

The image features a semi-transparent white rectangular overlay on the left side. The background is a photograph of several wooden beehives stacked vertically in a field of green grass and small white flowers. A blue metal railing is visible in the upper portion of the image. The MPC logo is positioned at the top of the white overlay, and the report title is centered below it.

**MPC**  
PROPERTIES

**Sustainability  
Report  
2021/22**

43

# Summary

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# Introduction

MPC Properties is one of the Southeast Europe's most experienced real estate development companies which has been expanding its business for almost two decades. Ever since it was founded back in 2002, MPC has developed over 30 projects.

MPC Properties is a long-term stakeholder in the SEE region with high level market expertise, broad deal experience and extensive contacts. The entire senior management team has experience in successful delivery of commercial real estate assets in the region. The company has gathered the greatest talents from Serbia and beyond.

With the prime focus on the real estate investment and the management which main goal is to increase the value through active initiatives, the MPC Properties Development Strategy has defined some new standards. When it comes to design and construction technologies and complying with green building standards, it delivers an efficient and sustainable portfolio. MPC continues to build long-term value that benefits our shareholders, our tenants, our employees, and the community in general. The MPC Strategy is a resilient portfolio integrating the ESG principles. The companies that operate under the trading name of MPC Properties are Balkans Real estate BV and BreAtt BV.

Balkans Real Estate B.V. (BRE BV) is a private limited liability company incorporated under the laws of the Netherlands. It is the majority owner of the joint venture BreAtt BV, a private limited liability company also incorporated under the law of the Netherlands. The reporting period of this report is from 1 July 2021 until 30 June 2022.

## Our Commitment to sustainability



OUR  
COMMUNITY

OUR GREEN  
COMMITMENT

OUR  
LEADERSHIP

# CEO Statement

“MPC Properties has integrated a socially responsible strategy in accordance with ESG goals to reinforce its business model and provide well-being to the wider community in which it operates.

As the largest company in commercial real estate in Serbia, responsible for the development and management of more than 12 office and retail assets in the territory of Belgrade, we are aware of the risks from the escalation of climate change. In line with the Paris agreement, we are committed to green energy and carbon footprint reduction. Our decarbonization efforts have a lasting and meaningful impact on the environment and an economic benefit that is realized through the whole lifecycle of our assets.

Our pioneer approach is reflected in anticipating risks and creating opportunities while integrating the best global trends and practices. We are implementing a series of sustainable green projects, from the PV solar plants on the roofs of our retail assets, through alternative modes of transport promotion, recycling, and the introduction of composting, to the installation of green rooftops and urban beekeeping with various partners, with the aim to be more energy efficient and to make our own contribution to the market education.

Turning to social aspects, we are committed to building a strong community gathered around the company’s shopping centers and office buildings, through several socially responsible initiatives and marketing activities, which encourage inclusion, foster diversity, promote loyalty programs, and care for the community in general.

All innovative projects are implemented in accordance with two-step tender procedures, where transparency and anti-corruption are promoted by applying and integrating both global and local best practices.

MPC Properties continued success is driven by our

employees. We understand the role that Human Capital development plays in ESG performance, and we are committed to building a community that recognizes achievements, results, diversity, inclusion, accomplishments, and talents, by fostering an environment that meets the health, well-being, and social needs of all employees.

We recognize ESG as a strategic orientation for our future growth and value-driven approach to meet stakeholders’ demand for sustainable business growth and to build strong, inclusive communities. It’s something we’ve integrated into our business model because we believe it makes us more resilient as a company.

I am confident that ESG, as our priority, will continue to have a good impact on our success and help us keep the position of an industry leader. I am proud of our results, and we will continue to deliver sustained value to all our stakeholders.

Thank you for your interest in our Commitment to Sustainability.”



Maxence Liagre, MPC Properties

## Achieved Green and Sustainable Certification.



**BREEAM**  
The world’s leading science-based suite of validation and certification systems for sustainable built environment.



**WELL HEALTH AND SAFETY 2022**  
Represent certification for buildings that deliver more thoughtful and intentional spaces that enhance human health and well-being.



**LEED GOLD**  
One of the most credible rating systems that stands for Leadership in Energy and Environmental Design

## Awards



### Awards through the years

Company or Asset	Award	Categories	Year
BEO Shopping Center	International Property Awards	Best Retail Architecture Best Retail Interior	2020
UŠĆE Tower Two	CIJ Awards Serbia	Best Office Development Best Leading Green Building Development	2020
BEO Shopping Center	CIJ Awards Serbia	Best Retail Development Best New Tenant - Peek & Cloppenburg	2020
Confluence Property Management	CIJ Awards Serbia	Best Property Management Company	2020
Confluence Property Management	SEE CIJ Awards 2019	Best Property Management Company	2019
UŠĆE Tower Two	SEE CIJ Awards 2019	Best Office Buildup in Development	2019
Confluence Property Management	SEE CIJ Awards 2018	Best Property Management Company	2018
Balkan Real Estate	SEE CIJ Awards 2018	Best Investment Transaction (Mercator Centar Beograd)	2018
Confluence Property Management	SEE CIJ Awards 2018	Best Female Real Estate Leadership / Ivana Maksimovic	2018
Confluence Property Management	HOF Awards 2017	Best Asset Management Company	2017
Confluence Property Management	SEE CIJ Awards 2016	Best Property Management Company	2016
Confluence Property Management	SEE CIJ Awards 2016	Best Asset Management Company	2016

# Our Green Commitment

MPC Properties, one of the leading real estate companies in the Balkan region, is focused not just on building the highest quality shopping centers and office buildings in line with the green building principles, but also on providing a unique experience, investing in market education through several socially responsible initiatives and building a strong community gathered around the company's portfolio.

We have been using our business assets and network to encourage inclusion, foster diversity, promote CRS projects and loyalty programmes, educate the market about the importance of inclusion of ESG policies into companies' strategy, and boost the cooperation between the community and the corporate sector.

As the accompanying risks of the escalating climate changes are human damage, property damage and economic damage, the Company's strategy is to invest more in upscaling the resilience and green performances for the entire company portfolio. Opportunities in addressing these issues are projected through increased demand for introducing of green clauses in Tenants Lease Agreements.

The company invested total EUR 950k only in last year in mitigation climate changes and reducing GHG emissions. The focus was on the following activities: Well health and safety certification for eight major assets, PV solar panels pilot project installation, urban bee keeping, E-vehicles and E-bicycles, parking and charging stations and EMS system upgrade in all assets so as to improve the energy efficiency.



# Our Commitment to Society

MPC SOCIAL initiatives are created with the aim of contributing inclusiveness for the local communities around the portfolio. CSR marketing activities and innovative approach have been used for education within the interactive community hub, where people can share and enjoy authentic experience with others.

Throughout the year, we celebrate all the important dates – Valentine’s Day, International Woman’s Day, Easter, Back2School, Black Friday, Halloween, Christmas, etc. We use these occasions to organise not only these commercial events, but also to raise the awareness among the public about the current social issues and to get the vulnerable ones on board. With our diverse approach we strive to empower placemaking by organizing educational workshops, seminars and panel discussions with the aim to include our target audience in the important social initiatives and circular economy programmes. Among many, there are motivational lectures led by famous artists, mats, and musicians, doctors, scientists, athletes, paralympics, covering and sharing valuable lessons from their personal life experiences. Besides that, we are organizing recycling workshops for the children of employees within our business network once per month in our UŠĆE Hub, a community box between the UŠĆE Towers business complex, where children can learn more about the recycling process and how to add a new glow to a familiar object, but more importantly, they can learn how to save resources and energy and protect the environment with recycling.

Among many popular activities, there is definitely “BEO Runners”, the free-running club coached by the most awarded athlete in Serbia, Mihail Dudas, where the participants can enjoy the sport, warm atmosphere, as well as a wide range of discounts on sports equipment and supplements. Our CSR activities are mostly focused on cooperation with the children’s shelters. These collaborations

include collecting Easter and Christmas gifts with generous support from our tenants and business partners, but also organizing visits to art exhibitions in our shopping centers network, preparing different kinds of workshops and cinema projections, etc.

We have hosted for several times in our shopping centres the UNICEF panel discussions about juvenile delinquency and digital abuse of children. We also supported government institutions in public discussions of this kind with the aim to raise the awareness about this important issue.

Besides that, a large part of our socially responsible activities represents cooperation with the civil sector.

Our shopping center network (UŠĆE Shopping Center and BEO Shopping Center) served as an important vaccination point during the Covid-19 pandemic in line with our commitment to support our society in this crisis. We registered that 24,000 people have been vaccinated in one of our two shopping centres.. Throughout the pandemic, our aim was to help our visitors feel safe in our centers, by adhering to all cleaning and sanitizing protocols required by the Government.

Several times a month we organise blood donations in front of our shopping centers (mostly UŠĆE Shopping Center, BEO Shopping Center and Immo Outlet center) together with the Blood Transfusion Institute of Serbia (BTIS) which is a highly specialized, scientific research and educational transfusion medicine referral institution. In these activities, all our occupants engage our visitors.

Throughout the year, we celebrate various traditions with the Municipality of New Belgrade, and every December, we organise Christmas sessions and educational workshops as well as the New Year’s gift-giving for the children and families from this municipality. More than 700 children participate in these events every year.



# People



# People

MPC is fostering healthy work culture through talent attraction and retention, professional development and inclusion practices.

