital in excess of PLN 350 million. Since the beginning of our nearly 20 years in business, we have been committed to values such as quality, innovation, trust in our customer relationships and responsible management of our environmental impact.

As the Yareal Group, we are an organisation that is constantly evolving, learning, optimising processes in order to create more and more value for customers and shareholders, as well as to ensure the development of our employees.

» Knowledge and experience

Since 2005, we have completed 19 residential and 8 office projects with a total area of over 123,000 m².

Our projects are characterised by a modern, timeless architectural style and optimal integration into the surrounding urban fabric, which has become our hallmark.

» Stable and reliable company

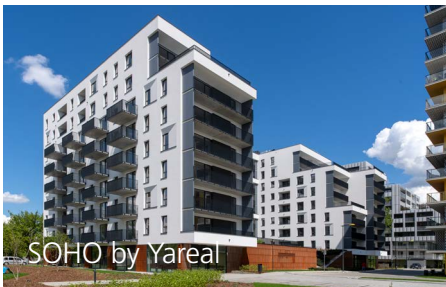
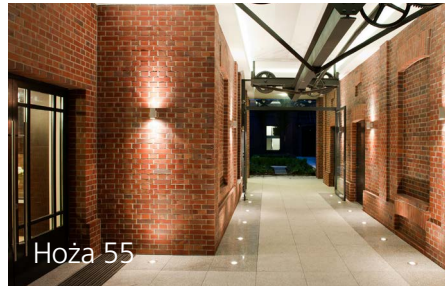
YAM Invest Group provides Yareal with long-term equity capital so that the company has a stable financial position and offers customers a high standard of executed investment projects regardless of the economic climate.

» Top quality

Yareal's projects have been repeatedly awarded by real estate professionals, which is valuable recognition and part of a solid track record built up over the last almost 20 years.

What makes us stand out in the market is our commitment to quality, customer satisfaction, cooperation with renowned architecture firms and landscape designers, well thought-out locations, introduced innovations and environmentally friendly measures.

ABOUT THE COMPANY



18 years
of experience
on real estate market



19
completed residential
projects



over
123,000 m²
office space



8
constructes office
buildings



over **3,000**
sold flats and apartments



Strong capital position
and shareholder support



PZFD
Polski Związek
Firm Deweloperskich
since 2005 we have been
a member of PZFD



Architecture award of
the President of Warsaw
"GRAND PRIX 2018" for
Nowogrodzka Square

MISSION

Our mission consists of five pillars, which we treat equivalently:

1 Delivering high quality residential and office projects that offer a welcoming space to live and work.

Yareal's projects are characterised by above-average attention to functionality and quality, both on the macro scale of buildings, external details and internal solutions. By rationalising the usable space as much as possible, our designs ensure everyday comfort and new working standards. We execute both intimate apartment projects, residential developments, medium-sized office buildings in central locations and campus-style office projects.

All the residential and office buildings we develop are characterised by an optimal choice of location, suitable surroundings, while maintaining exceptional flexibility, functionality and compliance with the latest quality standards.

2 Offering customers flats and offices that will gain value over time.

The company's long-term strategy based on commitment and the optimum adaptation of the offer to the expectations and needs of our customers is the best guarantee of long-term security and an investment value that increases day by day.

3 Introducing green solutions.

We are committed to introducing solutions that contribute to reducing CO₂ emissions and limiting the environmental impact of our real estates.

4 Using the knowledge and international experience of the team and the company to create optimal projects.

The knowledge and experience gained by our team in Poland and abroad, both in design and execution, guarantee quality and satisfaction with the increased value of our investment projects. As an organisation, we continuously learn while staying focused on finding new and optimal solutions. We focus on streamlining processes through knowledge sharing, creation of project teams, a flat organisational structure and a rapid decision-making process.

5 Co-creating the modern urban fabric.

Our projects fit in with their surroundings, bring in new features or restore old ones. We also implement mixed-use projects that contribute to the revitalisation of neglected or hitherto unused urban spaces and provide residents with basic needs within their precincts, additionally helping to strengthen social ties.

VISION

Yareal Polska is the leader in terms of quality in the property development industry in Poland. Yareal's residential and office projects are consistently distinguished by the highest levels of quality and flexibility of the implemented solutions.

MARKETS WHERE WE PROVIDE SERVICES

Yareal conducts development operations in two locations in Poland: in Warsaw and Tri-City. The company's head office is located in Warsaw. Yareal Polska's Regional Office is located in Sopot.

WARSAW

Office developments:

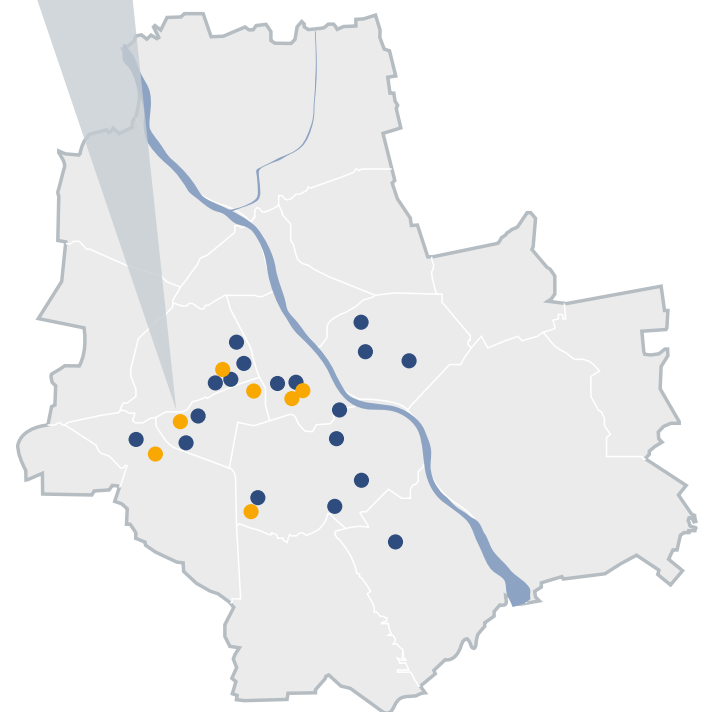
1. LIXA AB – 2 Kasprzaka St., 1 Giełdowa St.
2. LIXA C – 4 Kasprzaka St.
3. Nowogrodzka Square – 93 Jerozolimskie Av.
4. Neopark Mokotów – 10 Cybernetyki St.
5. Mokotowska Square – 49 Mokotowska St.
6. Oxygen Park – 137A Jutrzenki St.
7. Cristal Park – 4 Mszczonowska St.
8. Renaissance – 19 Mokotowska St.

Residential developments:

1. SOHO18 – 25 Mińska St.
2. Vice Versa – 7, 7A Karolkowa St.
3. Eden Włodarzewska – 76 Włodarzewska St.
4. Chrobrego Residence – 40 Bolesława Chrobrego St.
5. Strefa Wilanów – at the corner of Kieślowskiego and Klimczaka Streets
6. Kolorowy Gołąb – 10 Międzyborska St.
7. Konstancińska Residence – 11 Konstancińska St.
8. Bryłowska 2 – 2 Bryłowska St.
9. Biała Residence – 3 Biała St.
10. Iwicka Residence – 3 Iwicka St.
11. Dolina Mokotów Residence – 9 Lubaszki St., 6 Bergamotki St., 4 Eukaliptusowa St.
12. 12. Łazienki Park Residence – 10 29 Listopada St.
13. Sienna 65 – 65 Sienna St.
14. Londyńska 5 – 5 Londyńska St.
15. Hoża 55 – 55 Hoża St.
16. Mokotowska 49A – 49A Mokotowska St.
17. Pozytywny Mokotów – 5 Konstruktorska St.

Houses:

1. Eden Włodarzewska – 76 Włodarzewska St.



residential developments

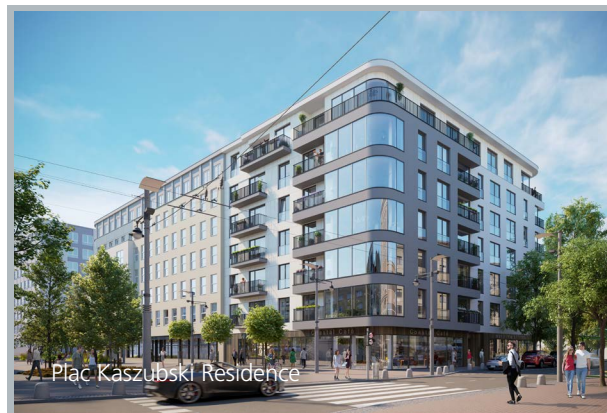
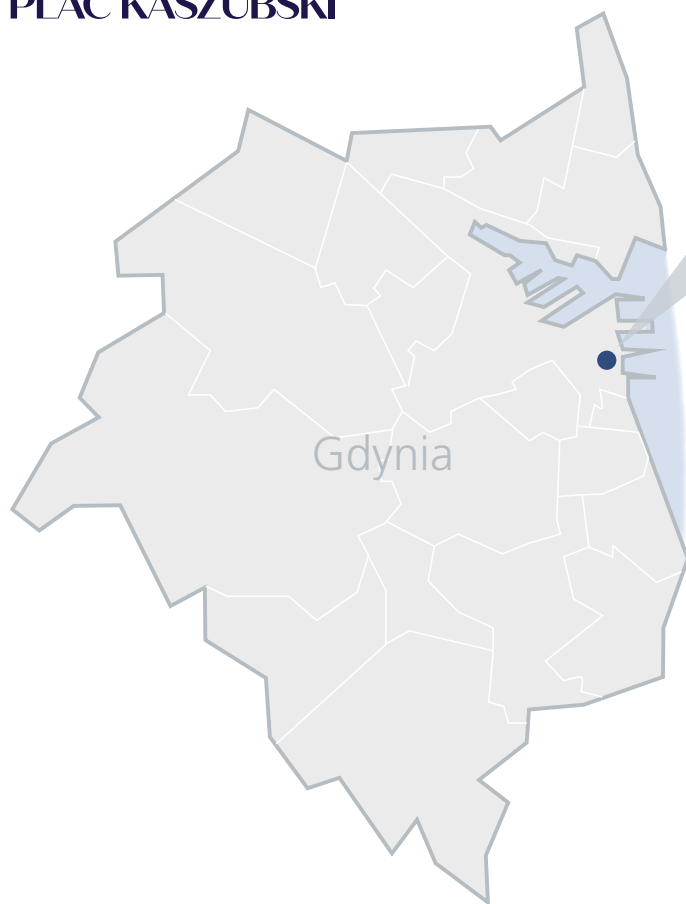


office developments

GDYNIA

Residential developments:

1. Plac Kaszubski Residence - Gdynia,
1 Jana z Kolna St.



● residential developments

OUR STAKEHOLDERS

At Yareal, we actively build relationships with our key stakeholders as the quality of these relationships is one of the most important factors influencing the sustainability of the company, the implementation of the company strategy and the realisation of the potential to benefit the social environment.

