



Sustainability Report

2024



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Introduction

MPC Properties is a leading real estate development platform in Southeast Europe, known for its extensive market expertise, broad deal-making experience, and a portfolio of high-standard assets. Since its founding in 2002, MPC has successfully developed over 30 retail and office projects. The company's core focus is on real estate investment and management, with a commitment to value enhancement through proactive initiatives.

MPC is a regional leader in building and development of modern business and retail assets in accordance with the highest world standards. Currently, our portfolio includes six office and seven retail destinations in prime locations, as well as the widest business network that includes more than 70 companies in office and more than 310 brands in shopping centers. In the development process, we pay special attention to the green building principles and the impact they have on users and the community. As a market leader, we take a long-term approach and never compromise on the quality or sustainability of our assets.

MPC Properties stands out for its commitment to efficient and sustainable design and construction, ensuring that its portfolio complies with green building standards. The company owns, operates and maintains a diverse range of properties, including high-end shopping malls, street retail outlets, prime office spaces, and mixed-use developments.

The company's strategy centers on building a resilient real estate portfolio that can endure market disruptions. It also proactively addresses long-term challenges such as climate change, demographic shifts, evolving tenant preferences, and technological advancements. Moreover, in line with its long-term vision, MPC has completed a comprehensive Climate Risk Assessment across its entire portfolio. This strategic initiative helps identify potential vulnerabilities and strengthen resilience to climate-related, regulatory, and market risks. It confirms MPC's commitment to preserving asset value and ensuring operational continuity in an ever-evolving environment.

Over a decade ago, MPC made a strategic decision to develop and maintain assets aligned with green building principles. As a market pioneer, MPC was among the first to secure certifications for its buildings based on international standards like LEED, BREEAM, and WELL, as well as the real estate sustainability benchmark, GRESB. Furthermore, MPC Properties demonstrates its ongoing dedication to sustainability by being an active member of the Serbia Green Building Council.

By focusing on long-term value, MPC creates lasting benefits for shareholders, tenants, employees, and the wider community. Recognizing the importance of stakeholder interests and climate change risks, MPC integrates ESG principles into its core 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. As the majority owner, it controls BreAtt BV, another private limited liability company incorporated under Dutch law.

The further reporting of this company covers the period from January 1, 2024, to December 31, 2024.





Pinar Yalçinkaya, CEO
MPC Properties

CEO Statement

In a market where many rest on past achievements, MPC Properties continues to lead by example. The company demonstrates that sustainability is an ongoing commitment, not just a single achievement. Through proactive monitoring and re-evaluation of its green-certified portfolio, MPC ensures that operational excellence remains aligned with the highest international standards. In order to cut CO2 emissions in 2024, MPC began sourcing 100% green electricity for all its assets as of May 1, 2024, thereby contributing to the total reduction of GHG emissions.

As pioneers in sustainable development, we are turning ambition into action by future expansion of solar plants installation across 10,000 square meters to generate 3,900 MWh annually. Our green roofs, 12 urban beehives, and over 50 plant species enhance biodiversity and reconnect city life with nature.

Our dedication to sustainability extends far beyond our buildings. We've developed a comprehensive sustainable mobility network that includes 67 electric vehicle chargers, 400 bicycle parking spaces, and 8 charging stations for e-bikes and e-scooters – empowering smarter, cleaner, and more responsible mobility. To further enhance convenience and meet growing demand, we plan to upgrade slower EV chargers to high-speed charging stations.

For us, sustainability is not just an environmental duty – it's a commitment to society. We engage communities through learning, creativity, and inspiration. Our "The City Has Another Face" initiative educates young generations on biodiversity, while exhibitions at Navigator Art Gallery, the French Film Festival, and events such as UŠĆE EKO FEST bring art, culture, and environmental awareness closer to people.

Our dedication to excellence has been recognized through some of the most respected international sustainability certifications, including LEED, BREEAM, WELL Health-Safety, and real estate benchmarking GRESB. These are not just accolades – they are reflections of our unwavering commitment to raising industry standards. This year, MPC reaffirmed its dedication to sustainability, further solidifying its position as a regional frontrunner in green real estate development. As part of this commitment, the company recertified two key assets – Navigator I and II – by introducing LEED EBOM GOLD following their previous LEED NC+BD certification. Additionally, MPC achieved new certifications for Ušće Tower I, which received LEED EBOM GOLD, and Mercator, which is currently undergoing the LEED EBOM certification process. These efforts are a clear sign that MPC does not simply celebrate success – it builds upon it.

Through strategic partnerships with organizations such as the UNDP and the Mihajlo Pupin Institute, we are transforming innovation into reality – developing energy-neutral systems to reduce air pollution and pioneering projects that expand renewable energy use across urban spaces.

At MPC Properties, we are proud to be part of a global movement which drives positive change. We are building spaces that are not only functional but also meaningful. Places where sustainability is lived every day, where people can thrive, breathe easier, and connect with the world around them. This is more than our mission – it is our promise to future generations.

Sincerely,
Pinar Yalçinkaya

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 2023
Represent certification for buildings that deliver more thoughtful and intentional spaces that enhance human health and well-being



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



G R E S B
GLOBAL REAL ESTATE SUSTAINABILITY BENCHMARK

ESG Reporting and Benchmarking

Between the 2023 and 2024 GRESB assessments, MPC Properties made significant progress in both the Management and Performance components of the benchmark..

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 2024, MPC significantly improved its reporting through enhanced documentation, more comprehensive ESG disclosures, and successful manual validation.. 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.

The GRI Service Mark, obtained in 2024, officially certifies that our report meets GRI Standards. This mark is a testament to our commitment to transparency, providing 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 transparent, credible sustainability reporting is essential 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 highlights our dedication to leading the industry in environmental stewardship and social responsibility across the region.

The overall GRESB Score increased from 56 to 68, advancing from a 1-star to a 2-star rating, which is an achievement driven by improvements in risk governance, certification coverage, and operational management.

OVERALL ESG PERFORMANCE:

In the Performance section, MPC improved scores across nearly all impact areas, including energy, GHG emissions, water, and waste, while maintaining strong scores in Building Certifications (7.79 in 2023 and 7.45 in 2024 under the new, more rigorous scoring model).

Notably, MPC significantly approved its Risk Management score (from 2.75 to 3.12) by implementing a formal Environmental Management System, conducting transition and physical climate risk assessments, and refining ESG due diligence processes. These enhancements reaffirm MPC's commitment to resilience, transparency, and the continual integration of ESG principles across its portfolio.

2024 GRESB Standing Investments Benchmark Report

MPC Portfolio		MPC	
Participation & Score		GRESB Rating	
<div><div>68</div><div>2024</div></div>		<div>★ ★ ☆ ☆ ☆</div>	
Status:	Strategy:	Location:	Property Type:
Non-listed	Debt	Serbia	Diversified - Office/Retail

Predefined Peer Group Ranking

4 th	9 Entities
	Location
	Southern Europe
	Property Type
	Diversified Office/Retail
	Strategy
	Non-listed

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 greener 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 creates lasting value for both the environment and society.

MPC Properties distinguishes itself through an unwavering commitment to crafting not just buildings, but meaningful experiences. The Company's initiatives extend 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.

As climate change risks escalate, MPC Properties remains proactive rather than reactive in its approach. The Company has allocated substantial investments to enhance energy efficiency – replacing equipment, upgrading insulation, and optimizing lighting, which totalled EUR 1.212k in the past year alone. These efforts are 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.

Over the past year, MPC Properties has taken a comprehensive approach – securing Well Health and Safety certification for major assets, promoting urban beekeeping and biodiversity, introducing electric vehicles and bicycles, and upgrading parking and charging infrastructure. A full-scale 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 recognizing 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 crafting a lasting, 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

At MPC Properties, we focus on more than just building spaces; we cultivate vibrant, sustainable communities through innovation and socially impactful initiatives. Our commitment to ESG principles guides our operations, ensuring that both people and the environment benefit from our work.

We integrate ESG into all aspects of our business, striving to create a positive impact through our properties and community engagement. Designed for inclusivity, our shopping malls and office spaces provide welcoming environments where people can connect, share experiences, and engage in meaningful activities.

We deeply value the impact of our shopping malls and office spaces on both people and the environment. This is why we are committed to fully implementing our ESG strategy across all business segments.. Our ESG perspective involves working on achieving a set of environmental goals, which are an integral part of the building and management efforts of the MPC Properties.

Year-round, we host events that raise awareness of important social issues and provide educational opportunities. Initiatives like Back2School and various festive celebrations allow us to engage with diverse populations and foster a sense of belonging. We also host workshops, seminars, and panel discussions on a variety of topics, from sustainability to personal growth, involving experts from various fields to inspire and empower the community.

Our commitment to the health and well-being of the community is reflected in ongoing initiatives like blood donation drives, in collaboration with the Blood Transfusion Institute of Serbia. These activities engage all our building occupants and strengthen the sense of collective responsibility.

We also support educational projects such as "The City Has Another Face – Bees, Trees, Birds!" in collaboration with Bambi Koncern, which promotes sustainability and biodiversity. Through creative workshops, students learn about plants, bees, and the importance of nature conservation.

The UŠĆE EKO FEST 24, held in September, was another successful event, offering a full day of learning, creativity, and fun for all generations. Public workshops explored key environmental themes, including the role of bees, medicinal plants, birds, and urban wildlife.

Visitors crafted musical instruments from recycled materials, upcycled old jeans into new fashion items, and explored the fascinating properties of water. Attendance surpassed last year's numbers, highlighting the community's increasing interest in sustainable living.

We also hosted a series of lectures titled "Healthy Today, Healthy Tomorrow" at UŠĆE, BEO, and DELTA CITY shopping centers. These lectures covered topics on nutrition, mental health, and how to build healthy habits for the whole family. Free and accessible to all visitors, these sessions reinforced our commitment to fostering a healthy and sustainable lifestyle.

By combining real estate development with impactful social initiatives, MPC Properties strives to create spaces that enhance community engagement, sustainability, and social responsibility, leaving a lasting positive imprint on society.



PEOPLE



People

At MPC Properties, we are deeply committed to cultivating a healthy and supportive workplace culture, aligned with Environmental, Social, and Governance (ESG) principles. Our priorities include attracting and retaining top talent, fostering continuous professional growth, and promoting inclusive and equitable practices across the organization. In an ever-evolving business landscape, we recognize that our employees are our most valuable asset. With that in mind, we strive to enhance their overall well-being through comprehensive benefits, safe working conditions, diversity and inclusion training, as well as commitment to equal opportunities and non-discrimination.

Human capital development forms the foundation of our long-term vision. We are dedicated to building a strong organizational foundation by promoting individuals who exemplify ethical conduct, strategic thinking, and solid commitment. We also cultivate a work environment that encourages employees to think beyond traditional limits, take ownership of their actions, and drive innovation.

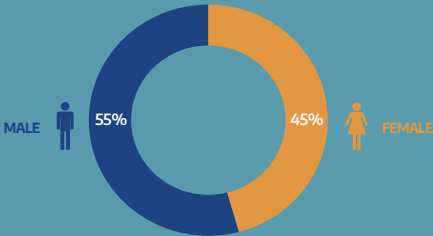
All employees receive a fixed salary, irrespective of their contract type. Annually, they are eligible for a performance-based bonus linked to the results of the previous business year. Additionally, depending on involvement in specific organizational projects, employees may receive financial or non-financial rewards in line with internal policy (not mandated by law).

To give employees full access to their employment history – including contracts, annexes, and completed training – while streamlining HR communication for leave requests, MPC Properties introduced the Salesforce software called Gecko in 2024.

This initiative received excellent feedback from employees, as they can now monitor every aspect of their employment within the company.

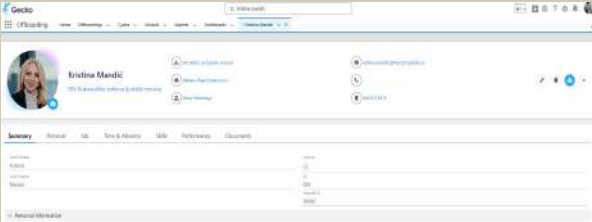
For context, the average gross salary in the Republic of Serbia in 2024 was €1,156,23 whereas full-time employees at MPC Properties earned an average of €2,574.

To succeed in our strategic goals, we place a strong emphasis on hiring individuals with diverse skills and high-level expertise. Our efforts are also focused on maintaining stable employment conditions and minimizing employee turnover in a challenging labor market.



MPC Properties employs 180 individuals, with 90% on permanent contracts and 10% on fixed-term agreements.

ALL EMPLOYEES	ALL	GENDER		AGE		
		MALE	FEMALE	<30	30-50	>50
# OF TOAL PERSONNEL	180	85	95	26	119	35
SENIOR MANAGEMENT	10	6	4	0	9	1
MIDDLE MANAGEMENT	24	11	13	0	20	4
EMPLOYEES	146	68	78	26	90	30





Employee health and well-being are our top priorities, which is supported by private health insurance, annual medical checkups, wellness workshops, and fitness programs. Mental health is also a key focus, with external psychological support available to employees facing work-related or personal challenges.