MPC Properties is a company that understands that its employees are the most valuable resource and therefore the main goal in this ever-changing business environment is to provide and advance well-being of our employees through different aspects of benefits, safe environment, diversity trainings, diverse and equal opportunity, non-discrimination, to boost sustainable growth.

Human Resources development plays an essential role in realising our vision in the years to come.

Our development strategy seeks to build foundations through the promotion of several factors:

- 1 People with strong sense of ethics, clear vision and strong commitment;
- 2 People who accept diverse values and take initiative;
- 3 People who can develop business without being constrained by existing frameworks – thinking outside the box;
- 4 People who can take responsibility for what they do;
- 5 People who display broad spectrum of knowledge and high-level expertise in relevant areas.

In order to achieve our goals, MPC Properties as a socially responsible company provides:

- 1 Stable employment conditions proving it with insignificant fluctuation of employees.
- 2 Great care of good health of our employees through exercise programs and private health insurance.

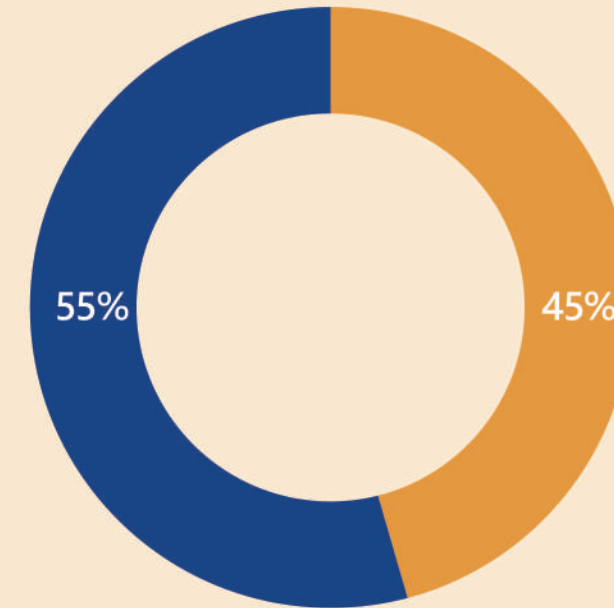
- 3 Commitment to help our employees on the path of growth through training and personal development.
- 4 Full support for parental leave and full assistance for the reintegration of employees after parental leave.
- 5 Great care of work related Health and Safety rules and procedures.
- 6 Promotion of mental health through assisting our employees with external psychological support not only regarding work or work environment, but also family issues or any other troubles they might face in their everyday life.

MPC Properties will continue to provide support to its employees through the already established programmes and by adopting and implementing new ones in accordance with the suggestions and needs of the employees. In order to have new tailor-made programmes for employees and their teams, HR will organise meetings with each employee in order to have a better understanding of their needs, and carry out an anonymous survey.

We consider our employees as most important company value, and that only with satisfied and happy employees MPC Properties will continue its growth successfully.



The company has 175 employees, 85% of employees are permanent employees while only 15% with a temporary contract.



ALL EMPLOYEES	ALL	GENDER		AGE		
		MALE	FEMALE	<30	30-50	>50
# OF TOTAL PERSONNEL	175	92	83	20	128	27
SENIOR MANAGEMENT	8	5	3	0	7	1
MIDDLE MANAGEMENT	14	10	4	0	12	2
EMPLOYEES	153	77	76	20	109	24



## Supporting Our Employees

Our corporate culture is focused on building a strong community that recognises achievements and talents but more importantly takes care of the well-being of the employees. The core values of our organization are transparency, agility, team spirit, and a clear, joint vision for our development in the future.

Investing in employees' knowledge, talents, skills, creativity, motivation, and well-being is one of the top priorities of our business activities, so we developed a set of various benefits for them:

- 1 Additional employee insurance;
- 2 Professional and personal educational programmes, training, and seminars (Partners: Tim centar, Assert, Manpower, COTRUGLI Business School, GI group);
- 3 Psychological support for each employee, which was especially important during Covid-19 pandemic (Partner : Resilient programme);
- 4 People who display a broad spectrum of knowledge and high-level expertise in relevant areas;
- 5 Various benefit programmes referring to special offers and discounts in our shopping centers, free gym and fitness programmes;
- 6 MPC Running Club supports the well-being and healthy habits;
- 7 Full covered sick leave up to 30 days;
- 8 Paid parental leave;
- 9 Competitive compensation and comfortable office conditions including car parking for all employees.

Regular intensive trainings are organised for all employees depending on their skills and job requirements. Employees went through series of trainings in reporting period: Training for Manager Development, First Aid trainings, Psychological support for employees, English Lessons courses, Trainings for User experience, Leasing broker's training, People Management training, Work on height training, IT trainings, Coaching sessions for employees, Coaching sessions for managers, technical trainings, Business-financial trainings, Marketing training, People development training, Personal Development Training, Strategic trainings, Assertive trainings, General Administration training, etc.

### Tvoj Centar Mobile App – Loyalty Program

By embracing the dynamics of social changes and technological evolution, we created „Tvoj Centar“ loyalty platform, to show our appreciation for the loyal visitors of our four shopping centers: BEO Shopping Center, UŠĆE Shopping Center, Mercator Centar Beograd, and Delta City. Simply by visiting these shopping centers, the users gain loyalty points, which they can use for various discounts and presents. Tvoj Centar mobile app also keeps the shoppers informed about local and global trends, the latest news and events at the centers, lifestyle trends, raising awareness about important socially responsible initiatives, and at the same time, providing users with the opportunity to win prizes in numerous competitions.

Besides the loyalty programme for the visitors, we have created a special Benefit Programme for all tenants operating within the MPC Properties office portfolio with the aim to bring a new level of experience and satisfaction at work. Through this benefit programme, the employees in MPC office buildings can use special discounts in the shops in the MPC shopping centers. In this way, we are creating synergy which empowers placemaking and contributing to the prosperity of all parties within our business network.

## Community Mission

Through our portfolio, we are creating places where our target groups could identify themselves in an inclusive way.



# Assets



## Our mission is to create landmark and state of the art buildings.

MPC core business is located in Serbia. MPC possesses and manages different types of properties including shopping malls, street retail, prime office and mixed-use projects. The biggest and most important assets are on the most prominent locations in Belgrade, the capital and the largest city of Serbia.

MPC dedicated team has over 100 professionals who are focused on providing advanced commercial real estate solutions, while ensuring that the service meets the requirements of the highest standards both in technical and operational terms. We are a company that thinks long term and we do not compromise when it comes to quality and sustainability. Our assets acquired green certificates LEED, BREEAM and WELL Health and safety certificate. In the last 10 years MPC has greatly contributed to the promotion of green construction.

### BELGRADE MAP WITH LOCATIONS OF MPC ASSETS



ASSETS		GLA (m2)	GBA (m2)
RETAIL	<b>UŠĆE SC</b> Ušće Shopping Center DOO Beograd	45,497	117,138
	<b>BEO</b> Shopping Center IV DOO Beograd	44,528	130,209
	<b>DELTA CITY</b> Delta City 67 DOO Beograd	29,766	86,049
	<b>MERCATOR</b> Retail Center DOO Beograd	23,954	51,202
	<b>IMMO CENTAR</b> Immocentar I DOO Beograd	8,419	17,008
	<b>IMMO II</b> Immocentar Two DOO Beograd	11,875	12,329
	<b>KANEM</b> Kanem Co DOO Beograd	2,669	3,196
	<b>SUBREAL</b> Sub Real DOO Beograd	4,417	4,417
	<b>Total Retail</b>	<b>171,126</b>	<b>421,548</b>
OFFICE	<b>TOWER I</b> Ušće Tower One DOO Beograd	21,278	29,523
	<b>TOWER II</b> Ušće Tower Two DOO Beograd	21,008	55,125
	<b>NAVIGATOR 1</b> Navigator Bussiness Center DOO Beograd	15,464	21,937
	<b>NAVIGATOR 2</b> GP Seven DOO Beograd	28,032	49,882
	<b>Total Office</b>	<b>85,782</b>	<b>156,467</b>
<b>TOTAL MPC</b>		<b>256,908</b>	<b>578,015</b>



# Stakeholders



# Stakeholders

With our portfolio, we are creating places in shopping centres and offices where our stakeholders can see themselves in an inclusive way. Their opinions and insights are incredibly valuable in the early stages of our planning and development processes because their performance affects our company's success too.

## Mutual Aid and Global Mobilization

The subject of the green transition or ecological transition has become a common cause that goes beyond the rich-poor, north-south, polluter-non-polluter divides. This must include awareness, boosting diversity, mutual aid, and global mobilization, but most importantly this requires joining forces between states, NGOs, the public and private sectors. So, we dedicated special attention to strategic partnerships with UNDP and the Chamber of Commerce and Industry of Serbia (CCIS) on the composting projects, as well as with the French-Serbian Chamber of Commerce on several green and recycling projects promoting the importance of circular economy and raising awareness of ESG dialogue.

MPC Properties has active memberships in:

- 1 American Chamber of Commerce in Serbia (AmCham)
- 2 Serbian Green Building Council
- 3 The French-Serbian Chamber of Commerce
- 4 Serbian Association of Managers (SAM)
- 5 Chamber of Commerce and Industry of Serbia (CCIS)
- 6 HR World Adria

## Empowering Education and Sustainable integration

We are investing in human capital and green projects by attracting talents, improving employees' productivity, investing in employees' education, and building a reputation through ESG. To be more transparent in our employer branding campaigns and to boost sustainable leadership we realized sustainable design courses, industry education and certifications, and various HR seminars for middle and top management positions. We have introduced the sustainable development role into our business scheme.