Our daily work is based on identified needs and systematic, transparent communication, so that the decisions we make take into account the opinions of our stakeholders.

Main groups of our stakeholders:



Main groups of our stakeholders and forms of contact with them:

Main category of stakeholders	Details	Main methods of dialogue and communication channels
Customers	Residential projects Office projects	Currently, the main form of contact is face-to-face conversations, telephone calls and e-mails.
Subcontractors and General Contractors, Suppliers		Each project has coordination meetings during the implementation phase involving the general contractor, the team of supervisors and the lead designer. Meetings are held at least once a week to discuss current issues on site and to monitor progress of execution.
Representatives of local governments and technical infrastructure administrators.		From the initial stages of design work, we present the basic principles of the projects in order to collect comments, objections and suggestions. We formally apply to the administrators for connection conditions or agreements. Further, in the course of obtaining administrative decisions or concluding connection and/or road agreements, we keep in touch by e-mail and at official meetings.
Administration of residential buildings		In the case of newly built projects, we organise training for the administration and the estate's maintenance team on the operations of the building and the equipment installed in it. Once the building has been handed over for use, we organise regular meetings with the administration in order to improve the functioning of the housing community and the comfort of the residents of the estate.
Employees		Communication with employees takes place primarily via e-mail, but also through face-to-face conversations. We use a questionnaire system to survey training needs. Employees also have a representative elected by vote.
Local communities	Neighbours of the investment project	We are aware of the impact that our newly built investment projects have on the lives of local communities. At the design stage, we carry out public consultation with residents of neighbouring locations. Residents have the opportunity to submit comments, which are then incorporated into the designs where possible. At the stage of acquiring land or commencing execution, we ensure that a so-called "Good Neighbour Agreement" is concluded with neighbouring communities as part of our responsibility for a particular development. The agreement regulates the mutual relationship during the construction period and defines the responsibilities for any adverse effects of the construction. In addition, there is a complaint log on each site where anyone experiencing discomfort with our operations can enter their concerns.

1.2. MEMBERSHIP IN ORGANIZATIONS

We are an active member of respected industry organisations associating business:

- **French-Polish Chamber of Commerce – CCIFP**

The CCIFP is an independent organisation of nearly 400 French and Polish companies. It plays an active role in the growth of investment and business activities in Poland and provides a platform for the exchange of experience and best business practices..

- **Polish Association of Developers – PZFD**

The PZFD is the largest organisation of the property development industry in Poland, which for 20 years has represented property development companies in the country and the European Union, upholding high standards and the security of homebuyers. We have been a member since 2005. Through its activities, the PZFD has a real involvement in legislative work and is invited to provide opinions on many pieces of legislation (e.g. amendment of the Development Act, amendments to the technical conditions and construction law, amendment of the special purpose housing law and the inclusion of commercial areas in its provisions, initiation of the special 2% mortgage program).

Our membership in the PZFD also means access to training or a code of good practice, which translates directly into our professionalism and the quality offered to customers.

Activities in the Management Board of the Warsaw Office include:

- discussing current problems and challenges in conducting development activities with local authorities and entities such as ZDM, MPWiK, etc.,
- measures to expand and develop local infrastructure (e.g. jointly with the Capital City of Warsaw in the framework of the PZFD we have worked out new rules for the conclusion of road contracts under Article 16 of the Public Roads Act),
- image-related activities (e.g. support for veterans and promoting the memory of Warsaw Insurgents).

The President of the Management Board of Yareal Polska - Jacek Zengtler - has been an active board member of the Warsaw Branch of the PZFD since 2019. In addition, from September 2021 to 25 May 2023, he served as a member of the PZFD Board at the central level.



1.3. AWARDS AND DISTINCTIONS

We have been working on our good will for years. We want Yareal to be seen as a solid company, providing a sense of certainty, investment security and stability. Our projects have won numerous awards, which is a sign of recognition and an important part of the legacy built up over the last almost twenty years.

Selected awards and honourable mentions:



Mokotowska Square office building – Eurobuild award for “New Office of the Year 2011, Poland”, Construction & Investment Journal award for “Best Refurbishment/Expansion of the Year 2011”, European Property Awards award for “BREEAM Application In-Process”, CEE Quality Awards main award for the “Office Development of the Year”.



Hoża 55 apartment building – Construction & Investment Journal “Residential Luxury Development of the Year” award in 2013.



Nowogrodzka Square office building – PLGBC award in the “Green Building Awards 2018” competition (“Best Certified Green Building” category).

2011

2013

2013

2014/2015

2018

2019

Oxygen Park office building – Construction & Investment Journal “ESSA Green Award” in 2013.

Konstancińska Residence apartment building – awarded in the Domiporta poll – “Apartment of the Year 2014/2015”.

Nowogrodzka Square office building – Grand Prix and distinction in the “Architectural Award of the President of Warsaw 2019” competition (“Best Commercial Building” category) for the quality of architecture, the building’s integration into the surrounding urban fabric, and the creation of a publicly accessible urban arcade.





Kolorowy Gość

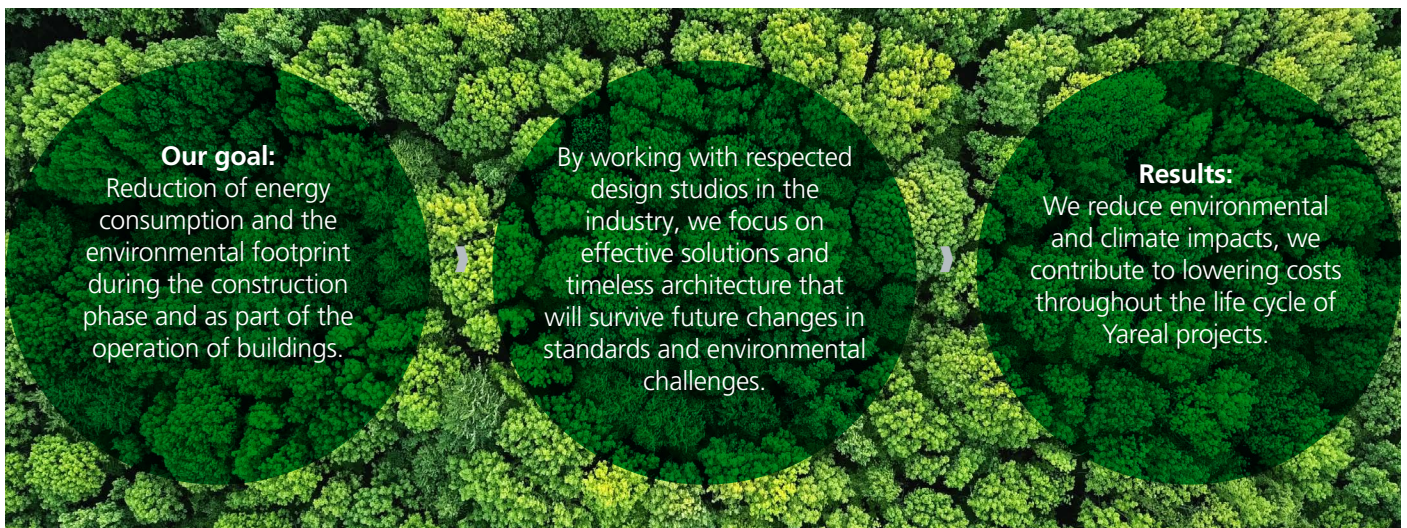
ENVIRONMENTAL IMPACT (E)

2.1. ENVIRONMENTAL IMPACT MANAGEMENT

We are aware that the construction industry has a significant impact on the environment. We strive to manage it proactively and responsibly and reduce our carbon footprint at every level of our development operations.

Thanks to the BREEAM sustainable building certification now applied to all Yareal's new developments, we are reducing CO₂ emissions and consumption of natural resources, and by using the highest quality materials from verified sources, we are ensuring that their lifetime is extended. As a result, our investments have the flexibility and readaptability as well as greater durability, enabling them to be used over a longer period of time, assuming changing climate conditions and the following social changes. We provide a healthy and comfortable environment for the residents of our buildings by executing projects on an appropri-

ate "human" scale, ensuring easy access to fresh air, ventilation and optimal daylight. All our developments cater to the need for contact with nature and greenery thanks to thoughtfully designed green areas arranged in a way that guarantees the protection of biodiversity. We use native plant varieties that are also natural shelter and food for many species of birds, insects and butterflies. We take care of the recovery of water from rainfall and its reuse for watering the greenery, and thanks to the applied technologies, we make it possible to save and monitor the consumption of other resources, including energy.



BREEAM®

BREEAM is an internationally recognised system for assessing the quality of a building and its impact on its residents and the environment carried out by an independent organisation. The system defines a standard of best practices for sustainable construction and covers aspects, such as **environmental protection and ecology, resident safety and comfort, usability and economy**, among others.

The BREEAM assessment methodology involves an in-depth analysis of all the properties of the investment project. **Awarding**

a BREEAM certificate to a building or group of buildings is a guarantee that they have been designed and built to the best standards and that they are of a high quality and comfortable to use. We received the BREEAM Communities certificate for our SOHO by Yareal development, which was a novelty on the Polish real estate market. It confirms the highest quality standards of the urban design which was developed, among other things, in consultation with the local government and the historic preservation officer.

In 2020, 2021
and 2022

100%

of our buildings were
BREEAM certified.

The **BREEAM** certificate awarded to Yareal's developments is proof of the consistency in our actions, the persistent search for optimal solutions and the high quality of our projects.