MPC Properties fosters personal and professional development through a wide range of learning opportunities. Recognizing the importance of family, we provide full support during parental leave and ensure a smooth reintegration afterwards. Additionally, we organize creative initiatives that celebrate employees' children, reinforcing our commitment to work-life balance.

PARENTAL LEAVE

All employees, regardless of contract type, are entitled to parental leave in line with Serbian Labor Law. Maternity leave begins 28 days before the expected birth. After the initial three months, either parent may continue the leave, which lasts up to one year for the first and second child, and up to two years for the third or subsequent child.

Safety is an integral part of our culture. We ensure strict compliance with health and safety protocols, continuously monitoring their implementation to protect all employees.

Our HR team maintains close communication with employees, both directly and through anonymous surveys, to better understand their needs and tailor programs accordingly. We believe that satisfied and well-supported employees are the key drivers of our long-term success.

We actively invest in young talent and support first-time employment, further reinforcing our commitment to social impact.

Total number of employees that took parental leave in reporting period

o/w women 6

o/w man 0

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

o/w women 1

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 0

o/w man 0

New Hires and Turnover (2024)

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	14	7	0
o/w men	4	6	5
Total number and rate of turnover during the reporting period			
o/w women	7	9	1
o/w men	3	2	2

Our Commitment to Society

OUR COMMITMENT TO SOCIETY

At MPC Properties, our social responsibility initiatives are focus on fostering inclusivity and building strong connections with the communities in which we operate. Aligned with Environmental, Social, and Governance (ESG) standards, our Corporate Social Responsibility (CSR) strategy goes beyond commercial impact – acting as a catalyst for education, awareness, and social cohesion in a rapidly evolving community landscape. Throughout the year, we mark key dates not only through commercial activities but as opportunities to raise awareness around important social issues. These events are thoughtfully designed to engage the public, promote diversity and inclusion, and encourage participation in positive change. We organize a wide array of educational initiatives, including workshops, seminars, and panel discussions, which provide platforms for dialogue on critical societal challenges.

A core pillar of our CSR strategy is hosting motivational sessions and workshops featuring distinguished individuals from diverse fields: artists, athletes, scientists, and industry experts –who share personal stories and insights to inspire and empower attendees.

ENVIRONMENTAL AWARENESS & SUSTAINABILITY

- MPC Properties actively addresses climate change and promotes sustainability through an HR-driven approach. We are committed to integrating environmentally responsible practices across our operations and encouraging our employees to adopt greener habits. Our initiatives include:
- **Green workplace policies** that promote energy conservation, waste reduction, and sustainable commuting;
 - **Awareness campaigns**, urging employees to turn off lights, power down devices, and minimize resource consumption;
 - **Waste management programs**, such as plastic and paper recycling, as well as composting organic waste;
 - **Sustainable commuting incentives**, encouraging walking, biking, the use of scooters, and public transportation;
 - **Water conservation initiatives**, promoting responsible usage at work and home.

Each month, we host **Recycling Workshops** in our shopping centers, emphasizing environmental protection and resource conservation, especially for children and youth.

COMMUNITY ENGAGEMENT & PHILANTHROPY

MPC partners with local organizations and institutions to support vulnerable populations and promote social inclusion. Notable examples of these partnerships include:

- **Support for children’s shelters**, through the donation of gifts and organizing cultural and educational outings, such as visits to museums, art exhibitions, workshops, and cinema screenings.
- **Regular blood donation drives**, organized in cooperation with the Blood Transfusion Institute of Serbia, engaging both our tenants and visitors across multiple properties.

SUPPORTING OUR EMPLOYEES:

- Our internal culture mirrors the values we promote externally. We take pride in the strong community we’ve built among employees, driven by transparency, agility, teamwork, and a shared vision for the future. To uphold these values, we provide a diverse range of employee benefits that support both professional growth and personal well-being, including:
- Comprehensive health and life insurance coverage
 - Customized education and training programs provided by esteemed partners (e.g., Management Center Belgrade, Mokrogorska Business School, Tim Center, online learning platform Krojačeva škola (Tailor’s School)
 - Psychological and well-being support
 - Employee perks and discount programs in our retail centers
 - Full sick leave coverage up to 30 days
 - Paid parental leave
 - Competitive salaries and a modern work environment, including complimentary parking



OUR COMMITMENT TO SOCIETY

We take great pride in our **MPC Runners Team**, a group of employees who enthusiastically represent the company at events like the Belgrade Marathon and the Belgrade Business Run. MPC fully supports their participation through structured training sessions and event sponsorships.

We are highly committed to the long-term development of our workforce. Training programs are carefully tailored to meet individual and team needs, including key areas such as:

- Leadership and people management
- First aid and workplace safety (e.g., working at height)
- Business and financial acumen
- Digital skills and IT proficiency
- Soft skills and communication
- English language proficiency
- Leasing and retail certification programs

To optimize operations and equip employees with the full benefits of the new Finance software, **Business Central**, we hosted extensive training sessions and workshops in collaboration with external consultants throughout 2024.

These sessions ensured employees were fully prepared for the full implementation of the software, which will be officially in use as of **January 1, 2025**.

Each employee undergoes a structured annual performance review that emphasizes our core values – Vision, Transparency, Team Spirit, and Agility, while evaluating their contributions to key business objectives. This process ensures clear feedback and supports individual growth plans. MPC Properties actively promotes gender equality and diversity through a proactive approach. Our compensation practices reflect a commitment to fair and equal pay for all employees, regardless of gender or background.

No incidents of discrimination were reported during the 2024 reporting period. We maintain a respectful and inclusive workplace through a comprehensive framework that includes:

- Notice on the Prohibition of Harassment, defining employee rights and responsibilities;
 - Notice on Whistleblower Rights and Obligations, ensuring transparency and accountability;
 - Code of Conduct, applicable to all employees regardless of their type of contract, establishing clear ethical and professional standards.
- Although MPC does not currently engage in collective bargaining, we fully respect employees' rights to freedom of association. MPC recognizes and upholds the constitutional and international rights to freedom of thought, speech, and privacy in the workplace. This commitment to integrity, fairness, and human dignity drives everything we do – both within our organization and in the communities we serve.

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	26	34
Middle Management	38	26
Employees	30	34
Technical	26	22
Administrative	24	28

	Under 30 years old	30-50 years old	Over 50 years old
	Female to male ratio %		
Senior Management	n/a	116,4%	n/a
Middle Management	n/a	86,3%	67,1%
Employees	94%	55,2%	86%
Technical	128%	176%	n/a
Administrative	86,2%	75%	50%





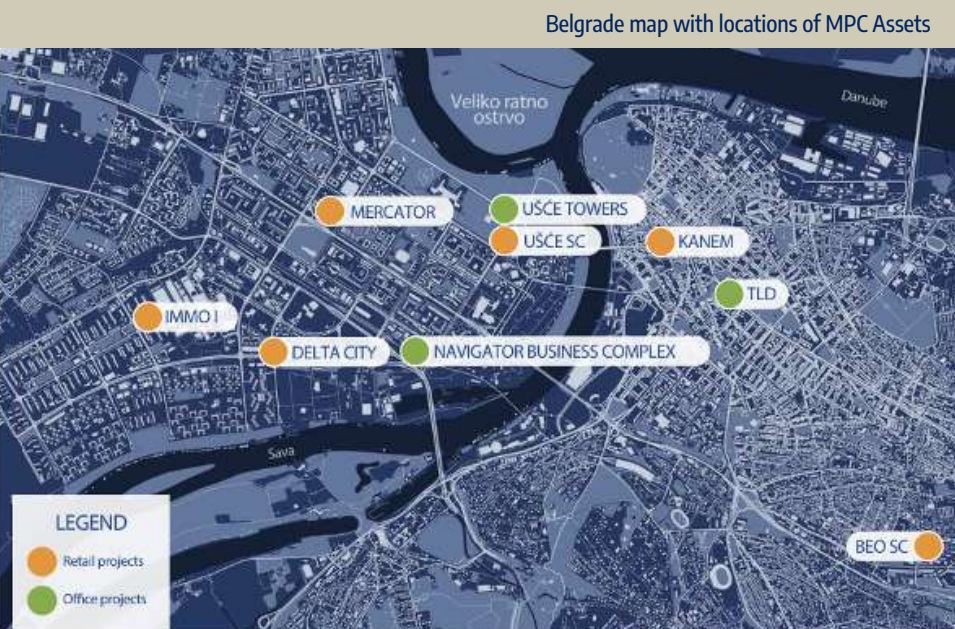
ASSETS



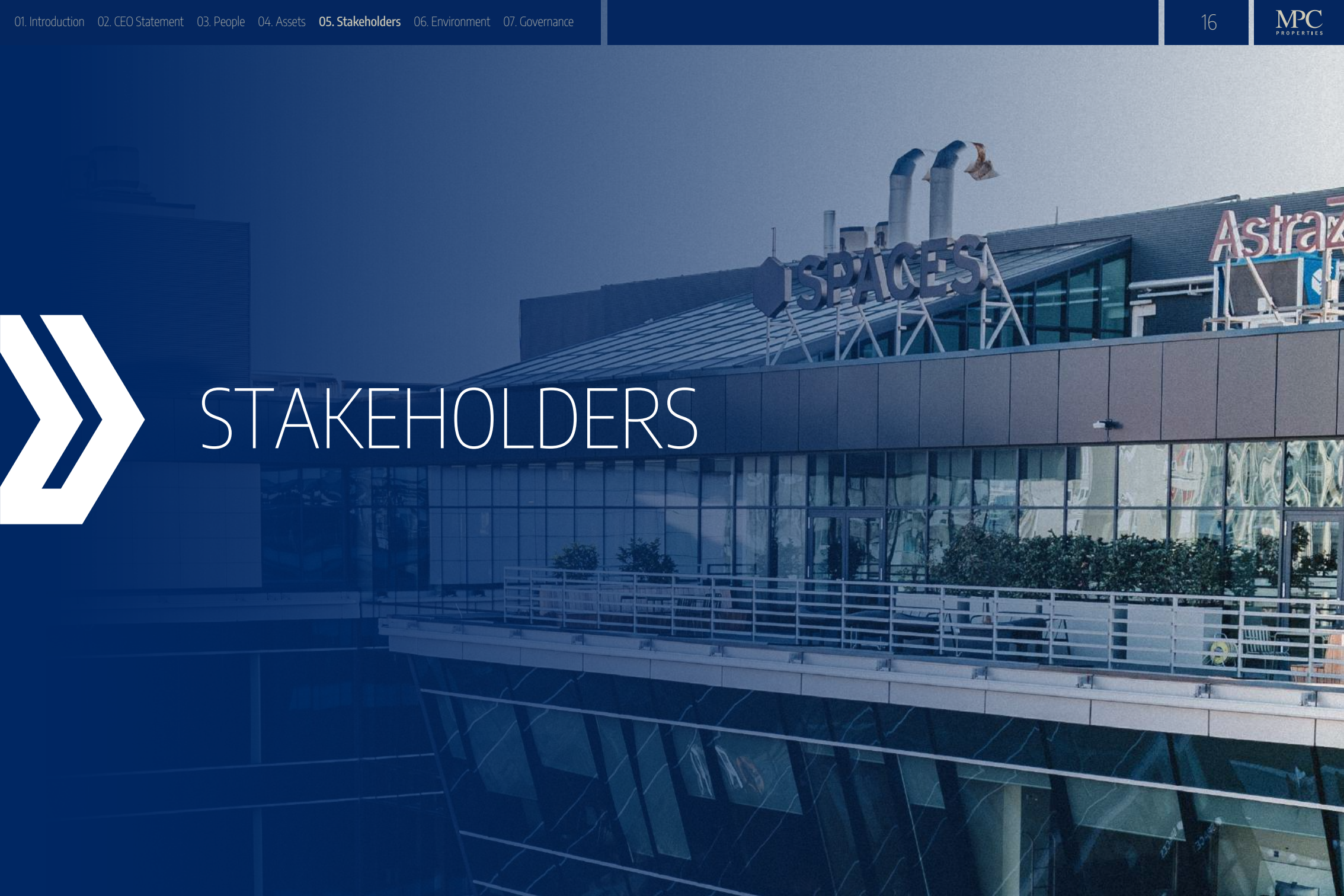
Our mission is to create landmark and state-of-the-art buildings

MPC's core business is located in Serbia. MPC owns and manages different types of properties including shopping malls, street retail, prime office spaces, and mixed-use projects. Its most significant assets are located in prime areas of Belgrade, the capital and largest city of Serbia.

MPC's dedicated team consists of over 170 professionals, 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. Over the past 16 years, MPC has made a significant contribution to the advancement of green construction.