## Campaigns That Stand on Environmental and Social Issues

Through our CSR campaigns and initiatives supported by relevant partnerships with NGOs and public institutions, we continue to increase awareness about why is important for our community to be inclusive and supportive. We have strategic partnerships with UNICEF, NURDOR, the Serbian Philanthropic Association, "Budi Human" Association. Together with them, we have realised several humanitarian projects to support children without parental care, Children's Shelters, and fragile people, in which we engage our visitors too.

## People

- |                  |                  |
|------------------|------------------|
| 1 Employees      | 5 Children       |
| 2 Customers      | 6 Retired people |
| 3 Businesspeople | 7 Fragile people |
| 4 Students       |                  |



# Environment



# Environment

MPC Properties is focused not just on building the highest quality shopping centers and office centres in accordance with green building principles but also on providing a unique experience, investing in market education through several socially responsible initiatives and building a strong community gathered around the company's portfolio.

We have been using our business assets and network to encourage inclusion, foster diversity, promote CRS projects and loyalty programmes, educate the market about the importance of incorporation of ESG policies into companies' strategy, and engage the cooperation between the startup community and the corporate sector.

The impact our shopping centers and office spaces have on people and the environment is very important to us, so we are committed to implementing our ESG strategy throughout all our business segments. Our ESG perspective includes working on achieving a set of ENVIRONMENTAL goals, which are an integral part of the building and management efforts of MPC Properties.

We have a strong Green Agenda for improving our ecological footprint by applying a set of rules with the aim of minimizing carbon footprint, implementing water energy efficiency and appropriate waste management programmes, and building ecosystems.

## Well Health and Safety Certification

MPC Properties is the first company in Serbia to receive in 2022 the "WELL Health-Safety"

certificate for a portfolio of eight business and retail assets awarded by the International WELL Building Institute (IWBI). Possession of the "WELL Health-Safety" certificate is a confirmation issued by an independent institution that all new and existing buildings in their operational management policies apply all the necessary standards of maintenance, involvement of relevant parties and implementation of contingency plans to ensure safe, healthy and secure environment for all users, which is especially important considering the current situation with the Covid-19 pandemic.

The buildings that are part of the MPC Properties portfolio and which received this globally significant certificate are: UŠĆE Shopping Centre, BEO Shopping Centre, Mercator Centre Belgrade, Immo Outlet Centre, as well as the business centres UŠĆE Tower One and Tower Two and Navigator Business Centres 1 and 2.

## BREEAM & LEED

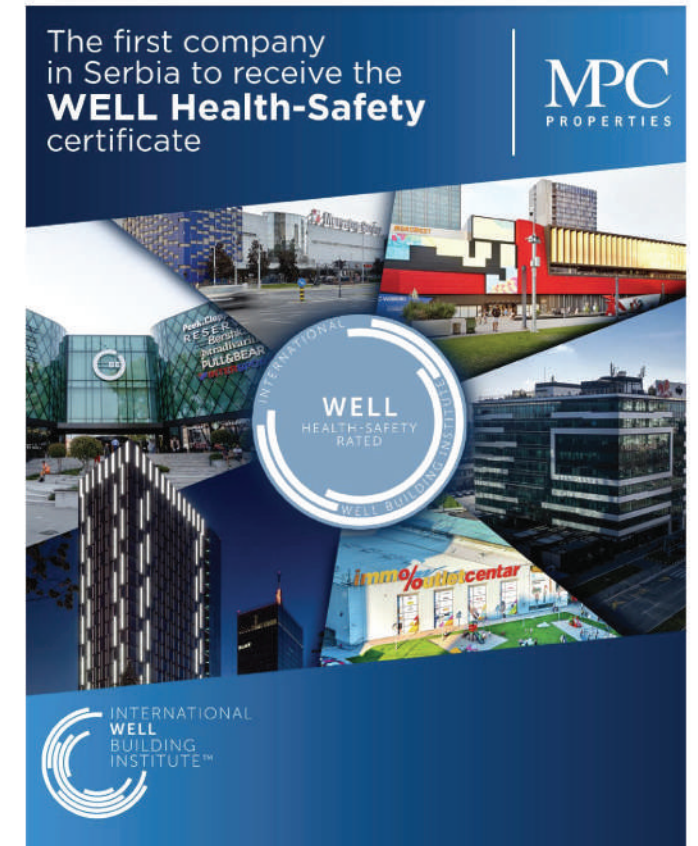
Over the last 10 years, MPC has contributed to the promotion of green building, so today, portfolio is comprised of 3 buildings that are designed and built in accordance with the green building principles – the Navigator Business Centre 1 and 2 were built according to LEED Gold standard, UŠĆE Tower Two was built according to BREEAM standard while the UŠĆE Shopping Centre is one of the first and largest certified shopping centers in the region and Europe which was issued LEED EBDOM Certificate (LEED Existing Building: Operations and Maintenance) in the segment of operational assets. MPC further demonstrates its commitment to green building by being an active member of the Green Building Council of Serbia.

The crucial green building strategy is that during the development of the project, its entire life cycle is

„Thanks to companies like MPC Properties, which are, first and foremost, committed to ensuring a safe and healthy environment for their users, the popularization and growing importance of this certification worldwide is also being contributed to. This is a very significant and important achievement for a business system, and I would like to congratulate MPC for making a significant contribution to better buildings and the very environments in which they operate“

Rachel Hodgdon, CEO of IWBI (the International WELL Building Institute)

considered, which starts from the idea, planning, design, through the execution of works, all the way to the operations. MPC Properties deals not only with the construction of assets but also with their management and maintenance, so it is important to manage the entire development of the project, bearing in mind that after the investment in green building systems, significant savings will be achieved during operation.





## Decarbonisation

We are planning to initiate the use of solar energy produce electrical energy from renewable sources while decreasing CO2 emissions. The total power of all solar power plants intended to be installed on the roofs of MPC Properties shopping centers will be 4,300.00 kW, covering an area of 1,600 m2. One of the pillars of our Green Agenda is a dedication to promoting and applying smart tech solutions to protect the environment and contribute to the well-being of the community. In 2021 we installed as a pilot project in Ušće Shopping Centre 50kW AC solar plant which supplies free electric cars battery charging in shopping centre garage.

We put special dedication to alternative models of transport - electric cars, bicycles, and scooters by providing parking stations and chargers for all types of eco vehicles. Our aim is to stimulate and promote alternative ways of transport and their positive impact on both the environment and a healthy lifestyle. Currently, we have a total of 400 bicycle parking spaces in the entire MPC Properties network, 46 chargers for electric cars, and a smart city parking station with chargers for electric bicycles and scooters in front of each asset in our portfolio.



solar plants



electric car chargers



e-bicycles and e-scooters



regular bicycles



**ENERGY CONSUMPTION WITHIN THE ORGANISATION**

	2021/22		MPC
	Office	Retail	Total
Energy consumption by source			
Fossil fuels (MWh)	906.70	4,034.84	4,941.54
Heating consumption (MWh)	448.24	6,597.83	7,046.07
Electricity consumption (MWh)	7,490.41	67,893.84	75,384.25
<b>Total</b>	<b>8,845.35</b>	<b>78,526.50</b>	<b>87,371.86</b>
Renewable energy production			
Electricity produced by PV system and consumed (MWh)	0.00	35.21	35.21
<b>Total</b>	<b>0.00</b>	<b>35.21</b>	<b>35.21</b>

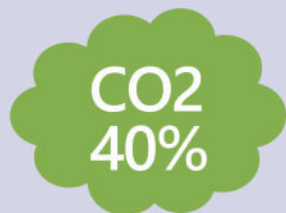
\*Note: The figures shown are total amount of consumption fuel, electricity and district heating of the properties

**ENERGY INTENSITY**

	2021/22		MPC
	Office	Retail	Total
Energy intensity			
Total energy consumption (MWh)	8,845.35	78,526.50	87,371.86
Energy intensity (MWh/m <sup>2</sup> )*	0.06	0.19	0.15

\*Note: Figures are total of the intensity calculated based on the GBA of the properties

The goal of the MPC Group is to reduce CO2 emissions by 40% until 2030 compared to 2019.



In accordance with this goal, all companies within the MPC Group have developed energy saving plans that include the most advanced and best technical solutions. The plans envisage the installation of HVAC equipment with a high energy efficiency ratio that uses low impact refrigerant, investments in projects for the production of electricity from renewable sources such as PV solar plants, small wind turbines, solar plants for hot water production etc. It is also planned to promote the use of electric cars and other alternative modes of transportation, all with the aim of achieving energy savings, i.e. reducing CO2 emissions.

