

# Directive

## D0063 Group Policy Environment and CSR



### CPI Property Group Environmental, and Corporate Social Responsibility Policy

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### 1 INTRODUCTION

- 1.1 The Group operates its business in several European countries and always complies with applicable laws and Group's Code of Business Ethics and Conduct and other Group's internal rules.
- 1.2 The Group endorses all of the 17 Sustainable Development Goals as defined by the United Nations for the period 2015 - 2030, as well as the 2015 Paris Agreement within the United Nations Framework Convention on Climate Change. The Group contributes to the fulfilment of the Sustainable Development Goals in all its operations.
- 1.3 The Group also acknowledges that maintenance of environmental and social standards leads to decrease of costs and increase of the value for both the Group and third parties. The Group is committed to the responsible, comprehensive, pragmatic and sensible approach to ensure high standards in environmental, social and ethical matters. Environmental concerns are taken into consideration at all levels within the Group and in all matters, including all stages of the investment cycle, handling of natural materials, innovation, management of assets and procurement. Energy requirements are taken into consideration in all relevant processes, especially in investments.
- 1.4 Therefore, in connection and compliance with the Group's Code of Business Ethics and Conduct and other Group's internal rules, the purpose of this Policy, is:
  - 1.4.1 to promote a sustainable approach of the Group towards real estate development and management;
  - 1.4.2 to give a blueprint for the contribution of the Group to the protection of the environment, improvement of energy performance, as well as to the development of the communities;
  - 1.4.3 to promote a sustainable business model that not only enables the Group to achieve its business objectives, but also does not present extreme burden upon the environment for the present and future generations and also it's considering significant energy use;
  - 1.4.4 to help the Group to act as an active owner and asset manager that continually improves performance, quality and resilience of its assets through local and regional efforts; and
  - 1.4.5 to encourage and guide all Representatives to positively and proactively contribute to the achievement of the Group's objectives in compliance with this Policy.

### 2 APPLICABILITY

- 2.1 This Policy applies to, and shall be observed by, all companies within the Group and their Representatives. The Group will also seek to pursue the same principles and standards, when directly dealing with any Business Partner or Agent.
- 2.2 The prior written approval of the Board of Directors of CPI Property Group S.A. is required for any deviation from this Policy, provided that such deviation would not breach any applicable laws.

### 3 DEFINITIONS

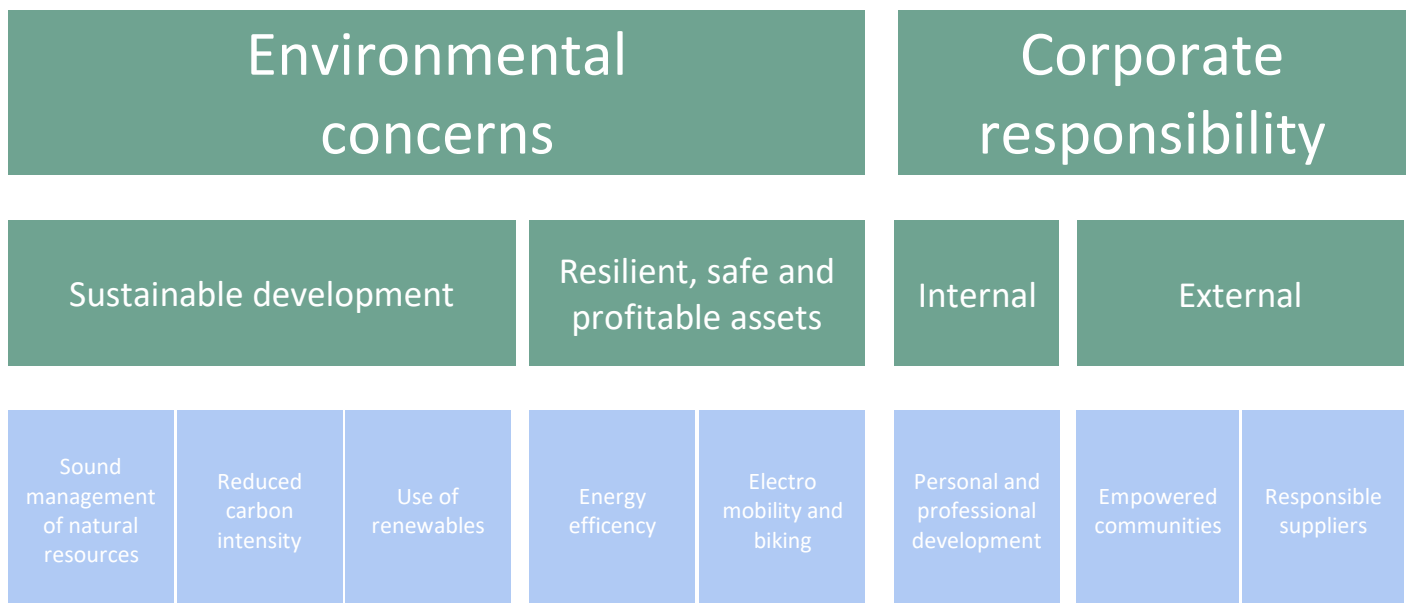
- 3.1 Unless in this Policy stated expressly otherwise or unless the context requires otherwise, the capitalized terms used in this Policy shall have the meaning ascribed to them in this Section 3.1 of this Policy:
- 3.1.1 **“Agent”** means any agent, consultant, contractor, sub-contractor and anyone other, who works on behalf of the Group, and “Agents” shall be construed accordingly;
- 3.1.2 **“Business Partner”** means any existing or prospective business partner of the Group, including tenants, purchasers, suppliers, lenders and joint venture collaborates, and “Business Partners” shall be construed accordingly;
- 3.1.3 **“CSR”** means Corporate Social Responsibility
- 3.1.4 **“Environment”** means framework of EMS and EnMS activities;
- 3.1.5 **“EMS”** means Environmental Management System as set of processes and practices designed to promote environmental objectives of the Group;
- 3.1.6 **“EnMS”** means Energy management system to establish an energy policy, objectives, energy targets, action plans and process to achieve the objectives and energy targets
- 3.1.7 **“ESG”** means Environmental, Social and Governance Criteria;
- 3.1.8 **“Group”** means CPI Property Group S.A. and its subsidiaries;
- 3.1.9 **“Policy”** means this CPI Property Group Environmental, and Corporate Social Responsibility Policy; and
- 3.1.10 **“Representative”** means any officer, director, employee or anyone other directly engaged with, and authorized to act on behalf of, the Group, and “Representatives” shall be construed accordingly.

