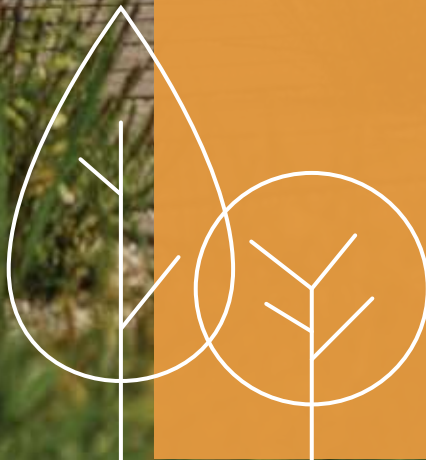




**MPC**  
PROPERTIES

# Sustainability Report 2023



# Summary

- 01. Introduction
- 02. CEO Statement
- 03. People
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# Introduction

MPC Properties is one of Southeast Europe's most experienced real estate development platforms, with deep market knowledge, broad deal experience, and assets with the highest standards. MPC has developed over 30 retail and office projects, which have been established since the Company's foundation in 2002. The Company is primarily focused on investing in and managing real estate, with the key objective of increasing value through active initiatives.

When it comes to design and construction technologies, as well as compliance with green building standards, MPC delivers an efficient and sustainable portfolio. MPC possesses or manages different types of properties, including high shopping malls, street retail outlets, prime office space, and mixed-use projects.

Company's strategy is the creation of resilient real estate portfolio to withstand not only disruptions in the market but also long-term threats: climate change, changing demographics, changes in tenant preferences, changes in technology, etc. More than 10 years ago, MPC intentionally decided to develop and maintain assets in accordance with green building principles. MPC was pioneer in the market to provide certification of buildings in accordance with international standards: LEED, BREEAM and WELL. MPC Properties also confirms its commitment to green building by being an active member of the Serbia Green Building Council.

The Company builds long-term value that benefits our shareholders, our tenants, our employees, and the community in general. MPC Properties understands stakeholders' best interests, as well as climate changes risks and, consequently, the Company integrates ESG principles in overall business strategy.

The companies that operate under the trading name of MPC Properties are Balkans Real Estate BV and BreAtt BV. Balkans Real Estate B.V. 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 laws of the Netherlands. The reporting period of this company is from 1 January 2023 until 31 December 2023.

## Our Commitment to Sustainability



OUR  
COMMUNITY



OUR GREEN  
COMMITMENT



OUR  
LEADERSHIP

# CEO Statement



Pinar Yalcinkaya, CEO  
MPC Properties

Green agenda became an integral part of the MPC Properties business strategy more than 10 years ago. Our team has been committed to its implementation and further development in accordance with global ESG standards ever since. We are strongly committed to making positive changes and create lasting value for our stakeholders, our communities, and the planet.

MPC Properties, as one of the largest real estate companies in the region, understands the significant environmental impact associated with construction, energy consumption, and daily operations. Therefore, we are steadfast in our commitment to environmental stewardship and our primary goal is the development of fully sustainable portfolio. Accordingly, we are actively investing in sustainable and energy-efficient technologies to reduce carbon footprint of our whole portfolio. This includes implementation of green building practices to enhance resource efficiency, efficient waste management systems, and the integration of renewable energy sources.

I believe that the success of our shopping malls and office spaces is intertwined with the experiences they offer. Our commitment to engaging experiences goes beyond traditional retail and office settings, so we curate events, activities, and cultural programs that bring people together, fostering a sense of community and connection.

We actively promote alternative models of transport as our commitment to clean air and healthy lifestyles extends beyond our buildings, providing the necessary infrastructure for eco-friendly vehicles. MPC Properties places significant emphasis on recycling. Our initiation of the composting process in the UŠČE business complex demonstrates our commitment to circular economy practices, reducing carbon emissions, promoting urban landscaping, and fostering community education. Our sustainable green roof gardens contribute to a healthier environment, cleaner air, and support biodiversity. The installation of beehives on our rooftops and gardens underscores our dedication to supporting vital ecosystems through urban beekeeping.

As we move forward, we remain dedicated to evolving our ESG strategy to meet emerging challenges and global priorities. Our focus remains on wellbeing of our employees, business partners and communities connected with our business. Last year we formed sustainability committee in charge of MPC Properties ESG strategy. Our 30 years strategy presents clear goals aligned with UN SDG and Paris agreement.

In conclusion, our ESG journey is guided by a commitment to environmental stewardship, social responsibility, and sound governance. We believe that by integrating sustainable practices into our operations, we not only contribute to the well-being of our communities but also foster a resilient and thriving future.

I appreciate your interest in our sustainability efforts.

GRI DISCLOSURES 2-22

## 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



### GLOBAL REAL ESTATE SUSTAINABILITY BENCHMARK

G R E S B

# ESG Reporting and Benchmarking

MPC Properties had two remarkable achievements in 2023, we are the first company in the region to achieve GRI Service Mark and GRESB Benchmarking.

## Commitment to Verified Sustainability Reporting

At MPC Properties, we are committed not only to implementing sustainable practices but also to ensuring the transparency and reliability of our sustainability reporting. In 2023, we have taken a significant step forward by achieving the GRI Service Mark.

The GRI (Global Reporting Initiative) is a leading organization that provides a comprehensive sustainability reporting framework used globally.

The GRI Service Mark is an official symbol that our report has been prepared in accordance with the GRI Standards. This mark is a testament to our commitment to transparency and provides our stakeholders with the assurance that our sustainability achievements and challenges are presented accurately. Through the GRI's rigorous framework, we have not only reported on our initiatives but have also had our disclosures independently reviewed to confirm their adherence to the principles of sustainability reporting—completeness, accuracy, and accountability.

This approach reflects our dedication to not just reporting environmental, social, and governance (ESG) metrics but doing so in a manner that can be scrutinized and trusted by our investors, partners, and the broader community. We believe that credible and reliable sustainability reporting is foundational to driving real change and aligning our strategic objectives with global sustainability goals.

## GRESB Overview for MPC Properties

The Global Real Estate Sustainability Benchmark (GRESB) is a global standard for environmental, social, and governance (ESG) benchmarking and reporting for real assets. MPC Properties is proud to be the first in the Balkan area to participate in this rigorous assessment, marking a significant step in our commitment to sustainability. This initiative underscores our dedication to leading the industry in environmental stewardship and social responsibility across the region.

### Overall ESG Performance:

Our total GRESB score significantly surpasses regional averages, demonstrating our leadership in ESG practices within the diversified office/retail sector in Southern Europe.

Environmental Score: 41, compared to a regional average of 31.

Social Score: 16, above the average of 12.

Governance Score: 18, surpassing the regional benchmark of 16.

### Top Rankings in Management and Performance:

Ranked 4th in management and 64th in performance within the diversified office/retail sector across Europe, underscoring our robust governance and strategic ESG integration.

### Excellence in Stakeholder Engagement:

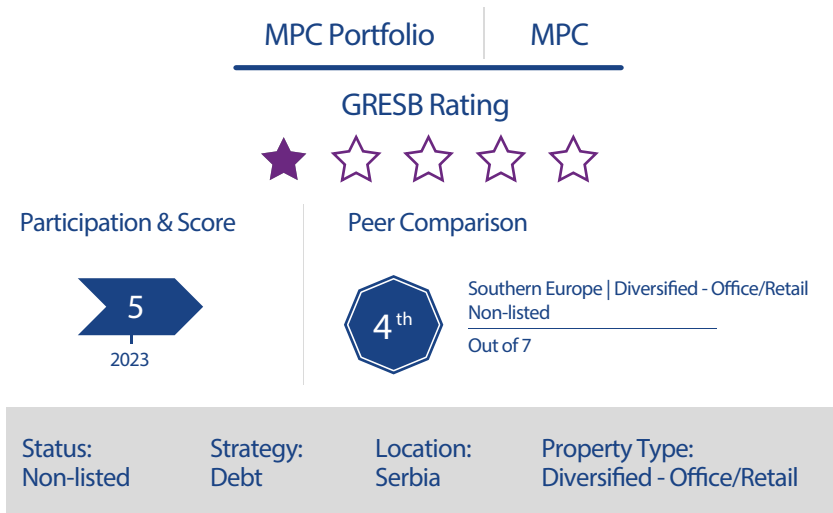
Achieved a score of 6.69 in stakeholder engagement, which is higher than the peer group average of 5.32, highlighting our effective communication and commitment to stakeholders.

### Superior Results in Specific ESG Aspects:

Energy Efficiency: Scored 8.5 out of 14, demonstrating significant advancements in reducing our energy consumption.

Water Management: Received a score of 4 out of 7, illustrating our efforts in managing water use more efficiently than many of our peers.

## 2023 GRESB Standing Investments Benchmark Report





# Our Green Commitment

In the dynamic landscape of real estate market, MPC Properties stands as a beacon of sustainability, going beyond the conventional to redefine the industry's role in shaping communities and fostering a green future. Recognized as a leading force in the Balkan region, MPC Properties is not just constructing high-quality shopping malls and offices; it is pioneering a holistic approach that adds significant value to both the environment and society.

What sets MPC Properties apart is its unwavering commitment to creating not just structures, but experiences. The Company's initiatives go far beyond the blueprint, with a focus on building a community around its portfolio. Through socially responsible endeavors, MPC Properties leverages its assets and network to drive inclusion, diversity, and CSR projects, setting a new standard for responsible corporate citizenship.

In a world grappling with the escalating climate change risks, MPC Properties is not merely reactive but proactive in its strategy. The Company has earmarked substantial investments, totaling EUR 450k in the last year alone, dedicated to mitigating climate change and reducing GHG emissions. These investments are not just numbers; they translate into tangible actions that reinforce MPC Properties' commitment to sustainable living.

The initiatives undertaken in the past year showcase a comprehensive approach, from obtaining Well Health and Safety certification for major assets to engaging in urban beekeeping, and biodiversity, introducing electric vehicles and bicycles, and upgrading parking and charging stations. An across-the-board EMS system



upgrade underscores the Company's commitment to enhancing energy efficiency throughout its entire portfolio.

Moreover, MPC Properties is at the forefront of anticipating market trends. By recognising the increasing demand for green clauses in Tenants' Lease Agreements, the Company not only aligns itself with evolving environmental considerations but also positions itself as a partner of choice for businesses committed to sustainability.