Social and economic prosperity

Before designing Yareal's developments, a team of analysts, economists and architects conduct specialised economic and demographic analyses to identify the needs and opportunities of the local economy. The conducted research focuses on understanding how YAREAL's investment projects can enhance the economic prosperity of future residents and have a positive impact on their overall wellbeing.

In specific projects, we also take into account environmental risks identified for the site, such as the occurrence of flooding, taking into account projected climate change. In addition, our designs are developed based on the conclusions of the analysis carried out by the acoustician, in which he or she identifies the sources and nature of noise in and around the project site.

We ensure that the green spaces in our projects meet the needs of future users, both in terms of providing sufficient green space and activity areas, by creating high quality public spaces. Responding to future social changes, we are designing pedestrian-friendly spaces, including those with reduced mobility, making them accessible to all.



Resources and energy

We draw on the expertise of an energy efficiency expert who prepares an analysis to reduce the CO₂ emissions associated with the basic energy demand of buildings. By applying the recommendations to the design of our investment projects, we manage to partially reduce CO₂ emissions.



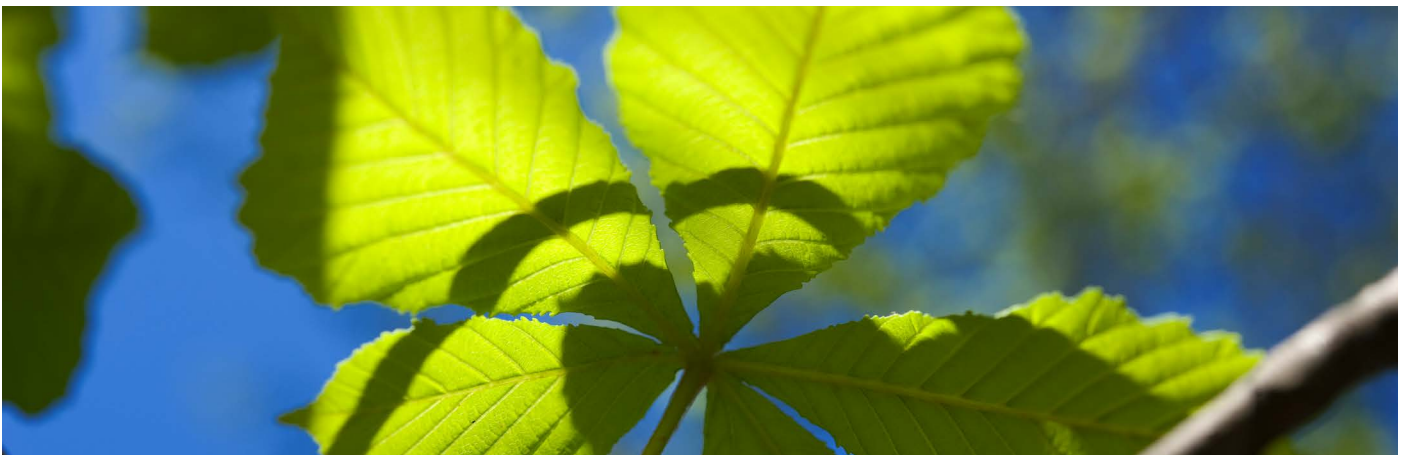
Use of land and ecology

Our project designs take into account the recommendations of an ecologist who prepares an ecological strategy and environmental impact assessment for the selected site. Applying the recommendations in the project on the basis of the analyses makes it possible to protect valuable natural elements and also to strengthen the biodiversity of the area.



Transport and communication

The street layout as well as pedestrian and bicycle routes around our investment projects are safe and help promote sustainable ways of moving around. We incorporate safety solutions for vehicles, pedestrians and cyclists into the projects. Thanks to the location of our projects at central points in the urban fabric, users can use a variety of public modes of transport. As far as possible, we try to exclude car traffic from our investment sites in favour of pedestrian traffic in order to reduce exhaust emissions and noise in the immediate vicinity of residential buildings.



BREEAM®

With the introduction of BREEAM certification, we are assured that the General Contractors we work with adhere to a set of standards:

- they ensure decent working conditions for construction workers,
- they take care of construction waste management,
- they optimise water and energy consumption on construction sites,
- they reduce the inconvenience caused by construction to the neighbours of the investment project,
- they provide future residents of the investment project with instructions on how to use the premises/buildings.

The following are performed for office projects:

- feasibility study of low-carbon energy sources,
- thermal comfort analysis,
- material life cycle environmental impact analysis,
- effective materials management strategy,
- material life cycle analysis.

For residential developments, additionally we perform:

- daylight access analysis,
- climate change adaptation analysis,
- sustainable travel plan providing information on transport links, cycle paths, disabled access, electric vehicle charging stations, bicycle repair stations,
- energy simulation analysis.

Analyses and tests carried out at the design stage are aimed not only at reducing the negative impact of buildings on the environment, but also directly affect the comfort of users. The assumption of optimal illumination of the surface with daylight translates into the design of the division into day and night zones in apartments, and in offices - shortening the working time with artificial lighting. The analysis of thermal comfort allows the use of solutions limiting, for example, excessive heating of buildings in the summer and their excessive cooling in winter. The sustainable travel plan encourages to reduce car use in favor of public transport and physical activity. The sustainable travel plan also considers the needs of people with disabilities and the elderly.

Our residential and apartment projects with **BREEAM** certificate

NEOWO
B E E M O W O

eden
WŁODARZEWSKA

REZYDENCJA
PLAC KASZUBSKI

REZYDENCJA
IWI
CKA

Dolina Mokotów
REZYDENCJA

REZYDENCJA
ŁAZIENKI PARK

65
SIENNA

vice
versa

ODEA park

Chrobrego
STARE WŁOCZY

strefa
WILANÓW

SOHO BY YAREAL

POZYTYWNY
MOKOTÓW

Our office projects with **BREEAM** certificate

LIXA|AB

NEOPARK
MOKOTÓW

LIXA|C

NOWOGRODZKA
SQUARE

LIXA|D

oxygen park

LIXA|E

2.2. IMPACT OF OPERATIONS ON THE ENVIRONMENT

As a responsible developer, we are committed to implementing solutions to reduce the environmental impact of our operations.

Pro-environmental technological solutions we applied in 2022:



use of low-emission concrete for the construction of the LIXA E, LIXA D and Pozytywny Mokotów (phase III) projects in order to reduce the environmental impact of our investments



photovoltaic panels for residential projects to obtain clean energy for the needs of residents



using only LED lighting in our projects to reduce electricity consumption and maintenance costs of common areas



use of recycled aluminium profiles for the façade of the LIXA E project to avoid the consumption of raw materials and thus reduce the building's carbon footprint



installation of motion detectors in the common areas of our projects



use of recycled material from wind turbine blades to create the advertising mast and street architecture elements of the Neowo housing estate



installation of lifts with energy recovery technology



designing green roofs on selected projects to reduce harmful effects of the urban heat island



inclusion of bicycle parking places in all our projects to reduce car use and thus reduce the transport carbon footprint of future building residents



installation of electric vehicle chargers to enable the use of electric vehicles instead of petrol cars



obligation on the General Contractor to conclude agreements with the electricity supplier using RES to avoid CO₂ emissions and rebalance the supply chain

ENERGY EFFICIENCY

General Contractors working with Yareal are obliged to use energy from renewable energy sources (RES). This requirement is conditioned by Yareal's Sustainable Procurement Policy and BREEAM certification. At present, Yareal does not have accurate data on electricity and heat consumption on construction sites, but we will gradually try to obtain such information in the coming years.

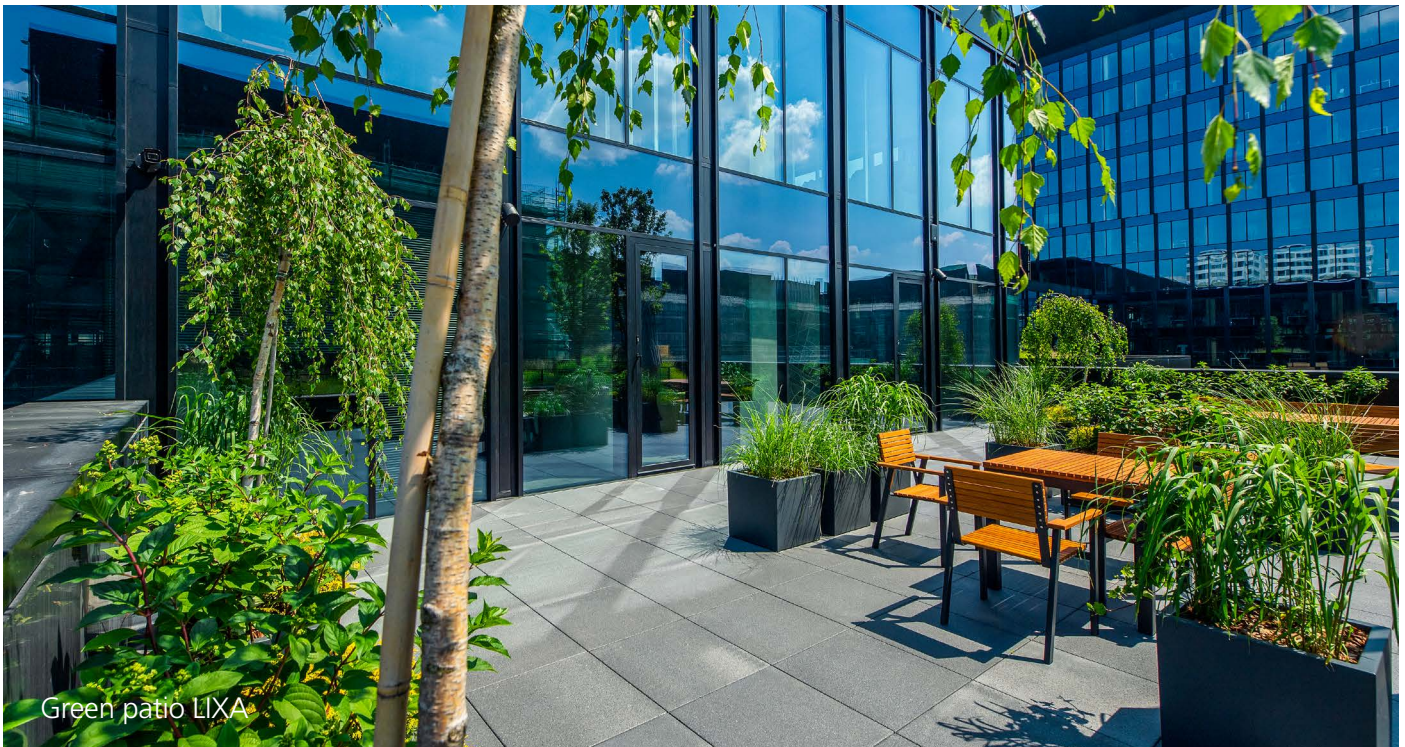
In 2022, General Contractors working with Yareal used RES energy during the construction of the LIXA, SOHO and Iwicka Residence complexes.