MPC PROPERTIES ASSETS	GLA (m2)	GBA (m2)
UŠĆE SC Ušće Shopping Center DOO Beograd	44.43	117.138
BEO Shopping Center IV DOO Beograd	44.448	130.209
DELTA CITY Delta City 67 DOO Beograd	29.768	86.049
MERCATOR Retail Center DOO Beograd	23.010	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
TOTAL RETAIL	156.874	409.220
TOWER I Ušće Tower One DOO Beograd	21.188	29.523
TOWER II Ušće Tower Two DOO Beograd	20.991	55.125
NAVIGATOR 1 Navigator Bussiness Center DOO Beograd	14.811	21.937
NAVIGATOR 2 GP Seven DOO Beograd	27.688	49.882
TRI LISTA DUVANA Tri Lista Duvana DOO Begrad	8.225	9.640
MPC Plaza (only managed by BRE) Plaza Prima d.o.o.	2.379	NA
TOTAL OFFICE	92.903	166.107
TOTAL MPC PROPERTIES ASSETS	252.156	575.327



STAKEHOLDERS

Stakeholders

At MPC Properties, we strive to create inclusive spaces within our shopping malls and office buildings, ensuring all stakeholders feel represented. Their feedback and perspectives play a crucial role in the early stages of our planning and development, as their success is closely tied to ours. Our focus extends beyond developing top-quality shopping malls and office built on green construction principles. We are committed to delivering a unique experience, investing in market education through various socially responsible initiatives, and fostering a strong community around our portfolio. We leverage our business assets and network to promote inclusion, support diversity, drive CSR initiatives, and loyalty programs, educate the market on the importance of integrating ESG integration in corporate strategy, and enhance collaboration between startups and the corporate sector.

Mutual Aid and Global Mobilization

The ecological transition demands a collective global effort, cutting across traditional divisions such as rich vs. poor, north vs. south, or polluter vs. non-polluter. It involves raising awareness, fostering diversity, promoting mutual support, and encouraging global mobilization. Above all, it calls for strong collaboration among governments, NGOs, and the public and private sectors. With this in mind, we have established strategic partnerships, including with UNDP and the Chamber of Commerce and Industry of Serbia (CCIS) on composting projects, as well as with the French Serbian Chamber of Commerce on green and recycling initiatives. These partnerships are central to promoting the circular economy and advancing the ESG dialogue.

Empowering Education and Sustainable integration

We are committed to investing in both human capital and green projects by attracting top talent, boosting employee productivity, supporting continuous education, and building a strong reputation through ESG initiatives. To promote transparency in our employer branding and reinforce sustainable leadership, we have introduced sustainable design courses, industry-specific training, certifications, and HR seminars for middle and senior management. Additionally, we have integrated a sustainable development role into our business structure to further embed sustainability into our operations.



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



Campaigns That Stand on Environmental and Social Issues

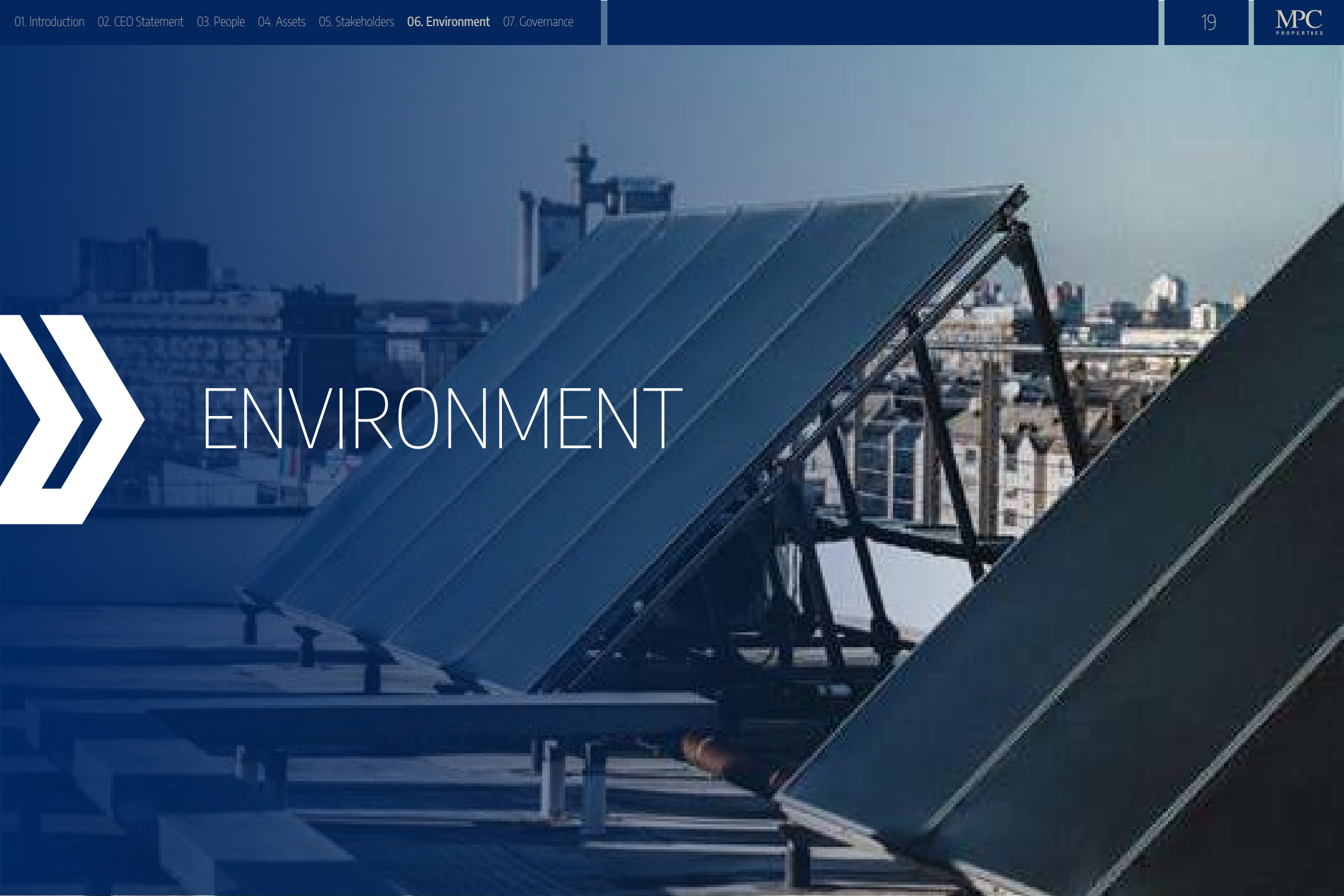
Through our CSR campaigns and initiatives, supported by strategic partnerships with organizations such as UNICEF, NURDOR, we actively foster inclusivity and support within our community. These partnerships have allowed us to launch several humanitarian projects aimed at assisting children without parental care, children's shelters, and other vulnerable groups, with active involvement from our visitors.

MPC Properties is an active member of the following organizations:

- Chamber of Commerce and Industry of Serbia
- Serbia Green Building Council
- American Chamber of Commerce in Serbia
- CFO Association
- Association of Corporate Lawyers
- Foreign Investors Council
- Serbian Association of Managers
- The French Serbian Chamber of Commerce
- YPO
- Serbian HR Community



ENVIRONMENT



Environment

MPC Properties is one of Southeast Europe’s most experienced real estate development platforms, known for its deep market knowledge, extensive deal expertise, and commitment to the highest industry standards. Since its foundation in 2002, MPC has developed over 30 retail and office projects, establishing itself as a leader in the sector. Our primary focus is investing in and managing real estate, with the key objective of increasing value through active initiatives.

However, our mission goes beyond simply building and developing assets – we also ensure they are managed effectively, making sustainability and functionality essential components of our approach.

We have developed a comprehensive socially responsible strategy in accordance with ESG goals (Environmental, Social, Governance). These principles are integrated into our company’s procedures, policies, and overall culture across the entire MPC system, ensuring their implementation in all our properties. . We are in the process of implementing:

- GRI (Global Reporting Initiative) – the threshold for basic sustainability reporting
- GRESB (Global RE ESG Benchmarking)

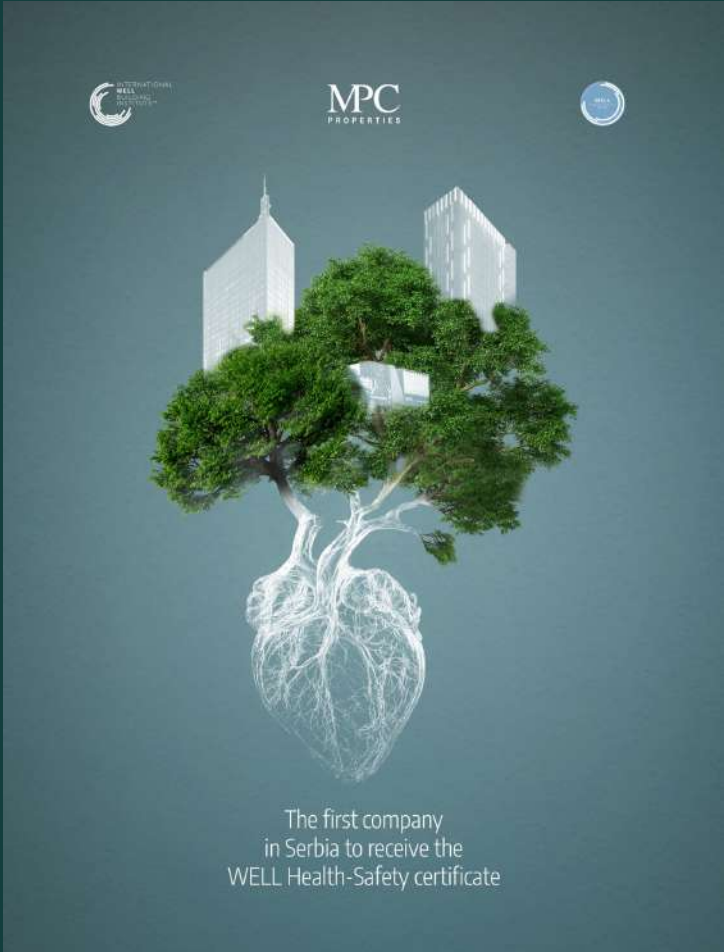
With a holistic and system approach, our goal is to develop a sustainable asset that reduces risk, increases value, and spreads influence and awareness, in the long run.

Green projects are examples of innovative solutions implementing scaled, circular economy processes at the micro level of a building and closed sustainable solutions on the asset level. These projects align with the Green Agenda in Serbia, aiming to reduce GHG emissions and carbon footprints, protect the environment, and promote new sustainable initiatives.

A key green building strategy considers the entire life cycle of a project – from concept, planning, and design to construction and ongoing operations. MPC Properties deals not only with the construction of assets but also with their management and maintenance. By overseeing the entire development process, we ensure that investments in green building systems lead to significant operational savings.

Through the certification process, we enhance facility quality, and with the careful selection of equipment and optimized operation of technical systems, we achieve optimal space comfort. This contributes to lower energy (electricity, heat, cooling) and water consumption, reduced waste, and a minimized environmental footprint, including lower emissions, greater efficiency, and improved waterway protection.

We are committed to a strong Green Agenda, continuously improving our ecological footprint through a structured approach. Our initiatives focus on minimizing carbon impact, implementing water and energy efficiency measures, adopting responsible waste management practices, and fostering sustainable ecosystems.