In essence, MPC Properties is not just maintaining and constructing buildings; it is architecting a sustainable legacy. Through strategic investments, forward-thinking initiatives, and a steadfast commitment to ESG principles, MPC Properties is not only shaping the physical landscape but also cultivating a lasting impact on the social fabric of the market. This is not merely a green commitment; it is a visionary journey toward elevating the standards of sustainable living and setting a benchmark for the industry.

# Our Commitment to Society

## UŠĆE ECO FEST 23

In the realm of real estate, MPC Properties not only constructs and manages physical spaces but also strives to build vibrant communities through a spectrum of innovative and socially impactful initiatives. With a robust commitment to ESG, MPC Properties goes beyond the conventional, focusing on inclusive community development and sustainable practices.

The impact that our shopping malls and office spaces have on people and the environment is very important to us, so we are committed to the implementation of 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 the MPC Properties.

At the core of MPC Properties' social initiative lies a dedication to creating a sense of belonging for the local communities surrounding its portfolio. By blending ESG with marketing activities, the Company employs an innovative approach, making our buildings an interactive community hub where people can share and relish authentic experiences.

Throughout the year, MPC Properties celebrates a myriad of occasions, from festive events like Valentine's Day and Christmas to educational initiatives such as Back2School and panel discussions addressing critical social issues. These events not only serve commercial purposes but also act as platforms to raise awareness about prevailing social challenges and inclusively engage vulnerable populations.

MPC Properties employs a diverse approach to empower placemaking, organising educational workshops, seminars, and panel discussions. Renowned figures, including artists, athletes, scientists, and

doctors, contribute by sharing valuable life lessons, fostering a sense of inspiration and empowerment within the community.

UŠĆE ECO FEST 23 was tailored to all generations and included various green and interactive workshops from recycling and urban beekeeping to learning about rare plants. The event also offered an eco-kids daycare, a dedicated relaxation area for yoga and meditation, and lectures by renowned experts in women's green entrepreneurship, healthy nutrition, and climate change effect.

In addition to educational content, the festival featured sales presentations of organic and healthy products, allowing visitors to learn more about their benefits and how to incorporate them into their daily diets and routines.

This festival was of great importance for the local community as it enables personal growth and contributes to the overall common good.

Regular blood donation drives, in partnership with the Blood Transfusion Institute of Serbia, exemplify MPC Properties' commitment to the health and well-being of the community. Engaging all occupants in these activities, the Company reinforces the collective responsibility towards community welfare.

In essence, MPC Properties is not merely a real estate developer; it is a catalyst for positive change. Through its multifaceted social initiatives, the Company is not only shaping physical spaces but also cultivating a spirit of inclusivity, community engagement, and responsible citizenship in the region.









# People

The company has 173 employees, 85% of employees are permanent employees while only 15% are hired with a fixed-term contract.

MPC Properties is committed to fostering a healthy work culture aligned with Environmental, Social, and Governance (ESG) standards, prioritizing talent attraction and retention, professional development, and inclusive practices. As we navigate the dynamic business environment, we recognize our employees as our most valuable resource. Our primary objective is to enhance their well-being by offering comprehensive benefits, ensuring a safe environment, conducting diversity training, promoting equal opportunities, and fostering non-discrimination practices to drive sustainable growth.

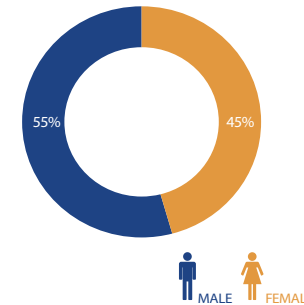
Our Human Resources development strategy is of the highest importance in realizing our long-term vision. We aim to establish a solid foundation by promoting individuals who cultivate a work culture with a strong sense of ethics, clear vision and commitment. In addition, we are fostering a culture that enables individuals to think beyond existing frameworks and work on creative problem-solving, by empowering employees to take responsibility for their actions and decisions.

Remuneration provided by the Organization is fixed for all employees, regardless of their type of contract. Once a year, employees are eligible for an annual bonus depending on performance appraisal for the previous business year. Also, depending on the Organization's projects, employees who are involved in those projects may also receive a financial or on-financial benefit (but this is not mandatory in accordance with the law or Organization policy).

For the reason of comparison, the average salary in Republic of Serbia for 2023 was 975 euro gross for full time employees, while the average salary in the Organization for the same period was 1.864 euro for full time employees.

In order to be successful in the above-stated it is crucial to recognize the importance of a diverse skill set and high-level expertise in relevant areas.

To realize these goals, MPC Properties, as a socially responsible company, is putting significant efforts in ensuring stable employment conditions with commitment to decrease employee turnover throughout the unstable labor market.



ALL EMPLOYEES	ALL	GENDER		AGE		
		MALE	FEMALE	<30	30-50	>50
# OF TOAL PERSONNEL	173	80	93	24	126	23
SENIOR MANAGEMENT	8	4	4	0	8	0
MIDDLE MANAGEMENT	22	7	15	0	12	2
EMPLOYEES	143	69	74	24	106	21

# People

Prioritizing employee well-being through private health insurance, mandatory annual medical checkups, well-being workshops and exercise programs are of great importance. The Company is promoting mental health by providing external psychological support for employees dealing with work-related or personal challenges.

Committing to support employees in their growth journey through comprehensive training and personal development opportunities.

As a Company, we are aware of the importance of family to each of our employees. By offering full support for parental leave, facilitating the seamless reintegration of employees after parental leave, rewarding the creativity of the children of our employees in organized contents we promote healthy work-life balance.

## Parental leave

All employees, irrespective of their contractual status, have the right to parental leave in accordance with the Labor Law of the Republic of Serbia. Maternal parental leave commences 28 days before the anticipated childbirth. Following the initial 3 months, parents can decide whether the mother or father will assume the parental leave. The parental leave extends for up to one year from the initiation for the first two children. In the case of a third or subsequent child, the parental leave duration is extended to two years.

Taking into consideration the above-stated, we cannot but emphasize the second nature of our company and that is the safety of all our employees. Ensuring strict adherence to work-related health and safety rules and procedures is something which we strictly follow and

regularly monitor the implementation of all measures related to the safety of all employees.

MPC Properties remains dedicated to supporting its employees through existing programs while continuously adapting and implementing new initiatives based on employee suggestions and needs. To tailor programs for individual employees and teams, our HR department regularly, on a daily basis, communicates with the employees or conducts anonymous surveys to better understand their unique requirements and needs.

We firmly believe that our employees are the most valuable asset of MPC Properties, and it is through their satisfaction and well-being that we will continue to achieve successful and sustainable growth.

The Company is constantly hiring new talents and supporting young people in their first employment. New employee hires and employee turnover in 2023.

Note - numbers for maternity leave are given for reporting period 2023



### Total number of employees that took parental leave in reporting period

o/w women	7
o/w man	0

### Total number of employees that returned to work in the reporting period

o/w women	4
o/w man	0

### Total number of employees that returned to work after parental leave ended that were still employed after 12 months after their return to work

o/w women	3
o/w man	0

Total number and rate of new employees during the reporting period	Under 30 y/o	30-50 y/o	Over 50 y/o
o/w women	13	7	0
o/w men	1	6	0
Total number and rate of turnover during the reporting period			
o/w women	10	11	0
o/w men	0	10	1



# Our Commitment to Society

MPC Properties social initiatives are designed to foster inclusiveness within the local communities surrounding our portfolio, aligning with Environmental, Social, and Governance (ESG) standards. Our Corporate Social Responsibility (CSR) initiatives create the marketing activities and innovative approaches to contribute to education within an evolving community hub.

Throughout the year, we celebrate various important dates, not only as commercial events but also to raise awareness about social issues. These occasions serve as opportunities to engage the public and promote inclusivity. Our diverse approach involves organizing educational workshops, seminars, and panel discussions to involve our target audience in significant social initiatives.

Key components of our CSR activities include motivational lectures and workshops where renowned artists, athletes, scientists, and experts share valuable lessons and insights from their personal experiences. Addressing global warming from an HR perspective involves promoting sustainability and environmentally friendly practices within the organization. In order to raise awareness of our employees related to global warming issues, the Company conducts strategical planning of activities such as:

- Developing and implementing green workplace policies that encourage employees to reduce their environmental impact.
- Introducing policies related to energy conservation, waste reduction, and sustainable commuting options.
- Launching employee engagement programs focused on environmental initiatives, such as recycling of all plastic bottles, collecting and composting organic waste.
- Encouraging employees to turn off lights, computers,

and other electronic devices when not in use.

- Promoting eco-friendly commuting options, such as biking, walking, bike or scooter riding, or the use of public transportation.
- Encouraging employees to be mindful of water usage, both at home and in the workplace.

We also have Recycling workshops which are organized on monthly basis in our shopping malls, where we educate youth about the recycling process, encouraging resource conservation and environmental protection.

Support provided via collaborations with children's shelters involve collecting gifts and organizing visits to art exhibitions, workshops, and cinema projections.

Regular blood donation drives in collaboration with the Blood Transfusion Institute of Serbia involve active participation from our occupants and visitors of majority of our assets.

Supporting Our Employees:

Our corporate culture emphasizes building a strong community that values achievements, talents, and the well-being of employees. Core values include transparency, agility, team spirit, and a joint vision for future development. Our commitment to employee well-being is evident through various benefits, including:

- Additional employee insurance;
- Professional and personal educational programs, training, and seminars (our partners and training providers in these programs are: MCB / Management center Belgrade, COTROUGLI Business school, Tim Center, Online Learning platform Tailors' School, etc)

- Psychological and well-being support;
- Benefit programs with special offers and discounts in our shopping malls;
- Full coverage for sick leave up to 30 days;
- Paid parental leave;
- Competitive compensation and comfortable office conditions, including free parking for all employees.

Average hours of training by gender and employee category (breakdown of employees by level - senior management, middle management, employees and function - technicians, administration)

	Male	Female
Senior Management	11	14
Middle Management	16	12
Employees	13	15
Technical	11	10
Administrative	10	11



# Our Commitment to Society

Beside the above stated, we want to emphasize how proud we are to have a highly successful MPC team of runners within our ranks, whose training and participation in the Belgrade Marathon and Belgrade Business Run we support every year through comprehensive preparations and covering all costs. We prioritize investing in employees' knowledge, talents, skills, creativity, motivation, and well-being, providing intensive training programs tailored to their skills and job requirements. Training areas cover Manager Development, First Aid, computer literacy, English language lessons, Leasing broker's training, People Management, Work on height, Business-financial, Marketing, People and soft skills development, and more. Our commitment to employee development and well-being reflects our dedication to sustainable and responsible business practices. Each employee undergoes an annual comprehensive performance and career development review. This evaluation is centered around Company values as key criteria: Vision, Transparency, Team Spirit, Agility, and the primary focus is on essential business activities (typically limited to 5). Following this assessment, every employee receives constructive feedback from their supervisor, accompanied by suggested areas for improvement.