In order to improve the energy efficiency of the buildings on offer, we introduce the following solutions:

- LED lighting with motion detectors, twilight detectors and astronomical clock,
- reduced lighting on the building façade thanks to individual control,

- installation of lifts with energy recovery system used when braking,
- incorporating a light-coloured façade into designs to prevent heat build-up,
- including the installation of chargers for electric vehicles in projects, along with adapting the building installation for further expansion, as the demand for additional chargers increases,
- promoting low-emission modes of transport through the installation of a large number of bicycle racks, bicycle repair stations and the inclusion of cycle paths in projects,
- equipping dwellings with a smart home system that supports the efficient management of electricity and heat,
- use of the district heating network,
- implementation of photovoltaic installations on the roofs of residential buildings in the Pozytywny Mokotów development (phase II),
- obligation on the General Contractor to conclude agreements with the electricity supplier using RES.

Energy efficiency is a principle to which we also pay particular attention in our own operations.



Green patio LIXA

Electricity consumption at Yareal Polska offices in 2021-2022

	Specification	Office location	2021	2022
Electricity purchased (kWh) ¹	Residential projects Office projects	Yareal Polska Headquarters, Warsaw	108,269	40,837
	–	Odea Park sales office, Gdansk	1,400	5,015
	Neighbours of the investment projects	Kaszubski Square Residence sales office, Gdynia	6,851	5,043
		Pozytywny Mokotów sales office, Warsaw	–	7,409
		Neowo Bemowo sales office, Warsaw	–	3,152

Sources of energy used by Yareal:

1. Electricity from suppliers offering sales and distribution in accordance with the location of the project supported by a photovoltaic installation.
2. Heat energy from the municipal network.

¹ The figures have been rounded to whole numbers.



LIXA

RAW MATERIAL CONSUMPTION

Since 2017, the “Sustainable Procurement Policy” has been in place at all Yareal SPVs in Poland, which sets the direction for the actions taken in this regard. The policy applies to all materials or services purchased by us that are necessary for all stages of the Yareal companies’ operations and activities, i.e.:

- construction and operating materials,
- permanent fixtures and fittings,
- light sources,
- means of transport,
- construction, design, renovation, transport, courier and other services.

The Policy requires our companies to operate according to the 3R principle – REDUCE-REUSE-RECYCLE, by which we mean:

- minimising the purchase of goods and services,
- procurement of reusable, sustainable, biodegradable or at least partially recycled materials that can be recycled whenever possible ²,
- procurement of materials and products without packaging, in bulk or in reusable packaging, with a view to the least amount of waste generated over the entire life cycle.

Use of raw materials on Yareal Polska’s construction sites in 2021 and 2022 – data according to estimates adopted in contracts with the General Contractor ³

Type of raw material (design values)	2021	2022
Concrete (kg) ⁴	64,292	114,411
Masonry materials (m ²) ⁵	43,960	45,914
Screed (m ²) ⁶	29,203	36,281
Styrofoam (m ²) ⁷	95,518	108,512
Paints (m ²) ⁸	125,705	159,929
Roofing membranes (m ²) ⁹	38,028	54,275
Stal zbrojeniowa (t)	2,881	5,257

² These provisions are understood to mean the purchase of materials according to specific guidelines whenever possible and taking into account the fact that not all used materials and technologies may comply with these principles.

³ The figures are derived from assumptions made in the contract with the General Contractor. Yareal does not have data on the final quantities of materials that were used during construction. The figures for 2021 and correspondingly for 2022 represent material quantities for projects completed in the calendar year. Yareal does not have data to break down the quantities of materials by the years in which they were actually used on site.

⁴ The raw material weight calculation assumes concrete weight of 2400 kg/m³.

⁵ Silicates, Multigips blocks and TeknoAmerblok blocks are included.

⁶ Floor screeds and cement mortar sloping layers on roofs and terraces are included.

⁷ Styrofoam and styrodur are included.

⁸ Façade and interior wall paints are included; waterproofing of walls and columns in the garage is not included

⁹ All types of roofing membranes – vapour barrier, underlay, anti-root, etc. – are included.

RESPONSIBLE WASTE MANAGEMENT

The real estate industry generates a huge amount of waste and we therefore have a great responsibility to manage this area properly. We are implementing procedures to facilitate further reductions in waste production, especially plastic, and responsible purchasing from local suppliers.

Waste from our construction sites is disposed of as required by law, based on a contract between the General Contractor and Yareal. In addition, the General Contractor's waste sorting must be evidenced – as required by BREEAM certification.

In the case of waste from the demolition of existing buildings, the Contractor is obliged to provide us with a so-called Waste Transfer Card indicating which specific company collected it (landfill or valorisation).



The company has a waste generation and management policy that sets out a framework for dealing with waste.

Prior to the start of construction, a waste forecast is determined.

- During each construction project, the amount of waste generated is meticulously monitored.
- In accordance with the requirements of the BREEAM certificate, at the end of the project, the actual amount of waste generated is analysed and compared with the forecast.
- Each time, the developer learns lessons that help to minimise waste on subsequent construction sites.

We use the following waste treatment hierarchy:

- prevention of waste generation,
- reuse on and off construction site,
- on-site and off-site recycling and recovery subject to an administrative decision,
- off-site disposal.

In addition, employees on our construction sites are trained in:

- principles of waste sorting and management,
- handling of hazardous waste,
- minimising environmentally harmful waste,
- efficient use of materials for incorporation and auxiliary materials to minimise waste.

Quantity of construction waste sent to landfill and reused during construction of phase II of the "Pozytywny Mokotów" project.

Investment project:
Pozytywny Mokotów

Waste sent to landfill:

7.32 t

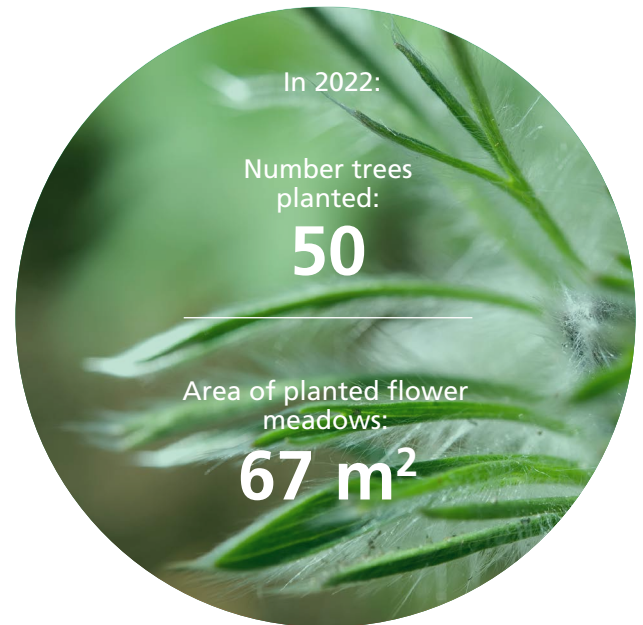
Reused waste:

515 t

PROTECTION OF BIODIVERSITY

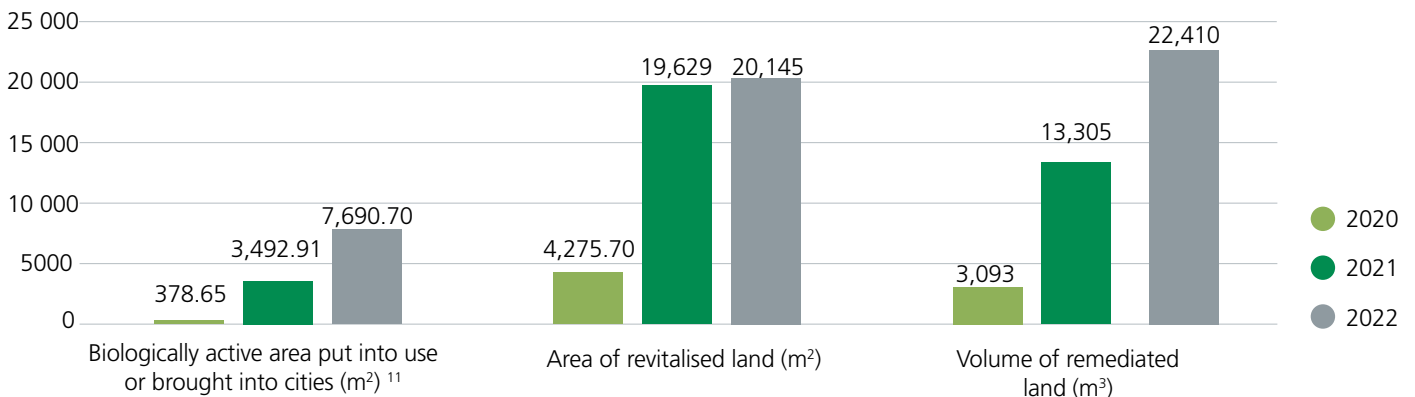
As part of our projects, we implement a number of environmental solutions and apply the so-called catalogue of good practices. We pay attention to conservation issues right from the design process, where we consider the amount of green area and the protection of biodiversity in the conceptual phase by introducing the assumptions into the construction and detailed design. Then, during implementation, we enforce the implementation of the agreed solutions by the General Contractor of our project.

With biodiversity in mind, we plant trees around our investment projects, design flower meadows and green roofs using, among others, rainwater, and we set up bird boxes and insect hotels.