**EMISSION**

Direct emission (Scope 1)	2021/22			MPC
	Office	Retail	Total	% of footprint
Direct emission				
Combustion of fuel - (tCO2e)	8.04	6.03	14.07	4.0%
Operation of facilities - (tCO2e)	26.58	308.06	334.65	96.0%
<b>Total emissions (Scope 1) - (tCO2e)</b>	<b>34.62</b>	<b>314.09</b>	<b>348.71</b>	<b>100.0%</b>

**Indirect emissions (Scope 2)**

Indirect emissions by source	2021/22			MPC
	Office	Retail	Total	% of footprint
Indirect emissions by source				
Purchased electricity used for common areas (tCO2e)	1,245.86	18,872.67	20,116.53	95.8%
Purchased hot water for heating used for common areas	394.99	490.24	885.23	4.2%
<b>Total emissions (Scope 2) - (tCO2e)</b>	<b>1,638.86</b>	<b>19,362.90</b>	<b>21,001.76</b>	<b>100.0%</b>

**Indirect emissions (Scope 3)**

Indirect emissions by source	2021/22			MPC
	Office	Retail	Total	% of footprint
Indirect emissions by source				
Purchased good and services - (tCO2e)	443.98	989.02	1,423.01	1.3%
Capital good (CAPEX) - (tCO2e)	475.18	185.45	661.63	0.6%
Fuel and energy related activities - (tCO2e)	152.93	1,371.31	1,524.24	1.4%
Wasted generated in operations - (tCO2e)	231.41	929.89	1,161.30	1.1%
Business travel - (tCO2e)	105.73	0.00	105.73	0.1%
Emissions from employee & shopping center visitors - (tCO2e)	2,321.93	33,305.79	35,627.72	33.1%
Emissions from tenant's electricity consumption - (tCO2e)	9,026.90	55,742.66	64,769.56	60.3%
Emissions from tenant's hot water consumption for heating - (tCO2e)	705.08	1,496.62	2,201.71	2.0%
<b>Total emissions (Scope 3) - (tCO2e)</b>	<b>13,453.15</b>	<b>94,021.74</b>	<b>107,474.89</b>	<b>100.0%</b>

**TOTAL EMISSIONS (Scope 1, 2, 3)**

Total emissions by source	2021/22		MPC	
	Office	Retail	Total	% of footprint
Scope 1 - (tCO2e)	34.62	314.09	348.71	0.3%
Scope 2 - (tCO2e)	1,638.86	19,362.90	21,001.76	16.3%
Scope 3 - (tCO2e)	13,453.15	94,021.74	75,384.25	83.4%
<b>Total emission - (tCO2e)</b>	<b>15,126.63</b>	<b>113,698.74</b>	<b>128,825.37</b>	<b>100.0%</b>

**GHG EMISSION INTENSITY**

Emissions intensity	2021/22		MPC
	Office	Retail	Total
Total emissions (tCO2e)	15,126.63	113,698.74	128,825.37
GHG emissions intensity (tCO2e/m²)	0.10	0.27	0.22

**GHG EMISSION OF OZONE DEPLETING SUBSTANCES**

Ozone depleting substance	2021/22		MPC
	Office	Retail	Total
Emission of R410 A (tCO2e)	0.00	135.72	135.72
Emission of HFC 134a (tCO2e)	0.00	171.60	171.60
Emission of R 407 C (tCO2e)	0.00	0.00	0.00
Emission of HFC 32 (tCO2e)	0.00	0.00	0.00
<b>Total GHG emissions (tCO2e)</b>	<b>0.00</b>	<b>307.32</b>	<b>307.32</b>

**Waste management**

MPC Properties is conducting with local waste management legislation. Waste management is organised in a way that protects the environment and human health, protects natural resources and reduces the amount of waste disposed of in landfills. Partner company VOLK SERB d.o.o., implements the "Waste Management Plan" according to the Law on Waste Management, on behalf of MPC Properties portfolio and in cooperation with local companies that are registered and have integral permits for storage, transport and recycling of waste.

MPC Properties coordinates generated waste for Tenants through "Waste Management Manual" in order to establish:

- waste identification
- waste flows
- communal waste reduction
- establish local legislation in asset operational procedures for waste management according to local legislation



WASTE GENERATION	kg	WASTE GENERATION	kg
<b>Oil Waste - Oil separators (kg)</b> <small>*Note: Number 19 08 09 / Q list code - Q16</small>	237.000	<b>Plastic Waste</b>	4.915
<b>Oil Waste - Tenants kitchens (kg)</b> <small>*Note: Tenant takes care of oil</small>	61.290	<b>Organic Waste</b> <small>*Note: Restaurants organic waste is part of communal waste (kg)</small>	<b>Landscape maintenance organic waste</b> <small>*Note: Waste is being used for compost by service company</small>
<b>Glass Waste</b>	11.740		<b>Restaurants - Animal origin organic waste</b>
<b>Cardboard Waste (kg)</b>	499.490		<b>Restaurants - Other organic waste</b>
<b>Electronic Waste - Fluo Tubes</b>	0		
<b>Regular Electronic Waste</b>	400.00	<b>Communal Waste</b>	2,456.310
<b>Paper Waste</b>	57.789	<b>TOTAL WASTE</b>	<b>3,328.934</b>

**Composting as an integral part of the Circular Economy and greenhouse gas reduction**

UŠĆE Shopping Center is introducing composting as a part of its waste management strategy by purchasing a compost machine for the UŠĆE mixed-use complex that processes organic waste generated within the complex, UŠĆE Shopping Center and UŠĆE Towers, and turns it into valuable compost. The UŠĆE complex has 16,000m<sup>2</sup> of green areas from which 96m<sup>3</sup> of organic waste is generated annually. The estimated reduction of CO<sub>2</sub> emissions is 10t in one year, and 200t of CO<sub>2</sub> for a period of 20 years. This will contribute to decarbonization, reduce the impact on the environment, initiate the implementation of new technologies, and promote sustainable business practices within the corporate sector in Serbia. Composting on the UŠĆE mixed-use complex was supported by the UNDP Serbia, the Ministry of Mining and Energy and Ministry of Environmental Protection through the project "Just green transition and decarbonization in Serbia" financed by the Government of Japan and implemented in partnership with the Chamber of Commerce and Industry of Serbia. The project is aligned with national, EU, and UN Green Agenda goals.



Праведна зелена транзиција и декарбонизација у Србији

Just Green Transition and Decarbonization in Serbia

**Our target is to significantly increase % of recycled waste in next five years.**



## Water efficiency

We pay attention to water efficiency and the smart use of our water resources through water-saving technologies in buildings, very carefully designed soft landscaping with extensive use of indigenous species, using drip irrigation systems, etc. Using water efficiently will help ensure reliable water supplies today and for future generations.

At the level of our portfolio, we implemented Energy Management System (EMS) for monitoring water consumption and installed various water-saving equipment, with the aim of managing water usage in a sustainable and responsible manner.

Sustainable green roof gardens within the MPC Properties portfolio provide a healthy environment and a perfect place for building users to relax, while simultaneously contributing to cleaner air, reducing heat island effect, supporting biodiversity, and a healthier ecosystem in general. Currently, MPC owns a green roof on Navigator Business Center 1 and above the garage of the UŠČE Towers Business Complex. Also, we are planning to install a green roof covering an area of 800 m<sup>2</sup> on the roof of the UŠČE Shopping Center, including an urban vegetable garden that will be irrigated with rainwater.



WATER WITHDRAWAL	2021/22		MPC
	Office	Retail	Total
Water withdrawal by source			
Third party water (m <sup>3</sup> )	43,328.00	225,794.00	269,122.00
Groundwater (m <sup>3</sup> )	0.00	0.00	0.00
Surface and rain water (m <sup>3</sup> )	0.00	0.00	0.00
Greywater (m <sup>3</sup> )	0.00	0.00	0.00
Sea water (m <sup>3</sup> )	0.00	0.00	0.00
Produced water (m <sup>3</sup> )	0.00	0.00	0.00
<b>TOTAL (m<sup>3</sup>)</b>	<b>43,328.00</b>	<b>225,794.00</b>	<b>269,122.00</b>

WATER DISCHARGE	2021/22		MPC
	Office	Retail	Total
Water discharge by source			
Third party water (m <sup>3</sup> )	34,662.40	180,635.20	215,297.60
Groundwater (m <sup>3</sup> )	0.00	0.00	0.00
Surface and rain water (m <sup>3</sup> )	0.00	0.00	0.00
Greywater (m <sup>3</sup> )	0.00	0.00	0.00
Sea water (m <sup>3</sup> )	0.00	0.00	0.00
Produced water (m <sup>3</sup> )	0.00	0.00	0.00
<b>TOTAL (m<sup>3</sup>)</b>	<b>34,662.40</b>	<b>180,635.20</b>	<b>215,297.60</b>

\*Note: Data for water discharge is not directly available. It is estimated of 80% of withdrawal is discharged and 20% is consumed

WATER CONSUMPTION	2021/22		MPC
	Office	Retail	Total
Water consumption			
Total water consumption (m <sup>3</sup> )	43.328	225.794	269.122
Water intensity (m <sup>3</sup> / m <sup>2</sup> )*	0.27	0.54	0.46

\*Note: Figures are total of the intensity calculated based on the GBA of the properties

## Biodiversity

Urban biodiversity improves air quality by sequestering carbon dioxide from the atmosphere and releasing oxygen, preserves habitats of various species, and contributes to public health. It presents an important part of MPC Properties' Green Strategy. During the asset development and building construction process, feasibility studies are being developed that contain environmental impact analysis and proposal of environmental protection measures, depending on the type of site and its relation to protected areas and areas of high biodiversity value. The strategy towards natural and cultural-historical assets, impacts on the climate, impacts on surface and underground waters, noise, and air pollution, impacts on flora and fauna, impacts on the soil, and assessments of ecological suitability are carefully being defined. Implementation of autochthonous plant species in areas that are characterized by a large plant diversity that attracts many insects and wildlife is a company preference. Also, the company prepares ecological surveys for assets as part of green certification documentation and the process consists of:

- A study collating and assessing information about the site and associated areas to identify the existing ecological value and condition, existing ecological initiatives in the associated area, and identification of relevant stakeholders impacted/ affected by the site.
- A site visit to determine the zone of influence for the site, current flora, fauna, and habitat characteristics, habitat connectivity and fragmentation, and neighboring land/habitat.
- An evaluation to establish the value of the site and the associated area in terms of ecological benefits, biodiversity, and ecosystem services benefits, direct and indirect risks to ecological value, and impact of the proposed design/works/operation on the site.