MPC supports proactive, fair gender diversity strategy. Ratio of basic salary and remuneration of women to men presents the results of the strategy and equal conditions for all employees.

Throughout the reporting period, there have been no incidents of discrimination. The organization ensures a discrimination-free environment through documented procedures that all employees, irrespective of their

hierarchical status, must acknowledge and sign during the employment process. These documents include:

- Notice of Prohibition of Harassment outlining the rights, obligations, and duties of both employees and employers concerning the prevention of harassment.
- Notice on the rights, obligations, and duties related to whistleblowing.

Additionally, the Company upholds a Code of Conduct applicable to all employees, regardless of their contract status. This comprehensive approach reflects our commitment to maintaining a workplace that values equality, respect, and ethical behaviour.

The Company upholds the rights of workers to exercise freedom of association and collective bargaining. However, it is important to note that the company does not currently engage in collective bargaining with its employees.

The principles of freedom of thought and speech are internationally and constitutionally protected as fundamental human rights. These rights extend to the workplace, recognizing that an individual's right to privacy, even while performing professional duties, is significant. The European Court of Human Rights jurisprudence emphasizes that individuals are inherently social beings and, consequently, employees. Hence, the Company adheres to all legal requirements and instructions, even when not explicitly mandated by law, demonstrating a commitment to respecting the rights of free thinking, free speech, and freedom of association for all individuals within the organization.

MPC Employees



	Under 30 years old	30-50 years old	Over 50 years old
	Female to male ratio %		
Senior Management	n/a	117.17%	n/a
Middle Management	n/a	48.00%	n/a
Employees	74.30%	96%	89%
Technical	145%	140%	170%
Administrative	65%	84%	170%







# 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 15 years MPC has greatly contributed to the promotion of green construction.

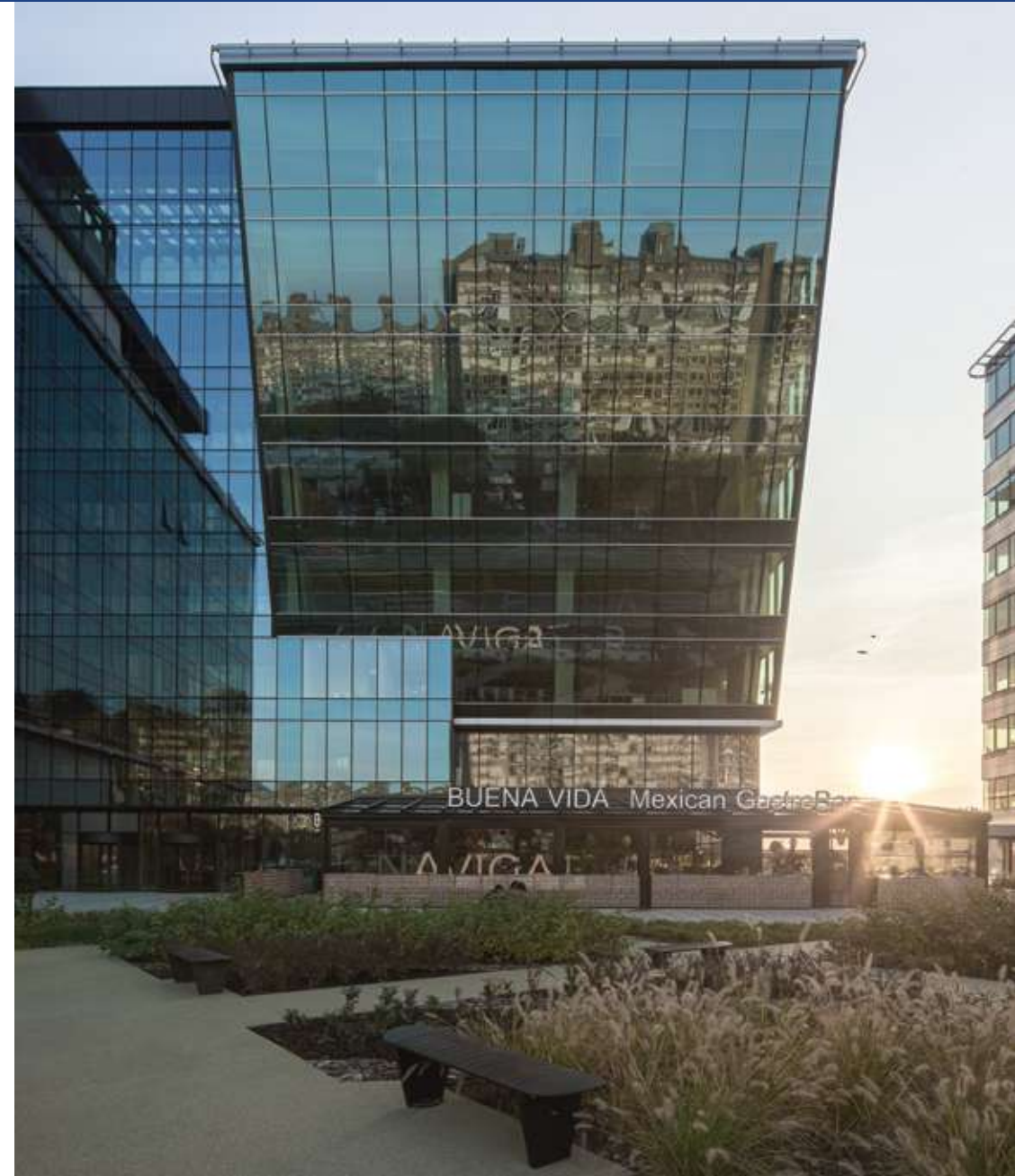
Belgrade map with locations of MPC Assets





# Assets

	ASSETS	GLA (m <sup>2</sup> )	GBA (m <sup>2</sup> )
RETAIL	UŠĆE SC Ušće Shopping Center DOO Beograd	45,497	117,138
	BEO Shopping Center IV DOO Beograd	44,528	130,209
	DELTA CITY Delta City 67 DOO Beograd	29,766	86,049
	MERCATOR Retail Center DOO Beograd	23,954	51,202
	IMMO CENTAR Immocentar I DOO Beograd	8,419	17,008
	KANEM Kanem Co DOO Beograd	2,669	3,196
	SUBREAL Sub Real DOO Beograd	4,417	4,417
	<b>Total Retail</b>	<b>159,250</b>	<b>409,220</b>
OFFICE	TOWER I Ušće Tower One DOO Beograd	21,278	29,523
	TOWER II Ušće Tower Two DOO Beograd	21,008	55,125
	NAVIGATOR 1 Navigator Bussiness Center DOO Beograd	15,464	21,937
	NAVIGATOR 2 GP Seven DOO Beograd	28,032	49,882
	TRI LISTA DUVANA Tri Lista Duvana DOO Begrad	8,225	9,640
	<b>Total Office</b>	<b>94,007</b>	<b>166,107</b>
<b>TOTAL MPC</b>		<b>253,257</b>	<b>575,327</b>





# Stakeholders





# Stakeholders

With our portfolio, we are creating places in shopping malls 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. MPC Properties is focused not just on building the highest quality shopping malls and office buildings in accordance with principles of green construction, 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 to intensify the cooperation between the startup community and the corporate sector.

## 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 paid a 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.

## 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 it 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.



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

## People

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







# Environment

MPC Properties is focused not just on building the highest quality shopping malls 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 malls 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 was 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). The portfolio was re-certified in 2023. Possession and renewal 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 maintenance, involvement of relevant parties and implementation of contingency plans to ensure safe, healthy and secure environment for all users.

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 UŠĆE Tower One and Navigator Business Center.

## BREEAM & LEED

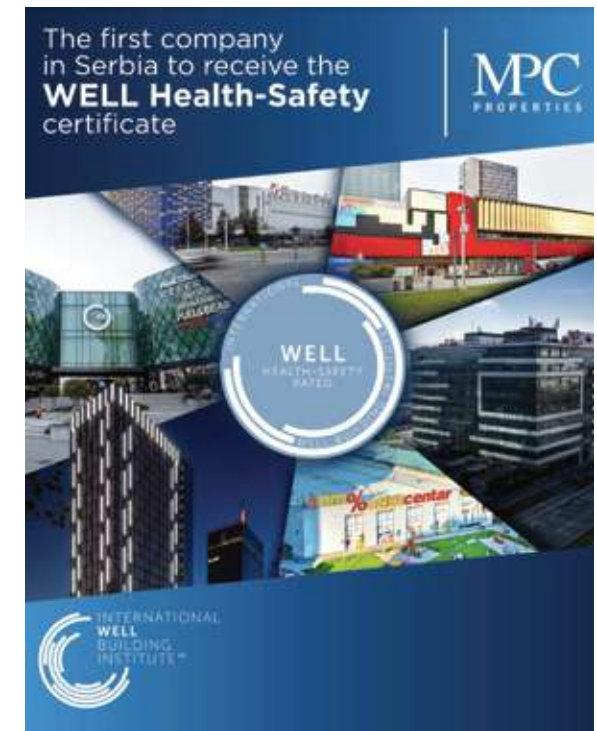
Over the last 10 years, MPC has contributed to the promotion of green building, so today, portfolio is comprised of 3 buildings that are designed and built in accordance with the green building principles — the Navigator Business Centre 1 and 2 were built according to LEED Gold standard, UŠĆE Tower Two was built according to BREEAM standard while UŠĆE Shopping Centre is one of the first and largest certified shopping malls in the region and Europe which was issued LEED EBDOM Certificate (LEED Existing Building: Operations and Maintenance) in the segment of operational assets. UŠĆE Shopping Center was re-certified in 2023 and was awarded with LEED EBOM Gold certificate. **Also, we are very proud to announce that Beo Shopping Center was awarded with EBOM LEED Gold Certificate.**

MPC further demonstrates its commitment to green building by being an active member of the Green Building Council of Serbia. Our employee Nataša Bugarinović is a member of the Board of Directors in Serbia Green Building Council.