In 2023, a 300-metre linear park will be built at our flagship SOHO development in Praga Południe, which will form the green axis of the mixed-use building complex. According to the design, it will cover more than a hectare of land and it will be created based on 17,000 plants, including more than 100 trees. We will preserve existing trees and carry out new plantings, extending the park's stand of trees with more than a hundred new trees and large shrubs.

Actions taken to improve biodiversity and nature conservation with land use in 2020, 2021 and 2022



These solutions translate into biodiversity protection and environmental efficiency. At the same time, they affect savings for future residents. Introducing sustainability solutions enables us to build the Yareal brand as a responsible developer.

¹¹ The figures include private and public areas.

2.3. PROMOTING PRO-ENVIRONMENTAL ATTITUDES

We reinforce environmentally friendly attitudes among our employees by making small changes and forming good habits. With the move to new headquarters in the LIXA B building built by Yareal, we have given up buying bottled water altogether in favour of treated tap water. We have also abandoned waste bins at our desks in favour of sorting waste in a separate room, where waste is sorted into different fractions.

In our offices:

- we sort waste into five fractions,
- we use LED lighting,
- we use a pre-programmed heating system to avoid heating the office outside working hours,
- we only use glassware and tap water to reduce plastic consumption.



In 2021-2022, we purchased a total of 4,033 glass water bottles and 1,331 PET bottles for our Warsaw office. We have now given up buying bottled water altogether to avoid unnecessary waste.

Our offices are located in new-generation office buildings with fully glazed facades to maximise the use of natural light.





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SOCIAL IMPACT (S)

3.1. OUR EMPLOYEES

Yareal Polska's most valuable capital is its people. In terms of personnel, we are a medium-sized organisation with 54 employees. Our team's experience, knowledge, commitment and professionalism are the foundation of Yareal's success.

Today, there are several generations of workers in the labour market at the same time, and multigenerational management is an important element in human resources management. At Yareal, the team is made up of people from several significantly different generations in terms of their values, lifestyles and work. Each of them has been shaped by different socio-cultural, economic or political events. The differences are mainly apparent in areas related to values, including family, work, attitudes to authority figures and attitudes to change. We are convinced that skilfully managing the potential of different generational groups

and creating an optimal working environment that enables their interaction directly translates into growth and success for the company as a whole.

In our daily work, we focus on synergies based on the exchange of experience, using the potential and knowledge of colleagues with diverse talents, experience and seniority at Yareal, in a way that takes into account the phenomenon of the so-called inter-generational relay. The average length of service in our organisation is almost six years.

Employees by gender, age and place of work ¹. As at 31.12.2022

	Gender		Age			Total
	Women	Men	< 30	30–50	50 <	
TRI-CITY						
total number of employees	5	0	3	2	0	5
WARSAW						
total number of employees	35	14	6	40	3	49

¹ The data relate only to persons employed under a contract of employment.

Average length of service at Yareal ² – almost

6 years

Average length of service of managers: more than

8 years

12 people (22.2% of the whole team) have worked at Yareal for more than

10 years

28 people (51.85% of the whole team) have worked at Yareal for more than

5 years

In addition to the people directly employed by Yareal Polska, we work with **nearly 210 people** who provide additional services to the company.

The above figure is made up of all close associates of Yareal Polska on whom, to a greater or lesser extent, we depend for

our ability to achieve the Company's objectives. These individuals primarily represent our General Contractors (project managers, contract managers), architectural firms, notaries, tax and legal consultancy offices, payroll services and consulting services.

STAFF TURNOVER

In 2022, we hired 13 people and the same number of people ended their employment with Yareal Polska at that time.

Total number and new hires by gender and age. Data as at 31.12.2022.

Age	Women	Men	Total
Number of new hires	8	5	13
Number of people who ceased to be employees	10	3	13

² The average length of service refers to employees with a contract of employment as at 31.12.2022. Including those employed on a B2B basis, the average length of service is more than 6 years.

Recruitment processes at Yareal Polska are conducted according to the following principles:

- › transparency of the process
- › clearly defined conditions and responsibilities
- › feedback to all candidates
- › equal opportunities

More information on Yareal's recruitment processes can be found **HERE**.



DIVERSITY IN THE WORKPLACE

Our team-building policy is focused on candidates' competences and talents, regardless of age, gender, nationality, social status, religion, sexual orientation or views. Diversity enhances creativity,

tolerance, flexibility and openness to change, qualities that are particularly desirable in our team and in our recruitment processes.

Composition of staff as at 31.12.2022 by age and gender

	2022		
	Women	Men	Total
Total number of employees	40	14	54
Number of employees by gender			
Age < 30	7	2	9
Age 30–50	32	10	42
Age 50 <	1	2	3
Percentage of employees by gender (%)			
Age < 30	18%	14%	17%
Age 30–50	80%	71%	78%
Age 50 <	3%	14%	6%
Number of foreigners employees			
Number of foreigners	1	1	2
Percentage of foreign workers in relation to all workers	2.5%	7.1%	3.7%

YAREAL APPRECIATES WOMEN

In the area of diversity, the position of women in our company is of particular importance to us. Although the construction and development industry is male-dominated, as evidenced

by data from the Chamber of Civil Engineers survey ³, Yareal boasts strong female representation at all levels of the organisation.

Composition of the management team as at 31.12.2022 by gender and age

2022			
EMPLOYEES IN MANAGERIAL POSITIONS	Women	Men	Total
AGE < 30	0	0	0
AGE 30–50	7	3	10
AGE 50 <	0	1	1
TOTAL	7	4	11

At Yareal, women represent:

74%
of all employees ⁴

64%
of our managers



³ Source: The Chamber of Civil Engineers in statistics in 2019,

<https://www.piib.org.pl/aktualnosci/informacje-biezace/4248-2020-05-26-13-55-51>

⁴ Employees include those under a contract of employment and a substitute contract.

BENEFITS AND WELLBEING

Regardless of the type of contract, we offer an extensive benefits program to all our employees and associates:



Life insurance for employees and their families – group life insurance policy.



Additional leave for length of service- additional 2 days per year for 5th anniversary and additional 3 days leave for 10th anniversary.



Private medical and dental care for employees and their family members. The offer comprises a wide range of services, including psychological and psychiatric care. There is also the option of extra care for seniors or upgrading the medical and dental package to VIP for a small surcharge on the employee's part.



Benefit System program – in response to employee expectations, Yareal has entered into an agreement with Benefit System to purchase sports passes for employees and accompanying persons.



Fruit Mondays – fresh fruit and juices are delivered to the office every Monday.



Holiday subsidy – Yareal Polska pays its employees a one-off bonus equivalent to the allowance for the Social Fund for taking a two-week holiday. We have abandoned the creation of the Social Fund in favour of this benefit.



Coffee corner – a coffee corner in the company's kitchen equipped with coffee, traditional and drip coffee makers and a wide range of extras (different types of milk, flavoured syrups, sprinkles and condiments).

All benefits at Yareal Polska are offered to employees from the first day of employment and regardless of seniority.

EMPLOYEE TRAINING AND DEVELOPMENT



Average number of training hours per employee in 2022: 15 h

Number of training hours per year per employee by employment category from 01.01.2022 to 31.12.2022

Average number of hours by employment category	
Employees in managerial positions	19
Other employees	25
Average number of training hours per one employee	15

Yareal conducts periodic surveys of the training needs of its employees. Each employee has the opportunity to indicate the area of his or her needs or the specific training activities needed for his or her duties. A training needs survey consists of a survey of all employees, divided into managers (these have the opportunity to indicate the needs of their staff from their own perspective) and other employees.

On the basis of the surveys, consultations are held with managers and HR staff, during which the results are analysed. The jointly developed proposal for a training plan is presented to the Management Board, which decides on the key needs, for the organisation and the employees. Based on this process, a two-year training plan is created and implemented in line with the budget.

Employees can request not only external trainings or courses, but also, in certain cases (confirmed by the employer's need), co-financing of studies (e.g. postgraduate courses). **In 2022, three people took advantage of the opportunity to subsidise higher education.**

Each year we also apply for funding for training activities from the National Training Fund. In 2022, we were able to secure

funding to provide additional professional customer service training for the sales, customer service and warranty departments

Improving staff competence is done through:

- in-house training, e.g. health and safety training, first aid, or training in the use and operation of IT tools,
- external trainings,
- participation in conferences, industry events, business meetings, etc,
- thematic webinars,
- ongoing exchange of knowledge in interdisciplinary teams.

We regularly make presentations on the work of each department to illustrate to all colleagues the specifics of each unit's work - this helps to rally staff as a team towards a common goal.

In addition, thanks to numerous business partners, we have access to high-quality training, webinars and thematic meetings. Our employees value access to such resources and are keen to use them.

We focus on the career development of employees within the organisation. With each recruitment, we first look at internal promotion and/or redeployment opportunities against the preferences of the employees themselves (taking into account, first and foremost, their capabilities and past performance). External recruitment is only triggered when it is determined that there is no opportunity for internal promotion.



In 2022, there were 2 inter-area internal promotions at Yareal Polska:

1. The Project Manager from the Residential area was transferred to the Office area as a lead Project Manager;
2. The reception employee, in line with her interests and course of study, was transferred to the Accounting area as a Junior Accountant.

Example:

The current President of the Management Board of Yareal Polska started his career at Yareal in the position of Director of the Residential Project Management Department, then progressed to the role of Member of the Management Board, Vice President of the Management Board, until he became the CEO and the President of the Management Board in 2023.

Examples of our employees' development paths:

Junior Project Manager - Project Manager - Head of Residential Project Management Department

Administrative Assistant - Customer Relations Specialist - Senior Manager for Customer Relations

Junior HR & Administration Specialist - Junior HR Manager - HR & Community Manager

Administrative Assistant - Administrative Coordinator - Junior Customer Service Specialist

Administration Specialist - Junior Accountant

Project Manager (residential projects) - Project Manager (office projects)

Director of Financial Flows - Deputy Chief Financial Officer

EMPLOYEE APPRAISAL SYSTEM

The annual appraisal is carried out at Yareal at the beginning of each year – in January. For the time being, it is a conversation with the line manager, during which a summary of the past year is made and tasks and objectives for the following year are set. This is also the moment to exchange one's insights and comments on the collaboration. On the basis of the assessment of the line manager and the Management Board, a decision is made on possible gratification.