### 4 MANAGEMENT RESPONSIBILITIES

- 4.1 The overall responsibility for the pursuing of this Policy rests with the Board of Directors of CPI Property Group S.A. that acts through the Corporate and Social Responsibility Committee of the Group. Board of Directors of CPI Property Group S.A is responsible to ensure availability of the resources needed.
- 4.2 The Corporate and Social Responsibility Committee of the Group reports to the Board of Directors of CPI Property Group S.A. on a regular basis. If necessary, one or several Sustainability and CSR Officers may be appointed.
- 4.3 The Energy Management Team reports to the Executive Director and is responsible for maintenance of the energy management system, mainly for action plans implementation and legal and other requirements' conformity.

### 5 MAIN PILLARS OF THE POLICY

#### 5.1 Main pillars of this Policy are summarized below:



### 6 SUSTAINABILITY AND PROTECTION OF ENVIRONMENT

- 6.1 The real estate sector has an environmental impact and it is impacted by the climate changes. The Group takes these risks into consideration and continuously undertakes to mitigate its climate impact and improve its environmental performance.
- 6.2 The Group acknowledges that physical climate risks may directly affect buildings due to extreme weather events, gradual sea-level rise and extreme weather patterns. Therefore, before each potential asset investment, the Group examines the environmental risks. Project timing, progress and budgets are carefully monitored, internally and with the support of external project monitoring advisors.
- 6.3 Health, safety and environmental risks are always monitored before and during construction works. Health and safety, as well as the technical and security installations are periodically inspected for checking of their status and the conformity with applicable laws.
- 6.4 The Group continuously works to improve its environmental performance through the strong EMS that aims, among others, at:
  - 6.4.1 enhancement of energy efficiency and energy savings in line with current strategies and objectives;
  - 6.4.2 consideration of the life cycle implications at all stages of investments and planning;
  - 6.4.3 optimization of usage of natural and other resources in order to benefit from efficient and responsible use, minimize waste, prevent pollution and promote reusing and recycling of raw materials;
  - 6.4.4 active promotion and encouragement of environmentally friendly conduct both internally and externally;
  - 6.4.5 increase of the share renewable energy sources in all Group's operations, such as equipping existing assets with solar panels;
  - 6.4.6 high-standard performance, including green LEED/BREEAM certifications, as well as other relevant external certifications, where possible;
  - 6.4.7 strengthened commitment to electro mobility, development of biking infrastructure, ensuring proximity to public transport and access to amenities, and support of the concept of smart cities;
  - 6.4.8 increase of the share of green buildings in the Group's portfolio in line with the current strategy and seeking to apply real estate life cycle assessment on new real estate projects;
  - 6.4.9 application of innovative approaches in the Group's undertakings, including green roofs and net zero buildings; and
  - 6.4.10 setting verifiable and measurable goals in pursuit of improvement of the ESG performance.