MPC PORTFOLIO - CERTIFICATES			
ASSET	CERTIFICATE	GRADE	YEAR
RETAIL			
Ušće Shopping Center DOO Beograd	LEED Ebom	LEED Ebom Certified	2014
		LEED Ebom Recertified Gold	2024
	Well H&S	Well H&S Certified	2022
		Well H&S Recertification	2023
		Well H&S Recertification	2024
Shopping Center IV DOO Beograd (BEO)	Well H&S	Well H&S Certified	2022
		Well H&S Recertification	2023
		Well H&S Recertification	2024
	LEED Ebom	LEED Ebom Certification Gold	2024
Delta City 67 DOO Beograd	BREEAM in Use	BREEAM in Use Very Good	2015
Retail Center DOO Beograd (Merkator)	Well H&S	Well H&S Certified	2022
		Well H&S Recertification	2023
		Well H&S Recertification	2024
	LEED Ebom	LEED Ebom Certification	2024
ImmoCentar I DOO Beograd	Well H&S	Well H&S Certified	2022
		Well H&S Recertification	2023
		Well H&S Recertification	2024
Kanem Co DOO Beograd	NO		
Sub Real Doo Beograd	NO		
OFFICE			
Ušće Tower One DOO Beograd	Well H&S	Well H&S Certified	2022
		Well H&S Recertification	2023
		Well H&S Recertification	2024
	LEED Ebom	LEED Ebom Certification Gold	2024
Ušće Tower Two DOO Beograd	BREEAM (design)	BREEAM Excellent (design)	2020
	Well H&S	Well H&S Certified	2022
	LEED (design)	LEED Gold (design)	2016
Navigator Business Center DOO Beograd	Well H&S	Well H&S Certified	2022
		Well H&S Recertification	2023
		Well H&S Recertification	2024
	LEED Ebom	LEED Ebom Certification Gold	2024
	LEED (design)	LEED Gold (design) Gold	2020
GP Seven DOO Beograd	Well H&S	Well H&S Certified	2022
		Well H&S Recertification	2023
		Well H&S Recertification	2024
	LEED Ebom	LEED Ebom Certification Gold	2024
TLD DOO	NO		
MPC Plaza	NO		

WELL HEALTH AND SAFETY CERTIFICATION

MPC Properties was the first company in Serbia to receive the WELL Health-Safety certificate in 2022 for a portfolio of eight business and retail assets, awarded by the International WELL Building Institute (IWBI). This certification focuses on occupant health and safety, underscoring the importance of maintaining the highest standards of building quality and comfort. The certification covers key areas such as:

- Sanitation Procedures
- Emergency Preparedness Programs
- Health Service Resources
- Air and Water Quality Management

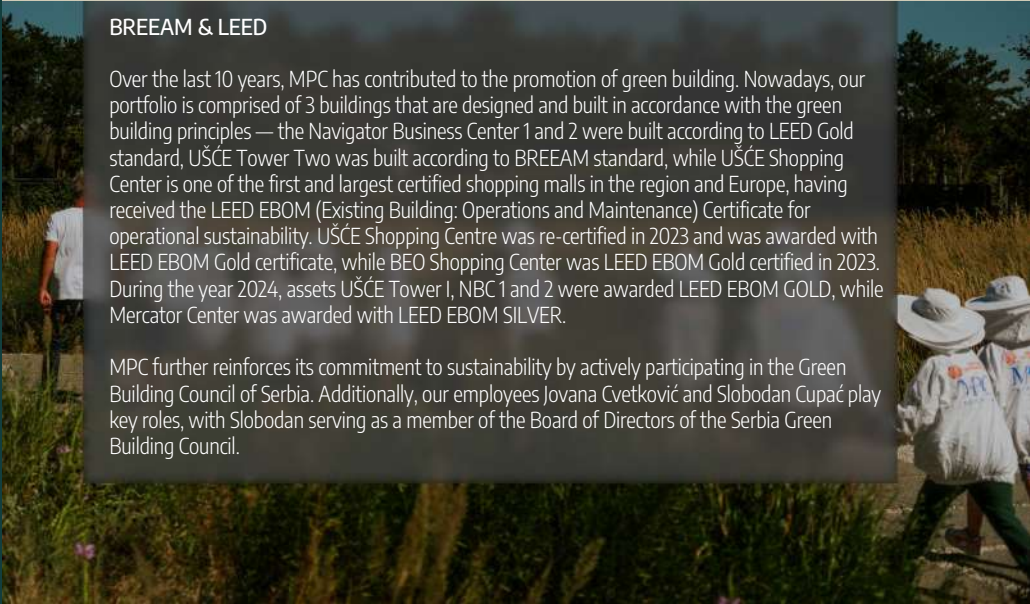
The portfolio was re-certified in 2023 and 2024, marking the third consecutive year of certification. The WELL Health-Safety certificate, issued by an independent institution, confirms that all new and existing buildings under MPC Properties apply the necessary operational management standards – including maintenance, engagement with relevant stakeholders, and the implementation of contingency plans, all with the aim of ensuring a safe, healthy, and secure environment for all users.

The MPC Properties assets that have received this globally recognized certification include: UŠĆE Shopping Center, BEO Shopping Center, Mercator Center Belgrade, Immo Outlet Center, as well as the UŠĆE Tower One and Navigator Business Centre.

BREEAM & LEED

Over the last 10 years, MPC has contributed to the promotion of green building. Nowadays, our portfolio is comprised of 3 buildings that are designed and built in accordance with the green building principles — the Navigator Business Center 1 and 2 were built according to LEED Gold standard, UŠĆE Tower Two was built according to BREEAM standard, while UŠĆE Shopping Center is one of the first and largest certified shopping malls in the region and Europe, having received the LEED EBOM (Existing Building: Operations and Maintenance) Certificate for operational sustainability. UŠĆE Shopping Centre was re-certified in 2023 and was awarded with LEED EBOM Gold certificate, while BEO Shopping Center was LEED EBOM Gold certified in 2023. During the year 2024, assets UŠĆE Tower I, NBC 1 and 2 were awarded LEED EBOM GOLD, while Mercator Center was awarded with LEED EBOM SILVER.

MPC further reinforces its commitment to sustainability by actively participating in the Green Building Council of Serbia. Additionally, our employees Jovana Cvetković and Slobodan Cupać play key roles, with Slobodan serving as a member of the Board of Directors of the Serbia Green Building Council.



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 2024, energy-saving measures continued, including the replacement of existing HVAC equipment with new energy-efficient, installation of additional thermal insulation on the outer envelope of buildings, installation of new and upgrade existing BMS systems, replacement of existing lighting with new LED lighting. These measures resulted in energy savings of 728 MWh, representing a 1% reduction compared to the previous year. Consequently, CO₂ emissions were reduced by 800 metric tons.

Capex Investment 2024 for reduce of GHG emission		
No	Measure	Total EUR
1	BMS EMS improvement	132.000
2	New HVAC Equipment	455.000
3	Replacement of existing HVAC Equipment	55.000
4	New LED lighting	420.000
5	New thermal insulation	150.000
	Total EURO	1.212.000

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

Moreover, in line with its long-term vision, MPC has completed a comprehensive Climate Risk Assessment across its entire portfolio. This strategic initiative helps identify potential vulnerabilities and strengthen resilience to climate-related, regulatory, and market risks. It underscores MPC’s commitment to preserving asset value and ensuring operational continuity in an ever-evolving environment.

These efforts are a clear sign that MPC does not simply celebrate success – it builds upon it with foresight and responsibility.

Looking ahead, MPC has also initiated a transition risk assessment, aligning with the evolving regulatory landscape and decarbonization pathways. This process will allow the company to evaluate potential financial and strategic impacts related to the shift toward a low-carbon economy and ensure it remains agile, adaptive, and aligned with global climate goals.



ENERGY CONSUMPTION WITHIN THE ORGANISATION		2024	MPC
Energy consumption by source	Office	Retail	Total
Fossil fuels (MWh)	647,18	2.465,87	3.113,05
Heating consumption (MWh)	1.307,25	3.773,03	5.080,28
Electricity consumption (MWh)	13.389,17	61.360,92	74.750,10
Total	15.343,60	67.599,83	82.943,43
Renewable energy production	Office	Retail	Total
Electricity produced by PV system and consumed (MWh)	0,00	65,30	65,30
Total	0,00	65,30	65,30

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

ENERGY INTENSITY		2024	MPC
Energy intensity	Office	Retail	Total
Total energy consumption (MWh)	15.343,60	67.599,83	82.943,43
Energy intensity (MWh/m2)*	0,09	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 result in direct or indirect CO2 emissions. Building materials also carry embodied carbon resulting from their mining, processing, manufacturing, transportation, and installation. Since carbon is embedded in nearly every phase of building construction and operation, MPC has launched a decarbonization program to support Europe's ambitious goal of achieving climate neutrality by 2050.

In order to reduce CO2 emissions, in 2024, MPC began purchasing 100% green electricity for all assets as of May 1, 2024, significantly contributing to an overall GHG emissions reduction of 58.535 TCO₂e.

EMISSIONS

Direct emissions (Scope 1)		2024		MPC	
Direct emissions	Office	Retail	Total	% of footprint	
Combustion of fuel - (tCO2e)	0,40	0,24	0,64	0,1%	
Operation of facilities - (tCO2e	149,54	495,42	644,96	99,9%	
Total emissions (Scope1) - (tCO2e)	149,94	495,66	645,60	100,0%	
Indirect emissions (Scope 2)		2024		MPC	
Indirect emissions by source	Office	Retail	Total	% of footprint	
Purchased electricity used for common areas - (tCO2e)	0,00	21.453,18	21.453,18	98,6%	
Purchased hot water for heating used for common areas - (tCO2e)	0,00	312,81	312,81	1,4%	
Total emissions (Scope2) - (tCO2e)	0,00	21.765,99	21.765,99	100,0%	
Indirect emissions (Scope 3)		2024		MPC	
Indirect emissions by source	Office	Retail	Total	% of footprint	
Purchased goods and services - (tCO2e)	456,82	1.103,22	1.560,04	1,5%	
Capital goods (CAPEX)- (tCO2e)	331,75	1.499,99	1.831,74	1,7%	
Fuel and energy related activities - (tCO2e)	272,16	1.209,06	1.481,22	1,4%	
Waste generated in operations - (tCO2e)	347,41	803,87	1.151,28	1,1%	
Business travel - (tCO2e)	137,66	0,00	137,66	0,1%	
Emissions from employee and shopping center visitors - (tCO2e)	2.480,21	34.172,28	36.652,49	35,0%	
Emmissions from tenant's electricity consumption - (tCO2e)	14.714,70	45.982,70	60.697,70	57,9%	
Emmissions from tenant's hot water consumption for heating - (tCO2e)	442,12	820,20	1.262,32	1,2%	
Total emissions (Scope3) - (tCO2e)	19.182,84	85.591,31	104.774,15	100,0%	

TOTAL EMISSIONS (Scope 1, 2, 3)		2024		MPC	
Total emissions by scope		Office	Retail	Total	% of footprint
Scope 1 - (tCO2e)		149,94	495,66	645,60	0,5%
Scope 2 - (tCO2e)		0,00	21.765,99	21.765,99	17,1%
Scope 3 - (tCO2e)		19.182,84	85.591,31	104.774,15	82,4%
Total emissions - (tCO2e)		19.332,78	107.852,96	127.185,74	100,0%

GHG EMISSION INTENSITY		2024		MPC	
Emissions intensity		Office	Retail	Total	
Total emissions (tCO2e)		19.332,78	107.852,96	127.185,74	
GHG emissions intensity (tCO2e/m2)		0,11	0,26	0,22	

GHG EMISSION INTENSITY		2024		MPC	
Ozone depleting substances		Office	Retail	Total	
Emission of R410 A (tCO2e)		0,00	25,06	25,06	
Emission of HFC 134a (tCO2e)		0,00	20,02	20,02	
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	45,08	45,08	

NITROGEN OXID (NOX) SULPHUR OXID (SO2) AND OTHER SIGNIFICANT AIR EMMISIONS		2024		MPC	
Nitrogen oxid (NOx) Sulphur oxid (SO2) and other significant air emmissions		Office	Retail	Total	
Total NOx emmissions (t)		0,00	0,00	0,00	
Total SO2 emmissions (t)		0,00	0,00	0,00	
Total CH4 emmissions (t)		0,00	0,00	0,00	

SOLAR POWER PLANTS

The investment in solar power plant installations on the roof of UŠĆE shopping center initiated an ambition for green energy production in 2023. Aiming to implement this approach across all retail assets with flat roofs, a study was conducted to assess the possible solar energy production capacity that could be achieved once the equipment is installed. The study considered the total flat roof areas available for panel installation, the total number of 570Wp solar panels at each retail asset, and the total expected installed DC power (kWp).

MPC plan to continue investmting in solar panels installations in the coming period.



2023	Area (m2)	Solar panel - 570Wp (pcs)	Installed power of solar plant DC (kW)
Mercator centar Beograd	10.000	3.846	2.192
Delta City	6.300	2.423	1.381
Beo Shopping Center	3.240	1.246	710
Box 1	1.560	600	342
RA	1.000	385	219
Box 2	680	262	149
Ušće Shopping Center	2.970	1.142	651

WASTE MANAGEMENT

MPC Properties conducts its waste management process in accordance with local waste management legislation. At the same time, it develops a long-term waste management strategy designed to protect the environment and human health, conserve natural resources, and minimize landfill waste as much as possible.

Our partner company, Volk Serb d.o.o., implements the Waste Management Plan in accordance with regulatory requirements on behalf of the MPC Properties portfolio. VOLK SERB d.o.o. cooperates with local companies that are registered and hold integral permits for transport, storage, and processing of waste intended for recycling process.

Waste generated by tenants is being managed through "Waste Management Manual", an integral part of each asset's House Rules and an appendix to Lease Agreements across all MPC Properties assets.

In 2023, MPC initiated the development of the Waste Management Master Plan 2024–2030, following the Towards Zero Waste Concept in alignment with the Green Agenda and forthcoming EU waste management strategies.

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 incineration or harmful discharges to land, water, or air that threaten the environment or human health. MPC is committed to integrating this strategy into its waste management plan.