By the end of 2023, Yareal plans to introduce a more structured annual appraisal system, which will include an appropriate, company-specific form.

100% of our employees are subject to an annual performance appraisal system.



3.2. HEALTH OF OUR EMPLOYEES

Oversight of health and safety issues, both on our construction sites and in our offices, is provided by an external Health and Safety Officer.

0

accident rate at Yareal Polska
in 2022

0

accident rate for subcontractors
while working for Yareal in 2022

100%

of employees trained in health
and safety in 2022

Safety in our offices

Due to its activities, Yareal Polska is classified in the second risk group and, as a result, administrative and office employees are not subject to mandatory periodic training in occupational health and safety. Despite the absence of a legal requirement, periodic training in this area is provided at Yareal. Due to the epidemic emergency in 2022, the implementation of such training was halted, but we returned to this standard in 2023.

We regularly train our employees in first aid and fire safety. We make sure that there is at least one person trained in first aid in our office every day. In addition, our entire administration department is trained in fire safety rules, including how to evacuate the entire office in an emergency.

Reporting of potentially hazardous situations by employees

Every employee has a duty to report a potentially dangerous situation. The Health and Safety Officer then analyses the reported situation and verifies potential risks as part of their duties. No such situations were reported or identified in 2022.

There were also no workplaces found within the company where harmful conditions are present and where employees do not perform particularly hazardous work.

All information on health and safety activities is communicated by e-mail. Employees have the opportunity to comment on the arrangements in place and the health and safety system.

Health of our employees

Since the beginning, we have supported our employees in preventive health care. To this end, we have an agreement with the LUX MED Group. **The medical package paid for entirely by Yareal covers not only employees but also their family members** (i.e. spouses, partners and children). The package has the same scope for the employee as for all enrolled family members.

As part of the subscription, employees and their relatives have unlimited access to consultations by specialist doctors in sickness situations, exacerbations of chronic diseases and emergency assistance. Specialist consultations include: taking patient's history, specialist

advice along with the basic steps needed to make a diagnosis, making the right therapeutic decision and monitoring treatment.

Employees with an upgraded VIP package (possible at an additional cost) are included in the "Health Review" program which allows for a series of examinations and consultations geared towards a comprehensive health check-up once a year



Every employee of Yareal Polska has additional accident and health insurance worth PLN 30,000.

Once a year in June, we take part in the **Healthy Cities action** organised by the LUX MED Group. The initiative consists in counting your steps every day using an app that will track your company ranking. The aim of the project is to encourage employees to be physically active, introduce healthy habits and strengthen awareness of the impact of the environment on human health.

Every year (with the exception of 2020, which was dominated by the COVID-19 pandemic), we also sponsor the **"Nocny Półmaraton Praski"** and the **"Praska Piątka"** runs. The campaigns aim, among other things, to encourage our employees to take an active part in running in the colours of our company and are met with great interest every year.

PROTECTION OF HUMAN RIGHTS

The ethical principles that guide us at Yareal Polska are set out in the **Code of Ethics of the YAM Invest Group**, within which Yareal operates.

The Code sets out what values underpin our business, what conduct we require of ourselves and our employees, and also what guides our dealings with our stakeholders. For more information on the Code of Ethics, please see the subsection „Ethics and counteracting fraud”.

Furthermore, all SPVs belonging to the YAREAL Group are obliged to operate according to the principles of the **"Sustainable Procurement Policy"**. The policy applies to those responsible for procurement for the companies, but also to their suppliers and business partners, and is based on the 10 principles of the United Nations Global Compact. When establishing

any business relationship, companies are obliged to check that potential business partners comply with the aforementioned principles from the areas:

- human rights, including:
 - › compliance with and support for protection of internationally proclaimed human rights,
 - › elimination of any human rights violations by the company;
- labour standards, including:
 - › respect for freedom of association,
 - › elimination of all forms of slavery and forced labour,
 - › abolition of child labour,
 - › elimination of discrimination in respect of employment and occupation;
- environmental protection;
- counteracting corruption.

3.3. CUSTOMER RELATIONS

Due to the projects we execute, there are two main groups among our customers: residential project buyers and office project buyers.

Residential customers are a very large group. In any action we take, we think about their satisfaction and clear communication. When starting the sales process, we want to equip customers with the necessary knowledge, as the process of buying a flat is long and the various stages may not be understood.

We strive to be as accessible as possible to our customers in order to respond appropriately to their needs and therefore we rely on direct contact - mainly by e-mail, telephone and text message. We send out regular updates on the progress of the work within each development and reminders of the payment deadline. We are working to put in place automation processes and a suitable tool to make our work easier and allow a significant amount of technical information to be sent automatically. We want to ensure that customers receive up-to-date, complete and comprehensive information about a particular stage in the purchasing process (e.g. about open days or acceptances), which is why we prepare comprehensive and personalised e-mail information each time.

One important opportunity for direct discussions with our customers is the so-called "open days" organised at the end of a particular project. During this event, we give customers a tour of their future flats and the estate in the final stages of construction work. We then have the opportunity to collect any comments or suggestions on the execution of the investment. For customers, this is an opportunity to see the flat in reality, plan the arrangement and prepare for its acceptance.

The end of the purchasing process is the signing of the final contract, during which customers are very keen to share their opinions and feelings with us. A customer satisfaction survey

is carried out within 2 weeks of the handover of the premises, which allows us to gauge the level of satisfaction with the transaction and the level of service.

In order to better understand the perspective of our customers in 2022, we conducted a **Customer Experience Survey** which aimed at:

- an in-depth analysis of Yareal's customer satisfaction to date,
- identifying the steps in the housing purchase process,
- and verification of the customer's analytical and procurement process and identification of elements requiring change.

The survey was aimed at analysing, developing and visualising the so-called Yareal Customer Journey Map with an indication of the Moments of Truth, which provides a "bird's eye view" of all aspects of Yareal's cooperation with its customers. The primary objective was to diagnose Customers' Pain Points and Enchantment Points, to bring together Customers' experiences and expectations in one place, and to develop recommendations for corrective action on the diagnosed areas for improvement, together with their prioritisation.

We are now in the process of transforming the conclusions of the study into real action.

The main issues concern:

- Developing a customer research program and key CX metrics – Voice of Customer program.
- Providing Yareal employees with knowledge of Customer Experience and key customer experience management tools.
- Yareal team engagement – building a pro-customer attitude.

At management level, we will continue our policy of developing exemplary stakeholder relations and transparent communication with the public.

3.4. COMMUNITY ENGAGEMENT AND RELATIONS WITH LOCAL COMMUNITIES

We take care to maintain good relations with the neighbourhood. By this we mean caring about the comfort of the spaces we create and adapting them to the needs of the neighbourhood right from the design stage.

We are pursuing a vision of a city that focuses on creating attractive public spaces, an appropriate scale of development, taking transit traffic out of the city and using amenities that make it easier to give up cars. The high level of urban air pollution is one of the reasons why people migrate to the outskirts and beyond conurbations

- In our largest mixed-use development, SOHO by Yareal, we have designed the exclusion of vehicular traffic from an over 5-hectare site of a residential and commercial complex in Warsaw's Praga Południe district.
- We have built a cycle path at the LIXA office project and we encourage employees and residents to use bicycles as a means of transport. To this end, we have not only provided convenient access to the office, but also the building infrastructure, i.e., among other things, conveniently located showers and changing rooms with lockers for cyclists.



Yareal's priority is to create sustainable spaces that are welcoming, attractive and safe.

Through the implementation of projects such as **"community gardens"**, we are actively supporting the establishment of connections and people-to-people links in new neighbourhood communities. We provide residents with the opportunity to grow their own vegetables and flowers in pots made from recycled materials, while creating the conditions for building neighbourly relationships.

We intend to continue to operate as a responsible participant in the housing market, to develop monitoring and implement modern solutions, and thus to provide security of investment for our shareholders, private and institutional investors, as well as business partners.



CHARITABLE ACTIVITIES



We get involved in social actions organised by the PZFD and its members.

- Since 2020, we have participated in the annual organisation of Christmas Gifts for Warsaw Insurgents.
- In 2022, we made a donation to Ukraine and war refugees. As part of the campaign, we helped to equip dormitories with additional sets of bedding and mattresses, foodstuffs and necessities.

As part of the donation, we provided a total of:

- 600 sets of non-sterile medical bedding,
- 35 power banks (8000mAh, solar),
- 34 mattresses,
- 20 duvets,
- 60 towels,
- hygiene products for children and adults (nappies, wet wipes, sanitary pads, toothpaste, toothbrushes, gels and shampoos),
- baby food (semolina, jarred food).

Yareal also organised two transports of Ukrainian citizens (from Warsaw to Plock and from Warsaw to Tri-City) as part of relocation within our country and better movement of the Ukrainian population through the capital.

In addition, as a grassroots initiative by Yareal employees, we organised the preparation and transport of 400 sandwiches and 120 fruit mousses for the children. The products were distributed to refugee groups at the Western and Central Railway stations.

Every year, we encourage our employees to join the **"2 Hours for the Family"** social campaign. The initiative aims to support work-life balance.

We have been supporting the Single Mother and Child Home in Warsaw's Praga Północ district for several years. One of the activities for the benefit of its wards is the **"Letters to Santa"** initiative, in which our employees prepare Christmas parcels for children in response to letters to Santa Claus, in which they chose their Christmas dream presents.



Iwicka Residence

4

GOVERNANCE (G)

4.1. GOVERNANCE STRUCTURE

Composition of the Management Board

During the reported period 01.01.2022 - 31.12.2022, the Management Board of Yareal Polska sp. z o.o. comprised:

- Eric Dapoigny – President of the Management Board of Yareal Polska and Managing Director of Yareal International N.V.
- Jacek Zengteler – Member of the Management Board until 31.03.2022, from 01.04.2022. Vice President of Yareal Polska

On 1 February 2023, Jacek Zengteler took over as the President of the Management Board of Yareal Polska. Also, the following persons joined the Board at that time: Nicolas Ben Haim, Bruno Greslé and Jakub Stankiewicz.