In the existing building operations process, an action plan is defined based on the size of the operational site and biodiversity value characterized by a listing of protected status such as IUCN Protected Area Management Categories, National legislation, or similar. Sustainable building principles and policies are being defined to minimize operations that have a harmful effect on the environment and strategies that have a positive impact on Biodiversity are implemented.

### Bees Thrive in a Built Environment

One of Our Green Agenda pillars is the preservation of ecosystems by introducing, among other things Urban Beekeeping. With our pioneer approach to the market, empowering ESG initiative, we installed a total of 12 beehives on the rooftops of UŠĆE Shopping Center and Navigator Business Center 2, and in between two UŠĆE Towers at the beginning of June 2022. Bees contribute to biodiversity in urban environments by pollinating and supporting the growth of plants and trees. For these reasons, urban beekeeping has proved to be a natural method for cities to diversify their ecosystems. In September 2022, for the first time, we organized a series of honey harvesting events in our assets, UŠĆE Shopping Center, Navigator Business Center 2, and UŠĆE Towers, where we have positioned beehives. In these events we gathered our business community, visitors, tenants, and their children. Many of them had the opportunity to see and have the first-hand experience in honey production, get in touch with how bees are organized through educational workshops, and taste fresh honey from MPC beehives. We realise this project in partnership with MAD MED Association and The Belgrade Beekeepers' Association (BUP) which led us through this process.



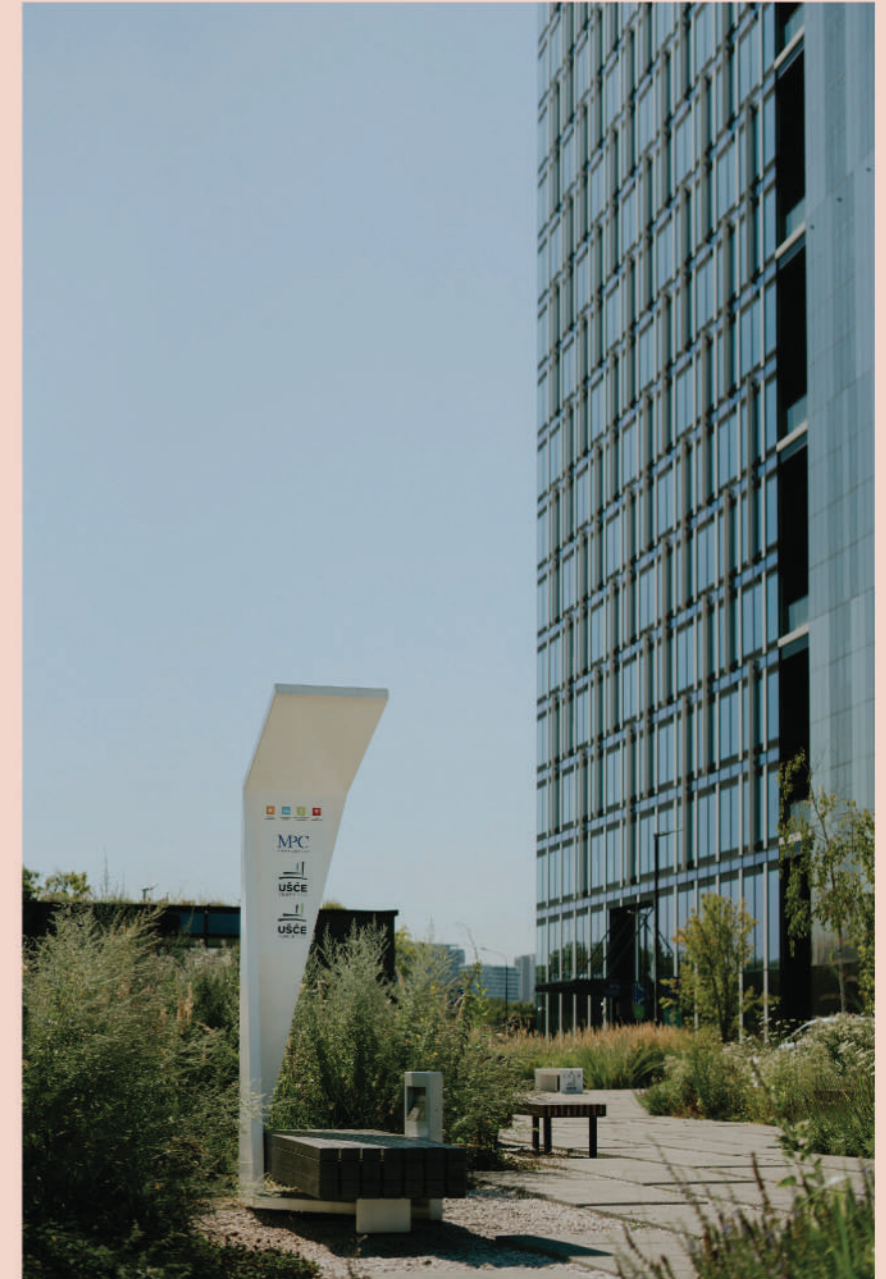
### Supplier environmental assessment

MPC carefully selects the partners and assesses all suppliers. The assessment used by MPC is regularly conducted to determine to what extent the Supplier/ Contractor meets the criteria from the point of view of HSE, for safe and environmentally acceptable behavior, within its operations. The questionnaire covers a wide range of questions relating to the HSE, and based on the answers, the Company will evaluate whether the Supplier/Contractor will qualify and receive the status "Qualified Contractor from the HSE aspect". The requirements based on legal regulations for HSE and fire protection are binding minimum.

### Sustainable Design Model

We are involving all key shareholders, creating a multidisciplinary team, and implementing the circular economy for approaching raw materials and waste. By implementing multi-criteria analysis, we can identify alternatives, and develop comparison criteria to various approaches to reduce our waste and integrate more recycled and reused materials into asset development. The aim is to be more efficient and renewable. By empowering all our stakeholders through education, we aim to induce social and behavioral changes in the market.

- Supporting continuous improvement of assets;
- Increasing velocity and efficiencies of the supply chain;
- Encouraging sustainable collaboration and partnerships among the individual businesses in the supply chain;
- Incorporating new technologies that improve operations;
- Allowing employees to measure the success or failure of each step in the supply chain.



# Governance





# Governance

Balkans Real Estate B.V. (BRE BV), is a private limited liability company incorporated under the laws of The Netherlands, with its registered office at Gustav Mahlerplein 28, 1082 MA Amsterdam. BRE BV is a majority owner of venture company BreAtt BV. a private limited liability company incorporated under the laws of The Netherlands, with its registered office at Gustav Mahlerplein 28, 1082 MA Amsterdam. The Company had Merrill Lynch as a minority partner from 2007 – 2013 and since 2015 it has a joint venture – BreAtt BV with real estate developer Atterbury (<https://atterbury.eu>).

BRE BV and BreAtt BV operates under the trading name of "MPC Properties".

MPC Properties is managed by two boards as follows (highest governance bodies):

- The board of BRE B.V. consists of two board members jointly authorized:
  - Tijana Vujović, director B
  - Miloš Gledović, director A
- The board of BreAtt B.V. consists of three board members:
  - Tijana Vujović, director A1
  - Miloš Gledović, director B
  - Henk Deist, director A2
- Corporate governance structure of the group is simple where highest governance body (i.e. Executives) of BRE B.V. are appointed by its shareholder - Centurion Venture Capital B.V. and executives of BreAtt B.V. are appointed by its shareholders: BRE B.V. and Atterbury Europe B.V., and their primary role is to appoint top management and supervise operations of MPC Properties in Serbia.

- Operations of MPC Properties in Serbia are managed by BRE as asset management company and project development company, led by Maxence Liagre, who is on CEO of the MPC Properties in Serbia and is single director of all Serbian companies in the MPC Properties Group (including Confluence).

- Property management services are outsourced to the company Confluence Property Management Ltd Belgrade ("Confluence"), which is not owned by the BRE BV group but is indirectly related to it.

## Management Company

MPC Properties is one of the leading and most experienced Southeast Europe real estate development companies which has developed over 30 projects in two decades. The business is organized so that MPC Properties is a parent company and SPVs are holders of assets - projects.