The strategy contains long-term goals and plans for waste reduction and increasing recycling percentage, based on asset analysis and the needs of tenants and visitors. Key objectives include:

- Aligning operational procedures for waste management with existing and future local waste management legislation
- Waste identification
- Defining waste flows
- Communal waste reduction
- Implementation of innovative technologies
- Action plan



According to collected data, 20,33% of total waste generated within MPC Properties is successfully diverted from landfill disposal. Hazardous waste primarily consists of electronic waste, which is transported to a specialized waste treatment facility, where valuable materials such as copper, zinc, and lead are extracted and repurposed. Additionally, 0,20% of total communal waste has been converted into compost. UŠĆE Shopping Center has actively contributed to this effort by acquiring a composting machine in 2022 through a UNDP public invitation for decarbonization, supported by the Embassy of Japan and local government ministries. This initiative significantly reduces organic waste disposal in landfills. In 2024, MPC conducted research on optimal methods for separating organic waste from tenant-operated restaurants at UŠĆE Shopping Center. As part of the preparation process for organic waste separation, specialized organic waste bins were procured to facilitate efficient waste management practices among tenants.

Education plays a vital role in promoting best practices in waste management. In 2024, MPC Properties hosted a compost facility tour within its complex, bringing together representatives from Delhaize to exchange insights, benefits, and challenges related to the composting initiative.

The declaration, registration and packaging of the obtained product are planned for the purpose of distributing compost to visitors to the Usce complex as part of CSR activities and promoting the circular economy.

As part of its commitment to the circular economy, MPC is planning the declaration, registration, and packaging of the composted product, which will be distributed to visitors at UŠĆE Complex as part of its CSR activities.

Municipal waste accounts for 79.88% of the total waste generated within MPC Properties.

MPC Properties is continuously developing a strategy to reduce landfill waste and minimize its environmental impact. This strategy focuses on waste prevention, reducing both the volume and hazardous characteristics of waste, implementing effective treatment solutions, and optimizing waste management processes – including planning, control, transport, monitoring, and education.

Most of the municipal waste in Serbia is disposed of 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 the years 2022-2031, as part of its broader initiative to harmonize waste management policies with EU legislation.

Waste generator	kg
Oil Waste - Oil separators (kg) Note - Index number 19 08 09 / Q list code - Q16	179.660,00
Glass Waste	33.711,00
Cardboar Waste	398.095,00
Electronic Waste - Fluo Tubes	610,00
Regular Electronic Waste	310,00
Paper Waste	/
Plastic Waste	947,00
Metal Waste	/
Total recycled waste	613.333,00
Communal Waste	2.402.739,60
Total recycled waste	3.016.072,60

INNOVATIONS

MPC’s sustainability strategy supports innovative projects – creative and original solutions that complement nature. These initiatives may originate from the local scientific community, startup companies, organizations, or cutting-edge global innovations, fostering a pioneering environment for fresh ideas that positively impact the community.



A.

In February 2024, the project "Smart Systems for Clean Air" was implemented in UŠĆE mixed-use complex. The project was implemented by the Mihajlo Pupin Institute in cooperation with UNDP. It consisted of three elements:

1. Electric floor crossing was installed in the garage of the UŠĆE Shopping Center. The operating principle is turning the kinetic energy of vehicles into electrical voltage using friction effects on rubber pneumatic road vehicles.



2. Street radial air turbine was installed in the space between two UŠĆE Towers and the UŠĆE Shopping Center, the operating principle is based on converting air flow energy into electrical energy.



3. Air purifier system is an energy-neutral system, producing only as much energy as is needed for its process. The system works by drawing polluted air into the chamber with a powerful aspirator, purifying it using a water filter, and then releasing the cleaned air – free from PM particles and dust – back into the atmosphere. Since its installation in February 2024, the system has been running in automatic mode, activating when pollution levels exceed the permitted PM10 threshold of 50. This sensitivity threshold can be adjusted or set via software. Measured results confirm that the system effectively reduces aero-pollution within its protected zone, forming a hemisphere with a radius of 10–15 meters. To assess its efficiency, intensive air pollution measurements were conducted using a portable sensor, tracking pollution levels from the device's core to its outer boundary. Near the purifier, air quality was the cleanest, with pollution levels increasing toward the periphery. However, within the protected zone, pollution levels were 40–50% lower than areas outside the purification range. This system was designed to establish controlled clean-air zones in high-traffic areas, ensuring that individuals can rely on consistently lower pollution levels in designated spaces. The core idea behind this initiative was to establish a "protected zone" in high-traffic areas, ensuring that pollution levels remain consistently monitored and under control.



B. SMART BEAM BENCHES

In collaboration with the startup company STRAWBERRY Energy, the smart beam benches were implemented in 2024 on existing benches at UŠČE plateau. The superstructure consists of a lath and smart beam panel that collects solar energy and uses it to charge the phone battery. Smart beam is a unique product on the global market which also supports the local economy and sustainability concept.



C. IMMO 1 PLAYGROUND

Nature and natural systems have always been an inspiration for design. The inspiration for the arrangement of the Playground in front of the Immo Center was found in important insects, so the basic toys were designed to emphasize the characteristics of spiders, ants, grasshoppers, and worms. The idea behind this design is educational and entertaining. Through play in a creative way, children learn about the importance of insects to nature.



D. MPC GREEN HUB

MPC Green hub was created with the idea of a multifunctional spot in the shopping center, with the aim to promote sustainable projects and provide additional ideas and content in terms of education, key environmental topics and spot on example of sustainability. The kiosk itself is made of strictly recycled materials, with multimedia screens support for presentations and workshops. Materialization:

- ReForm Transition Tiles Eco – used for cladding MPC's sustainability totem, this recycled material is made from processed plastic bottles and fishing nets. It can be recycled and does not have a negative impact on the environment.
- Impact Acoustic Panels – used for cladding vertical elements, these panels offer a wide range of products derived from processed plastic bottles.
- EKO-sistem – used for the seating area, this material is created through the process of recycling waste rubber tires.

Green Hub serves as a gathering place for MPC's business and visitor community, employees, and their children. One example is the honey-spinning event, featuring the presentation: "The Importance of Bees for the Ecosystem and Urban Beekeeping." This session gave attendees a unique opportunity to witness the honey-making process live, learn about how bees are organized, and taste fresh honey straight from MPC Properties' hives.



WATER EFFICIENCY

Water efficiency and the smart use of water resources is the company’s focus. This is achieved through the implementation of water-saving technologies in buildings, carefully planned soft landscaping that extensively incorporates indigenous species, the use of drip irrigation systems, installation of separate water meters, and other measures. Using water efficiently ensures reliable water supplies today and for future generations.

MPC Properties portfolio has 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 currently in the development phase and will support landscape maintenance.

WATER WITHDRAWAL		2024		MPC
Water withdrawal by source		Office	Retail	Total
Third party water (m3)		58.585,00	199.040,00	257.625,50
Groundwater (m3)		0,00	0,00	0,00
Surface and rain water (m3)		0,00	0,00	0,00
Greywater (m3)		0,00	0,00	0,00
Seawater (m3)		0,00	0,00	0,00
Produced water (m3)		0,00	0,00	0,00
Total (m3)		58.585,00	199.040,00	257.625,50

WATER DISCHARGE		2024		MPC
Water withdrawal by source		Office	Retail	Total
Third party water (m3)		46.868,40	159.232,00	206.100,40
Groundwater (m3)		0,00	0,00	0,00
Surface and rain water (m3)		0,00	0,00	0,00
Greywater (m3)		0,00	0,00	0,00
Seawater (m3)		0,00	0,00	0,00
Produced water (m3)		0,00	0,00	0,00
Total (m3)		46.868,40	159.232,00	206.100,40

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

WATER CONSUMPTION		2024		MPC
Water consumption		Office	Retail	Total
Total water consumption (m3)		58.586	199.040	257.626
Water intensity (m3/m2)*		0,34	0,49	0,44

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

ROOF GARDENS

Sustainable green roof gardens within the MPC Properties portfolio provide a healthy environment and a perfect space for building users to relax, while simultaneously contributing to cleaner air, reducing the heat island effect, supporting biodiversity, and fostering a healthier ecosystem overall.

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 is an urban meadow, where maintenance services are minimized, allowing urban biodiversity to flourish.

This solution is a result of an idea to form a sustainable system, which imitates nature in which processes take place without the constant human intervention.

The urban meadow concept involves annual mowing at the end of the growing season. Throughout the year, flower plants provide food for various species of birds and insects. In addition, indigenous species were incorporated into 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 attract different bird species and insects). Extensive vegetation was planted, including herbaceous perennials and annual herbs that provide a colorful mix of flowers blooming at different times of the year, enhancing biodiversity in the area.

This green space continues to evolve, with additional elements such as urban beekeeping, as well as the upcoming implementation of birdwatching and urban vegetable garden projects. The area is used for educational workshops, leisure activities, and various social events.

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 minimal maintenance. It has shallow roots, allowing for a low substrate depth, and it withstands drought, remains resilient against diseases, insects, and pests, and adapts exceptionally well to extreme weather conditions.

In early 2024, the "City for Birds" concept was developed for the area between the UŠĆE business complex. The goal of the project is to create a green space through landscaping that attracts bird species at risk due to urbanization. The introduction of a medium category of greenery, low trees and shrubby species, improves the conditions for bird nesting. Furthermore, the use of useful plants with berries that are a source of food for numerous species improves the conditions for their habitat.

The involvement of space users and the community is of key importance for the formation of multifunctional spaces and education about maintenance and nature-supported solutions. The installation of information boards highlighting the importance of various green spaces within the UŠĆE complex, as well as details about plants, animals, and insects, helps raise awareness among visitors. Furthermore, installing bird feeders and water stations fosters interaction between people and nature.

In 2024, landscape architectural works commenced to develop the space between UŠĆE business complex, and in the coming period, the project will also include the installation of information boards, a resting area for visitors, feeders, and water stations.





VEGETABLE GARDEN

On the green surface of the UŠĆE mixed-use complex, six beds were installed in 2024, featuring a variety of vegetable crops, spices, and flavoured herbs. Urban gardens and vegetable gardens in city environments allow residents to engage with nature through educational experiences. This urban garden serves as a space for recreation, relaxation, and socializing, strengthening community bonds. Additionally, gardening activities can positively impact mental health by reducing stress and other negative emotions.

Our vegetable garden, along with the urban green space, contributes to biodiversity conservation by providing a habitat for various insect, bird, and animal species. The vegetable garden project is designed as an educational initiative, presenting diverse species that people can cultivate in their own gardens. The business environment was specifically chosen to offer users a natural space to unwind after a demanding workday, creating a calming atmosphere for visitors. This urban gardening project is developed in collaboration with CEUS—a professional association of architects and urban planners dedicated to multidisciplinary research, innovation, and development within Serbian and European contexts. The project focuses on year-round vegetable planting, plant care, healthy eating, and urban biodiversity.

BIODIVERSITY

Urban biodiversity enhances air quality by absorbing carbon dioxide from the atmosphere and releasing oxygen, preserving habitats for various species, and contributing to public health. It is a key component of MPC Properties' Green Strategy. An evaluation is conducted to establish the ecological value of each site and its associated area, including biodiversity, ecosystem service benefits, direct and indirect risks to ecological integrity, and the impact of proposed designs, construction, and operations.

During asset development, particularly in the building construction process, a feasibility study is carried out for each MPC asset. This includes an environmental impact analysis and proposes environmental protection measures, depending on the site's type and its proximity to protected areas or regions of high biodiversity value. Each asset follows its own strategy and measures, carefully analyzing and defining its approach to natural and cultural-historical assets, climate impacts, surface and underground water effects, noise and air pollution, flora and fauna protection, soil impact, and ecological suitability assessments, based on lot location. MPC Properties prioritizes the use of native plant species in areas rich in plant diversity, which naturally attract insects and wildlife.

For the existing building operations process, an action plan is developed based on the operational site's size and biodiversity value, as determined by feasibility studies and listings of protected status, such as IUCN Protected Area Management Categories, national legislation, or similar classifications. Sustainable building principles and policies are established to minimize environmental impact, ensuring operations do not harm the ecosystem while implementing strategies that enhance biodiversity. Additionally, through collaboration with various partner companies, NGOs, and start-ups (Snaga bilja, Park 011, etc.), as well as institutions (University of Biology, Botanical Garden, UNDP, AmCham, etc.) and the broader community, we actively promote ecological awareness and drive new initiatives on diverse topics related to ecological value, environmental conditions, and sustainable improvements.

MPC Properties has developed and continues to expand a series of projects aimed at integrating leading sustainable practices into the company's operations. Beyond improving sustainability, these initiatives also promote innovative and creative solutions that enhance community well-being.



BEE THRIVE IN A BUILT ENVIRONMENT

One of our Green Agenda pillars is the preservation of ecosystems, achieved through the introduction of urban beekeeping in collaboration with our partners, the Belgrade Beekeeping Association and Mad Med. With our pioneering approach to the market and commitment to ESG initiatives, we installed 12 beehives on the rooftops of UŠĆE Shopping traMall and Navigator Business Center 2, as well as between UŠĆE Towers. Bees contribute to urban biodiversity by pollinating plants and trees, supporting their growth and sustainability. For this reason, urban beekeeping has proven to be an effective method for cities to enhance ecosystem diversity.