In the parent company of Yareal Polska sp. z o.o., the President of the Management Board is also the Chief Executive Officer. Directors who are on the Management Board of Yareal Polska, i.e. - Development Director (responsible for the acquisition of investment plots) and Technical Department Director (responsible for construction issues and cooperation with General Contractors), are also on the Management Board of special purpose vehicles executing residential investment projects. In special purpose vehicles developing office projects, the Management Board consists exclusively of Jacek Zengteler as the President of the Management Board and Nicolas Benhaim as Vice President.

There is a division of responsibilities between the individual members of the Management Board of Yareal Polska sp. z o.o.

1. The President of the Management Board – the CEO – sets the overall direction of development and operations and approves all major business decisions, as well as – together with the Vice President of the Management Board – is responsible for consulting and reporting to foreign shareholders. Among other things, he directly oversees the commercial areas in the residential and office segments.

2. Vice President of the Management Board acts as a link between the organisation in Poland and foreign shareholders, assists the President of the Management Board in the general management of the organisation and directly supervises the area of finance.

3. Member of the Management Board, who is also the

Technical Director, is responsible for construction and technical issues in the organisation, including the progress and quality of executed investment projects.

4. Member of the Management Board, who is also the Development Director, is responsible for development of the company, in particular the acquisition of properties for new projects.

All major business decisions (including development, transactions, management, personnel matters) are taken by the Management Board chaired by the President of the Management Board. The President of the Management Board - the CEO is responsible for the overall direction of the company operations and development, which he agrees with the Vice President of the Management Board and, through him, with foreign shareholders. The Vice President of the Management Board reports on the company operations to foreign shareholders on an ongoing basis. Other Board Members report to the President of the Management Board and liaise with foreign shareholders during regular meetings.

Board Members are appointed for an indefinite period of time. They may be dismissed at any time by a resolution of shareholders and may resign with immediate effect at any time. They are accountable to foreign shareholders who are the ultimate shareholders of the Polish companies: the parent company and the holding company.

Yareal Polska Sp. z o.o. belongs to the YAM Invest Group and is managed by the holding company YAREAL Polska Holding Sp. z o.o.

The full list of companies operating within the Group is available **HERE**.



The current composition of the Management Board of Yareal Polska approved on 1 February 2023 is as follows:



Jacek Zengteler
President of the
Management Board



Nicolas Benhaim
Vice President of the
Management Board



Bruno Greslé
Member of the Management Board,
Technical Director



Jakub Stankiewicz
Member of the Management Board,
Development Director

4.2. VALUE CREATION MODEL BY YAREAL POLSKA

Yareal Polska's investment project portfolio consists of

27 PROJECTS,

of which:

70%

are residential projects

30%

are office projects

Own funds allocated for projects in 2022:

residential projects –

64.3%

office projects –

35.7%

Revenues obtained in 2022:

residential projects –

98.2%

office projects –

1.8%

Financial capital

We have long-term equity which allows us to create a stable and reliable organisation. We offer our customers access to high quality standards.

The amount of equity exceeds PLN 350 million

Operating capital

For nearly 20 years, we have been developing high-quality investment projects in Warsaw and Tri-City.

Number of flats sold: **over 3,000**

Number of flats commissioned since inception: **over 2,500**

Human/intellectual capital

We are creating a friendly and attractive workplace where every employee, regardless of their level of employment, has the opportunity to have a say in the decisions made by the company. We are trying to flatten the structure of our organisation as much as possible, showing that the voice of every employee matters to us. In our team, we focus on creativity, experience and professionalism.

Total number of employees: **54**

Average length of service at Yareal: **6 years**

Social capital

Customer trust is a very important element in evaluating our work. We monitor the satisfaction of our customers by carrying out satisfaction surveys after each completed investment project.

In addition, we conducted a **Customer Experience Survey** in 2022 to measure satisfaction levels and identify weaker points in the process of cooperation with customers. We have already taken action to improve the areas which were indicated to us.

We provide the highest quality of service by working with renowned architects and landscape designers. Our investment projects are characterised by innovation and a low defect rate.

Number of our customers since inception: **2,799**

Our investment projects are currently home to **around 7,500 residents**.

We have enabled the creation of jobs for **almost 17,000 people** in our office buildings.

Environmental capital

We strive to minimise our negative impact on the environment. In the investment projects we build, we use eco-friendly solutions to protect the environment and biodiversity.

Total biologically active area commissioned in 2022: **7,690.7 m²**

Area of land revitalised in 2022: **20,145 m²**

Volume of land remediated in 2022: **22,410 m³**

4.3. ESG AND SUSTAINABILITY MANAGEMENT



"In line with other sustainability leaders, we are implementing a comprehensive ESG program to consolidate the real-world solutions that our customers and business partners expect. We want to present to all of them the effects of Yareal's commitment to global challenges, such as climate protection, ensuring diversity and equality, or ethical, transparent business practices" –

Jacek Zengteler, President of the Management Board of Yareal Polska.

sors as part of the BREEAM certification, Yareal will be expanding its monitoring to other areas of the company operations.

Yareal Polska is coordinating its existing activities within a structured ESG model to reinforce its commitment to sustainability in the years to come. Structuring our current activities makes it easier for us to undertake further environmental, social and governance actions as part of our development operations.

Yareal Polska's aim is to develop modern, functional and resident-friendly apartment buildings and housing estates that fit in with their surroundings, optimally adapted to local urban conditions, as well as offices that foster creativity and increase working comfort through flexible arrangement and friendly scale. Examples include the inner courtyards of Yareal's flagship investment, the LIXA office complex, where we have created public areas for relaxation or business meetings in suitably arranged green spaces. On a day-to-day basis, the courtyards are also used by residents of the neighbouring housing estates who use the range of services on the ground floors of our office buildings. Similar spaces will appear in the future in the LIXA D and LIXA E projects, which are currently under construction. The service spaces we develop provide a place to do business and contribute to the vibrancy and upliftment of a location for the benefit of local communities.

In cooperation with local authorities, we build infrastructure in the form of entire sections of public roads (e.g. the roundabout at the Pozytywny Mokotów housing estate in Warsaw), pavements, cycle paths, car parks and green areas (e.g. the linear park at SOHO by Yareal, part of the park at the Dolina Mokotów investment project and the linear park in Bemowo at the Neowo housing estate).

As a development company, we are aware of the strong impact we have on our surroundings. We are currently working on the goals of a detailed sustainability strategy that will confirm and refine our directions for the coming years. Yareal Polska's ESG strategy will encompass all areas of Yareal's impact - from the design stage of an investment project, through the execution on construction sites, to the use of commissioned buildings. Although environmental, social and governance factors in our investment projects have long been verified by independent assess-

Three areas of review and development of our ESG (Environmental Social Governance) activities:



E

Environmental – respect for the environment, caring for its resources and preserving them for future generations.



S

Social – taking into account the needs of our customers and communities.



G

Governance – ethical organisation focused on employee development and wellbeing.

We are restoring areas to the city that have been neglected and unused for decades – as in the case of the Nowogrodzka Square office building on al. Jerozolimskie. In addition, the Nowogrodzka Square and LIXA office buildings have urban passages that bring life into the office environment while blending naturally into the surroundings. We create mixed-use projects that complement the functions that are missing in the immediate surroundings and increase the city's green resources - for example, by planting trees, arranging green areas on the estate or co-creating publicly accessible green spaces such as linear parks.

In our largest mixed-use development, SOHO by Yareal, we have designed the exclusion of vehicular traffic from an over 5-hectare site of a residential and commercial complex in Warsaw's Praga Południe district.

As a reliable and responsible developer, we will also be involved in joint activities in the coming years to improve and strengthen the positive image of the industry. One of the company's priorities, to which we committed ourselves many years ago, is to continue on the previously chosen path of sustainability at environmental, social and governance levels.

At the time of publication of the ESG Review, all Board Members and managers had received training on reporting sustainability issues. Furthermore, in the first half of 2023, a group of approximately 40 employees of the organisation attended the "Foundations of ESG" training course in order to better understand sustainability issues and be able to manage them more effectively at an operational level.

KEY ROLES AND RESPONSIBILITIES IN ESG MANAGEMENT

In ESG issues, all major decisions, i.e. on development, goals, values, mission, strategy and policies, require Board approval. The Board's role in overseeing the due diligence process in the context of managing ESG issues is paramount and decisive.

The management structure in our company is as flat as possible, and each employee is directly accountable to both his or

her supervisor and the Management Board, including, in particular, the President of the Management Board – the CEO. The Company has not previously reported comprehensively on ESG-related areas and the current Review is the first of its kind to be published as part of Yareal Polska's operations. This document is an important step towards the annual reporting of ESG issues.





In addition, Yareal Polska focuses on values such as:

Openness to change

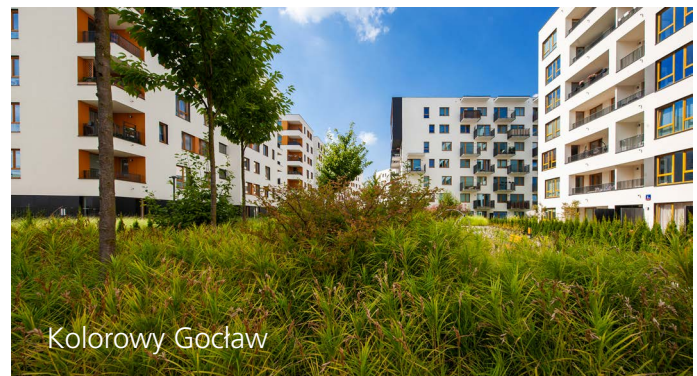
As a company, we are constantly evolving, and as a result we regard openness to change as a competence that is crucial today. By this we mean willingness to continually develop, learn and adapt to changing circumstances.

Engagement

For Yareal, commitment means being proactive and showing initiative, being determined to overcome difficulties and being ready to step up when necessary.

Ability to work collaboratively and build relationships based on openness and mutual respect

A supportive and partner approach to relationships and a high level of personal culture are the values we live by in our daily work. As an employer, Yareal is committed to building a good, creative atmosphere within the company, which is why we highly value these competences in our employees and candidates.