GRI DISCLOSURES 416-1

„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)





## Decarbonisation

As part of the road map for reducing greenhouse gas emissions, the companies of the MPC group strive to continuously implement projects to improve energy efficiency. In 2023, energy saving measures related to the optimization of the HVAC system and lighting in stores and offices continued with implementation. Projects to replace existing lighting with LED lighting and projects to improve the energy efficiency of cooling plants have been implemented, also. As a result of these measures, savings in energy consumption of 5091 MWh were achieved, which is a reduction by 5,8% compared to the consumption of the previous year, which reduced CO2 emissions by 6297 t CO2.

To reduce energy needs in the field of real estate, MPC Group promotes the use of products and services with improved energy saving performance, with the aim of reducing the level of greenhouse gas emissions and contributing to the achievement of a sustainable society.

## MPC Sustainable Goals by 2030



CO2  
40% ↓

35% ↑

70% ✓

## ENERGY CONSUMPTION WITHIN THE ORGANISATION

Energy consumption by source	2023		MPC
	Office	Retail	Total
Fossil fuels (MWh)	1,039.05	2,481.55	3,520.59
Heating consumption (MWh)	1,580.81	4,491.38	6,072.19
Electricity consumption (MWh)	11,441.97	61,245.97	72,687.94
<b>Total</b>	<b>14,061.82</b>	<b>68,218.90</b>	<b>82,280.73</b>
Renewable energy production	Office	Retail	Total
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

Energy intensity	2023		MPC
	Office	Retail	Total
Total energy consumption (MWh)	14,061.82	68,218.90	82,280.73
Energy intensity (MWh/m2)*	0.08	0.17	0.14

Note - Figures are total of the intensity calculated based on the GBA of the properties



Energy use in buildings for lighting, heating or cooling leads to direct or indirect CO<sub>2</sub> emissions. Building materials also carry embodied carbon resulting from their mining, processing, manufacturing, transportation and installation. With carbon embedded in nearly every phase of building construction and operation our company started with decarbonization program to be able to contribute to Europe's ambitious goal of 2050 climate neutrality efforts.

## EMISIONS

Direct emissions (Scope 1)	2023		MPC	% of footprint
	Office	Retail	Total	
Direct emissions				
Combustion of fuel - (tCO <sub>2</sub> e)	2.61	2.61	5.23	0.6%
Operation of facilities - (tCO <sub>2</sub> e)	24.48	845.09	869.56	99.4%
<b>Total emissions (Scope1) - (tCO<sub>2</sub>e)</b>	<b>27.09</b>	<b>847.70</b>	<b>874.79</b>	<b>100.0%</b>
Indirect emissions (Scope 2)	2023		MPC	% of footprint
Indirect emissions by source	Office	Retail	Total	
Purchased electricity used for common areas - (tCO <sub>2</sub> e)	0.00	21,454.96	21,454.96	96.4%
Purchased hot water for heating used for common areas - (tCO <sub>2</sub> e)	0.00	802.59	802.59	3.6%
<b>Total emissions (Scope2) - (tCO<sub>2</sub>e)</b>	<b>0.00</b>	<b>22,257.55</b>	<b>22,257.55</b>	<b>100.0%</b>
Indirect emissions (Scope 2)	2023		MPC	% of footprint
Indirect emissions by source	Office	Retail	Total	
Purchased goods and services - (tCO <sub>2</sub> e)	352.64	931.02	1,283.67	1.2%
Capital goods (CAPEX)- (tCO <sub>2</sub> e)	0.00	354.09	354.09	0.3%
Fuel and energy related activities - (tCO <sub>2</sub> e)	149.88	1,213.50	1,363.38	1.3%
Waste generated in operations - (tCO <sub>2</sub> e)	440.22	760.06	1,200.28	1.2%
Business travel - (tCO <sub>2</sub> e)	138.96	0.00	138.96	0.1%
Emissions from employee and shopping center visitors - (tCO <sub>2</sub> e)	3,235.86	34,902.61	38,138.47	37.1%
Emmissions from tenant's electricity consumption - (tCO <sub>2</sub> e)	12,574.72	45,854.37	58,429.09	56.8%
Emmissions from tenant's hot water consumption for heating - (tCO <sub>2</sub> e)	751.90	1,198.64	1,950.54	1.9%
<b>Total emissions (Scope3) - (tCO<sub>2</sub>e)</b>	<b>17,644.19</b>	<b>85,214.29</b>	<b>102,858.48</b>	<b>100.0%</b>



TOTAL EMISSIONS (Scope 1, 2, 3)

Total emissions by scope	2023		MPC	
	Office	Retail	Total	% of footprint
Scope 1 - (tCO2e)	27.09	847.70	874.79	0.7%
Scope 2 - (tCO2e)	0.00	22,257.55	22,257.55	17.7%
Scope 3 - (tCO2e)	17,644.19	85,214.29	102,858.48	81.6%
Total emissions - (tCO2e)	17,671.28	108,319.54	125,990.82	100.0%

GHG EMISSION INTENSITY

Emissions intensity	2023		MPC	
	Office	Retail	Total	
Total emissions (tCO2e)	17,671.28	108,319.54	125,990.82	
GHG emissions intensity (tCO2e/m2)	0.10	0.26	0.22	

GHG EMISSION INTENSITY

Ozone depleting substances	2023		MPC	
	Office	Retail	Total	
Emission of R410 A (tCO2e)	0.00	96.05	96.05	
Emission of HFC 134a (tCO2e)	0.00	114.40	114.40	
Emission of R 407 C (tCO2e)	0.00	0.00	0.00	
Emission of HFC 32 (tCO2e)	0.00	0.00	0.00	
Total GHG emissions (tCO2e)	0.00	210.45	210.45	

NITROGEN OXID (NOX) SULPHUR OXID (SO2) AND OTHER SIGNIFICANT AIR EMISSIONS

Nitrogen oxid (NOx) Sulphur oxid (SO2) and other significant air emissions	2023		MPC	
	Office	Retail	Total	
Total NOx emissions (t)	0.00	0.00	0.00	
Total SO2 emissions (t)	0.00	0.00	0.00	
Total CH4 emissions (t)	0.00	0.00	0.00	



## Waste Management

MPC Properties conducts waste management process in accordance with local waste management legislation and simultaneously develops long term strategy for waste management which is organised in a way that protects the environment and human health, protects natural resources, and reduces the amount of waste on landfills as much as possible.

Partner company Volk Serb d.o.o. implements the "Waste Management Plan" according to the Waste Management Legislation, on behalf of MPC Properties portfolio. Company VOLK SERB d.o.o. cooperates with local companies that are registered and have integral permits for transport, storage and processing waste dedicated for recycling process.

Waste generated by Tenants is being managed through "Waste Management Manual" integral part of asset's House Rules and appendix of Lease Agreements of all MPC Tenants.

MPC properties started development of Waste Management Master Plan 2024-2030, Towards Zero Waste Concept, that is following upcoming strategies of Green Agenda and EU legislations, in year 2023.

According to the Zero Waste International Alliance (ZWIA), Zero Waster is the conservation of all resources by means of responsible production, consumption, reuse and, recovery of all products, packaging, and materials, without burning them and without discharges to land, water, or air that threaten the environment or human health and our aim is to implement this strategy in our plan.

The strategy contains long-term goals and plans for waste reduction and increasing recycling percentage based on both MPC Properties' assets analysis as well as tenants/visitor's needs:

- aligning operational procedures for waste management according to local legislation (existing and future ones)

- waste identification
- defining waste flows

- communal waste reduction
- implementation of innovative technologies

### action plan

In reference to generated waste, as per gathered data, 21.07% out of total Waste generated is diverted from disposal to landfills. Total amount of hazardous waste generated is 2,73 t of regular electronic waste which is transported to Plant facility for waste treatment where copper, zinc and lead are extracted and further reused. 0,019% out of total communal waste has been transferred into compost as asset UŠĆE SHOPPING CENTER has procured a compost machine through UNDP public invitation for Decarbonisation, supported by Embassy of Japan and local ministries, to decrease amount of organic waste on landfill. 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 registered companies that poses integral permits for storage, transport and recycling of waste. Municipal waste holds 78.93% out of total waste generated. MPC Properties is constantly working on a strategy to reduce the amount of waste directed to landfills, to reduce the impact on the environment by the prevention of waste production, reduction of the amount of waste and its hazardous characteristics, waste treatment, planning and control of waste management activities and processes, waste transport, monitoring and education related to activities in waste management.

Most of the municipal waste in Serbia is disposed on landfills. Having in mind the principles of the circular economy, and the EU goals that Serbia should strive for - to recycle 50% of municipal waste by 2020, 65% by 2035, and to dispose of less than 10% of municipal waste in landfills by 2035, Serbia developed the Action Plan for Waste Management for years 2022-2031, as part of the harmonisation with EU legislation.

WASTE GENERATION	kg	WASTE GENERATION	kg
Oil Waste- Oil separators (kg) <small>*Note: index number 19 08 09 / Q list code - Q16</small>	213,640.00	Plastic Waste	512.21
Oil Waste - Tenant kitchens (kg) <small>*Note: Tenant takes care of oil</small>	/	Organic Waste <small>*Note: Restaurants / Supermarkets (one part) / Landscape organic waste is part of communal waste (kg)</small>	Landscape maintenance organic waste
Glass Waste	19,250.00		Restaurants - Animal origine organic waste
Cardboard Waste	403,148.00		Restaurants - Other organic waste
Metal Waste	10.00		Supermarket-organic waste
Electronic waste - Fluo Tubes	1,960.00	Communal Waste	2,539,789.80
Regular Electronic Waste	667.00	<b>TOTAL WASTE</b>	<b>3,180,965.73</b>
Paper Waste	1,988.72		





UŠĆE Shopping Center introduced composting in 2023 as a part of its waste management strategy by purchasing a composting machine for the UŠĆE mixed-use complex that processes organic waste generated on site and turns it into valuable resource - compost. The UŠĆE complex has 16,000m<sup>2</sup> of green areas from which generates 96m<sup>3</sup> of organic waste from maintenance operations on an annual level. Additionally, approximately 300t of organic waste is being generated by restaurants in the Center. Total estimated annual reduction of CO<sub>2</sub> emissions is 10t in case of full capacity operation of the machine, which makes 200t of CO<sub>2</sub> for a period of 20 years composting.