Human activity, particularly pollution and unchecked environmental exploitation, has severely threatened the survival of many species, including bees. Monoculture agriculture limits food sources, while the widespread use of pesticides in cultivated plants further endangers bee populations. Bees play a vital role in the ecosystem, responsible for pollination, food production, erosion control, and oxygen generation. In the past year, 160 kg of honey was extracted as part of this initiative.

The UŠĆE mixed use complex green areas and Park Prijateljstva, located adjacent to it, exemplify how urban green environments can complement each other – creating ideal conditions for the development of bee colonies. Since pesticides are not used in the city for plant treatment, urban areas provide a safer and more supportive habitat for bees. There are around 12 bee colonies in total, thriving within this project's framework. The greatest impact of this project is its role in increasing public awareness, achieved through various workshops involving both children and adults. These programs educate participants about the significance of all urban bees – not just honeybees – and foster a deeper understanding of their role in ecological balance.

Alternative transport and digitalisation of parking system

MPC Properties is committed to fostering sustainable urban development by supporting the transition to low-emission transport. As part of this commitment, the company continues to expand its network of electric vehicle (EV) charging infrastructure across its portfolio, facilitating cleaner, more energy-efficient mobility options for the tenants, visitors, and community.

As part of this initiative, the company's portfolio now includes 67 charging stations for electric vehicles across its assets. To further enhance sustainability, solar panels have been installed on the rooftops of several buildings within the portfolio. These panels serve as a renewable energy source, providing clean electricity directly to the on-site EV charging infrastructure.

This initiative helps reduce dependence on conventional grid energy and lowers operational carbon emissions.. In addition, all properties are equipped with BIKEEP charging and parking stations, which serve electric bicycles and scooters, promoting the use of micro-mobility solutions. This dual approach reflects MPC's strategic focus on reducing the environmental impact of transportation, while shaping the future of urban mobility in the region.

A key milestone in this journey was achieved in 2021, when UŠĆE Shopping Center became the first retail center in the Balkans to introduce a dedicated parking and charging station for electric scooters and bicycles. This pioneering initiative underscored MPC's role as a leader in sustainable retail, as well as commercial real estate development.

Further expansion of the micro-mobility charging network was achieved through collaboration with the startup company Park 011. Together, seven additional charging stations for electric bicycles and scooters were installed at key locations, including the area between UŠĆE Tower I and UŠĆE Tower II, Delta City, Plaza Prima, Navigator Business Center, Mercator Center, Immo Outlet Center, and Beo Shopping Mall. These installations significantly contribute to Belgrade's alternative transport infrastructure and long-term city-wide sustainability goals.

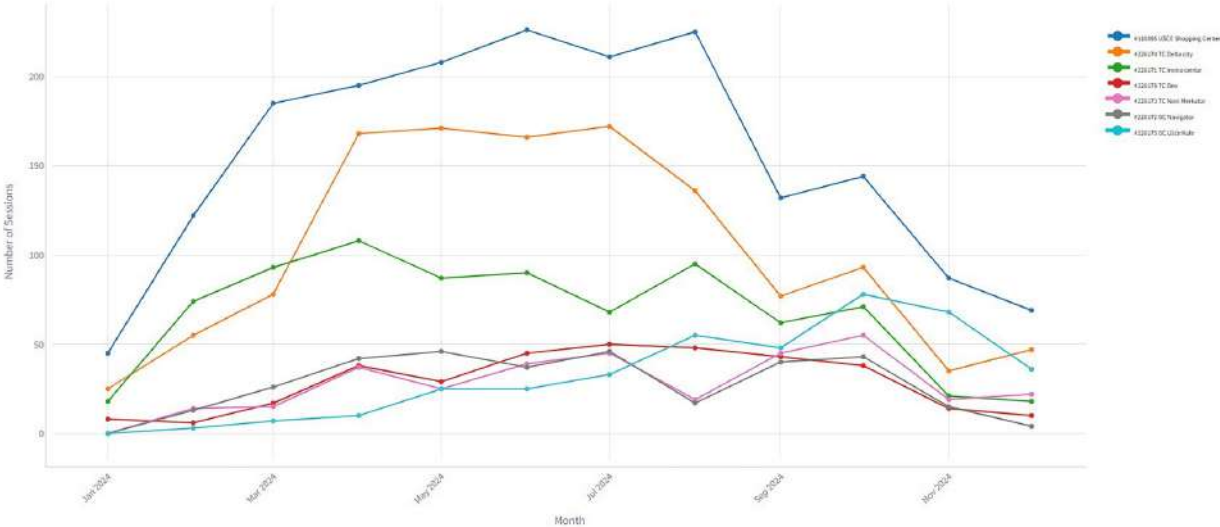
In addition to infrastructure development, MPC is actively pursuing the digital transformation of its mobility services. In partnership with "Lako parkiraj" and "Charge & Go," the company has introduced a mobile platform to simplify the parking and EV charging experience. This solution allows users to access and pay for services through a single application, enhancing convenience while supporting the broader adoption of electric mobility. To ensure continuous improvement and measure the impact of its initiatives, MPC Properties actively tracks key statistics for every charging station in its network. The company tracks key performance indicators such as the number of charging sessions, total hours of use, and estimated CO₂ emissions avoided. These metrics offer valuable insights, guiding future improvements and highlighting the measurable environmental benefits of MPC's infrastructure.

Through these efforts, MPC Properties not only supports the global shift toward sustainable transport but also demonstrates its strategic commitment to environmental responsibility, innovation, and the development of resilient urban communities.

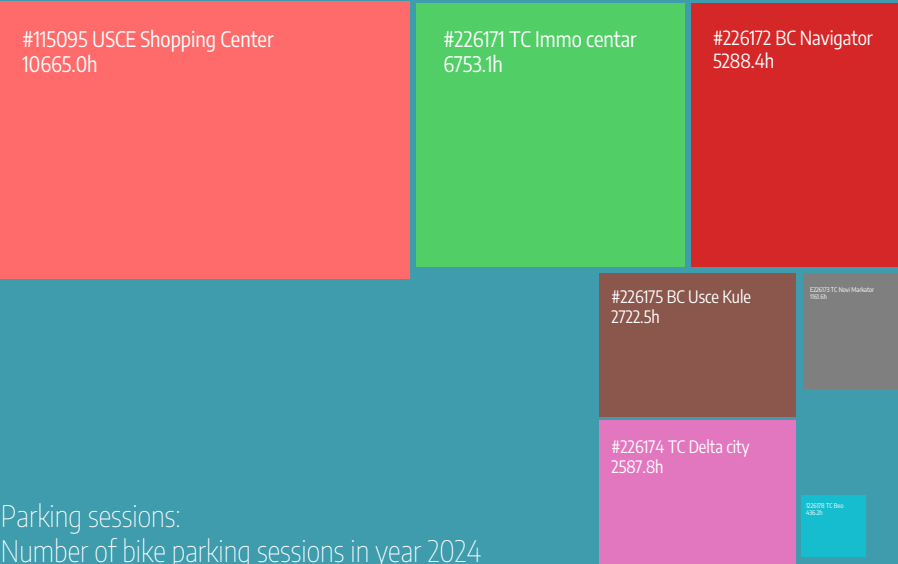


Usage of charging/parking station for electrical bicycles and scooters for 2024			
2024 in detail	Units	Quantity	Calculations
Total Sessions	no	5,890	
Total Parking Time	h	46,173,9	
Cycling Distance Added	km	11.780	Total Sessions × Average Cycle Distance Shows the total kilometers cycled
CO Emissions Avoided	kg	5.654	Vehicle Distance Avoided × CO, Emissions per km Calculates the total CO, emissions prevented
Health Benefits	€	29.450	Total Sessions × Benefit Cost per Visit Calculates the monetary value of health benefits from
Vehicle Distance Avoided	km	29.450	Total Sessions × Average Vehicle Trip Avoided Estimates the car kilometers saved
Air Pollution Savings	€	2.945	Vehicle Distance Avoided × Air Pollution Cost per km Estimates the monetary value of reduced air pollution
Petrol Saved	l	2.356	Vehicle Distance Avoided × Vehicle Fuel Efficiency Estimates the total liters of petrol saved

Utilization of charging and parking stations for electric bicycles and scooters across retail and office assets:



Parking time:
Total duration of all parking sessions



Parking sessions:
Number of bike parking sessions in year 2024



Information on electric car chargers in retail and office assets:

Number of charging stations in office and retail assets		
Asset	Unit	Total charging station
Usce Shopping Center	pcs	2
BEO Shopping Center	pcs	8
Mercator Centre Belgrade	pcs	2
Immo Outlet Centre	pcs	1
Navigator Business Center	pcs	4
Navigator Business Center 2	pcs	25
USCE Tower One	pcs	25
USCE Tower Two	pcs	

Source: Company Bikeep Inc.

UŠĆE EKO FEST

UŠĆE EKO FEST 24 (UEF) is an environmental festival in Belgrade, dedicated to environmental protection and promoting sustainable habits. First held in 2023 at the Ušće BeeZ Square (plaza within the Ušće Business Complex), the festival returns annually with an interactive program for all generations. Through educational workshops and creative activities, it brings together experts and inspires individuals and communities to contribute to nature conservation.

In 2024, the festival hosted workshops on bees, medicinal plants, birds, and urban wildlife. Visitors created instruments from recycled materials, upcycled old items, revived old T-shirts with wool, and turned old denim into new clothing. Through experiments, they explored the unique properties of water, learned about the circular economy and recycling, while part of the program focused on urban gardening and sustainable eating.

SOCIAL IMPORTANCE AND PROGRAM CONTENT

The festival offers a rich program tailored to all ages and interests:

Creative recycling workshops – Redesigning clothes, upcycling old items, and artistic painting of recycled materials enable creative recycling.
Urban agriculture workshops – Alongside beekeeping and urban gardens, we have also implemented an urban vegetable garden project. The urban vegetable garden provides opportunities for educational programs on urban biodiversity, which is one of MPC Properties' key goals. At UEF25, visitors learned about biodiversity and the importance of green spaces in cities. The workshop offered education on sustainable plant cultivation and biodiversity preservation.

Educational content – An exhibition on the circular economy and a workshop titled "The World of Wonderful Plants" introduced seven essential medicinal plants for every home pharmacy. Participants learned to identify, cultivate, and use these plants for health preservation, emphasizing natural methods of disease prevention.

Art and eco-fashion – Using felting techniques and wool from domestic sheep, old and new T-shirts were revitalized with vibrant designs and slogans. This workshop reminded participants of the importance of traditional materials in modern design.

Urban Beekeeping – A workshop dedicated to bees allowed participants to learn about their lives, habits, and role in the ecosystem. The program involved a tasting of bee products and a tour of beehives located between the towers, where participants wore protective suits.

Educational workshops for children – Part of the festival was focused on educating the youngest participants through interactive workshops about bees, their importance to plants and nature, and how everyone can contribute to their conservation.

UŠĆE EKO FEST is much more than a festival – it is an initiative driving a sustainable future through education and creativity. The festival connects people and provides a space for interaction and the exchange of ideas on ecology and sustainable development. One day, one place, many green topics.