### 7 ENERGY PERFORMANCE APPROACH

- 7.1 The Group is fully committed to establish a process for continual improvement of energy performance and comply with legal and other requirements. By improving energy performance and associated energy costs, the Group can be more competitive and can contribute to overall climate change mitigation goals and reduce the Group's energy-related greenhouse gas emissions.
- 7.2 The Group continuously improves effectiveness of the EnMS and supports energy performance improvement, especially by:
- 7.2.1 active promotion and raising the awareness of internal and external stakeholders about Group Policy Environment and CSR;
  - 7.2.2 determination of objectives and energy targets consistent with Group Policy Environment and CSR;
  - 7.2.3 energy risks assessment and setting action plans;
  - 7.2.4 procurement of energy efficient products and service that impact energy performance;
  - 7.2.5 considering opportunities in the design of new, modified and renovated facilities, equipment, systems and energy-using processes that can have a significant impact on its energy performance over the planned or expected operating lifetime.

### 8 CORPORATE SOCIAL RESPONSIBILITY

- 8.1 The Group is fully committed to the shared responsibility to the communities and environments wherever it is active. It strives to act transparently, ensure accountability and promote accessibility, inclusivity and smart livelihoods through its assets. The Group considers itself a reliable, responsible, equitable and proactive partner for all stakeholders and communities. In this spirit, it actively seeks relevant stakeholders, develops communication channels and addresses grievances.
- 8.2 The Group continuously strives to improve its leadership through meaningful interaction with all parties concerned. The Group supports local charities and foundations.
- 8.3 The Group acknowledges that it may only achieve its sustainability, social and business objectives through proper supply chain monitoring, sensible and sustainable procurement, as well as engagement in relevant social development matters. Therefore, the Group maintains a Code of Conduct for Suppliers that also serves for the assessment of the ESG performance of its suppliers. The Group conducts its procurement in line with the Group's Procurement Policy.
- 8.4 The Group aims to promote personal and professional development of its employees. The Group provides a work environment that is motivating, competitive and reflects the needs of its employees. The Group promotes diversity and equal opportunity in the workspace in line with the Group's Human Capital and Employment Relationships Policy and applicable legal standards. The well-being of its employees is of major importance to the Group.
- 8.5 The Group shall summarize its corporate social responsibility efforts on regular basis and disclose it in the form of a CSR report.

### 9 COMMUNICATION AND AWARENESS

- 9.1 The Group pursues environmental, social and ethical awareness among its Representatives through regular trainings and frequent communications on the related policies and undertakings at all levels. There are multiple opportunities for individual and team training, professional growth monitoring and responsibility development plans. Through this, the Group prepares its Representatives to be at all times aware of their responsibilities and to help the Group to achieve its objectives.
- 9.2 The Group communicates the objectives of this Policy to its shareholders, Business Partners and Agents, as well as public through its website, online presence and annual reports.

### 10 MONITORING AND EVALUATION

- 10.1 In line with the above, the Group commits to monitor, evaluate and improve its sustainability and social efforts on a regular basis.
- 10.2 The Group collects and evaluates the relevant and available data and discloses these in line with its policy objectives, general obligations and voluntary commitments, where applicable. The Group monitors and measures operation of significant energy use, energy performance indicators and actual versus expected energy consumption. The Group also monitors and on a regular basis evaluates its emissions and releases of waste into the environment, in particular the emissions of greenhouse gases such as carbon dioxide, in order to set achievable, realistic and ambitious targets to minimize its overall emissions into the environment.
- 10.3 In monitoring and assessment of its ESG performance data, the Group uses internationally recognized standards and analytical tools.
- 10.4 The Group is developing a set of indicators of environmental and social compliance to be continuously monitored, whereas the ESG concerns shall be reflected in the key performance indicators of all Representatives, if applicable.
- 10.5 The Board of Directors of CPI Property Group S.A. shall regularly revisit and reevaluate this Policy in light of new developments on the market, state of innovations and the proposals of the Environmental and CSR Officer.
- 10.6 In order to gain an objective set of data and a holistic environmental performance records, the Group shall be subject to regular audits, whether internal or external. The Group shall also appoint local and international external experts to develop methodologies that will be applied to the Group's assets for main environmental impacts.