MPC presents a dedicated real estate management platform that delivers integrated solutions through every stage of the real estate programme

- **Development Management, specialized in acquiring, structuring, developing and managing commercial real estate;**
- **Investment Management through Asset management services of a diverse investment portfolio including retail and office;**
- **Property & Facility Management and leasing, specialized for retail and office assets.**



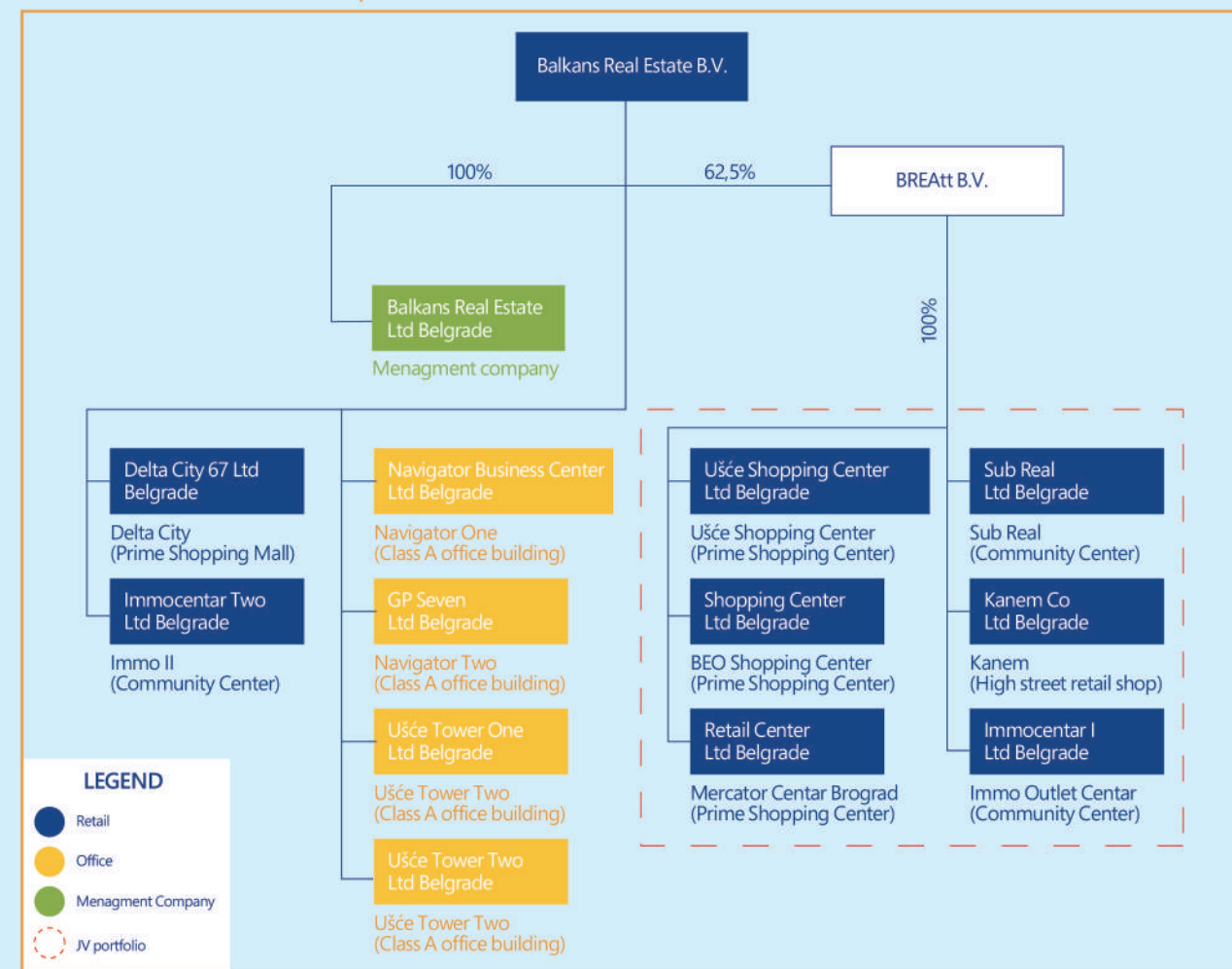
43 employees



Founded in 2002

# MPC Properties portfolio consists of retail and office assets located in Serbia and of management company Balkans Real Estate Ltd Belgrade.

## Balkans Real Estate B.V. - Ownership Structure



**Key Services**

**Asset Management**

MPC's Asset Management approach combines strategic portfolio planning with tactical, property-level business planning and implementation.

Within Asset Management we provide:

- Strategic Positioning and Repositioning of the asset
- Asset Development and Capital refurbishment Management
- Re-financing

**Value creation**

- Best locations – for all Stakeholders: Shareholders, Tenants and Customers;
- Cost-benefit analysis – Stakeholders: Shareholders and Tenants;
- Customer-centered business approach – Stakeholders: Tenants and Customers;
- CSR and ESG strategic approach – for all Stakeholders: Shareholders, Tenants, and Customers.

**Development Management**

New projects or redevelopment, empty land or occupied buildings, relocation or expansion, MPC provides investors with 'turn-key solutions' for their development management needs. Through full-scale tendering processes to ensure cost optimization, to detailed permit planning stages to limit downtime, provides instant access to a team selected specifically to meet set goals.

**Value creation**

- Proper locations – easily approachable, business-relevant locations with the best catchment areas / for all Stakeholders: Shareholders, Tenants and Customers;
- Optimal size – the balance of demand and supply / Stakeholders: Shareholders and Tenants;
- Sustainability – pioneers in green building approach and asset green certifications / Stakeholders: Shareholders and Tenants;
- Innovations – introducing new energy efficient systems and investment in green building systems, so that significant savings can be achieved during operations / Stakeholders: Shareholders and Tenants.

**Property Management**

MPC properties, among other services, provides the full spectrum of Property Management Services which include:

- Client Relationship Management
- Tenant Relations Management
- Technical Management
- Marketing, Commercialization & PR
- Business Planning and Reporting
- Instructions for invoicing / Rent rolls
- Bad Debt Management and Collection
- Security Management
- Facility Hygiene & Maintenance Services

in this regard, our clients are primarily tenants of the space we rent, and indirectly, in the retail segment, all customers of our Shopping centres.

**Leasing**

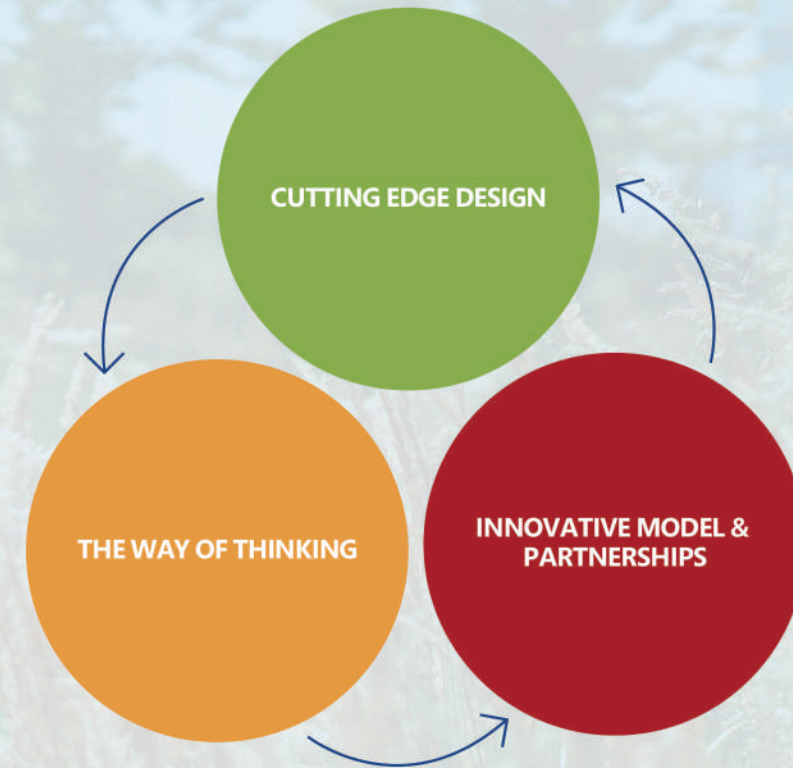
The strategy is to set the balance of demand and supply by anticipating the kind of space the most desirable tenants want and how much they are willing to pay for it and continuing with developing long-term relationships with current and potential market entrants. MPC has taken this approach to all aspects of its leasing practice, through detailed tenant mix strategies, optimal tenant placement analyses, and innovative approach, delivering a strategic, proactive leasing practice to the real estate assets fulfilling both short-term needs and long-term goals.

**Value creation /** for all Stakeholders: Shareholders, Tenants and Customers

- Best Tenant and Merchandise mix;
- Relevance – in line with market trends;
- Diversity – creating a multi-purpose environment, a community hub with the unique shopping experience;
- Innovations – creating innovative formats to integrate online and offline shopping.

**WHAT MAKE US UNIQUE?  
OUR COMPETITIVE ADVANTAGE ON THE  
MARKET**

**Innovations Mission**



Bringing the most innovative real estate solutions in terms of development, architecture, design, sustainability approach, integrated technical and tech solutions, commercial and customer centric approach to improve the lives of the community.

## Facility Management

Facility management integrates the principles of business administration, engineering, information technology, and architecture under one segment, with a focus on preventive and corrective maintenance and energy management. FM services are enabling safe, undisturbed, and proper operation of the building while maintaining the overall integrity and value of the infrastructure and equipment.

**Value creation** / for all Stakeholders: Shareholders, Tenants and Customers

- Safety and convenience;
- Responsiveness – a quality highly trained and certified FM team;
- Customer relationship – a business approach is a synergy between Property and Facility Management, in order to provide the client with timely and full service.

## Competitive advantage

MPC's main competitive advantage is providing a comprehensive Asset Management and Development service with the 'turn-key' solution', from the acquisition phase to the construction of the asset with a complete range of Property and Facility Management services for running the entire operational business. The strategy is to create a unique and high-level service, a comprehensive service that none of the competition provides in the region. MPC Properties is the pioneer in innovative business approach on the Balkans and was the first to establish standards and management model for Office and Retail real estate.