OUR CONTRIBUTION TO THE UN 2030 SUSTAINABLE DEVELOPMENT GOALS

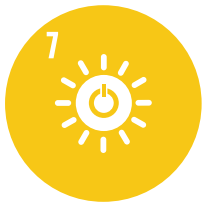
Key UN 2030 Sustainable Development Goals from the point of view of YAREAL's impact and responsibility:



Goal 5:

Achieve gender equality and empower all women and girls

- Women make up 74% of the workforce at Yareal Polska and 64% of the managerial staff.
- We apply the principles of equal treatment at work regulated in internal company documents.



Goal 7:

Ensure access to affordable, reliable, sustainable and modern energy for all

- Almost 80% of all the projects we have completed have BREEAM green certification. Their aim is, among other things, to increase the energy efficiency of buildings.
- We have been certifying residential developments since 2019 and office developments since 2013.



Goal 8:

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

- We are a responsible employer.
- With 54 employees in Poland, we create a friendly workplace with an intimate atmosphere of extensive development opportunities.
- We pay our taxes in Poland - 100% of our taxes are paid to the state budget.
- We work with local suppliers - 99.73% of the company's expenditures in the supply chain is on procurement from Polish suppliers.



Goal 9:

Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation

- We contribute to the development of modern urban infrastructure.
- Our projects use innovative solutions aimed at improving the quality of life and work of their future users.





Goal 11:
Make cities and human settlements inclusive, safe, resilient, and sustainable

- As part of our development processes, we revitalise degraded, post-industrial sites, reintegrating them into the urban fabric.
- We create inclusive and welcoming urban spaces.
- Our buildings have BREEAM green certification, which aims to create healthier places for people and preserve green spaces.



Goal 12:
Ensure sustainable consumption and production patterns

- The BREEAM certificates awarded to Yareal's buildings confirm our efforts to reduce the consumption of non-renewable resources and create a closed loop in waste management.
- We use recycled materials and upcycling-based solutions in the buildings.



Goal 13:
Take urgent action to combat climate change and its impacts

- We are developing Yareal's property portfolio in line with the principles of sustainability.
- We plan to introduce a system to monitor the carbon footprint of our operations.
- We deliver safe, sustainable and environmentally friendly buildings.
- 17 investments completed by Yareal meet the requirements for BREEAM certification.



Goal 15:
Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

- We incorporate solutions to protect biodiversity into our designs, i.e. insect hotels or flower meadows.
- With each of our developments, we are introducing or commissioning biologically active areas into the cities. In 2022, this was 7,690.7 m².
- We restore land that needs to be revitalised or remediated.

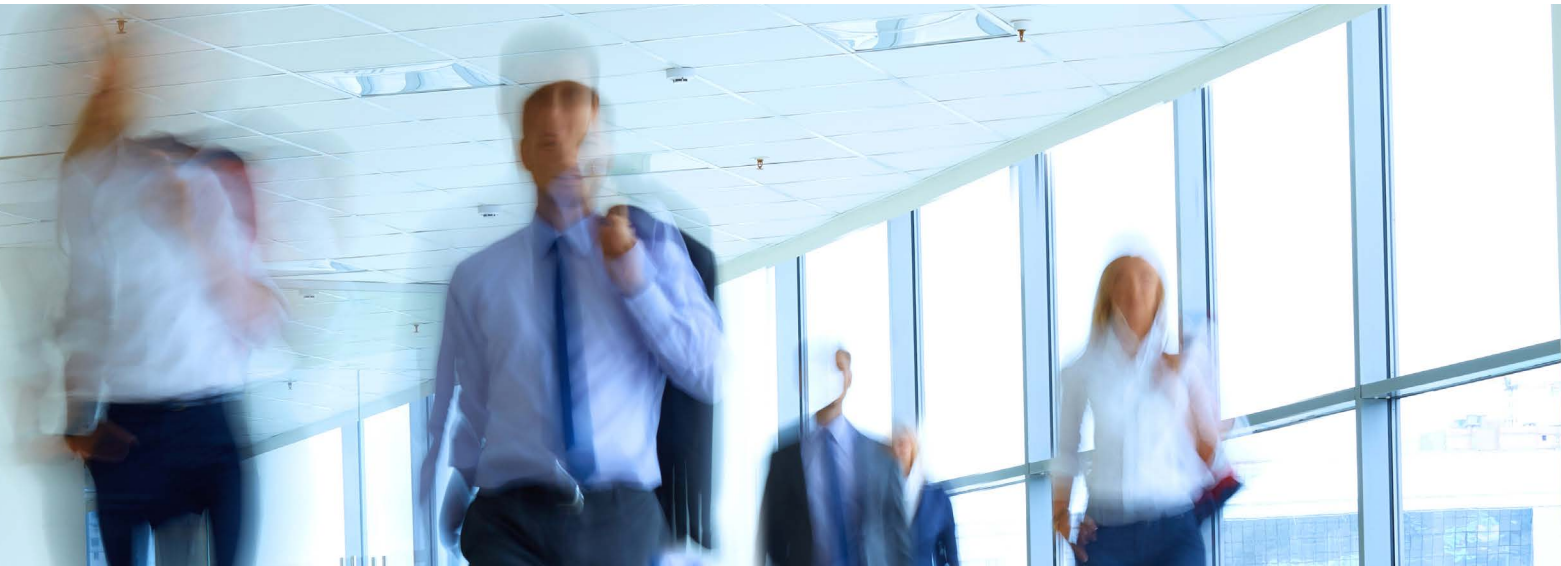


4.4. ETHICS AND COUNTERACTING FRAUD

We make every effort to embed our values and principles of ethical conduct in our daily work. We know that business success in the medium and long term is only possible for us if we act in an ethical manner every day, and we oblige our organisation's business partners to do the same.

Our ethical standards are set out in the **Code of Ethics of the YAM Invest Group**, within which Yareal Polska operates.

The Code sets out what values underpin our business, what conduct we require of ourselves and our employees, and what guides our dealings with our stakeholders. The Code also defines how to deal with difficult situations, such as conflicts of interest, suspected fraud, a corrupt proposal or establishing cooperation with business partners.



Data for
2022

1,246

number of
suppliers from
Poland

98.65%

percentage of
suppliers from Poland

99.73%

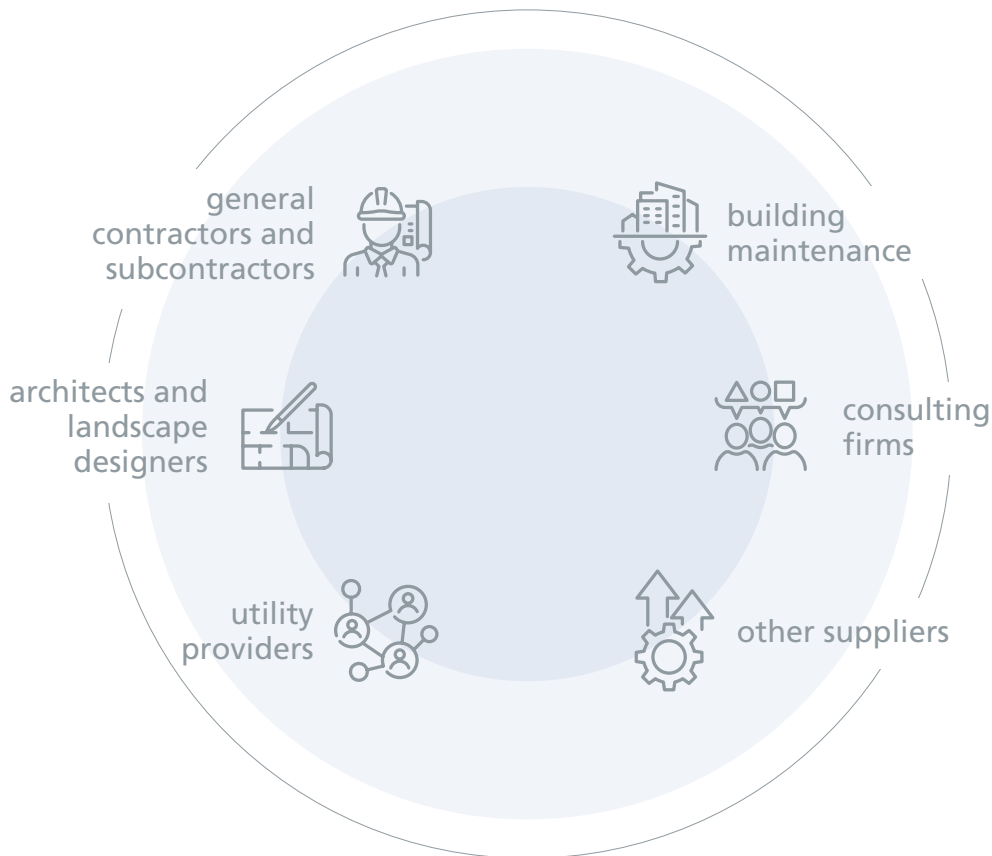
percentage of the
company's expenditure in
the supply chain incurred
on procurement from Polish
suppliers

RESPONSIBLE SUPPLY CHAIN

Supporting local business is a very important aspect of business for us. We work almost exclusively with Polish suppliers and subcontractors, which makes an important contribution to strengthening the local economy. The revenue and employment created in our supply chain represent Yareal's important socio-economic impact on the Polish economy.

When selecting suppliers, we take into account cost, quality, lead times, as well as meeting environmental and social requirements. To this end, we are guided by Yareal's **"Sustainable Procurement Policy"**. For more information about the Policy, see section 3.2. Impact of operations on the environment.

Our suppliers fall into following groups:



The above ESG Review is the first step towards Yareal Polska's sustainability disclosure. The data presented in this document refer to 2022 or earlier years. Yareal plans to gradually expand the scope of collected information in the field of ESG, so that in the coming years it will be able to provide a more complete picture of its activities.

If you have any questions regarding the content of the ESG Review, please contact us at the following e-mail address: oprokopiak@yareal.com

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YAREAL POLSKA SP. Z O.O., 1 GIEŁDOWA STREET - LIXA B BUILDING, 01-211 WARSAW, TEL.: +48 22 331 30 00
WWW.YAREAL.PL