UŠĆE
EKO FEST 24

Sastanak na
poznatom mestu,
vidimo se na Eko Festu

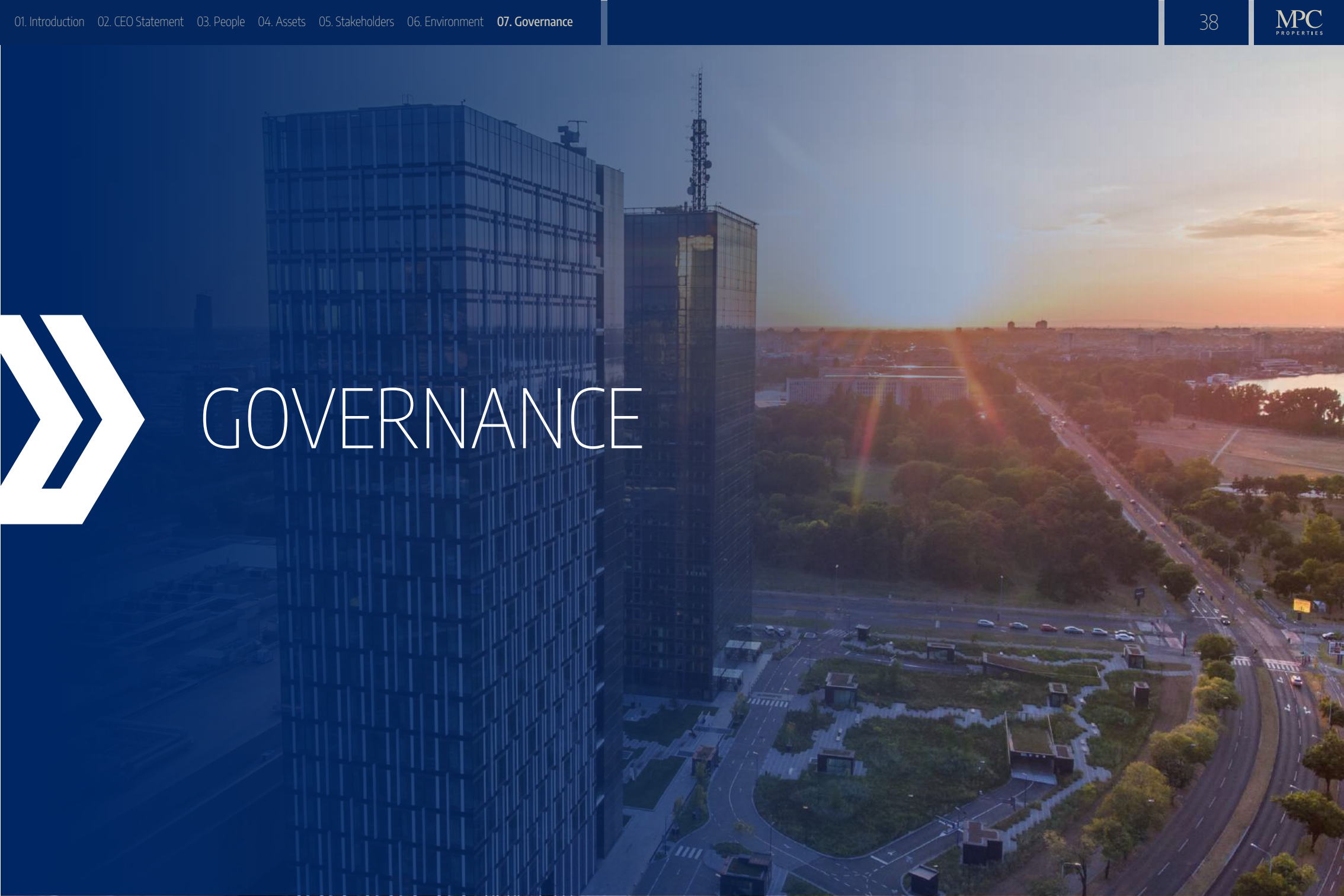


Plato između Ušće kula, 14-15. septembar





GOVERNANCE



GOVERNANCE

Balkans Real Estate B.V. (BRE BV), is a private limited liability company incorporated under the laws of The Netherlands, with its registered office at Prof. W.h. Keesomlaan 1 Kamer 4.14, 1183 DJ, Amstelveen. BRE BV is a majority owner of venture company BreAtt BV, which is a private limited liability company incorporated under the laws of The Netherlands, with its registered office at Prof. W.h. Keesomlaan 1 Kamer 4.14, 1183 DJ, Amstelveen.

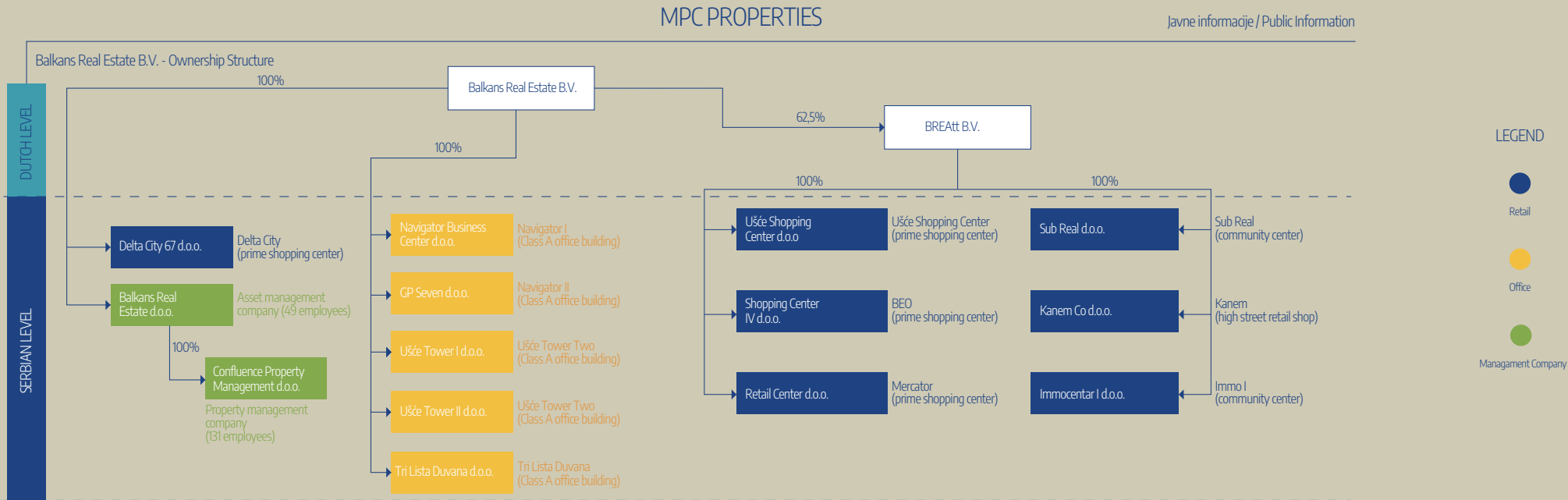
BRE BV and BreAtt BV operate under the trade name of “MPC Properties”.

The Company had Merrill Lynch as a minority partner from 2007 to 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, the corporate governance structure of Serbian companies was changed, by way of introducing two tier system of governance. All Serbian real estate companies now have a Supervisory Board with mostly supervisory and advisory role in strategic matters, consisting of three members (no independents), and Chief Executive Officer.



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

MPC Properties' operations in Serbia are managed by the local management team, led by Ms. Pinar Yalçinkaya, who serves as the CEO of MPC Properties and the sole director of all Serbian companies within the MPC Properties Group.

Asset management services are performed by the company Balkans Real Estate Ltd Belgrade. Property management services are performed by the company Confluence Property Management Ltd Belgrade, which, as of 2023, is owned by Balkans Real Estate Ltd Belgrade.

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 the audit contract with the firm Reanda Audit & Assurance B.V. The external audit process itself is independent of the company's senior management and employees and is carried out in full compliance with the instructions and requirements of the external audit.

The highest governance body is nominated and appointed 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, ensuring no gender, social, ethnic, or age discrimination. The selection process involves multiple interviews, skill and competency assessments, and thorough verifications, while top management and other key personnel are consulted before finalizing the choice.

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; approval of any indebtedness and issuance of securities, entry 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 the CEO and professionals within their respective areas of expertise. The CEO, top management, and professional experts provide regular reports (on a weekly and monthly basis) to the highest governance body on both routine and exceptional matters.

The highest governance body is not a senior executive. The senior executive is Pinar Yalçinkaya, who is the CEO of the MPC Properties in Serbia and is a sole director of all Serbian companies within the MPC Properties Group.

The highest governance body reviews the analyses of current ESG strategy and methods 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, the Organization relies on professional advisors and consultants when drafting policies. The highest governance body holds regular board meetings focused on ESG principles. Policies are communicated via email to all employees, promoted to business partners on social media, and distributed through promotional materials (such as New Year's gifts). Additionally, workshops are organized for partners and tenants.

The CEO implements the policies in everyday operation alongside senior/top management, who are responsible for executing the policies within their departments and delegating specific tasks to employees. Trainings and workshops are regularly organized for all employees. The procurement process is conducted in full compliance with adopted policies, while all tender participants must adhere to the Organization's applicable policies to qualify for participation.

The fundamental policy of the Organization is based on its full commitment to regulatory compliance. This principle is emphasized and promoted to each of employee by the highest governance body and the senior management.

Management company – BRE (Asset Management) provides expert advice and strategic oversight in monitoring and managing assets (including supervising day-to-day property management services provided by the Property Manager).

48 (average) employees
Founded in 2002
Also provides real estate development services
Developed and manage over 30 projects with a total gross buildable area of approximately 1.500.000 sqm
BRE-managed assets encompass the company's overall business operations (corporate, accounting, tax, finance, real estate, compliance, insurance, legal, etc.)

Confluence Property Management (Property Manager) offers expertise in daily property management, bringing extensive experience and specialized skills.

131 (average) employees
Founded in 2009
Services provided:
• Property Management
• Facility Management and Technical Maintenance
• Leasing and Pre-leasing
• Project Management
• Tenant Coordination
• Marketing & PR Services
• The properties managed by Confluence include all shopping centers and office buildings.



48 employees



Founded in 2002

Asset Management
Company – BRE



131 employees



Founded in 2009

Property Management
Company – CPM

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
- Refinancing
- 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 – investing in energy-efficient and green building systems to achieve significant operational savings./ 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, and Public Relations (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 primary clients are the tenants of the spaces we lease. Indirectly, in the retail segment, our customers include all visitors to our shopping centres.

Leasing

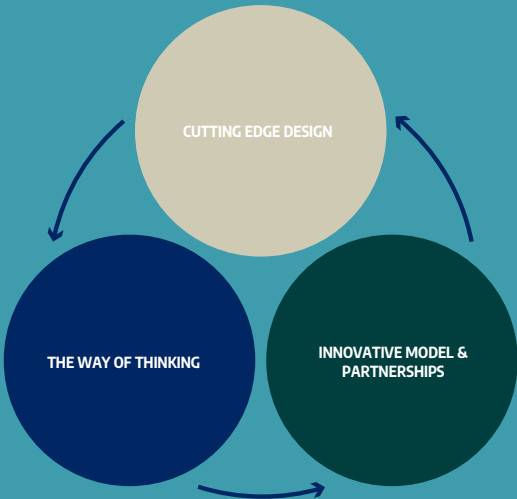
The strategy is to balance demand and supply by anticipating the type of space the most desirable tenants seek and their willingness to pay, while also fostering long-term relationships with current and potential market entrants. MPC applies this approach across all aspects of its leasing practice, utilizing detailed tenant mix strategies, optimal tenant placement analyses, and an innovative approach to deliver a strategic, proactive leasing model that meets both short-term needs and long-term goals.

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

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

What makes us unique?

Our competitive advantage on the market



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 combines the principles of business administration, engineering, information technology and architecture into a unified approach, with a focus on preventive and corrective maintenance and energy management. FM services ensure the safe, uninterrupted, and efficient operation of buildings while preserving the integrity and value of 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 lies in offering a comprehensive Asset Management and Development service with a 'turn-key' solution. From the acquisition phase to asset construction, MPC provides a full range of Property and Facility Management services to ensure seamless operational business management. The strategy is to deliver a unique, high-quality service – one unmatched by competitors in the region. MPC Properties is a pioneer in innovative business approach in 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. To achieve this, the business model drives innovation and development through strategic capital investments, including timely renovations, asset redevelopments, the introduction of new retail concepts and formats, and the expansion of 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, which aligns with the established values and principles of socially responsible business conduct.

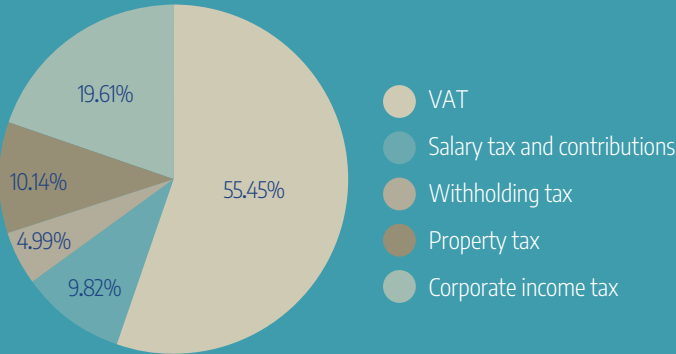
As a significant taxpayer, the company consistently meets tax obligations, regularly reconciling balances with tax authorities and ensuring all tax liabilities are calculated and paid promptly.

Tax returns are prepared and submitted in strict compliance with legal regulations, involving form completion, data verification, notarization, and submission 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 inspections by the Tax Administration, the company ensures full cooperation with the competent tax authorities.

Last year, the Company invested the total of EUR 1.212k in mitigating climate changes and reducing GHG emissions.

The total tax paid during the reporting period amounted to EUR 28.2 million, distributed as follows:



VAT	Salary tax and contributions	Withholding tax	Property tax	Corporate income tax
55.45%	9.82%	4.99%	10.14%	19.61%

Economic performance

In 2023, Balkans Real Estate B.V. generated direct economic value amounting to EUR 102,998k, mainly through rental revenues:

BALKANS REAL ESTATE B.V.	AMOUNT
Revenues from lettings	94.820
Other operating income	3.720
Change in fair value investment property	3.527
Other income	931
Direct economic value generated	102.998

Note: The amounts are given in 000 euros



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. The 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 focuses on evaluating all potential risks relevant to our business operations, while embracing new opportunities from them, showing a clear commitment to ESG policies' implementation.