When it comes to customer services, the approach is customer-centric, and the mission is to create value by providing a unique experience for the tenants and customers, so the business model enhances innovations and development, in terms of capital investments in assets such as timely renovations, asset redevelopments, as well as the introduction of new concepts, retail formats and the development of new business services such as the Loyalty Platform.



# Materiality Matrix

MPC Properties boards recognize the importance of the ESG concept and address meaningful topics that are important to all stakeholders and relevant to the company strategy. Boards meet twice a year to discuss the overall ESG strategy and its implementation in all business operations. MPC Properties identifies key topics presented in GRI Content Index. Our strategy is to evaluate all potential risks relevant to our business operations and to embrace new opportunities from them, showing a clear commitment to ESG policies implementation.

The lack of sufficient skilled human resources may have a negative impact on our business operations leading to lower investors' value. Human capital is very important to the company and therefore many actions are undertaken to foster it.

Company respects principles of morality, gender equality, human rights, diversity. Its business operation is based on high moral and ethical principles applicable to all stakeholders and all processes of operation and work. Organization promotes values of vision, transparency, agility, and team spirit within the company. When defining them, all employees are involved in the process of their adoption. In addition, the Organization has adopted and regularly implements policies related to health and safety, anticorruption and whistleblower protection. At the initiative of the highest governance body, when defining the policies, the Organization relies on the professional advisors and relevant. The highest governance body regularly has board meeting designated according to ESG principles. Below is the list of topics and activities to prevent and mitigate potential negative impact for each material topic.

Company strives to ensure equity in the workplace by supporting diversity and inclusion paying special attention to talent retention. Our basic aim is to provide fair opportunities to all employees based on their individual needs and aspirations and to empower them to be their best. All employers must treat every employee with the same degree of respect and dignity, regardless of gender, race, ethnic background, sexuality, or disability status. We are proud of having an equal percentage of women in the board of directors as well in the entire organization.

MPC Properties is aware of increased physical risks from the escalation of climate change, causing human damage, property damage, as well as economic damage. With a holistic and system approach, MPC Properties' goal is to develop sustainable assets that reduce risk, increase value,

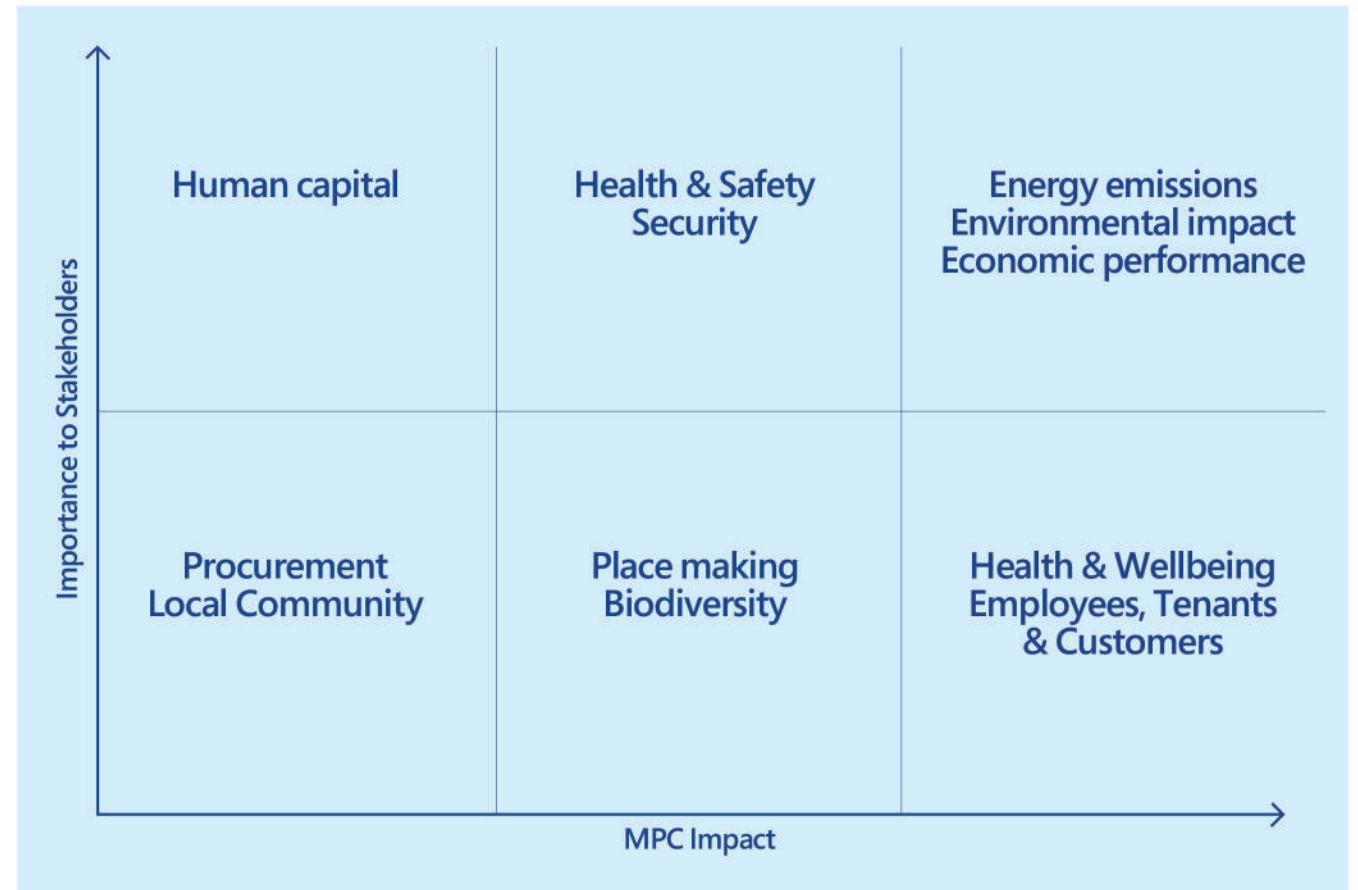
and spread influence and awareness, in the long run. Our major focus is reducing the environmental impact. As a real estate developer and operator, we acknowledge the importance of managing climate action and we include all our stakeholders in our efforts to mitigate climate changes. The company set the KPIs with clear targets for the reduction of GHG emissions, implementation of renewable energy sources, introduction of innovative tech solutions, promoting circular economy and organizing educational programs. The company is in the process of providing green certifications for all assets in the portfolio. Since the lack of communication with the local community may cause reputational risk and there is a risk of loss of liveliness due to the population decreases (migration), the company has a focus on activities that contributes to the local community. Our assets are meeting places and educational spots for the local community. We show our presence by contributing to local security such as in pandemic emergency situations. The health and well-being of tenants and occupant in our assets is our basic mission.

Our intention is to contribute to Sustainable Development Goals through our approach to Materiality. Considering the company's field of expertise and activities the company contributes to following SDGs. The details are presented in GRI Content Index.

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RISK	OPPORTUNITY
Environmental impact	ESG strategy implementation with focus on climate change mitigation
Property damage	Green certification for whole portfolio and sustainable construction and retrofit
Human capital	Health and safety fostering, Constant education, and talent retention, securing occupants wellbeing
Facilities	Safe and secure place creation, Well H&S certification, BMS and EMS upgrading
Placemaking	Presence and reputation in innovative approach and implementation of global best practices
Local community	Contribution to safety and resilient region, promoting biodiversity and circular economy



### Tax and Economic performance

The goal of the company's business is socially responsible policy that integrates the principle of sustainability, performed and it is performed through daily and strategic business activities.

Guided by above principle, the company has an obligation to support economic and social development of the communities in which it operates as a responsible taxpayer.

The key goal of the company's tax policy is the compliance of the company's tax obligations with legal regulations, as well as responsible, transparent and efficient management of tax issues, in accordance with the established values and principles of socially responsible business operations of the company.

The company is a taxpayer of significant size, which regularly settles significant amounts of tax liabilities. Also, the company regularly reconciles balances in business books with tax authorities, which includes checking balances on public revenue accounts, reconciliation with accounting records and bookkeeping recording of reconciled balances.

All tax obligations are regularly calculated and paid.

The preparation and submission of tax returns is carried out in accordance with legal regulations and involves filling out forms, checking the entered data, notarizing and submitting them to the national tax authorities.

The company regularly communicates with the competent tax authorities regarding possible ambiguities in the application of tax regulations. In cases of possible tax controls by the tax administration, full cooperation with the competent tax authorities is ensured by the company.

The escalation of climate changes has caused risks for human damage, property damage and economic damage. The company, therefore, invests in boosting the resilience and environmental performances for the entire company portfolio. Opportunities in addressing these issues are projected through increased demand of resilient leasing properties.