This project contributes to decarbonisation, reduce the impact on the environment, initiate the implementation of new technologies and promote sustainable business practices within the corporate sector in Serbia. Composting project of UŠĆE mixed-use complex was supported by the UNDP Serbia, Ministry of Mining and Energy and Ministry of Environmental Protection through the project "Just Green Transition and Decarbonisation 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 SDGs. Many educational workshops were organised in partnership with Chamber of Commerce, Center of Excellence for Circular Economy and Climate Change, UNDP and company ECOCREATION with different complex users contributing to the green labor market, educating local community, as well as to knowledge-sharing via various educational workshops, trainings and promotions with employees, tenants and visitors.

During test period 350 kg of organic waste from restaurants and 1.200 kg of organic waste from green areas were processed. Compost analyses and quality tests were performed with Soil Institute to ensure high quality product. Also, the compost was tested on site, on a dedicated green area with success.

UŠĆE Shopping Center participated with this project in UNDP "Fair of green ideas, projects and innovations" with many corporate and start-up companies which are important for Just Green Transition.

In the upcoming period product declaration, registration and packaging is planned in order to distribute compost to UŠĆE complex community as part of CSR activities and promoting scaled circular economy practices.



## Composting



## Water Efficiency

Water efficiency and the smart use of water resources is company's focus. This is achieved through water-saving technologies in buildings, carefully designed soft landscaping with extensive use of indigenous species, using drip irrigation systems, separate water meters etc. Using water efficiently will help ensure reliable water supplies today and for future generations.

MPC Properties portfolio 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 most sufficient way.

Plans for rainwater harvesting are in development phase and will be used for landscape maintenance.

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

### WATER CONSUMPTION

Water consumption	2023		MPC
	Office	Retail	Total
Total water consumption (m <sup>3</sup> )	52,102	193,816	245,918
Water intensity (m <sup>3</sup> / m <sup>2</sup> )*	0,31	0,47	0,43

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

### WATER WITHDRAWAL

Water withdrawal by source	2023		MPC
	Office	Retail	Total
Third party water (m <sup>3</sup> )	52,101.91	193,816.00	245.917,91
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>52,101.91</b>	<b>193,816.00</b>	<b>245.917,91</b>

### WATER DISCHARGE

Water discharge by source	2023		MPC
	Office	Retail	Total
Third party water (m <sup>3</sup> )	41,681.52	155,052.80	196,734.32
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>41,681.52</b>	<b>155,052.80</b>	<b>196,734.32</b>





## Roof Gardens

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.

The green area between Ušće Tower I and UŠĆE Tower II represents a unique green urban area in Belgrade. The underground garage expands throughout the entire complex lot and its green roof surface is designed in accordance with BREEAM standards. Conceptually, this area represents an urban meadow, where maintenance services are minimized, and urban biodiversity is thriving. This solution is a result of an idea to form a sustainable system, which imitates nature in which processes take place without the constant influence of humans. The urban meadow concept implies annual mowing at the end of the growing season. There are flower plants on this area during the whole growing year, that is the food for various types of birds and insects. In addition, indigenous species were used throughout the design, and in this way, the consumption of water used for irrigation is reduced. Species with a long-life are planted, to provide a valuable ecological resource as well as providing an attractive landscape feature and a visual screen (new trees/shrubs/flower/ greensward/green roof which will attract different bird species and insects). Planted extensive vegetation: herbaceous perennial and annual herbs, species that provide a colorful mix of flowers that bloom at different times of the year, which is intended to provide a high degree of biodiversity in the mix. This area is being enriched by various additional content like urban beekeeping, and implementation of birdwatching and urban vegetable gardens projects are on the way. This area is used both for different educational workshops and for leisure and various social events. The plateau between Ušće Towers

welcomed the fifth jubilee edition of the French Film Festival in year 2023. The audience had the opportunity to watch and enjoy the latest French productions. The French Film Festival between Ušće Towers is organized in partnership with the Serbian French Institute.

The green sedum roof on Navigator 1 was the first of its kind in Serbian market. The natural properties of Sedum roof are Succulents - plants that store water in its leaves. During nighttime carbon dioxide is absorbed through the stomata (open only during night) and converted into malic acid. During daytime, under the influence of sunlight, the malic acid is decomposed, and photosynthesis takes place. Sedum requires little maintenance, it has shallow root so the substrate depth can be low, it withstands drought, resilient to diseases and insects, pests and has great adaptability under extreme weather conditions.

During 2023 green sedum type of roof concept for UŠĆE Shopping Center was developed, for approximately 800 m2 roof area. Green roof will complement existing beehives and the development of urban beekeeping as well as decrease heat island effect and enhance existing solar plant efficiency.



## 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. 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.

During the asset development, and specially building construction process, for each MPC asset feasibility study is 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. Each asset implements its own strategy and measures. The strategy towards natural and cultural-historical assets, impacts on the climate, on surface and underground waters, noise, and air pollution, impacts on flora and fauna, impacts on the soil, and assessments of ecological suitability is being carefully analysed and defined, depending on the lot location. 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.

For existing buildings operations process, an action plan is defined based on the size of the operational site and biodiversity value characterized by development feasibility studies, a listing of protected status such as IUCN Protected Area Management Categories, National legislation, or similar. Sustainable building principles and policies are defined to minimize operations that have a harmful effect on the environment and strategies that have a positive impact on biodiversity are implemented. Also, through collaboration with various partner companies, NGO's and start-ups (Snaga bilja, Park 011 etc.), Institutions (University of Biology, Botanical garden, UNDP, AmCham etc.) and wide

community we spread ecological awareness and impose new initiatives on various topics of ecological value, condition and improvements.

In 2023 we opened, a Green Hub, a multifunctional space that aims to inform visitors about the efficient and sustainable solutions of the company MPC Properties. The concept design of Green Hub refers to the application of natural and recycled materials, as well as innovative technological solutions, with the desire to educate the public on key environmental topics.

MPC Properties has developed and plans further development of a series of projects, which aim to integrate the best sustainable practices into the company's operations, but also promote smart and creative solutions that contribute to the well-being of the entire community.

### BEE Thrive in a Built Environment

One of Our Green Agenda pillars is the preservation of ecosystems by introducing Urban Beekeeping with our partners Belgrade Beekeeping Association and Mad Med. With our pioneer approach to the market, empowering ESG initiative, we installed 12 beehives on the rooftops of UŠĆE Shopping mall 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 boost diversity in their ecosystems. In years 2022 and 2023 a series of honey harvesting events in our assets as well as beekeeping workshops. In these events we gathered our business community, visitors, tenants, and their children who had the opportunity to see and have the first-hand experience in honey production, get in touch with how bees are organized, and taste fresh honey.

GRI DISCLOSURES 3-3

### BEE Thrive



The human species, with its uncontrolled use and pollution, has significantly threatened the survival of many species, including bees. In addition to the limited sources of food due to monoculture agriculture, the plants we grow in most cases contain large amounts of pesticides that harm bees. Bees are one of the most important members of our ecosystem, responsible for pollination and helping to provide food, control erosion and increase oxygen. In the past year, 230 kg of honey was extracted.



beekeeping



## Alternative Transport and Digitalisation of Parking System

By installing chargers for different types of electric vehicles, MPC Properties Company promotes an environmentally friendly way of life as well as modern technologies.

MPC portfolio contains 46 charging stations for electric cars and all assets are equipped with BIKEEP charging/parking station for electrical bicycles and scooters. In year 2021 UŠĆE Shopping Center was the first shopping mall in the Balkans with a parking station of this kind.

In cooperation with start-up company "Park 011", 7 additional charging stations for electric bicycles and scooters were installed: between UŠĆE Tower I and UŠĆE Tower II, Plaza Prima, Navigator Business, Merkator Center, Delta City, Immo Outlet Center, Beo Shopping mall. In this way MPC Properties participated and contributed building a network of charging stations for boosting Belgrade's alternative transport system.

Through the project of digitalization of the parking billing process through a mobile application and electric car charging system, with cooperation with the companies "Lako parkiraj" and "Charge & Go", we implement, develop, and monitor the process of improvement and expansion of the network of fast chargers for electric vehicles. The interest of users is great, and it is a signal that it is necessary to continue with innovations in this field.



# UŠĆE ECO FEST

MPC Properties initiated Ušće Eco Fest 23, the festival of ecological products and content free for all visitors. The goal of the event was to present, promote and discover new ways that contribute to making our community healthier and more sustainable. The festival, jointly organized by UŠĆE Shopping Center and Event Up with the support of Banca Intesa and the United Nations Development Program (UNDP), was held in September 2023 on the plateau between Ušće business towers, a green oasis and the meeting point of two rivers. In terms of programming, Ušće Eco Fest 23 was suitable for all generations and included organization of various green and interactive workshops for children, young people, and adults, starting from recycling, urban beekeeping rare plants lecture, birds in the city. There was eco kindergarten, a special corner for relaxation with yoga and meditation and lectures by eminent experts in the field of female green entrepreneurship, healthy nutrition, and climate change. In addition to educational content, sales presentations of organic and healthy products were organized which allowed visitors to learn more about their advantages, how to prepare/use them, introduce them into their daily diet and routine. This festival is extremely important for all of us because it allows us both personal development and common well-being. This project was a product of collaboration with organizations like:

Culinary workshop for children Zdravka Kulinarka  
Recycling workshops for children led by the "Kosnica Dorćol", Lecture by Dr. Jovana Mašić "Food as Medicine"  
Workshop on rare and endangered plant species in cooperation with the "Jevremovac" Botanical Garden of the Faculty of Biology, University of Belgrade  
Meditation in motion - Tango natural (outdoor dance class)  
Workshop for young people "Natural the same, naturally different" and the "Green Women's

Entrepreneurship" workshop (UNDP workshop on the Green Agenda) workshops on the daily, safe and effective use of medicinal plants and essential oils led the "Momčilova Biljarnica"

Yoga class with Baya and Kundalini yoga class led by Olivera Danilović

Lecture "Climate and our change" with Prof. dr. Vladimir Đurđević, climatologist from the Faculty of Physics and the "Birds in the City" workshop led by naturalist Slobodan Knežević and organized by Marka Žvaka.

The slogan of Ušće Eco Fest 23 is "Support nature because you are part of it", so we strategically continue with activities and plans with the given theme.