A shortage of sufficiently skilled human resources could negatively impact our business operations, potentially leading to a decline in company value. Human capital is very important to our company and therefore many actions are undertaken to foster it.

MPC Properties has appointed Ms. Jovana Cvetković, Director of Development, TO, and Innovations, to develop a comprehensive long-term ESG strategy and integrate it into the company's business model.

JOVANA CVETKOVIĆ

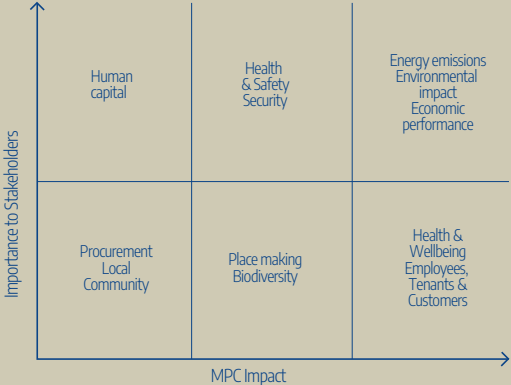
Our business has a far-reaching impact on the market in which we operate, making it essential to develop and implement projects that contribute to the well-being of our occupants and the broader community we serve. We believe that expanding the understanding of value in the real estate sector is necessary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

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 a value-added approach, our goal is to empower placemaking, foster connections, and create expert networks that inspire and support local communities. This effort underscores the urgency of addressing key environmental challenges, such as recycling, waste and water management, the circular economy, decarbonization, CSR initiatives, and more.

Jovana Cvetković
Chairman of ESG Committee



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

ESG TASK FORCE

The Company ESG Committee 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. The members of the cTask Force are:

1. Sanja Rubeša, Operation Project Manager
2. Radoman Vraneš, Senior Project Manager
3. Andrej Cupač, Lead Facility Manager
4. Aleksandra Petrović, Business partner for procurement
5. Kristina Mandić, HR Manager
6. Jelena Jerinić - Barač, Independent Manager for Development & Project Management.

The ESG Task force is chaired by Slobodan Cupač, Head of Technical Operations and Facility Management. Its mission is to plan, implement, and oversee ESG projects and initiatives across MPC Properties. This includes assessing the company's impact on the environment, society, and governance practices while setting strategic 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. The Task Force 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).

The dedication of our colleague Sanja Rubeša, Operation Manager, were recognized within ESG Task force for the MPC ESG Champion Award 2024, a testament to her outstanding commitment to advancing our environmental, social, and governance (ESG) goals. Sanja has consistently demonstrated a proactive and thoughtful approach to integrating sustainability into our operations, driving meaningful change, and fostering a culture of responsibility across teams. Her leadership, dedication, and passion for creating a more sustainable future make her a true champion of our ESG values.

Our company upholds principles of morality, gender equality, human rights, and diversity. Its operations are founded on high moral and ethical standards, which apply to all stakeholders and business processes. The organization promotes values of vision, transparency, agility, and team spirit, ensuring that all employees are actively involved in defining and adopting these principles. 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, these policies are developed with the expertise of professional advisors and relevant consultants. The highest governing body regularly has board meeting in alignment with ESG principles. Below is the list of topics and activities designed to prevent and mitigate potential negative impact for each material topic.

The 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, empowering them to reach their full potential. Every employer is expected to treat all employees with equal respect and dignity, regardless of gender, race, ethnic background, sexual orientation, or disability status. We take pride in maintaining equal representation of women within both our board of directors and the entire organization.





MPC Properties is aware of growing 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 aligning with Climate Action (SDG 13) and Clean Energy (SDG 7), while also strengthening social aspect by empowering placemaking for community we're gathering. As a real estate developer and operator, we acknowledge the importance of managing climate action, engaging all our stakeholders in our efforts to mitigate climate changes. The Company set the KPI's with clear targets for the reduction of GHG emissions, implementation of renewable energy sources, alternative modes of transportation, introduction of innovative tech solutions, promoting circular economy, and organizing educational programs.

The Company is in the process of providing green certifications and recertifications for all assets in the portfolio. Since limited engagement with the local community may pose reputational risks and the potential loss of vibrancy due to population decline (migration), the company prioritizes activities that strengthen local community ties. We demonstrate our commitment by contributing to local security, creating optimal space comfort for our occupants and our business boosts the local economy.

We embrace innovative solutions, including scaling the circular economy within the built environment – favouring existing building retrofits and prioritizing the reuse and recycling of materials on-site.

All innovative projects are implemented in accordance with multi-step tender procedures, ensuring transparency and supporting anti-corruption measures. These procedures integrate global and local best practices into the company's operations, mitigating risks and strengthening the governance (G) aspect of ESG.

As our company strategy is human-centric, the health and well-being of occupants in our assets remain our basic mission.

Therefore, MPC initiated the process and received in 2023 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 serve as an independent validation that all new and existing buildings adhere to operational management policies that include strict maintenance protocols, stakeholder involvement, and contingency planning, ensuring a safe, healthy, and secure environment for all users.

Our intention is to contribute to Sustainable Development Goals through our approach to Materiality. Given the company's field of expertise and activities, we actively contribute to the following SDGs, with further details presented in the GRI Content Index.

Procurement Strategy and Sustainable Practice

MPC Properties' procurement strategy is a partnership-based approach – we focus on long-term relationships with local suppliers who are most compatible with the company's objectives. Our strategy is about developing the right partners and enhancing the value creation of the existing partners, through changing the construct of the traditional buyer-supplier relationship and fostering collaborative relationships with key suppliers.

MPC Properties continuously expands its list of bidders and actively scouts new suppliers through an intensive market research process and a structured prequalification process for strategic and high-value procurements. Additionally, we engage with the local market community to ensure a stable procurement system that benefits our employees, tenants, and communities.

We closely monitor 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, maintain collaboration with suppliers in areas such as research and development, and ensure all procurement activities align with our environmentally responsible strategy.

The key new major-impact suppliers in the reporting period, as well as the most important suppliers from a strategic perspective, were reviewed according to social and environmental criteria.

To support smaller suppliers, appropriate assistance is provided to help improve their business performance in alignment with ESG criteria.

No significant adverse impacts were identified.

At this year's ProcureCon conference in Barcelona, MPC Properties showcased its commitment to integrating sustainability into procurement practices by presenting on the transformative power of sustainable sourcing and supplier engagement. The presentation emphasized procurement's pivotal role in supporting the company's long-term ESG strategy and aligning with international sustainability standards. A key theme of the event was the achievement of harmonious balance between environmental, social, and governance (ESG) objectives and maintaining operational efficiency, which is the approach that MPC Properties actively pursues by embedding sustainability criteria into supplier selection, risk management, and value chain collaboration. This initiative reflects our dedication to responsible business conduct and continuous improvement in sustainable procurement, in line with the GRI Standards and our material topics.

Supplier Environmental Assessment

MPC carefully selects the partners and assesses all suppliers. The supplier assessment process is conducted regularly to determine the extent to which a Supplier/Contractor meets the HSE criteria for safe and environmentally responsible operations. The questionnaire covers a wide range of environmental-related questions, and based on the responses, the company evaluates whether the Supplier/Contractor qualifies to receive the status of "Qualified Contractor from an Environmental Perspective." The minimum requirements for HSE and fire protection are legally binding.

Supplier Social Assessment

MPC's procurement strategy includes a review of each supplier's management policy through an assessment that determines the extent to which the Supplier/Contractor meets criteria for socially responsible business practices. The questionnaire covers a wide range of social responsibility-related questions, and based on the responses, the Company evaluates whether the Supplier/Contractor qualifies for the status of "Qualified Contractor from a Social Perspective."

In alignment with the principles of sustainable business and our commitment to ESG (Environmental, Social, and Governance) standards, during the reporting period, we prioritized collaboration with suppliers that demonstrate verified sustainability practices. Specifically, in the USC reconstruction project, key vendors were selected based on their compliance with ESG requirements and their ability to provide certified materials and services.

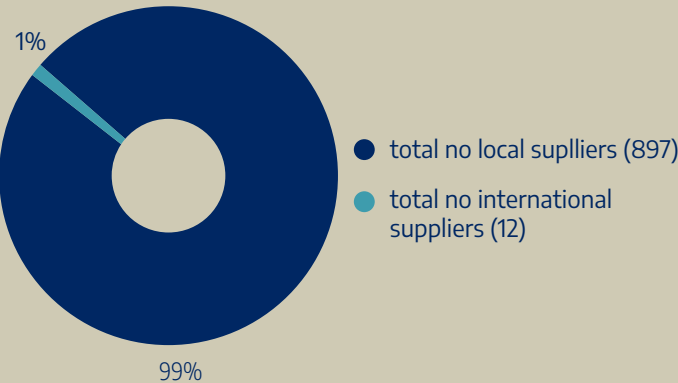
Proportion on Spending on Local Suppliers

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

We view our local partners not only as key collaborators in the procurement process but also as contributors to green manufacturing and environmental protection.

Below is the distribution of local and international suppliers, based on paid invoices in time frame from 01/01/2024 to 31/12/2024.

A local supplier is defined as a business entity registered in Serbia, where 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's simplified framework for sustainable design in procurement consists of the following phases

1) 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.

2) 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.).

3) 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.

4) Contract Management Phase:

Performance Monitoring: Track 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.





5) 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.

6) 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.

7) 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 promote green and social oriented business procurement model, which prioritizes environmental preservation efforts, our criteria are aligned with this operating model.

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

VENDOR SITE VISITS

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 encourages dialogue and collaboration, facilitating the exchange of ideas, sharing of best practices, and joint problem-solving to enhance sustainability performance across the supply chain.

Site visits help identify potential sustainability risks, 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 assessments that evaluate supplier compliance with sustainability-specific requirements.

Supplier site visits are applied to critical suppliers within MPC’s supply chain – those whose products or services significantly influence ESG performance, quality, efficiency, or business competitiveness.

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, promote sustainable resource management, and uphold 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: Suppliers subject to higher risks, such as geographical instability, political or economic uncertainty, quality concerns, or ESG compliance issues, require careful evaluation. Site visits play a crucial role in identifying potential problems and managing risks effectively.

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

Innovative Suppliers: MPC seeks 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, encompassing an analysis of corporate structure and reporting. In the realm of innovation, investigating how suppliers leverage technologies and innovative practices contributing to sustainability is crucial.

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 minimal environmental, social, and governance implications. These suppliers may already implement sustainable practices or have limited influence on your business.

Medium Risk/Impact: - Suppliers with moderate ESG risks or impacts. While some sustainable practices are in place, certain areas 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 selecting business partners, we prioritize those who share our commitment to continuously enhancing standards and actively striving to meet them.

Before we work together with any potential new business partner, we request their Sustainability Assessment. If they don’t have this type of evaluation, we provide our assessment for them to complete.

Full transparency in sustainability data and collaborative sharing of sustainability performance metrics enable us all to ensure meaningful impact.

Just as we openly share data related to our Sustainability Commitment with partners, we expect them to do the same.

CODE OF CONDUCT

MPC Properties has been recognized for its responsible approach to 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 that establishes fundamental principles, and compliance with this Code is an essential aspect 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 adhere to this Code and make reasonable efforts to encourage those they work with to uphold integrity and ethical behavior.

Doing the right thing, however, goes beyond simply following the rules, as it requires strong judgment. Not all situations come with explicit guidelines, nor can this Code address every decision or dilemma that may arise. This is why, in all of our decisions, we are guided not only by applicable laws, regulations, and internal guidelines, but also by the principle of doing what is right.

REPORT MISUSE

MPC is committed to fostering an environment where employees and visitors feel comfortable sharing their views and raising 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 available for raising concerns, including line managers, the Legal department, and Human Resources (HR). Employees are encouraged to reach out to their line managers or the HR department regarding concerns, suggestions, or questions about their jobs, working conditions, or the treatment they or their colleagues receive.

In case of some misuse or violating the Law, employees should contact the HR department directly.

Visitors can report concerns via telephone, an online web form, or email, specific to each asset. Reports may also be submitted anonymously.

ANTI-BRIBERY AND ANTI-CORRUPTION

In all aspects of our business, we understand legal requirements and internal guidelines and strive to comply fully with them. We maintain an unwavering commitment to fair and responsible business conduct, actively preventing and detecting potential misuse of our products and services for illegal, criminal, or unethical purposes.. MPC is dedicated to ethical business practices and strictly prohibits all forms of bribery and corruption by employees and representatives, as well as any 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 or internal anti-corruption policy.

We comply with applicable laws and our Anti-Bribery and Anti-Corruption Policy, ensuring that political, charitable, and similar contributions and sponsorships made by MPC are never used, nor perceived as being used for any illegal, criminal, or unethical purpose.





Sustainability Report

2024



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