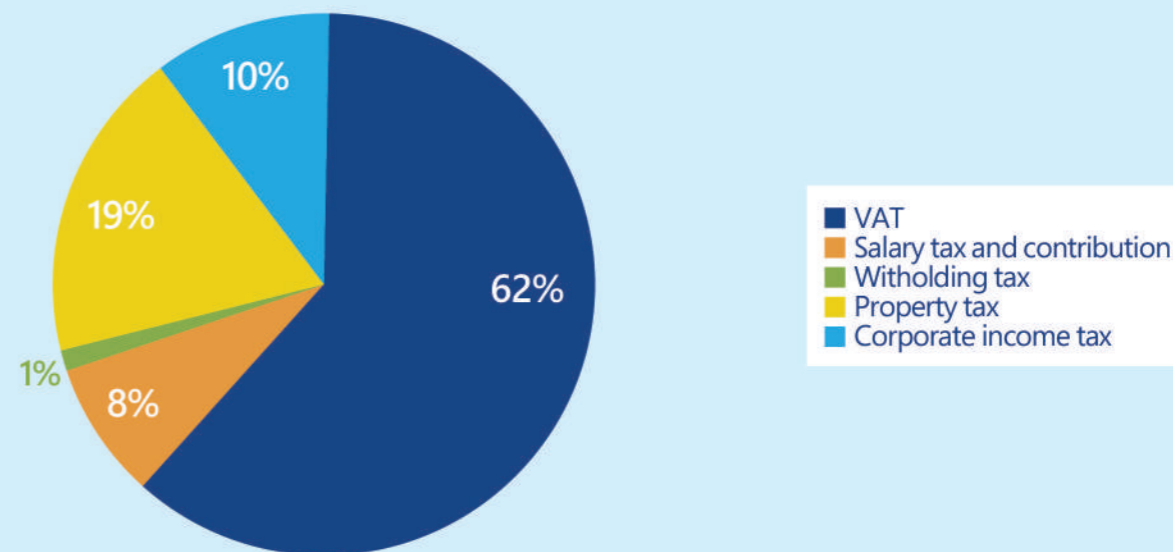
Last year, the company invested the total of EUR 950k in mitigating climate changes and reducing GHG emissions. The focus was on the following activities: Well health and safety certification for eight major assets, solar panels pilot project installation, urban bee keeping, e-cars chargers, parking and charging stations for e-bicycles, BMS systems upgrade in all assets for buildings energy efficiency improvement.

MPC Properties is constantly improving the city infrastructure around its retail and office assets. In 2021/22 MPC invested EUR 163,000 in refurbishment of kinder playground in public park in front of Immo Center I. MPC invested in additional traffic lane provision in Mis Irbjeva street, near BEO Shopping center.

Chargers for electric cars with free charging is introduced in Ušće Shopping Center with total capacity for four cars. In Mercator Center and Immo Outlet Centre charging is provided for two cars. Car electric charging is provided free of charge for shopping centers customers.

MPC properties donated EUR 100,000 for development of Ušće Park strategy by international experts Gehl Architects in 2017.

For the year 2021, a total of 21,428 k euros of taxes were paid as follows:



### Economic performance

In 2021, Balkans Real Estate B.V. has generated direct economic value of EUR 69,181K, mainly through revenues from letting activity:

BALKANS REAL ESTATE B.V.	AMOUNT
Revenues from letting	57.282
Other operating income	1.149
Change in fair value investment property	7.285
Other income	3.465
<b>Direct economic value generated</b>	<b>69.181</b>

\*Note: The amounts are given in 000 euros



### Procurement strategy

MPC Properties procurement strategy is a partner strategy – we are focused on long-term relationships with local suppliers who are most compatible with the company’s objectives. Partner strategy is about developing the right partners and improving the value creation of the existing partners, through changing the construct of the traditional buyer-supplier relationship and working to build more collaborative relationships with key suppliers.

MPC Properties works continuously on expanding bidders list and scouting new suppliers through intensive market research process and conducted prequalification process for strategic and valuable procurements, also through cooperation with local market community, in order to maintain stable system in the interests of our employees, tenants and communities.

We are constantly monitoring the sourcing process by defined guiding principles and using key metrics to manage procurement performance and by recognizing procurement optimization levels across spend categories.

Our aim is to procure high-quality products and services, to maintain collaboration with suppliers in areas such as research and development, all in line with the environmentally friendly procurement strategy.

### Proportion on spending on local suppliers

MPC Properties has implemented a set of goals concerning governance that promote diversity, equity and inclusion. We are focused on the local community, through our social initiatives and by building procurement platform that will localize

our supply chain. We see our local partners as our partners not only in the procurement process, but also in the contribution to the green manufacturing and helping the environment.

Below is the distribution of local and international suppliers, taking in consideration paid invoices in time frame from 01/07/2021 to 01/06/2022.

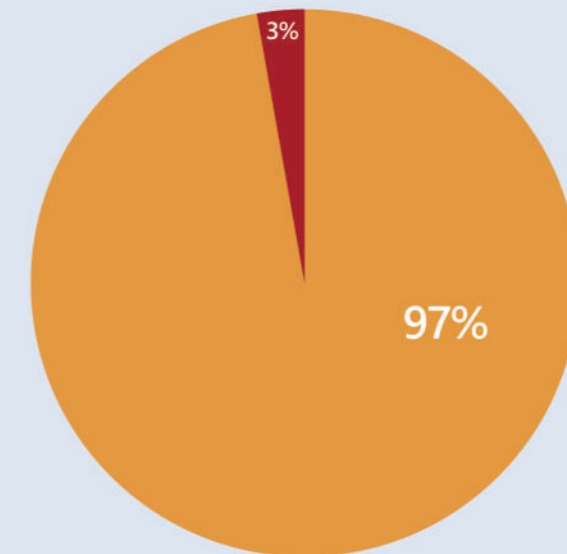
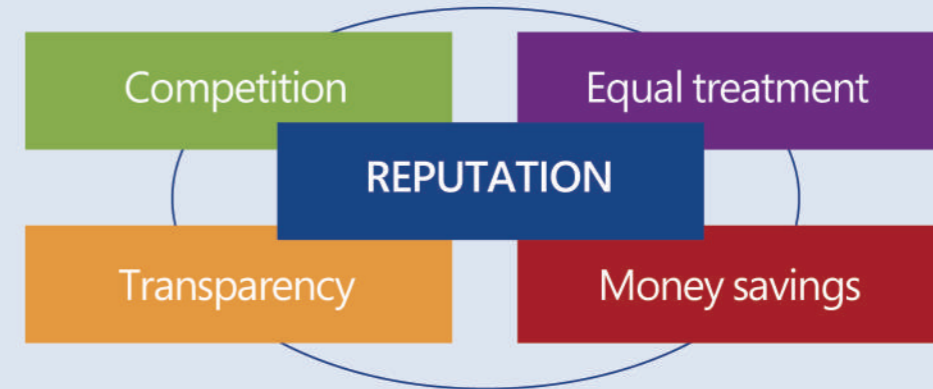
Local supplier is a registered office in the country of Serbia in which the supply contract was issued.

### Local supplier status

MPC procurement strategy includes a review of each supplier’s management policy through the assessment which defines the extent to which the Supplier/Contractor meets the criteria from the point of view of socially acceptable behaviour in its operation. The questionnaire covers a wide range of questions relating to the social background, and based on the answers, the Company will evaluate whether the Supplier / Contractor will qualify and receive the status “Qualified Contractor from the social aspect”

- Legal and Regulatory Compliance
- Child Labour
- Forced Labour
- Remuneration and Working Hours
- Discrimination

### Our procurement goals are:



■ total no of local suppliers (630 suppliers)  
■ total no of international suppliers (17 suppliers)

**Code of Conduct**

MPC Properties has been recognised for acting responsibly in the course of achieving its success in the area of labour and employment. Our strong reputation in real estate business, depends on maintaining our high moral, legal and ethical standards. We have developed the Code of Conduct establishing general principles and the compliance with this Code is an essential part of our business.

This Code applies to all Relevant Persons and is applicable to all persons in the MPC properties assets. Staff is expected to act in accordance with this Code and to use reasonable endeavors to influence those with whom they are working to ensure that they also act in line with the standard of integrity and ethical behaviour.

Doing the right thing, however, means not only following the rules, but also using our best judgment. Not all situations have a specific guideline to support our actions, nor can this Code address all decisions and potential dilemmas that we may face. This is why in all of our decisions, we are guided not only by applicable laws and regulations and internal guidelines, but also by what is the right thing to do.

**Report Misuse**

MPC is committed to an environment where employees and visitors feel comfortable to share their views and raise their concerns. We speak up promptly and report conduct that we believe, in good faith, violates laws, regulations, internal policies or this Code. There are multiple channels to raise concerns, including to line managers, Legal, Corporate security or HR managers. We reach out to our line managers or Human

Resources regarding concerns, suggestions or questions about our jobs, working conditions or treatment that we or our colleagues are receiving.

In case of some misuse or violating the Law, employees get in touch with Corporate Security department.

Visitors can report concerns either via telephone or online via a web form or e-mail, for each Asset. Reports can also be made anonymously.

**Anti-bribery and anti-corruption**

In all aspects of our business, we know the legal requirements and internal guidelines and we give our best to comply with them. We have an unwavering commitment to fair and responsible business conduct and to preventing and detecting potential misuse of our products and services for illegal, criminal or unethical purposes. MPC is committed to fair and responsible business and prohibits all forms of bribery and corruption by employees and representatives, as well as any business conduct that could create the appearance of improper influence.

We refrain from giving or accepting any gifts, entertainment or other advantages in connection with business activities unless they are appropriate to the circumstances, moderate in terms of value and frequency and in line with our internal anti-corruption policy.

We comply with applicable laws and our Anti-Bribery and Anti Corruption Policy so that political, charitable and similar contributions and sponsorships made by MPC are not, nor are seen to be, used for any illegal, criminal or unethical purpose.





# MPC

PROPERTIES

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