The official opening of the "European Mobility Week" was held by the EU and UNDP Delegations in cooperation with the Ministry of Environmental Protection and the Ušće Eco Fest, which promoted sustainable movement in cities, which contributes to saving energy in traffic, improving people's health and preserving the environment.

## Support nature because you are part of it!







# 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.

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

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>).

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

The Executive board of directors of BRE B.V. consists of one board member:

Milos Gledovic

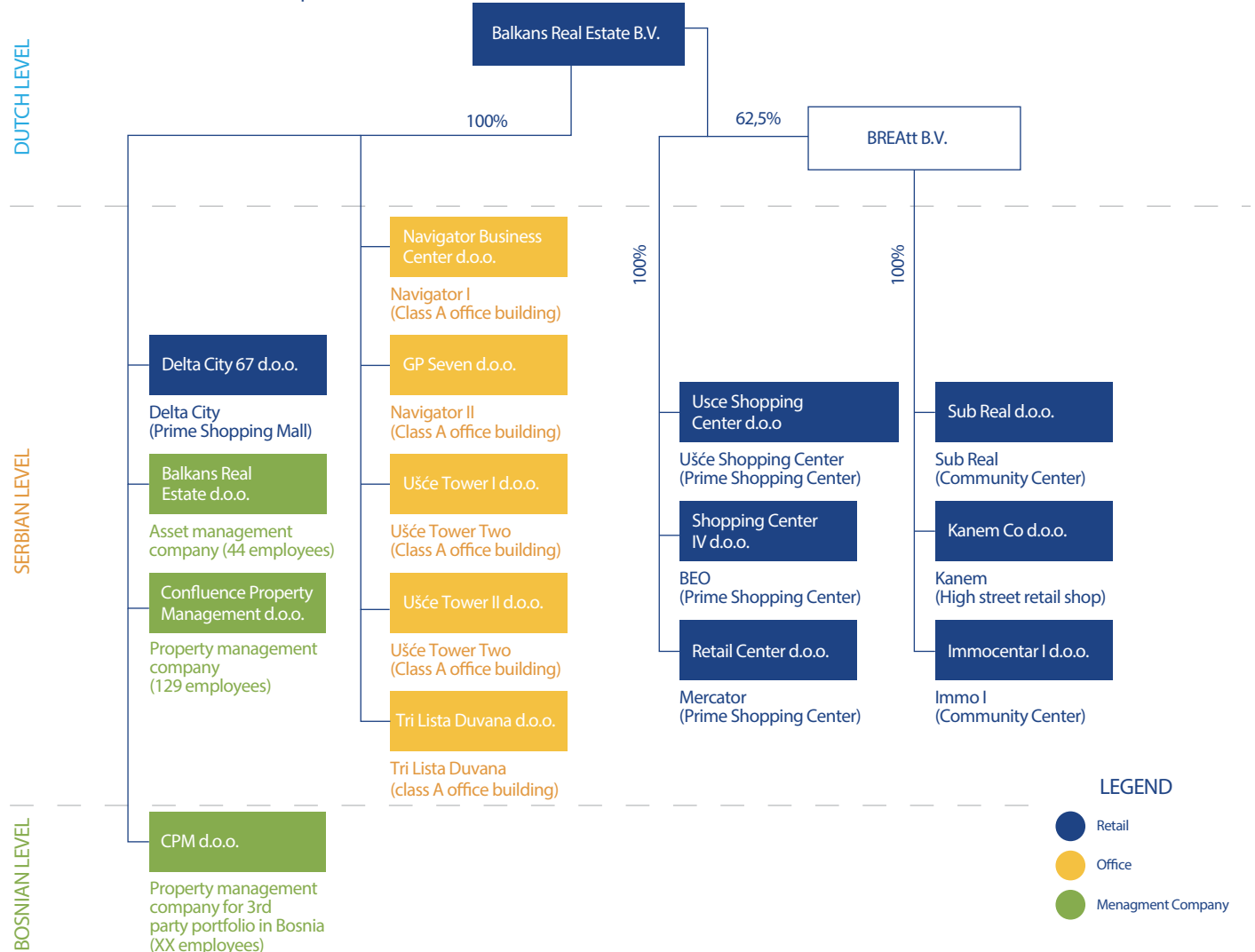
The Executive board of directors of BreAtt B.V. consists of three board members:

Tijana Vujovic  
Milos Gledovic  
Henk Deist

In 2023, corporate governance structure was changed on level of Serbian companies, by way of introducing two tier system of governance. All Serbian real estate companies now have a Supervisory Board having mostly supervisory and advisory role in strategic matters, consisting of three members (no independents), and Chief Executive

## MPC Properties

Balkans Real Estate B.V. – Ownership Structure





Also Ms. Tijana Vujovic is not part of the executive board of Centurion Venture Capital and Balkans Real Estate BV, but she remains engaged with the group as Head of Business Development and member of Supervisory Boards on Serbian level.

Operations of MPC Properties in Serbia are managed by local management, led by Ms Pinar Yalcinkaya, who is considered CEO of the MPC Properties and is single director of all Serbian companies in the MPC Properties Group.

Asset management services are performed by the company Balkans Real Estate d.o.o. Belgrade. Property management services are performed by the company Confluence Property Management d.o.o. Belgrade), which is as of 2023 owned by the BRE BV.

The company prepares consolidated financial statements at the Dutch level. All members of the Group are subject to an annual independent audit. The company's highest governance body and CEO are involved in the selection and signing of the contract with the audit firm, Reanda Audit & Assurance B.V. The external audit process itself is independent of the company's senior management and employees and it is carried out in full accordance with the instructions and requirements of the external audit.

The highest governance body is nominated and selected by the shareholder(s) with the support of HR professionals, based on the following criteria: highest moral standards, expertise, high level of education, ethics and experience, absence of gender, social, ethnic or age discrimination. In the process of selection, the choice is made after a series of interviews, checks and verifications of skills and competences, with due consideration of the opinion of the top management and other key personnel.

The highest governance body supervises the work of the CEO and the management, and pre-approves all matters which materially affect the company, such as: annual Business Plans for each of the company within MPC Properties, their Budget, any investment in a new development project and the business plan for such development, any transaction which is deviating or is out of the scope of the approved Business Plan and the Budget, as well as transactions (acquisition, sale, transfer, pledge, other encumbrance, other disposal) with respect to the immovable assets of any of the companies and/or projects and/or partnerships, profit sharing; approves any indebtedness and issuance of securities, entering into any legal proceedings or processes having the equivalent effect or

agreeing to any settlements where the monetary value of any such claim or settlement may exceed EUR 200,000.00, liquidation or dissolution of corporate/status changes of the companies, etc.

The highest governance body delegates these responsibilities to CEO, as well as to the professionals within particular area of expertise. CEO, top management and professional experts report regularly (on weekly and monthly basis) to the highest governance body on all regular and irregular matters.

Highest governance body is not senior executive. Senior executive is Pinar Yalcinkaya, who is the CEO of the MPC Properties in Serbia and is a sole director of all Serbian companies in the MPC Properties Group.

The highest governance body reviews the analyses of current ESG strategy and ways for its improvement twice a year. It reviews and approves all reports prepared by the companies included in sustainability reporting and other non-financial reports in its specially dedicated ESG board meetings.

When defining policy commitments, all employees are involved in the process of their adoption and implementation. At the initiative of the highest governance body, when defining the policies, the Organization relies on the professional advisors and consultants. The highest governance body has regular board meetings on ESG principles. The policies are communicated via emails to all employees, are promoted to business partners on social media using promotional materials (such as New Yeas gifts) and by organising workshops for partners and tenants. CEO implements the policies in everyday operation together with the senior/top management, who are further responsible to implement the policies within their departments, and delegate each particular tasks to employees therein. Trainings and workshops are regularly organised for all employees. Procurement process is conducted relying fully on adopted policies, whereas all participants in the tender process are obliged to adhere to the applicable Organization's policy in order to participate in the process.

The fundamental policy of the Organisation is based on its full commitment to the compliance with the applicable regulations. This is emphasized and promoted to each of employee by the highest governance body and the senior management.

Balkans Real Estate – Asset Management Company (BRE) is providing advice and expertise in monitoring and strategically managing of the Assets (including supervising day to day property management services provided by the Property Manager).

44 employees  
 Founded in 2002  
 Provides also services of real estate development  
 Developed and manage over 30 projects with a total gross buildable area of app. 1,500,000 sqm  
 The Assets managed by BRE include overall business operation and assets of the company (corporate, accounting, tax, finance, real estate, compliance, insurance, legal, etc.)

Confluence Property Management – Property Management Company (CPM) is providing advice and expertise in day to day management of the Properties with highest experience and skills.

129 employees  
 Founded in 2009  
 Services provided:  
 1) Property Management  
 2) Facility Management and Technical Maintenance  
 3) Leasing and Pre-leasing  
 4) Project Management  
 5) Tenant coordination  
 5) Marketing & PR services  
 The Properties managed by Confluence include all shopping centers and office buildings.

Asset Management Company – BRE

Property Management Company – CPM



44 employees



Founded in 2002



129 employees



Founded in 2009

## Key Services

### Asset Management

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

With 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 and 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 relationship 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 for all Stakeholders: Shareholders, Tenants and Customers

- Best Tenant and Merchandise mix;
- Relevance – in line with market trends

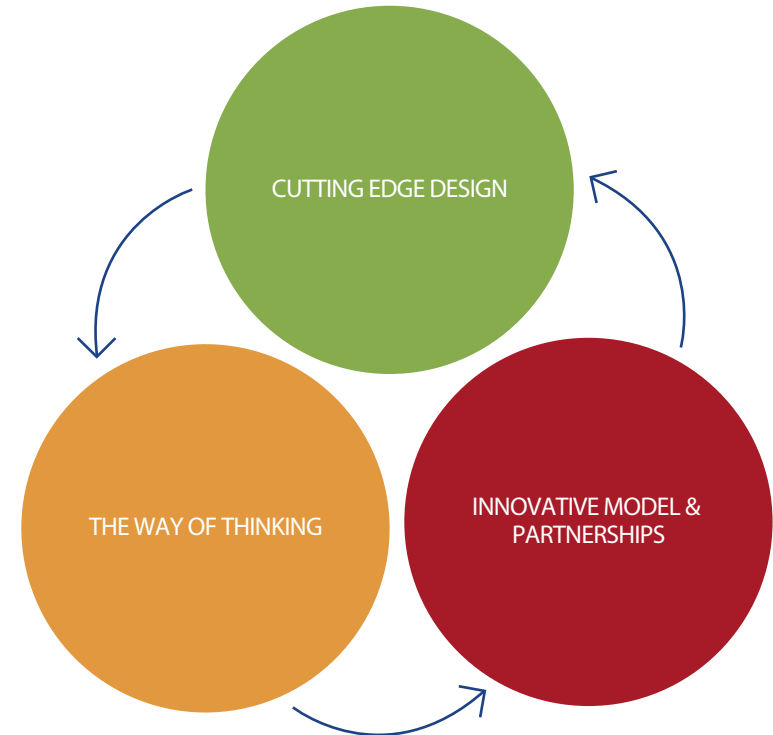
Diversity – creating a multi-purpose environment, a community hub with the unique shopping experience;

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.



## Tax and Economic performance

The Company's primary aim is to enact a socially responsible policy that integrates the principles of sustainability into its daily and strategic business activities.

Guided by this principle, the Company is committed to fostering the economic and social development of the communities in which it operates, while also fulfilling its obligations as a responsible taxpayer.

Central to the Company's tax policy is ensuring compliance with legal regulations and the responsible, transparent, and efficient management of tax matters, aligning with the established values and principles of socially responsible business conduct.

As a significant taxpayer, the company consistently fulfills substantial tax obligations, regularly reconciling balances with tax authorities and ensuring all tax liabilities are calculated and paid promptly.

Tax returns are prepared and submitted in adherence to legal requirements, involving thorough data verification, notarization, and submission to national tax authorities.

Additionally, the Company maintains open communication with tax authorities to address any potential ambiguities in tax regulations. In the event of tax audits, the Company ensures full cooperation with relevant tax authorities.

Given the escalating risks posed by climate change, including threats to human health, property, and the economy, the Company invests in enhancing resilience and environmental performance across its portfolio. Anticipated opportunities in this regard include the growing demand for resilient leasing properties.

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 uncertainties 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.

Last year, the Company invested the total of EUR 450k in mitigating climate changes and reducing GHG emissions. The focus was on the following activities: significant BMS systems upgrade in all assets for energy efficiency improvement, Well health and safety certification for major assets, EBOM LEED certification for Ušće Shopping Center and BEO Shopping Center, urban bee keeping, e-cars chargers in Usce Tower Two, parking and charging stations for e-bicycles, greenery upgrade, etc.

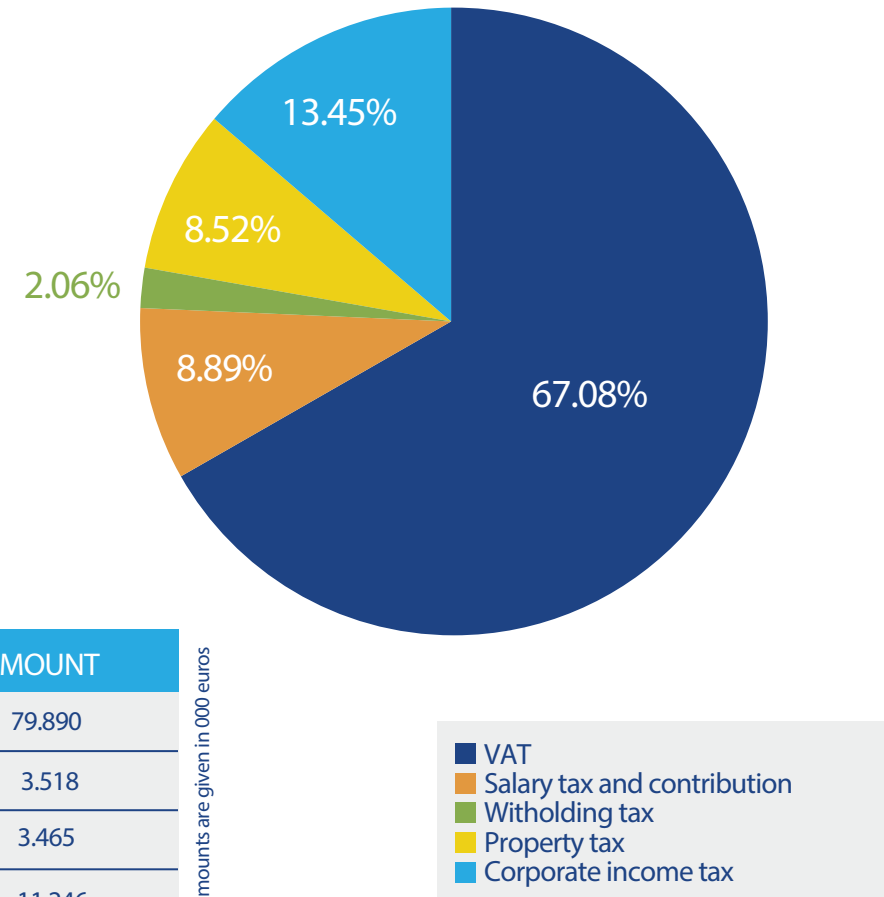
## Economic performance

In 2022, Balkans Real Estate B.V. has generated direct economic value of EUR 98,191k, mainly through revenues from letting activity:

BALKANS REAL ESTATE B.V.	AMOUNT
Revenues from lettings	79.890
Other operating income	3.518
Change in fair value investment property	3.465
Other income	11.246
Direct economic value generated	98.119

Note: The amounts are given in 000 euros

Total tax paid for reporting period is 33.77 million euro, and the distribution is as follows.





# Materiality Matrix

MPC Properties boards recognize the importance of the ESG concept and address meaningful topics that are important to all stakeholders and Shareholders, and relevant to the Company strategy. Boards meet twice a year to discuss the overall ESG strategy and its implementation in all business operations, identifying 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 value of Company. Human capital is very important to the Company and therefore many actions are undertaken to foster it.

MPC Properties delegated Ms. Jovana Cvetković, Development, TO and Innovations Director to create comprehensive long term ESG strategy and implement it in the Company business model.

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

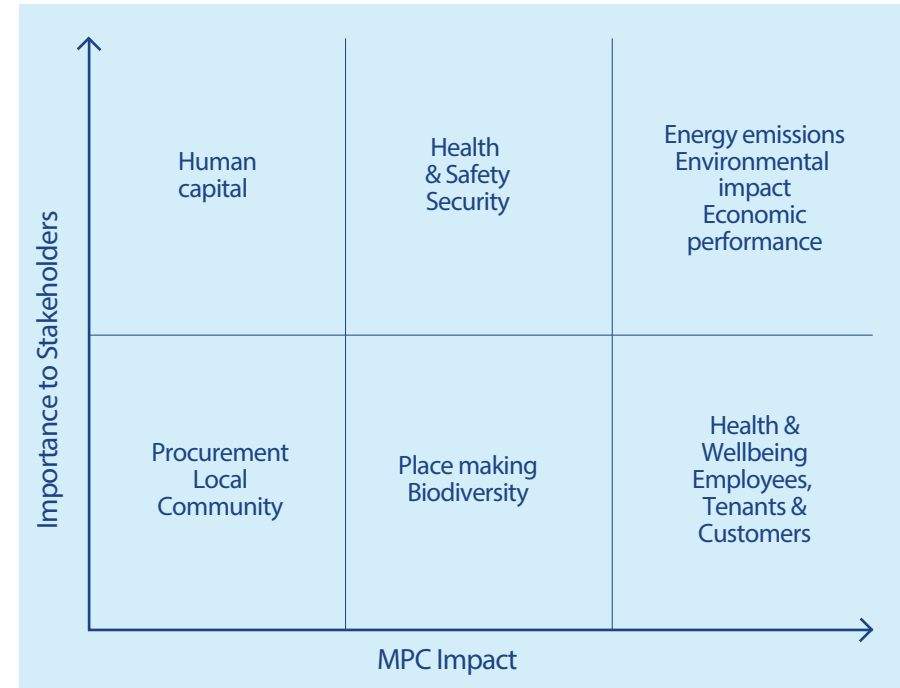


Jovana Cvetkovic

“Our business has a far-reaching impact on the market in which we operate, so we need to develop and implement projects that contribute to the well-being of our occupants and the entire community we gather. We believe expanding the understanding of value in the real estate sector is necessary beyond traditional financial metrics. ESG principles are implemented through the company's strategy, business model, procedures, and culture. They are executed across the entire MPC Properties portfolio.

The effective implementation of an ESG strategy in a company is more than just a question of compliance or corporate image, it's about an opportunity to innovate and improve sustainability in all aspects of business. With an added value principle, our intention is to empower placemaking, connecting and creating experts networking that inspires and encourages local community regarding urgency in resolving important environmental issues, such as recycling, waste and water management, circular economy, decarbonization, CSR projects, etc.”

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 relation, 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



## ESG Strategy and Implementation

The Company hereby established ESG Task force, formed by company experts from various disciplines responsible for ESG principles implementation in all departments of the Company: Technical, Financial, HR, Security, Operation, Development, Legal, etc. members of the committee are:

1. Sanja Rubeša, Operation Project Manager
2. Radoman Vraneš, Senior project Manager
3. Slobodan Cupac, Senior project Manager
4. Andrej Cupac, Lead facility Manager
5. Aleksandra Petrović, Business partner for procurement
6. Kristina Mandić, HR Manager

The committee is chaired by Nataša Bugarinović, Head of new sustainable development. The ESG Task Force is formed with the aim of planning, implementing, and executing ESG projects of MPC Properties Company. This includes understanding the Company's impact on the environment, society, and governance practices, as well as setting targets for improvement in these areas. The ESG Task force plays a key role in ensuring the accuracy, transparency, and credibility of the company's ESG reporting. This involves reviewing ESG disclosures in monthly, annual reports, sustainability reports, and other communications to stakeholders. It is responsible for organizing regular monthly meetings with the highest governance bodies.

Assessing, managing, and mitigating ESG risks is essential for long-term sustainability. The Task force identifies, and monitors risks related to environmental factors (e.g., climate change, resource scarcity), social factors (e.g., labour practices, community relations), and governance factors (e.g., transparency, ethical standards, diversity).

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 governing body, when defining the policies, the Organization relies on the professional advisors and relevant. The highest governing 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 focuses 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, and our business boosts the local economy. The health and well-being of tenants and occupants in our assets is our basic mission.

Therefore, MPC initiated the process and received in 2022 the "WELL Health-Safety" certificate for a portfolio of eight business and retail assets awarded by the International WELL Building Institute (IWBI). The portfolio was re-certified in 2023. Possession and renewal 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 maintenance, involvement of relevant parties and implementation of contingency plans to ensure safe,

healthy, and secure environment for all users.

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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## Procurement Strategy and Sustainable Practice

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.

## 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 environmental issues, and based on the answers, the Company will evaluate whether the Supplier/Contractor will qualify and receive the status "Qualified Contractor from the Environmental aspect". The requirements based on legal regulations for HSE and fire protection are binding minimum.

## Supplier social assessment

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 behavior 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". The 13 new suppliers in the reporting period, and the most important suppliers from strategic perspective, were reviewed according to social and environmental criteria.

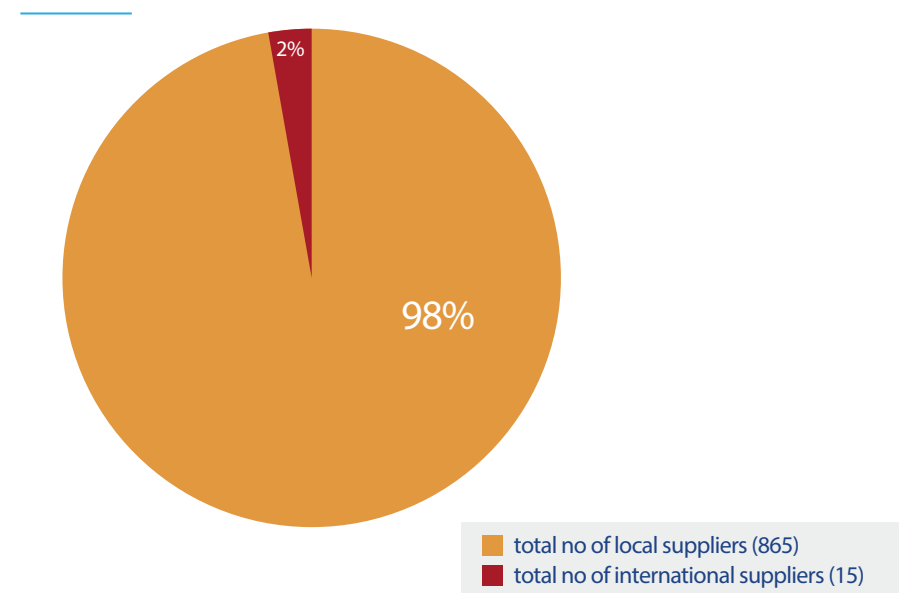
There is no significant actual adverse impact identified.

## 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 01/01/2023 to 31/12/2023.

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





## Sustainable procurement design model

Implementing sustainable design models in MPC procurement practices involves integrating environmental, social, and economic considerations throughout the procurement process. MPC simplified framework for sustainable design in procurement contains following phases:

### Pre-Procurement Phase:

**Needs Assessment:** Identify the organization's needs, considering sustainability goals and objectives.

**Market Research:** Explore sustainable product options available in the market.

**Supplier Engagement:** Engage with suppliers committed to sustainable practices and verify their credentials.

### Specification Phase:

**Sustainable Criteria:** Define sustainability criteria such as energy efficiency, recycled content, durability, etc., in procurement specifications.

**Life Cycle Assessment (LCA):** Consider the environmental impact of products over their entire life cycle, from raw material extraction to disposal.

**Certifications:** Require products to meet recognized sustainability certifications (e.g., BREEAM, LEED, WELL, DGNB, EDGE, etc.).

### Procurement Phase:

**Tendering Process:** Incorporate sustainability requirements into tender documents and evaluation criteria.

**Supplier Selection:** Choose suppliers based on their ability to meet sustainability criteria and provide evidence of their commitment.

**Negotiation:** Negotiate contracts that include clauses promoting sustainable practices and incentivizing innovation in sustainability.

### Contract Management Phase:

**Performance Monitoring:** Monitor supplier performance against sustainability criteria outlined in the contract.

**Audits and Compliance:** Conduct audits to ensure suppliers comply with sustainability standards and regulations.

**Continuous Improvement:** Work with suppliers to identify opportunities for improvement and innovation in sustainability practices.

### Disposal Phase:

**End-of-Life Management:** Plan for the responsible disposal or recycling of products at the end of their life cycle.

**Circular Economy Practices:** Encourage suppliers to adopt circular economy principles, such as product take-back programs or remanufacturing.

### Documentation and Reporting:

**Documentation:** Maintain records of sustainable procurement decisions, contracts, and supplier performance.

**Reporting:** Report on sustainability performance to stakeholders, demonstrating the organization's commitment to sustainable procurement practices.

### Education and Training:

**Internal Training:** Provide training for MPC employees on sustainable procurement principles and practices.

**Stakeholder Engagement:** Educate internal stakeholders on the benefits of sustainable procurement and involve them in decision-making processes.

By integrating these steps into procurement practices, MPC promotes sustainability across its supply chains and contribute to broader environmental and social goals.

As of 2021, all new suppliers must state their position with respect to social and environmental award criteria in "tenders", and this information is included in the awarding decision.

As we are promoting green and social oriented business procurement model, which prioritizes environmental preservation efforts, our criteria are defined in line with this operating model.

Supplier evaluation is a continuous process and is also a pre-qualification step in the process of purchasing. All defined criteria in social and environmental scorecard are considering a supplier's ability to comply with sustainability requirements and are essential criteria for supply chain alliances.



## Vendor Site Visit

Vendor site visits play a vital role in ensuring that procurement decisions align with sustainability goals and values. They enable MPC to make informed choices, promote responsible business practices, and contribute to positive social and environmental outcomes.

Engaging with vendors on-site fosters dialogue and collaboration opportunities. It allows for the exchange of ideas, sharing of best practices, and joint problem-solving efforts to enhance sustainability performance throughout the supply chain.

Site visits help identify potential risks related to sustainability, such as environmental violations, social compliance issues, or reputational risks. By proactively addressing these risks, organizations can mitigate negative impacts on their brand reputation and avoid costly disruptions to their supply chain.

Checks by the entity's employees are formal, structured checks that assess the compliance with sustainability-specific requirements in place for that supplier.

Supplier site visits are applied to suppliers who are critical to MPC supply chain and whose products or services have a significant ESG impact on the quality, performance, or competitiveness of its business. Several categories of suppliers require regular site visits:

**Key Suppliers:** These are suppliers whose products or services directly affect key operational processes within MPC organization. Visits to key suppliers help ensure supply chain stability and identify ESG risks or issues in a timely manner. In line with our ESG strategy, Key Suppliers are expected to adhere to rigorous environmental standards, promoting sustainable resource management and social responsibility. We anticipate suppliers to uphold fair labor practices, ensure

workplace safety, and foster diversity and inclusion within their organizations.

**New Suppliers for Development Business:** When considering collaboration with new suppliers in development business, visits can be beneficial for assessing their capabilities, quality, and ability to meet MPC requirements.

Integrating ESG criteria during visits to these suppliers requires tailored guidelines, training, and predefined goals. During visits, emphasis is placed on assessing environmental, social, and governance practices.

**High-Risk Suppliers:** In the case of suppliers subject to higher risks, such as geographical instability, political or economic uncertainty, quality issues, ESG issues, visits can be crucial for identifying potential problems and managing risks.

When suppliers face heightened risks, site visits become pivotal for identifying potential challenges and effectively managing risks. Integrating ESG criteria during these visits provides a more detailed insight into the supplier's practices related to environmental stewardship, social responsibility, and governance.

**Innovative Suppliers:** MPC is seeking innovative products or technologies, so visits to innovative suppliers can provide insights into their development processes and opportunities for partnership in innovation. When evaluating innovative suppliers in terms of ESG criteria, the focus on environmental practices involves researching production processes, resource utilization, recycling, and innovative ecological technologies.

Social responsibility includes analyzing working conditions, labor rights, support for local communities, and the promotion of social inclusion during production.

Governance is assessed through transparency, integrity, and effective risk management

Supplier classification result based on the level of risk or impact on ESG factors can be achieved through the following categories:

**Low Risk/Impact:** Suppliers whose activities have a low impact on environmental, social, and governance factors. These suppliers may already implement sustainable practices or have limited influence on your business.

**Medium Risk/Impact:** Suppliers with a moderate level of risk or impact on ESG factors. They may have certain sustainable practices, but there are areas that require improvements or adjustments.

**High Risk/Impact:** Supplier classification based on the level of risk or impact on ESG factors can be achieved through the following categories:

Suppliers whose activities pose a high risk or have a significant impact on ESG factors. This may include suppliers facing serious environmental challenges, social issues, or deficiencies in governance.

When it comes to deciding which business partners to work with, we favor those who share our ambition for ever-evolving standard and work actively to meet them. Before we work together with any potential new business partner, we ask them to send us their Sustainability Assessment. If they don't have this type of evaluation, then we are sending our assessments to be fulfilled from their side.

Full transparency around sustainability data and Collaborative sharing of sustainability performance data helps us all make sure we are making the right impact. Just as we will happily share data relating to the areas covered by this Sustainability Commitment with our partners, we expect them to do the same.



## Code of Conduct

MPC Properties has been recognized for acting responsibly in the course of achieving its success in the area of labor 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 behavior.

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.

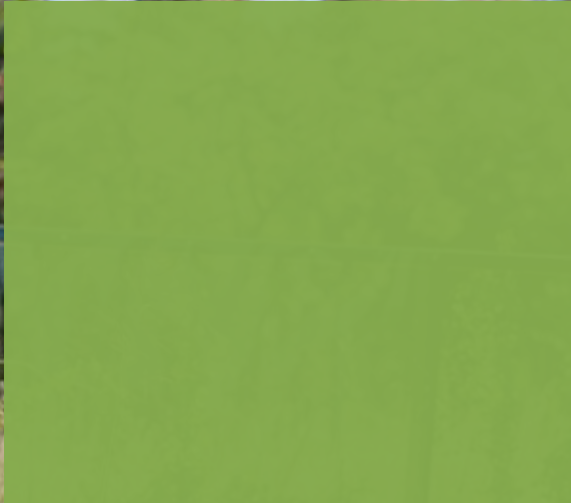
## Anti-Bribery and Anti-Corruption

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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